

## CHARTERED TAX INSTITUTE OF MALAYSIA

Minutes of the 24<sup>th</sup> Annual General Meeting (AGM) held on Saturday, 18 June 2016 at 9.30 a.m. at the Ballroom, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur.

<b>Present:</b>	Mr Aruljothi a/l Kanagaretnam (Chairman) Ms Seah Siew Yun Mr Poon Yew Hoe Mr K. Sandra Segaran a/l Karuppiah Prof Dr Jeyapalan a/l Kasipillai Ms Phan Wai Kuan Mr Ong Chong Chee Ms Renuka Thuraisingham Mr Nicholas Anthony Crist Ms Yeo Eng Ping Puan Farah Binti Rosley Ms Goh Lee Hwa Datuk Harjit Singh Sidhu a/l Bhagwan Singh Mr Lai Shin Fah @ David Lai
<b>Absentwith Apologies:</b>	Mr Thanneermalai a/l SP SM Somasundaram Mr Koong Lin Loong
<b>In Attendance</b>	Mr P Thomas Simon - Executive Director  Ms Cynthia Louis - Company Secretary Ms Jegajothy Jeganantham - representing Corporate Partners (Asia) Sdn. Bhd.
<b>By invitation</b>	Mr Jeremy Kong - representing Messrs Morison Anuarul Azizan Chew Mr Aaron Lee - representing Messrs Morison Anuarul Azizan Chew Ms Cheang Siow Voon - representing Boardroom Corporate Services (KL) Sdn. Bhd.
<b>Members' Attendance</b>	A total of 68 members attended as recorded in the attendance register.
<b>1.</b>	<p><b>CALL TO ORDER</b></p> <p>The Chairman called the meeting to order at 9.45 a.m. instead of 9.30a.m. to enable the members to have sufficient time for registration.</p> <p>It was highlighted that registration had been opened that morning from 8.30 a.m. to 9.30 a.m.</p>

2.	<p><b>NOTICE OF MEETING</b></p> <p>The Chairman informed the members that the notice convening the 24<sup>th</sup> Annual General Meeting (“AGM”) had been sent to the members in accordance with the Institute’s Articles of Association. There being no objection on the validity of the Meeting, the notice of the meeting was taken as read.</p>
3.	<p><b>DETERMINATION OF QUORUM</b></p> <p>Having confirmed with the Company Secretary that there was a quorum present in accordance with Article 48(1) of the Institute’s Articles of Association, the Chairman called the meeting to order at 9.45 a.m.</p> <p>Before proceeding with the Agenda for the Meeting, the Chairman informed the members that there was a spelling error in Mr Lim Fang Hau’s name on page 6 of the Minutes of the 23<sup>rd</sup> Annual General Meeting which had been recorded as “Lim Fang How”. The Chairman apologized for the error.</p> <p>The Chairman also highlighted that there was a print error in the Annual Report on pages 23, 25 and 41 that makes reference to the “2016 Annual Report” when it should read as the “2015 Annual Report”.</p>
4.	<p><b>PRESIDENT’S ADDRESS</b></p> <p>The President informed that 2015 had been an eventful year for CTIM. GST was implemented on 1st April 2015 and as expected a number of implementation issues and clarifications were raised and sought by members. These issues were raised with the Royal Customs Department (“RMCD”) by CTIM and RMCD had clarified many of these issues by way of the Director General’s decision. On the current issue regarding renewal of GST Agent’s License, CTIM had brought up the issue with the Deputy Minister of Finance, Dato’ Chua Tee Yong and followed up with a letter to Ministry of Finance, GST Division. Initially some member’s renewals were rejected for not complying with the renewal conditions. After CTIM’s intervention it was noted that the renewal has been put on hold whilst the issues raised are being studied.</p> <p>During the year 162 new members were recruited compared to 131 in 2014. The net increase was only 115 as compared to 95 in 2014 as 47 members had been removed for defaulting in payment of subscription. As at 30 April 2016 there are 3,378 members.</p> <p>The President further briefed members on activities undertaken by the various sub-committees. He informed that the Education sub-committee was working towards the preparation of study manuals. The 3 Technical Committees were also busy throughout the year engaging with the authorities to discuss and resolve technical and operational issues.</p> <p>He also informed that the CPD Committee had put in a lot of effort in organising the CPD events and GST courses as detailed in the Annual Report.</p> <p>The National Tax Conference was successfully organised with the Inland Revenue Board on 25-26 August 2015 and the GST Conference with RMCD on 31 May – 1st June 2016.</p>

Members were informed that the Examination Committee held its examinations twice in June and December 2015 and 19 students had obtained the CTIM Tax Technician Certificate during the year.

The Public Practice Committee conducted dialog sessions at various CTIM Branches and brought up membership issues to the relevant authorities.

Four issues of the Tax Guardian which carried a wide range of articles focusing on recent developments both locally and internationally had been published by the Institute. The President expressed his encouragement to the members to contribute more articles.

The Institute had a total of 20 employees as at 31 December 2015 with no additional recruitment or resignations for the year 2015. A performance bonus of between 1 to 2 months had been paid to the employees for the financial year ended 31 December 2015.

During the year an Election Committee had been set up to look into the election process. The Committee had re-organised the entire election process in accordance with the provisions in the Articles of Association of the Institute. The proxy form, ballot paper and postal ballot papers were regarded as 3 independent forms as opposed to the previous years when there the ballot paper and proxy forms were combined into one document. The ballot papers issued upon registration at the Annual General Meeting were not serially numbered but barcoded by an independent poll administrator, randomly. The postal ballots however were serially numbered as required under Article 49(2) of the Memorandum and Articles of Association of the Institute.

On members voting eligibility, the Chairman highlighted that Article 56 precludes members who have not settled the memberships fees by 30<sup>th</sup> April from voting at General Meetings and accordingly the same had been implemented for the 2016 Annual General Meeting. Notice to settle membership fees by 30<sup>th</sup> April had been communicated to the members by various methods so that they would be eligible to vote at the meeting.

For purposes of good governance, an independent body Boardroom Corporate Services (KL) Sdn. Bhd. (“Boardroom”) had been appointed to handle the entire AGM proceedings commencing with:

- a. Receiving request of postal ballot paper by members
- b. Posting of Annual Report/proxy forms
- c. Posting of ballot papers to members in benefit
- d. To received postal ballot enclosed in sealed envelopes and slotting them into sealed ballot box unopened that would be opened on AGM day.
- e. Receipt of proxy forms submitted not less than 48 hours before the time appointed for the AGM.
- f. To verify proxy forms that it complies with the requirements as the M & A.
- g. Man the registration counters, register the members and issue ballot papers to the member plus his registered proxies.
- h. Conduct the poll administration
- i. Counting the votes
- j. Announcing the results



	<p>He then invited Ms Cheang Siow Voon (“Ms Siew Voon”) from Boardroom to brief the members on the number of proxies received.</p> <p>Ms Siow Voon informed the members that 610 proxies had been received out of which 501 represented valid proxies.</p> <p>From the 10 postal ballots requested and posted out only 7 had been returned.</p> <p>On the question raised by Mr Venkiteswaran Sankar (1769) on the reason that 109 proxies had been invalidated, Ms Siew Voon informed that the proxy forms were invalidated as Members’ membership fees were outstanding as at 30 April 2016.</p> <p>The President ended his address with a note of thanks to the members.</p>
5.	<p><b>ELECTION OF FOUR (4) COUNCIL MEMBERS</b></p> <p>The Chairman sought consensus from all members present to proceed with the agenda in the following order, to expedite the meeting process:-</p> <ol style="list-style-type: none"> <li>1) Agenda 3: Election of four (4) council members for the 2016/2020 term</li> <li>2) Agenda 2: To receive the Annual Report and Financial Statements of the Institute for the year ended 31 December 2015</li> <li>3) Agenda 4: Re-Appointment of Messrs Morison Anuarul Azizan Chew as the auditors for the ensuing year at remuneration to be determined by the Council Members</li> </ol> <p>The abovementioned proposal was unanimously agreed by all the members present. The meeting proceeded with the election of the four (4) council members for the 2016/2020 term.</p> <p>The Chairman announced that there were 6 candidates seeking election for 4 posts in the Council for the 2016/2020 term. He added that Mr Thanneermalai A/L SP SM Somasundaram (0149) would be retiring in accordance with Article 59 of the Institute’s Articles of Association as he had completed his full term on the Council and thus was not eligible for re-election to the Council.</p> <p>Ms Phan Wai Kuan (3296) is to retire pursuant to Article 59 of the Institutes Articles of Association and offers herself for re-election. However, it was noted that Prof Dr Jeyapalan a/l Kasipillai (0144) and Mr Ong Chong Chee (2302) who retire pursuant to Article 59 would not be seeking re-election.</p> <p>There were also 5 nominations received by the Institute for election at this AGM, namely Mr Chow Chee Yen (1331), Mr Chow Tuck Him (3287), Mr Lew Nee Fook @ Liu Nee Choong (1840), Encik Mohd Noor Bin Abu Bakar (0422) and Mr Sivaram a/l A Nagappan(3123).</p> <p>Upon the Chairman’s invitation, Ms. Phan Wai Kuan (3296), Mr Chow Chee Yen (1331), Mr Chow Tuck Him (3287), Mr Lew Nee Fook @ Liu Nee Choong (1840), Encik Mohd Noor Bin Abu Bakar (0422) and Mr Sivaram a/l A Nagappan (3123) introduced themselves and highlighted how they could be of value to the Institute if they were elected or re-elected as a Council Member.</p>

	<p>The Meeting then adjourned at 10.25 a.m. for the ballot to be carried out and resumed at 10.55 a.m.</p>
6.	<p><b>ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE INSTITUTE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS REPORT</b></p> <p>After all the votes had been cast, the Chairman continued with Agenda 2 whilst waiting for the Poll Administrators to count the votes.</p> <p>The Annual Report and Financial Statements for the financial year ended 31 December 2015 (“ARFS”) and the Report of the Auditors thereon having been circulated to all the members of the Institute within the statutory period were tabled before the meeting.</p> <p>Mr Lim Fang Hau (3385) highlighted that Note 2, Page 40 pertaining to the Notes to the Accounts refers to the term “Director” when such term is not appropriate for the Institute as it is managed by a Council. He thus suggested that the terminology “Director” be substituted with the term “Council Member” in the Report.</p> <p>Mr Jeremy Kong representing Messrs Morison Anuarul Azizan Chew acknowledged the request and informed the Members that he can incorporate the changes for the next year’s audit.</p> <p>Mr Poon Yew Hoe (“Mr Poon”) sought clarification from the Auditors. He highlighted that the term “Director” was contained in the Companies Act 1965 (“the Act”) that governs the Institute which is a company limited by guarantee. He was of the view that Council Members act in the capacity of Directors although they are called “Council Members” and informed the meeting that the term “Director” is also reflected in the Annual Return of the Institute. Accordingly, he recommended that the Council review the matter before making any amendments.</p> <p>Mr Venkiteswaran Sankar (1769) then drew the meeting’s attention to the profit and loss statement and sought clarification on whether the Council had any plans to utilise the monies in fixed deposit totalling RM5,471,182 as at 31 December 2015.</p> <p>The Chairman highlighted that the excess funds in the Institute’s account was primarily due to the strong performance in 2014 and 2015 that had been contributed by non-recurring income amounting to RM5 million in 2014 and RM2 million in 2015 from courses relating to GST and the National Tax Conference. The Chairman said that the Income from membership fees and routine CPD courses only contributed to about 75% of the Institute’s operating expenses. Accordingly, it had been the view of the Council that the Institute should take a conservative approach and maintain sufficient reserves to meet future operational expenses and thus only 50% of the funds or RM3 million could be allocated for the purchase of a property.</p> <p>The Chairman informed the meeting that Mr Poon had been requested by the Council to identify a suitable property for the Institute and invited Mr Poon to provide an update on the status.</p> <p>Mr Poon informed the meeting that he was looking at acquiring a suitable property to meet the Institute’s expansion requirements as well as to facilitate trainings carried out</p>



	<p>or hosted by the Institute. Locations being considered were Bangsar South which is in close proximity to the Nexus Convention Centre or KL Gateway. He highlighted that the Council will update the Committee if a suitable property had been identified for purchase as approval from the members as well as the Companies Commission of Malaysia was required for the purchase of property.</p> <p>Mr Poon highlighted the need to increase membership fees so that the Institute does not face a deficit position. It was noted that membership fees was currently RM200 per annum for Associate members and RM250 per annum for fellow members. He mooted the idea of increasing membership fees on a staggered basis so as not to unnecessarily burden the members and allowing a discount initiative for CPD participation or senior members.</p> <p>In tandem with the above, Ms Seah Siew Yun (“Ms Seah”) highlighted the importance of increasing membership numbers to a target of 4,000 members in order to boost the Institute’s revenue and that she was looking at initiating several marketing programs towards this aim such as implementing a member get member program.</p> <p>The proposal from Mr Poon and Ms Seah were noted.</p> <p>Next, Mr Venkiteswaran Sankar (1769) sought an explanation for the increase in newspapers and periodical expenses from RM9,211 incurred in 2014 to RM35,211 incurred in 2015. The Chairman explained that the additional expenses had been incurred due to new online subscriptions with Bloomberg amounting to RM16,146 and RM8,419 for the subscription of Asia Pacific Tax Explorer as well as additional cost for the renewal of the subscription of Asia Oceania Tax Consultants due to the appreciation in the US Dollar compared to the Ringgit.</p> <p>With regard to the query raised on the composition of Professional fee of RM27,550 the Chairman explained that professional fees incurred in 2015 represented fees paid to TRE Secretarial Solution for preparation of accounts, payment to the Tax Agents and payment made for a contract staff engaged on a part time basis to provide technical support engaged by CTIM in 2015.</p> <p>The Chairman highlighted that the Institute was a member of only one Association which was the Asia Oceania Tax Consultants’ Association.</p> <p>The being no other questions, the Chairman moved to the next agenda.</p>
7.	<p><b>RE-APPOINTMENT OF AUDITORS OF THE INSTITUTE</b></p> <p>Following a proposal from Mr Veerinderjeet Singh (0457) which was seconded by Mr Wong Seng Chong (0188), the following motion was put to the meeting for a vote:-</p> <p>THAT Messrs Morison Anuarul Azizan Chew of 18, Jalan 1/64, Off Jalan Kolam Air/Jalan Ipoh, 51200 Kuala Lumpur be and are hereby re-appointed as Auditors of the Institute and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed by the Council.”</p> <p>The majority of the members voted in favour of the motion. Mr Lim Fang Hau (3385) vote against the motion was recorded. The Chairman then declared that the above motion was carried.</p>

	<p>As the Poll administrators were still in the process of tabulating the ballot results, members of the floor took the opportunity to highlight their suggestions, feedbacks, complaints and appreciation.</p>
8.	<p><b>ANY OTHER BUSINESS</b></p> <p>The Chairman informed the members that the Institute had received the following motions from Mr Lim Fang Hau (3385) (Mr Lim) via the CTIM contact us Form:</p> <p><b><u>MOTION 1</u></b></p> <p>RESOLVED THAT the Chartered Tax Institute of Malaysia (CTIM) appoints a new audit firm to act as statutory auditors for the financial year ending 31 December 2016.</p> <p><b><u>MOTION 2</u></b></p> <p>RESOLVED THAT the Chartered Tax Institute of Malaysia request the incoming statutory auditors for the financial year ending 31 December 2016 to adopt the following in issuing an audit opinion for the future audit of financial statements:</p> <ul style="list-style-type: none"> <li>- Disclose key audit matters as per ISA 701 Communicating Key Audit Matters in the Independent Auditors' Report; or</li> <li>- Disclose the statement that there are no key matters to be communicated in the auditors' report if in the opinion of the auditors the outcome of an audit indicated no key audit matters.</li> </ul> <p>In response to the Motion 1, the Institute agrees with Mr Lim's view that in the interest of the Corporate Governance a review of the external auditors should be carried out on a periodic basis as per the Corporate Governance Guidelines.</p> <p>The Council of the Institute reviewed the position of the existing auditors and was of the opinion that:-</p> <ul style="list-style-type: none"> <li>• Due to a change in partnership of Messrs Morison Anuarul Azizan Chew (MAAC), the existing auditors, the entire audit team including the partner and director in-charge was changed;</li> <li>• The fees charged by MAAC were considered very competitive. A change of auditors would require the commencement of the process of setting up of a Nomination of Auditors Committee, identifying or pre-qualifying new auditors, calling for technical and commercial tender quotes, evaluating and selecting the winning bid and would likely result in an increase of fees and;</li> <li>• The CTIM secretariat did not have any issues with the new audit team that did the audit for 2015.</li> </ul> <p>In light of the above mentioned reasons, the Council decided to retain the existing auditors for the audit for the year 2016. A new review will be proposed in the first half of 2017.</p>



	<p>The Chairman also informed that the Institute was unable to table Mr Lim Fang Hau's motions to the members as it was incomplete due to the following reasons:-</p> <ul style="list-style-type: none"> <li>a) The Institute must receive a duly signed notice in writing of a motion to be submitted to a General Meeting, in accordance with Article 40 of the Memorandum and Articles of Association of the Institute.</li> <li>b) The motion must contain the name of the new Auditors to be appointed.</li> </ul> <p>Section 9(6) of the Companies Act 1965 requires the Auditor to give his consent in writing to act as auditor prior to his appointment.</p> <p>In response to Motion 2 with regard to the inclusion of key audit matters in the Independent Auditors Report, the motion was not circulated as it is not a matter for deliberation by members at Annual General Meeting.</p> <p>The Institute notes that the Key Audit Matters as per ISA 701 Communicating Key Audit Matters in the Independent Auditors' Report is applicable to public listed companies only.</p> <p>The audit report by the auditors is a document issued by the auditor and it expresses their independent opinion on the true and fair view of the financial statements of the company in accordance with the established auditing standards. Any other statement in the report that has a bearing on their opinion is considered a qualified report which has its own standards on how they are to express their opinion. If the auditor is of the opinion that a matter arising from their audit is material, they are duty bound to express it in their report to shareholders (members).</p> <p>All other matters on audit that has bearing on operations or internal control should have been included in a management report addressed to the Directors (Council). This document is normally never discussed in a shareholders meeting as it is the fiduciary duty of the directors (Council) to deal with it, otherwise shareholders (members) would become involved in the management of the Institute.</p> <p>The Chairman hoped that the above explanation clarifies the position of the Council on the proposals made by Mr Lim.</p> <p>As the Poll administrators were still in the process of tabulating the ballot results, members of the floor took the opportunity to highlight their suggestions, feedbacks, complaints and appreciation.</p>
8.	<p><b>ANNOUNCEMENT OF BALLOT RESULTS ON ELECTED COUNCIL MEMBERS</b></p> <p>The Chairman then invited Ms Siow Voon from Boardroom to announce the ballot results. The ballot results were recorded as follows:-</p>



	<table><tr><th>Ranking</th><th>Nomination of Council Members Elected</th><th>No of votes</th></tr><tr><td>1</td><td>Phan Wai Kuan</td><td>405</td></tr><tr><td>2</td><td>Mohd Noor Bin Abu Bakar</td><td>352</td></tr><tr><td>3</td><td>Chow Chee Yen</td><td>328</td></tr><tr><td>4</td><td>Chow Tuck Him</td><td>249</td></tr><tr><td>5</td><td>Sivaram a/l Nagappan</td><td>197</td></tr><tr><td>6</td><td>Lew Nee Fook @ Liu Nee Choong</td><td>113</td></tr></table> <p>The Chairman announced that Ms Phan Wai Kuan was re-elected pursuant to the Article 59 and the members elected to the Council for 2016/2020 were Encik Mohd Noor Bin Abu Bakar, Mr Chow Chee Yen and Mr Chow Tuck Him. He then congratulated Ms Phan Wai Kuan and the newly elected Council members.</p> <p>It was noted that the appointments of Mr Chow Chee Yen, Encik Mohd Noor Bin Abu Bakar and Mr Chow Tuck Him as Members of the Council would be effective upon their completion of the Statutory Declaration of Compliance in accordance with Section 123(4) of the Companies Act, 1965.</p>	Ranking	Nomination of Council Members Elected	No of votes	1	Phan Wai Kuan	405	2	Mohd Noor Bin Abu Bakar	352	3	Chow Chee Yen	328	4	Chow Tuck Him	249	5	Sivaram a/l Nagappan	197	6	Lew Nee Fook @ Liu Nee Choong	113
Ranking	Nomination of Council Members Elected	No of votes																				
1	Phan Wai Kuan	405																				
2	Mohd Noor Bin Abu Bakar	352																				
3	Chow Chee Yen	328																				
4	Chow Tuck Him	249																				
5	Sivaram a/l Nagappan	197																				
6	Lew Nee Fook @ Liu Nee Choong	113																				
9.	<p><b>CLOSE OF MEETING</b></p> <p>There being no other business, the Meeting was declared closed at 12.10 p.m.</p>																					

Signed as a correct record,



Chairman

Date 22 AUG 2016