

CHARTERED TAX INSTITUTE OF MALAYSIA

Minutes of the 26th Annual General Meeting (AGM) held on Saturday, 9 June 2018 at 9.30 a.m. at the Ballroom, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur.

Present:	Ms Seah Siew Yun Mr Poon Yew Hoe Ms Phan Wai Kuan Mr K Sandra Segaran A/L Karuppiah Mr Nicholas Anthony Crist Ms Farah Binti Rosley Datuk Harjit Singh Sidhu A/L Bhagwan Singh Mr Chow Chee Yen Mr Chow Tuck Him En Mohd Noor Bin Abu Bakar Mr Lai Shin Fah @ David Lai Dr Zulfahmy Bin Ibrahim Mr Koong Lin Loong
Absent with Apologies:	Ms Yeo Eng Ping Ms Goh Lee Hwa
In Attendance	Mr P Thomas Simon - Executive Director Ms Cynthia Louis - Company Secretary Ms Venodhini Batumallai - representing Corporate Partners (Asia) Sdn. Bhd.
By invitation	Mr David Siew - representing Messrs Sekhar & Tan Mr Chan Wei Heng - representing Boardroom Corporate Services (KL) Sdn. Bhd.
Members' Attendance	A total of 81 members were present and 441 valid proxies were received representing 2.32% and 12.65% respectively of the Institute's total membership and were 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 26th Annual General Meeting (“AGM”) had been sent to the members in accordance with the Institute’s Articles of Association. There being no objection, 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 2: Election of four (4) council members for the 2018/2022 term 2) Agenda 3: To receive the Annual Report and Financial Statements of the Institute for the year ended 31 December 2017 together with the Auditors’ Report 3) Agenda 4: To re-appoint Messrs Sekhar & Tan as the Auditors for the ensuing year 4) Agenda 5: Any other business <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 2018/2022 term.</p> <p>The Chairman announced that there were 6 candidates seeking election for 4 posts in the Council for the 2018/2022 term.</p> <p>Mr Poon Yew Hoe (2980) is to retire pursuant to Article 59 of the Institutes Articles of Association and is not eligible for re-election pursuant to Article 58B. Ms Farah Binti Rosley (3473) is to retire pursuant to Article 59 of the Institutes Articles of Association and offers herself for re-election. However, it was noted that Ms Goh Lee Hwa (0787) and Datuk Harjit Singh Sidhu A/L Bhagwan Singh (3517) who retire pursuant to Article 59 would not be seeking re-election.</p> <p>There were 6 nominations received by the Institute for election at this AGM, namely Ms Farah Binti Rosley (3473), Mr Foo Meng Huei (3208), Ms Low Geok Ping (2055), Mr Mok Kam Seng (4220), Mr Soh Lian Seng (2045) and Mr Theneshkannaa A/L Kannan @ Renganathan Kannan (3544).</p>

	<p>Upon the Chairperson's invitation, Ms Farah Binti Rosley (3473), Mr Foo Meng Huei (3208), Ms Low Geok Ping (2055), Mr Mok Kam Seng (4220) and Mr Theneshkannaa A/L Kannan @ Renganathan Kannan (3544). introduced themselves and highlighted how they could contribute to the Institute if they were elected or re-elected as a Council Member.</p> <p>She then invited Mr Chan Wei Heng ("Mr Chan") 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 Chan informed the members that as at 9.30 a.m., 441 valid proxies representing 12.65% of the Institute's total membership had 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>The Meeting then adjourned at 10.00 a.m. for the ballot to be carried out and resumed at 10.20 a.m.</p>
5.	<p>PRESIDENT'S ADDRESS</p> <p>After all the votes had been cast, the Chairman continued with the proceedings whilst waiting for the Poll Administration Agent to count the votes.</p> <p>A video on the activities of the Institute for the past year was presented.</p>
6.	<p>ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE INSTITUTE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 TOGETHER WITH THE AUDITORS REPORT</p> <p>The Annual Report and Financial Statements for the financial year ended 31 December 2017 ("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>The Members were informed that Mr Lew Nee Fook @ Liu Nee Choong (1840) (Mr Lew) had submitted several questions with regard to the ARFS in particular the following:-</p> <ul style="list-style-type: none"> (a) To provide a breakdown of receivables. (b) To provide a breakdown of staff remuneration (c) To provide a breakdown of Professional Fees (d) To provide a description of items under the Newspapers, periodicals and subscriptions

Receivables

With regard to the question raised on Receivables, Mr Thomas responded that the receivables had increased from RM390,804 in 2016 to RM565,933 in 2017 and was mainly contributed by 3 components ie:-

- Fees receivables
- Debtors and deferred expenses
- Deposits and prepayments

The amounts arose mainly resulting from timing differences and the status of recovery were noted as follows:-

(i) **Fees Receivable from the GST Conference and National Tax Conference**

The amount due from the participants of GST Conference that had been organised by the Royal Malaysian Customs Department totalled RM158,000. Mr Thomas explained that most of the fees due had been recovered subsequent to the finalization of the Audit including the amount impaired of RM15,688. The current balance due from participants of the National GST Conference was RM65,000, and a bulk of the amount due arose from the registration of participants by the Royal Malaysian Customs Department. Mr Thomas said that the Institute is actively pursuing the amount due from the remaining participants.

Another component of the Receivables was the fee for the organization of the National Tax Conference by the Institute amounting to RM103,000 and the remaining balance due stood at about RM15,000. Mr Thomas expressed confidence in collecting the amount due of RM15,000 as it was mostly supported by Letters of Guarantee that had been provided by the companies who had signed up the participants.

(ii) **Debtors and Deferred Items**

Debtors and Deferred expenses had increased from RM101,000 recorded in 2016 to RM146,000 in 2017. One of the new items amounting to RM15,112 was in respect of the costs for the Budget Booklet Commentary which had been paid by the Institute on behalf to CCH and was fully recovered in May 2018.

The other item represented amount due on interest receivables amounting to RM17,953 out of which RM12,000 had been received to date and the remaining amount due was RM5,570.

(iii) Deposits and prepayments decreased to RM17,000 in 2017 from RM41,000 in year 2016. The decrease was largely attributed to the amount due for archiving services of RM24,000 incurred in the previous year.

Professional Fees

It was highlighted that the Professional Fees of RM24,000 incurred in 2017 largely represented cost of a Consultant who had been engaged for technical services related to the e-CTIM services provided by the Institute.

The Members were informed that the Professional Fees of this Consultant could not be included in the staff remuneration costs as the Consultant was not an employee of the Institute.

Staff Remuneration

The Chairperson highlighted that details of the staff remuneration cannot be detailed out due to the confidential nature of the matter. It was highlighted that it was also not a statutory requirement to detail out the staff remuneration in the AFRS.

Mr Lew expressed his concern on the lack of disclosure of the staff remuneration as he highlighted that if the matter is not curtailed, it could impact the long-term sustainability of the Institute's operations in the future.

The Chairperson reiterated that disclosure of the staff remuneration was not possible due to the need for confidentiality. She also highlighted that the increase in staff remuneration costs over the years was minimal.

With regard to the enquiry raised by Datuk Harpal Singh Dhillon (0555) (Datuk Harpal) on whether the contract of the current Executive Director would be renewed by the Council, the Chairperson said that the decision to renew/retain the services of an employee depends on various factors including resource needs of the Institute. She added that a contract of an employee will expire at the end of the contract term unless there is a pressing need to retain the services of the individual for the time being.

Ms Farah added that the performance of an employee is evaluated by the Council and decisions of the Council are made in accordance with that evaluation carried out by the Council.

It was also highlighted by the Chairperson that in accordance with Article 65(b), the power for the appointment of the Executive Director of the Institute rests with the Council.

Newspapers, periodicals and subscriptions

The amount of RM42,363 represented an increase of RM4,000 from the previous year and was mostly contributed for on-line subscription of services (such as Asia-Pacific Tax Explorer (IBFD), Transfer Pricing Library (The Bureau of National Affairs, Inc), OECD Taxation iLibrary (Access Dunia Sdn Bhd), My GST on-line cases, etc) to assist the technical team to respond on technical queries posed by the members. The members have been informed through e-CTIM of the availability of such services to members who visit the Institute.

Mr Lim Fang Hau (3385) enquired on the following:-

- (i) Whether there is an omission in Note 4 (a) on Critical Judgements in applying accounting policies contained on page 46 of the Annual Report and the course of action to correct it should there be an omission.
- (ii) The reason that the statement with regard to the predecessor Auditors' Opinion and date of the Report was not stated on Page 35 - Other Matters as required by the Internal Accounting Standards 710.

Critical Judgements in applying accounting policies

The meeting reviewed whether there is an error in Note 4(a) and deliberated on the appropriate action to be carried out, if an error is determined.

Following a clarification sought by a member, the Secretary informed the members that if the amendment/error does not tantamount to a material error, amendments are not usually made to the AFRS. Mr Poon however was of the opinion that if there is an error in the statement, the error should be rectified before lodgement with the Companies Commission of Malaysia.

Other Matters

Mr David Siew representing the External Auditors highlighted that accordance with the Accounting Standards, the provisions under Section 710 of the Standard is an elective provision and in this case the Auditors, Sekhar and Tan have elected not to provide a comparison.

Minutes of the previous Annual General Meeting

Datuk Harpal commented that he did not see the previous Minutes of the AGM in the Institute's website and requested the Council to send out the minutes to the AGM to all members accordingly.

(It was noted that the 2017 AGM minutes are posted under members only tab)

Government Grant and Tax Recoverable

Mr Wong Tuck Yuen (2628) enquired on the status of utilisation of the Government grant of RM47,763 as well as the status of tax recoverable of RM211,042.

Mr Thomas said that the Government grants were awarded about 3 years ago by PEMANDU and the Ministry of Finance (MOF) and amounted to RM250,000 and RM100,000 respectively. RM47,763 of the Grants remains unutilised to date. The Grants were awarded to subsidise CPD programmes that enable SMEs to increase the level of their professional skills in taxation to compete with foreign tax professionals. The Council will escalate the matter to the CPD Committee for the appropriate action to be taken on the utilisation of the remaining grant. It was highlighted that the utilisation of the grant is subject to the conditions of issue of the grant by PEMANDU and MOF and the Institute is unable to use it for any other purpose.

With regard to the tax recoverable of RM211,042, Mr Thomas said that it was primarily due to the tax estimates that had been based on profits attained two years ago when the Institute received a one-off revenue from GST basic training courses and has been adjusted and will continue to be adjusted against future tax payments. It was highlighted that the Technical Department has been tasked to also look into the recovery of tax from the Inland Revenue Board, Malaysia.

Details of the Company Secretary

Mr Lew requested the Council to include the name of the Company Secretary in future Annual Reports. (The Company Secretary responded that their names are included in the Notice of Meeting).

The being no other questions, upon a proposal by Mr Wong Seng Chong (0188), which was duly seconded by Encik Mohd Noor Bin Abu Bakar (0422), the motion to receive the AFRS was duly passed.

The Chairpersons then moved to the next agenda.

7.

RE-APPOINTMENT OF AUDITORS OF THE INSTITUTE

Following a proposal from Datuk Harpal which was seconded by Mr Lew , the following motion was put to the meeting for a vote:-

“THAT Messrs Sekhar & Tan be re-appointed as the Auditors for the ensuing year at a remuneration to be determined by the Council Members.”

The members unanimously voted in favour of the motion. The Chairperson declared that the above motion was carried.

8.

ANNOUNCEMENT OF BALLOT RESULTS ON ELECTED COUNCIL MEMBERS

The Chairman then invited Mr Chan Wei Heng from Boardroom Corporate Services (KL) Sdn Bhd to announce the ballot results which were recorded as follows:-

Ranking	Nomination of Council Members Elected	No. of votes
1	Theneshkannaa A/L Kannan @ Renganathan Kannan	412
2	Farah Binti Rosley	385
3	Low Geok Ping	365
4	Soh Lian Seng	358
5	Foo Meng Huei	259
6	Mok Kam Seng	35

The meeting was informed of the number of proxies held by the respectively members as detailed below:-

Name	No of votes
Aruljothi A/L Kanagaretnam	5
Chow Kar Liang	10
Farah Binti Rosley	35
Foo Meng Huei	38
K. Renganathan A/L Renganathan Kannan	110
Lau Ming Sern	12
Loo Swee Jo	21
Low Geok Ping	16
Phan Wai Kuan	28
Sim Kwang Gek	22
Soh Lian Seng	52
Tan Hooi Beng	41
Tan Lee Chin	10
Tan Sock Hoon	15
Theneshkannaa A/L Kannan @ Renganathan Kannan	26
Total	441

The Chairperson announced that Ms Farah Binti Rosley was re-elected pursuant to the Article 59 and the members elected to the Council for 2018/2022 were Mr Theneshkannaa A/L Kannan @ Renganathan Kannan, Ms Low Geok Ping and Mr Soh Lian Seng. She then congratulated Ms Farah Binti Rosley and the newly elected Council members.

It was noted that the appointments of Mr Theneshkannaa A/L Kannan @ Renganathan Kannan, Ms Low Geok Ping and Mr Soh Lian Seng as Members of the Council would be effective upon their completion of the Declaration in compliance with Section 201 of the Companies Act, 2016.

Other Business

(i) Donation of RM35,000 to Tabung Harapan

The motion submitted by Mr Lew for the Institute to make a donation of RM35,000 to Tabung Harapan, as contained in Appendix I, was discussed. While acknowledging the patriotic gesture giving rise to the motion, the Chairperson said that all funds available in the Institute should be made to meet the Institute's objectives.

The meeting then discussed the validity of the motion submitted by Mr Lew. The members were informed that the motion does not comply with Article 39(1) (b).

The Chairperson and Mr Poon nevertheless highlighted that that Council is open to hearing the views of the members to gauge the members response on the proposal.

	<p>The advantages and disadvantageous of making the donation to Tabung Harapan were discussed. After hearing the views of the members, the proposal was put to a vote.</p> <p>Following a vote by a show of hands, the majority of the members present voted against the proposal to make a donation of RM35,000 to Tabung Harapan.</p> <p>(ii) Motion by Mr Lew to establish 5 CTIM Mini Co-ordination offices</p> <p>The following motion submitted by Mr Lew did not comply with Article 39(1) (b) and could not be put to the meeting for a vote:-</p> <p>“To establish 5 CTIM Mini Co-ordination offices, namely Miri for Sabah and Sarawak, Alor Setar for Northern Region and Perak, Batu Pahat for Johor and Melaka and Klang for PJ and surrounding areas.”</p> <p>The Meeting nevertheless recorded the proposal put forward by Mr Lew. As Article 65(e) states that the power to set up branches rest with the Council, the Council would review the proposal at its Council Meeting.</p>
9.	<p>CLOSE OF MEETING</p> <p>There being no other business, the Meeting was declared closed at 12.00 p.m.</p>

Signed as a correct record,



Chairperson

Date **26 JUN 2018**