

## CHARTERED TAX INSTITUTE OF MALAYSIA

Minutes of the 28<sup>th</sup> Annual General Meeting (AGM) held on Saturday, 12 September 2020 at 9.30 a.m. at the Conference Hall 2, West Wing, Level 3, Kuala Lumpur Convention Centre, 50088 Kuala Lumpur, Wilayah Persekutuan.

<b>Present:</b>	Ms Farah Binti Rosley (Chairperson) Mr Chow Chee Yen Ms Phan Wai Kuan Mr Nicholas Anthony Crist Ms Yeo Eng Ping Mr Koong Lin Loong Mr Lai Shin Fah @ David Lai Encik Mohd Noor Bin Abu Bakar Mr Chow Tuck Him Ms Leow Mui Lee Mr Theneshkannaa A/L Kannan @ Renganathan Kannan Ms Low Geok Ping Mr Soh Lian Seng Mr Alan Chung Ch'ung Yit Mr Chong Mun Yew
<b>In Attendance</b>	Ms Margaret Kok - Executive Director  Ms Cynthia Louis - Company Secretary Ms Venodhini Batumallai- representing Corporate Partners (Asia) Sdn. Bhd.
<b>By invitation</b>	Mr Yan Yok Seng - representing Messrs Sekhar & Tan Ms Koay Seok Hean - representing Messrs Sekhar & Tan Mr Chan Wei Heng - representing Boardroom Share Registrars Sdn. Bhd.
<b>Members' Attendance</b>	A total of 80 members were present and 923 valid proxies were received representing 2.25% and 25.17% respectively of the Institute's total membership and were recorded in the attendance register.
<b>1.</b>	<b>CALL TO ORDER</b>  The Chairperson 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><b>NOTICE OF MEETING</b></p> <p>The Chairperson informed the members that the notice convening the 28<sup>th</sup> Annual General Meeting (“AGM”) had been sent to the members in accordance with the Institute’s Constitution. There being no objection, 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 Constitution, the Chairperson called the meeting to order at 9.30 a.m.</p>
4.	<p><b>PRESIDENT’S ADDRESS</b></p> <p>The Chairperson delivered the President’s Address and a video on the activities of the Institute for the past year was then presented to the members.</p> <p>The Chairperson then 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 2: Election of four (4) council members for the 2020/2024 term</li> <li>2) Agenda 3: To consider and if thought fit, to pass the Special Resolution on the Proposed Adoption of a New Constitution of the Institute</li> <li>3) Agenda 4: To receive the Annual Report and Financial Statements of the Institute for the year ended 31 December 2019 together with the Auditors’ Report</li> <li>4) Agenda 5: To re-appoint Messrs Sekhar &amp; Tan as the Auditors for the ensuing year</li> <li>5) Agenda 6: Any other business</li> </ol> <p>The abovementioned proposal was agreed by a majority of the members present.</p> <p>The Chairperson then invited Mr Chan Wei Heng (“Mr Chan”) from Boardroom Share Registrars 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., 923 valid proxies representing 25.17% of the Institute’s total membership had been received. Members were requested to cast their vote by marking an “X” for the election of four (4) Council Members and the Special Resolution on the Proposed Adoption of a New Constitution of the Institute in the ballot slips provided during registration and deposit the same in the ballot box placed in Meeting Room 306.</p>
5.	<p><b>ELECTION OF FOUR (4) COUNCIL MEMBERS</b></p> <p>The Chairperson announced that there were 5 candidates seeking election for 4 posts in the Council for the 2020/2024 term.</p>

	<p>Ms Phan Wai Kuan (3296) (“Ms Phan”) retires pursuant to Article 59 of the Institute’s Constitution and is not eligible for re-election pursuant to Article 58B. Mr Chow Chee Yen (1331), Mohd Noor Bin Abu Bakar (0422) and Chow Tuck Him (3287) are to retire pursuant to Article 59 of the Institute’s Constitution and offer themselves for re-election.</p> <p>There were two (2) nominations received by the Institute for election at this AGM, namely Mr Thanneermalai a/l SP SM Somasundaram (0149) and Mr Steve Chia Siang Hai (4125).</p> <p>Upon the Chairperson’s invitation, Chow Chee Yen (1331), Mohd Noor Bin Abu Bakar (0422), Chow Tuck Him (3287), Thanneermalai a/l SP SM Somasundaram (0149) and Steve Chia Siang Hai (3287) introduced themselves and highlighted on how they could contribute to the Institute if they were elected or re-elected as a Council Member.</p>
6.	<p><b>TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS A SPECIAL RESOLUTION</b></p> <p>The Chairperson announced that the Council proposes to adopt a new Constitution (“Proposed Adoption”) as set out in Appendix 2 of the Circular dated 19 August 2020, in place of the existing Constitution.</p> <p>The special resolution on Proposed Adoption of a new Constitution is primarily for the purpose of streamlining the Institute’s Constitution in line with the new provisions of the Companies Act 2016, to provide clarity to certain provisions and enhance the administrative efficiency as well as ensure consistency with other provisions in the Constitution.</p> <p>It was highlighted that the Proposed Adoption shall take effect once it has been passed by a majority of not less than 75% of such members who are entitled to vote and do vote in person or by proxy at this meeting and upon approval by the Registrar of Companies.</p> <p>The Chairperson drew the members’ attention to a typographical error in the numbering of clause 107 and the omission of the numbering of clauses 108 to 110 in the Proposed Adoption.</p> <p>The Meeting then adjourned at 10.00 a.m. for the ballot to be carried out and resumed at 10.30 a.m.</p>
7.	<p><b>ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE INSTITUTE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 TOGETHER WITH THE AUDITORS REPORT</b></p> <p>The Annual Report and Financial Statements for the financial year ended 31 December 2019 (“AFS”) 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>

The Chairperson informed that the Auditors had highlighted that there was a typographical error on page 33 of the Audited Financial Statements where the license number of the signing partner, Mr Siew Kah Toong should read as 1045/03/2022(J) instead of 1045/03/2020J.

### **Membership Service Committee**

Mr Steven Lim (“Mr Steven”) (2203) noted that as at 30 June 2020, there was an addition of 128 members over the preceding 14 months, which was quite insignificant compared to other organisations such as the Malaysian Institute of Accountants (“MIA”). He was of the view that CTIM should increase the members by recruiting more tax practitioners to join the Institute. He then proposed the following suggestions to increase the number of members of the Institute: -

- 1) recruit tax practitioners from other organisations such as MIA
- 2) council members to carry out recruitment campaigns
- 3) offer allowances or discounts on subscription fee to encourage tax practitioners to join the Institute

The Chairperson thanked Mr Steven for coming forward with his suggestions. The Chairperson clarified that 63 members were removed from the Institute due to non-payment of subscription fee and 40 members had retired. The Council will nevertheless continue to look into potential ways to encourage more tax practitioners to join the Institute.

Mr Mok Kam Seng (4220) (“Mr K.S”) commented that the size of the members should not be an issue since the members of CTIM are all experienced, competent, and professional tax practitioners which helps to sustain the quality of the Institute despite the small size of members.

Mr Aruljothi a/l Kanagaretnam (300) highlighted that to ensure the quality of the Institute, the minimum criteria for membership in CTIM is that applicants have a minimum of five (5) years tax experience. Members of MIA may not have the tax knowledge nor tax experience that is required to fulfill these criteria. He also informed that the Institute should not be compared with other organizations such as MIA which is a statutory body. A person has to be registered with MIA before they could hold themselves as an accountant. This accounts for their large membership size. On the other hand, a tax professional is not required to be registered with CTIM to carry out tax services. The only requirement is that a tax professional is licensed by the Ministry of Finance (“MOF”). CTIM is a recognized body and as a member of CTIM, a person fulfills one of the criteria to apply for the license as a tax professional.

K Renganathan A/L Renganathan Kannan (3078) commented that as a past Council Member, he recalls that in the past, the Council did take an initiative to formalize an arrangement with MIA but there was no decision reached on the matter. He highlighted that as not all tax agents are members of CTIM, the Institute should look into potential ways to encourage more tax agents to join CTIM which will boost CTIM's membership.

### **Current Assets**

Mr Steven (2203) then drew the members' attention to page 29 of the Audited Financial Statements ("AFS") and highlighted that as reported therein, deposits with licensed banks amounted to RM7,410,000 and cash and bank balances amounted to RM603,670. He then enquired on the plans being contemplated to utilise these monies. The Chairperson informed the members that there are no plans thusfar to utilise the monies and it shall continue to be kept as cash and deposits with the banks to be used for the best interest of the members.

Mr Steven also noted that the operating income and operating expenditure for courses and seminars was recorded at RM2,046,237 and RM1,247,068 respectively giving a gross profit margin of 64%. He suggested that the Institute may reduce the seminars and courses fees, give discounts and early bird promotions to encourage more participants to join the seminars and courses.

Mr Chow Chee Yen (1331) highlighted that for the interest of the members, the seminar and workshop fees have remained the same for the past 10 years. He further highlighted that the gross profit margin is derived from the direct cost and is not inclusive of staff remuneration

The Chairperson highlighted that the revenue from CPD courses and Seminar fees have dropped significantly over the years because GST courses and training are no longer a source of revenue for the Institute. She informed the members that the Council will therefore consider all factors that are in the best interest of the Institute and its members.

### **Subscription Fee for Senior Citizens**

Following an enquiry by Mr K.S (4220) on the reduction of subscription fee for the senior citizen members, Mr Koong Lin Loong (1199) informed that there is a 50% reduction of subscription fee for members who are 65 years and above upon application.

The Chairperson took this opportunity to highlight that CTIM was successful in obtaining the approval from the Ministry of Finance ("MOF") for a reduction in CPE points required for the renewal of tax agent license for senior citizens. MOF has granted approval to reduce the CPE points for tax agents who are 55 years and above from 90 CPE points to 75 CPE points and for tax agents who are 60 years and above from 25 CPE points to 7 CPE points for the application of renewal of the tax agent license that was submitted from the period 18 March 2020 till 1 August 2020. MOF has also granted approval to allow accumulation of CPE points for attending webinars that are held up to 31 December 2020.

### **Other Receivables**

Following a clarification sought by Mr Steven (2203) on the breakdown of other receivables of RM259,174 and the details of the bad debt written off of RM22,799, the Chairperson highlighted the breakdown as below: -

<b>Description</b>	<b>Amount (RM)</b>
Membership Subscription Fee For 2019	31,641
Studentship Subscription Fee For 2019	2,520
National Tax Conference For 2019	54,282
National Tax Conference For 2018	100
Cpd Participants Fee 2019/2018	47,850
MAICSA-CTIM JOINT EVENT-Profit Sharing (Provision)	23,357
Membership/Cpd/Examination/Publication	24,583
MICPA-MIA-CTIM Budget Commentary (Provision)	60,969
CIMB - STMMMD Interest Receivable	13,872
<b>TOTAL</b>	<b>259,174</b>

Ms Margaret Kok ("Ms Margaret") informed that the bad debts written off of RM22,799 is due to the membership subscription fee which was not paid by the members despite reminders issued. Writing off of the bad debt is only carried out after the debt is outstanding for over 1 ½ years in line with the accounting standards.

#### **National Tax Conference 2020**

Following a clarification sought by Mr Wong Yip Moon (2543) ("Mr Wong") on the number of participants that attended the National Tax Conference 2020 ("NTC 2020"), the Chairperson informed that NTC 2020 was attended by about 2,000 participants. Mr Wong further enquired on the profit earned through the NTC 2020. The Chairperson informed that the Council does not have the numbers as the management accounts for 2020 has not been finalised. The Chairperson took this opportunity to thank Ms Phan Wai Kuan and her team for coordinating the NTC 2020 successfully.

#### **Membership Services**

Mr Theneshkannaa a/l Renganathan @ Kannan (2544) ("Mr Thenesh") drew the members' attention to the membership services fee amounting RM971,323 and requested the Council to consider a 50% rebate on the membership fee for members who are 60 years old and above.

Mr Thenesh also highlighted that as the Chairman of the Memorandum & Articles of Association Committee, he welcomes members' opinions and suggestions on the proposed adoption of the new constitution of the Institution and any improvements if required.

Mr P Thomas Simon (3577) ("Mr Thomas") congratulated the Council for the initiative taken to obtain CPE points for attending webinars. He highlighted that 1 CPE point will be granted for each learning hour attended. He further highlighted that the two (2) main sources of income of the Institute is the membership fee and the CPD fee. He was of view that changes in the

membership and CPD fee will contribute a major impact to the Institute's revenue and bottom line. He thus expressed hope that any decision made by the Council on the subscription fee or CPD Fee takes into consideration the best interest of the Institute and its members.

He also commented that the backbone of the Institute's secretariat are the staff. He urged the Council to ensure high performing staff is duly remunerated for their dedication, commitment and service to the Institute in order to retain their services for the betterment of the Institute.

The Chairperson took note of Mr Thomas's concern and duly thanked Mr Thomas, on behalf of the Council for his dedication and service over the last nine (9) years. She also at the same time welcomed Ms Margaret as the new Executive Director. She gave assurance that the Council will take into consideration all necessary factors towards the well-being of the Institute and the staff.

Mr Chong Sai Sin (2677) noted that the bad debt written off of RM22,799 is not included in the Statement of Income and Expenditure of the Audited Financial Statements and recommended to include it moving forward. The Auditor, Yan Yok Seng ("Mr Yan") from Messrs Shekar & Tan informed that the bad debt written off comprised of unpaid subscription fees and is set off against the operating income from membership services of RM971,232.

He also highlighted that the operating income for publications recorded a massive decline compared to the prior year but there was no corresponding drop in operating expenditure recorded. The Chairperson informed that the publication income decreased due to the decrease in share of profit from the sale of budget commentary periodicals. She highlighted that with the use of online publication, hard copy publications are expected to slowly go extinct. She also highlighted that the decrease in the advertisement income had also attributed to the decrease in the publication income as the main source of the advertisement income are in conjunction with the organisation of the National GST Conference.

### **Staff Costs**

Moving forward, for transparency purposes, Mr Chong suggested to disclose the breakdown of the staff costs as it is quite substantial. The Chairperson invited the auditor, Mr Yan to clarify on the query raised. Mr Yan informed that it is not a requirement under the accounting standard to disclose the breakdown of the staff costs but the Council may at its discretion decide to disclose or not disclose the breakdown of the staff costs. The Chairperson informed that as per past practice, the Council had decided not to disclose the breakdown of the staff's costs for confidentiality reasons. However, the Chairperson assured that the staff's remuneration is in accordance with market standards.

Mr Chong also noted that there is over provision of the tax expenses and raised his concern that every year there is under or over provision in tax. He requested the Council to monitor the tax computations before finalising the annual audited financial statements. The Chairperson clarified that the over provision of the tax expenses was due to the unforeseen other receivables for the prior year 2016.

7.	<p><b>RE-APPOINTMENT OF AUDITORS OF THE INSTITUTE</b></p> <p>Following a proposal from Datuk Francis Tan Leh Kiah (1365) which was seconded by Mr Thomas (3577), the following motion was put to the meeting for a vote: -</p> <p>“THAT Messrs Sekhar &amp; Tan be re-appointed as the Auditors for the ensuing year at a remuneration to be determined by the Council Members.”</p> <p>The members unanimously voted in favour of the motion. The Chairperson declared that the above motion carried.</p>																																
8.	<p><b>ANNOUNCEMENT OF BALLOT RESULTS ON ELECTED COUNCIL MEMBERS AND SPECIAL RESOLUTION</b></p> <p>The Chairperson then invited Mr Chan Wei Heng (“Mr. Chan”) from Boardroom Share Registrars Sdn. Bhd. to read the ballot results for the Election of Members which 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>Steve Chia Siang Hai</td><td>620</td></tr><tr><td>2</td><td>Chow Chee Yen</td><td>574</td></tr><tr><td>3</td><td>Mohd Noor bin Abu Bakar</td><td>545</td></tr><tr><td>4</td><td>Chow Tuck Him</td><td>474</td></tr><tr><td>5.</td><td>Thanneermalai a/l SP SM Somasundaram</td><td>464</td></tr></table> <p>The Chairperson announced that, Chow Chee Yen (1331), Mohd Noor Bin Abu Bakar (0422) and Chow Tuck Him (3287) were re-elected pursuant to the Article 59 and the member elected to the Council for 2020/2024 was Mr Steve Chia Siang Hai (4125). She then congratulated the newly elected Council members.</p> <p>It was noted that the appointment of Mr. Steve Chia Siang Hai (4125) as Member of the Council would be effective upon the approval of the Registrar of Companies, Malaysia and his completion of the Declaration in compliance with Section 201 of the Companies Act, 2016.</p> <p>The ballot results for the proposed adoption of a new constitution of the Institute was recorded as follows: -</p> <table><tr><th rowspan="2">Special Resolution</th><th colspan="2">Voted for</th><th colspan="2">Voted Against</th></tr><tr><th>No. of Votes</th><th>%</th><th>No. of Votes</th><th>%</th></tr><tr><td>Proposed Adoption of a New Constitution of Institute</td><td>1,032</td><td>99.99</td><td>1</td><td>0.01</td></tr></table> <p>The Chairperson then declared that the Special Resolution for the proposed adoption of a new Constitution of the Institute passed.</p>	Ranking	Nomination of Council Members Elected	No. of votes	1	Steve Chia Siang Hai	620	2	Chow Chee Yen	574	3	Mohd Noor bin Abu Bakar	545	4	Chow Tuck Him	474	5.	Thanneermalai a/l SP SM Somasundaram	464	Special Resolution	Voted for		Voted Against		No. of Votes	%	No. of Votes	%	Proposed Adoption of a New Constitution of Institute	1,032	99.99	1	0.01
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**9.**

**CLOSURE OF MEETING**

There being no other business, the Meeting was declared closed at 1.15 p.m.

Signed as a correct record,



Chairperson

Date **07 OCT 2020**