

CHARTERED TAX INSTITUTE OF MALAYSIA

Minutes of the 25th Annual General Meeting (AGM) held on Saturday, 17 June 2017 at 9.30 a.m. at the Ballroom, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur.

Present:	Mr Aruljothi Kanagarethnam (Chairman) Ms Seah Siew Yun Mr Poon Yew Hoe Ms Phan Wai Kuan Ms Renuka Thuraisingham Mr Nicholas Anthony Crist Ms Yeo Eng Ping Puan Farah Binti Rosley Datuk Harjit Singh Sidhu a/l Bhagwan Singh Mr Chow Chee Yen Mr Chow Tuck Him Encik Mohd Noor Bin Abu Bakar
Absent with Apologies:	Ms Goh Lee Hwa Mr Koong Lin Loong Mr Lai Shin Fah @ David Lai Mr K. Sandra Segaran A/L Karuppiah
In Attendance	Mr P Thomas Simon - Executive Director Ms Cynthia Louis - Company Secretary Ms Jegajothy Jeganantham - representing Corporate Partners (Asia) Sdn. Bhd.
By invitation	Mr Sathiea Seelan - representing Messrs Morison Anuarul Azizan Chew Mr Quincy Gan - representing Messrs Morison Anuarul Azizan Chew Mr Lim Chia Siang - representing Messrs Morison Anuarul Azizan Chew Mr David Siew - representing Messrs Sekhar & Tan Mr Yau Yok Seong - representing Messrs Sekhar & Tan Mr Khaw Teik Thye - representing Boardroom Corporate Services (KL) Sdn. Bhd.
Members' Attendance	A total of 59 members attended as recorded in the attendance register.
1.	CALL TO ORDER The Chairman called the meeting to order at 9.30 a.m. It was highlighted that registration had been opened that morning from 8.30 a.m. to 9.30 a.m.

2.	<p>NOTICE OF MEETING</p> <p>The Chairman informed the members that the notice convening the 25th 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>DETERMINATION OF QUORUM</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 9.30 a.m.</p>
4.	<p>ELECTION OF FOUR (4) COUNCIL MEMBERS</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"> 1) Agenda 3: Election of four (4) council members for the 2017/2021 term 2) Agenda 1: President’s Address 3) Agenda 2: To receive the Annual Report and Financial Statements of the Institute for the year ended 31 December 2016 4) Agenda 4: Appointment of Messrs Sekhar & Tan as the Auditors in place of the retiring Auditors, Messrs Morison Anuarul Azizan Chew for the ensuing year at a remuneration to be determined by the Council Members. <p>The abovementioned proposal was agreed by a majority of the members present. The meeting proceeded with the election of the four (4) council members for the 2017/2021 term.</p> <p>The Chairman announced that there were 5 candidates seeking election for 4 posts in the Council for the 2017/2021 term.</p> <p>Mr Nicholas Anthony Crist (1681) and Ms Yeo Eng Ping (2727) are to retire pursuant to Article 59 of the Institutes Articles of Association and offer themselves for re-election. However, it was noted that Mr Aruljothi A/L Kanagaretnam (300) and Ms Renuka Thuraisingham (1229) who retire pursuant to Article 59 would not be seeking re-election.</p> <p>There were also 3 nominations received by the Institute for election at this AGM, namely Ms Leow Mui Lee (2583), Mr Lew Nee Fook @ Liu Nee Choong (1840) and Dr Zulfahmy Bin Ibrahim (2455).</p> <p>Upon the Chairman’s invitation, Mr Nicholas Anthony Crist (1681), Ms Yeo Eng Ping (2727), Ms Leow Mui Lee (2583), Mr Lew Nee Fook @ Liu Nee Choong (“Mr Lew”) (1840) and Dr Zulfahmy Bin Ibrahim (2455) introduced themselves and highlighted how they could contribute to the Institute if they were elected or re-elected as a Council Member.</p>

	<p>He then invited Mr Khaw Teik Thye ("Mr Khaw") from Boardroom Corporate Services (KL) Sdn Bhd ("Boardroom"), the Poll Administration Agent to brief members on the ballot process and number of proxies received.</p> <p>Mr Khaw informed the members that as at 9.30 a.m., 235 valid proxies representing 10 of the total of the Institute's members had been received. Mr Khaw also added that a total of 50 invalid proxies had also been received. Members were requested to cast their vote by marking an "X" in the box next to the name of the candidates in the ballot slip provided during registration and deposit the same in the ballot box placed in Ballroom 2.</p> <p>In the interest of transparency, Datuk Harpal Singh (555) enquired if Boardroom could provide the number of the proxies held by a single member. Mr Khaw informed that he would revert on Datuk Harpal Singh's query after reviewing the proxy list.</p> <p>The Meeting then adjourned at 9.50 a.m. for the ballot to be carried out and resumed at 10.05 a.m.</p>
5.	<p>PRESIDENT'S ADDRESS</p> <p>After all the votes had been cast, the Chairman continued with Agenda 1 whilst waiting for the Poll Administration Agent to count the votes.</p> <p>The President informed that 2016 had been an eventful year for CTIM, various seminars and conferences were organized by the Institute in spite of a difficult economic environment. He added that the year saw two major changes to the Heads of Department in which the Institute closely engages and works with change. The changes were in respect of the appointments of Datuk Sabin bin Samitah, the Chief Executive Officer of Lembaga Hasil Dalam Negeri Malaysia ("LHDNM") and Dato' Indera Subromaniam Tholasy, Director General of Customs, Royal Malaysian Customs Department ("RMCD"). The Institute welcomed both these appointments and congratulatory letters had been sent to both Datuk Sabin bin Samitah and Dato' Indera Subromaniam Tholasy. The President informed that 2017 would represent a challenging year due to changes in the compliance environment and enforcements carried out by LHDNM. The Institute's various committees and working groups have also diligently prepared and submitted various papers and memorandums to the authorities such as LHDNM, Ministry of Finance and RMCD during the year (2016/2017). The four Technical Committees involved in engaging with the various authorities were summarized and detailed in the Annual Report.</p> <p>He also informed that the CPD Committee had put in a lot of effort in organizing various seminars, conferences and workshops as detailed in the Annual Report. The President highlighted that the Institute relied heavily on the income from these seminars, conferences and workshops organised.</p> <p>Members were informed that the Examination Committee held its examinations twice in June and December 2016. It was highlighted that the Examination Committee welcomed members to come forward to act as examiners, prepare</p>

	<p>papers and act as moderators.</p> <p>The Editorial Committee had published four issues of the Tax Guardian which carried a wide range of articles focusing on recent developments both locally and internationally. The President expressed his encouragement to the members to contribute more articles to support the Editorial Committee.</p> <p>During the year 164 new members were recruited. The net increase in membership was only 103 as 61 members had been removed due to default in payment of subscription, resignation and death. It was noted that many Senior Members (i.e. over 65 years) choose to resign in spite of a 50% discount in their membership fees citing reasons that they are no longer in public practice. As at 31 May 2017 there were 3,460 members.</p> <p>The President informed that the last increase in subscription fees had been carried out 10 years ago. The Membership Committee having reviewed the membership fees of other professional bodies were of the opinion that CTIM's membership fees were comparatively low. In view of this, the Council had resolved to increase CTIM's membership fee by RM50 from year 2018.</p> <p>The Public Practice Committee (PPC) conducted members dialogue sessions at five CTIM Branches namely, Ipoh, Penang, Kuantan, Malacca and Johor Bahru to discuss and clarify various operational and technical issues. It was noted that members from the various technical committees had lent their support to the PPC in discussing and clarifying technical issues faced by these members.</p> <p>The Institute had a total of 19 employees as at 31 December 2016 with 1 staff who resigned in November 2016. The President informed that the Council ensures that all staff are remunerated in line with industry practice to ensure staff retention.</p> <p>On the GST courses held in 2016, the President highlighted that only 2 events had been conducted as compared to 8 events in 2015. The net income for the GST courses for 2016 was RM199,504 compared to RM922,844 in 2015 representing a shortfall of RM723,340. The National Tax Conference (NTC) revenue dropped from RM596,366 in 2015 to RM457,512 in 2016 representing a decrease in revenue of RM138,854. The decrease in revenue from NTC was mainly due to the reduction in the number of participants from LHDNM due to budget constraints.</p> <p>The President ended his address with a note of thanks to the members and Secretariat staff for their full support during his tenure with the Institute.</p>
<p>6.</p>	<p>ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE INSTITUTE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 TOGETHER WITH THE AUDITORS REPORT</p> <p>The Annual Report and Financial Statements for the financial year ended 31 December 2016 ("ARFS") and the Report of the Auditors thereon having been</p>

circulated to all the members of the Institute within the statutory period were tabled before the meeting.

Mr Lew proposed to reject the increase in subscription fee as he felt that it was important for the Council to first provide a detailed plan for the utilisation of the subscription fees by CTIM. He also felt that there was a need to improve resource efficiency within CTIM's administrative unit and allocate funds for staff training, improve benefits for its members, provide better technical support to its members, etc.

The Chairman responded that the decision to increase subscription fees is a decision of the Council to be made at their discretion. The Chairman said that the increase in fees effective from year 2018 is necessary as it would allow CTIM to be self-reliant and have lesser dependence on revenue garnered from GST courses and the NTC which form the bulk of the Institute's annual revenue. The Chairman highlighted that the current subscription fees was insufficient to meet the Institute's annual operating expenditure and surplus cash in the Bank was earmarked for investment in property once a suitable property had been identified.

Following an invitation from the Chairman, Mr Poon, the Executive Committee Member highlighted that the surplus cash and fixed deposits was RM6.4 million as at 31 December 2016 and has been allocated as follows:-

- to cushion the impact from any unforeseen events in the future.
- RM1,000,000 to meet the Institute's operating expenditure for 3-6 months.
- Purchase of suitable property that meet the identified criteria.

Mr Poon highlighted the process that had been carried out thus far to identify a suitable property and the limitations faced in terms of location, lack of available premises in the vicinity of the current office premise and opportunity costs. Mr Poon informed the members that the Council would put forth a decision to purchase a property to the members when a suitable opportunity arrives which is strategic with the Council's direction.

In response to Mr Lew's other query, the Chairman said that the Council is not able provide advice to members under the Institute's Memorandum and Articles of Association. However, to take care of the interest of members, the members have always been requested to submit their queries to the Institute who would then raise them to the respective Technical or Operations Committee to raise in the various dialogues held with the Regulators for a decision. The Chairman said that once a decision is made CTIM will communicate the same to the members accordingly through the Institute's various communication channels.

Following an enquiry from Mr Lew on the reimbursement of the costs of five dialogues held for the various branches, the Chairman said that all costs for the dialogues organised by the PPC for the various branches have been fully reimbursed by the Institute.

Mr Lim Fang Hau (3385) drew the meeting's attention to the Independent Auditors' Report (IAR) on page 35 of the 2016 Annual Report and sought clarification from the Auditor, Messrs Morison Anuarul Azizan and Chew on the

	<p>reason for the non-disclosure of Key Audit Matters (KAM) in the Annual Report in line with the new reporting format and if there were any KAM noted during the course of audit. Mr Sathiea Seelan of Messrs Morison Anuarul Azizan informed that based on the Malaysian Institute of Accountants Recommended Practice Guide 11 (RPG 11), the KAM requirement was only required for listed entities. and therefore no KAM matters were disclosed in CTIM’s IAR. He added that the format and content of the IAR were guided by the requirement of RPG 11 and the Companies Commission of Malaysia guideline. He further clarified that there were no KAM noted for CTIM during the course of audit.</p> <p>Mr Lim Fang Hau, however opined that since disclosure of KAM for non-listed entities was on a voluntary basis and for transparency requested the new Auditors of the Institute to look at KAM disclosure for the coming financial year.</p> <p>The Chairman informed that the matter would be a matter for deliberation by the incoming Auditor and Council.</p> <p>The being no other questions, the Chairman moved to the next agenda.</p>						
7.	<p>APPOINTMENT OF MESSRS SEKHAR & TAN AS THE AUDITORS IN PLACE OF THE RETIRING AUDITORS, MESSRS MORISON ANUARUL AZIZAN</p> <p>Upon the invitation of the President, Mr David Siew the Managing Partner of Messrs Sekhar & Tan was invited provide a background of the firm and services offered.</p> <p>Following a proposal from Datuk Harpal Singh (555) which was seconded by Mr Lew Nee Fook @ Liu Nee Choong (1840), the following motion was put to the meeting for a vote:-</p> <p>“THAT Messrs Sekhar & Tan be appointed as the Auditors in place of retiring Auditors, Messrs Morison Anuarul Azizan for the ensuing year at a remuneration to be determined by the Council Members.”</p> <p>The members unanimously voted on the motion. The Chairman declared that the above motion was carried.</p> <p>As the Poll Administration Agent’s 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>ANNOUNCEMENT OF BALLOT RESULTS ON ELECTED COUNCIL MEMBERS</p> <p>The Chairman then invited Mr Khaw Teik Thye from Boardroom Corporate Services (KL) Sdn Bhd. 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>Leow Mui Lee</td><td>211</td></tr></table>	Ranking	Nomination of Council Members Elected	No of votes	1	Leow Mui Lee	211
Ranking	Nomination of Council Members Elected	No of votes					
1	Leow Mui Lee	211					

2	Yeo Eng Ping	209
3	Nicholas Anthony Crist	158
4	Dr. Zulfahmy Bin Ibrahim	154
5	Lew Nee Fook @ Liu Nee Choong	100

The Chairman announced that Ms Yeo Eng Ping and Mr Nicholas Anthony Crist were re-elected pursuant to the Article 59 and the members elected to the Council for 2017/2021 were Ms Leow Mui Lee and Dr. Zulfahmy Bin Ibrahim. He then congratulated Ms Yeo Eng Ping, Mr Nicholas Anthony Crist and the newly elected Council members.

It was noted that the appointments of Ms Leow Mui Lee and Dr. Zulfahmy Bin Ibrahim as Members of the Council would be effective upon their completion of the Declaration in compliance with Section 201 of the Companies Act, 2016

In response to Datuk Harpal Singh's earlier query, Mr Khaw highlighted that the number of proxies held by an individual was as follows:-

Name	Number of proxies held
Mr Lew Nee Fook @ Liu Nee Choong	56
Ms Seah Siew Yun	38
Mr Nicholas Anthony Crist	32
Ms Phan Wai Kuan	29
Mr Alan Chung Ch'ung Yit	23
Puan Farah Binti Rosley	21
Mr Lau Ming Sern	14
Encik Mohd Noor Bin Abu Bakar	13
Mr Chow Tuck Him	5
Datuk Harjit Singh Sidhu a/l Bhagwan Singh	4

9.

CLOSE OF MEETING

There being no other business, the Meeting was declared closed at 11.15 a.m.

Signed as a correct record,



Chairman of AGM on 17 June 2017

Date 30 JUN 2017