

Annual Report 2008



accounts & reports
for the year ended 31 December 2008



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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given in accordance with Articles 39(2) and 42(2) of the Institute's Articles of Association that the Seventeenth Annual General Meeting of the Chartered Tax Institute of Malaysia (formerly known as Malaysian Institute of Taxation) ("the Institute") will be held on Saturday, 13 June 2009 at 9.30a.m. at Hotel Istana, 73 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.

AGENDA

1. President's address.
2. To receive the Annual Report and Financial Statements of the Institute for the year ended 31 December 2008 and the report of the auditors thereon.
3. To elect four (4) Council Members

Khoo Chin Guan, Liew Lee Leong @ Raymond Liew, Lim Kah Fan and Yeo Eng Hui, Adrian retire in accordance with Article 59 of the Institute's Articles of Association and being eligible, offered themselves for re-election.

4. To appoint Auditors for the ensuing year at a remuneration to be mutually agreed upon.
5. As Special Business:

To consider and, if thought fit, to pass the following Special Resolution, with or without modifications:

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

"THAT subject to the approval of the Minister of Domestic Trade and Consumer Affairs, the proposed amendments to the Articles of Association of the Institute as contained in the Appendix be and are hereby approved AND THAT the Council of the Institute be and are hereby authorised to assent to any modifications, variations and/or amendments as may be considered necessary to give full effect to the proposed amendments to the Memorandum and Articles of Association of the Company."

6. Any other business for which due notice has been duly given to the Institute.

By Order of the Council

Wong Wei Fong
MAICSA 7006751
Secretary
21 May 2009

NOTES

- (a) A Member may appoint a proxy who shall either be an Associate Member or Fellow Member of the Institute.
- (b) The proxy shall not be entitled to vote at a meeting of the Institute unless the instrument of appointment has been deposited into the 2009 AGM ballot box at the registered office of the Institute at Unit B-13-2, Block B, 13th Floor, Megan Avenue II, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur not less than forty-eight hours before the time fixed for the meeting.

MISSION STATEMENT



To be the premier body providing effective institutional support to members and promoting the 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.

COUNCIL 2008/2009

PRESIDENT

Attendance

Dr Veerinderjeet Singh	8
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DEPUTY PRESIDENT

Lim Heng How	6
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VICE PRESIDENTS

Khoo Chin Guan	6
Lim Kah Fan	5

COUNCIL MEMBERS

Dr Ahmad Faisal bin Zakaria	5
Aruljothi a/l Kanagaretnam	6
Chow Kee Kan	4
Assoc. Prof. Faridah bt Ahmad	7
Harpal Singh Dhillon	5
Prof. Dr. Jeyapalan Kasipillai	4
Lew Nee Fook	8
Dato' Liew Lee Leong @ Raymond Liew	6
Lim Thiam Kee, Peter	8
Neoh Chin Wah	5
SM Thanneermalai	3
Yeo Eng Hui, Adrian	7
* Tan Leh Kiah, Francis	4
* Mokhtar bin Mahmud	3
* Safrizal bin Mohd Said	3
* Tuan Haji Ab Rahim bin Abdullah	2

*Appointed on 25 September 2008

No of meetings : 8

Auditors

Baker Tilly Monteiro Heng

Registered Office and Address

Chartered Tax Institute of Malaysia
 (formerly known as Malaysian Institute of Taxation)
 B-13-2, Megan Avenue II, No 12 Jalan Yap Kwan Seng
 50450 Kuala Lumpur, Malaysia
 Tel : +603 2162 8989 Fax : +603 2162 8990
 www.ctim.org.my

COUNCIL MEMBERS 2008 / 2009



Dr
Veerinderjeet
Singh



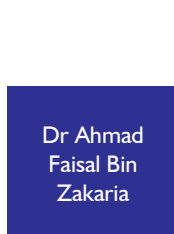
Lim
Heng How



Khoo
Chin Guan



Lim
Kah Fan



Dr Ahmad
Faisal Bin
Zakaria



Aruljothi
A/L
Kanagaretnam



Chow
Kee Kan



Assoc.Prof.
Faridah
Ahmad



Harpal Singh
Dhillon



Prof. Dr.
Jeyapalan
Kasipillai



Lew
Nee Fook



Dato' Liew
Lee Leong @
Raymond Liew



Lim
Thiam Kee,
Peter



Neoh
Chin Wah



SM
Thanneermalai



Yeo
Eng Hui,
Adrian



Tan
Leh Kiah,
Francis



Mokhtar
Bin Mahmud



Safrizal
Bin
Mohd Said



Tuan Haji
Ab Rahim
Bin Abdullah

BRANCH OFFICES

East Coast Branch

Chairman : Wong Seng Chong
Address : No. 1, 2nd Floor, Lorong Pasar Baru I
25000 Kuantan
Pahang

Malacca Branch

Chairman : Viknesvaran s/o Arumugam
Address : No. 40-A, Taman Kota Laksamana
75200 Malacca

Southern Branch

Chairman : Tan Lay Beng
Address : Room 335, 3rd Floor
Johor Tower, Jalan Gereja
80100 Johor Bahru
Johor

Northern Branch

Chairman : Andrew Ewe Keang Teong
Address : Unit 41-51, 5th Floor, Wisma Prudential
Jalan Cantonment
10250 Penang

Perak Branch

Chairman : Lam Weng Keat
Address : C-1-03 1st Floor
No 2 Persiaran Greentown 3
Greentown Business Centre
30450 Ipoh
Perak

Sarawak Branch

Chairman : Fan Kah Seong
Address : 9th Floor, Bangunan Binamas
Jalan Padungan
53100 Kuching
Sarawak

Sabah Branch

Chairman : Michael YS Tong
Address : Damai Plaza 3rd Floor
C11 South Wing,
Jalan Damai
PO Box 11003
88811 Kota Kinabalu
Sabah

CTIM SECRETARIAT

Executive Director

Kulwant Kaur (until 31 May 2008)
Ann Vong Oi Fong (wef 1 July 2008)

Manager, Technical & Public Practice

Lim Kok Seng

Manager, Membership & Administration

Tey Tai Sin

Manager, Examination & Education

Nancy Kaaur d/o Pak Singh

Manager, Continuing Professional Development

Nursalmi Haslina bt Muhd Rusli

Senior Executive, Examination & Education

Chua Wee Hui

Executive, Continuing Professional Development

Karpagalatha @ Latha

Executive, Continuing Professional Development

Nor Haliza bt Yusop

Executive, Membership

Siti Arafah bt Abdul Aziz

Executive, Administration & Finance

Emma Riza bt Umor

Administrative Assistant

Siti Hasmah bt Abdul Rahim

PRESIDENT'S STATEMENT



The Chartered Tax Institute of Malaysia (formerly known as the Malaysian Institute of Taxation) has undergone significant changes since the last annual general meeting held in 2008.

The Institute has effected a change in its name and logo as a result of its rebranding exercise. The new name is intended to reflect the role of the Institute as the premier tax body in the country. Over the years, the Institute has been actively involved in various activities, representing members' interest in its dialogues with the Ministry of Finance and the relevant tax authorities. With the rebranding, members can expect continued enhancement of the Institute's stature as the premier tax organisation in Malaysia.

Memorandums of Understanding (MoU) were signed with two foreign tax bodies, namely, the Taxation Institute of Australia and the Chinese Certified Tax Agents Association. The objectives of the MoU are to promote the exchange of information regarding the tax legislation in each jurisdiction and to conduct training and continuing professional development events which will mutually benefit both parties. An MoU has also been signed with ACCA Malaysia to collaborate in organising continuous professional development courses on taxation for the benefit of members of both organisations in Malaysia. It is expected that more collaborations will be developed in the coming months with other professional bodies.

The Institute continually updates members with the latest information through CPD events conducted in major towns in the country. The National Tax Conference (organised jointly with the Inland Revenue Board) in August 2008 attracted 2,000 participants. The Budget seminars organised nationwide following the tabling of the 2009 Budget in August 2008 benefited participants across the country.

The Institute continued to hold dialogues with the Inland Revenue Board (IRB), the Royal Customs Malaysia and the Ministry of Finance to discuss and seek clarification on relevant issues raised by members. The Joint Public Rulings Working Group has been submitting comments on draft public rulings to the IRB. A Joint Tax Working Group on Financial Reporting Standards (FRS) comprising the Institute, the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants was set up to study the tax impact of adopting the various reporting standards.

The Institute is also participating in the Convergence Task Force of the Malaysian Accounting Standards Board with the objective of coordinating efforts in the transition to International Financing Reporting Standards.

It would be remiss of me if I do not thank the authorities for their continued support to the Institute and in particular the Tax Analysis Division of the Ministry of Finance, the Inland Revenue Board, the Royal Customs Malaysia, the Tax Review Panel of the Ministry of Finance, the Professional Services Development Corporation, PEMUDAH and numerous other organisations that have approached the Institute for assistance and input. I also extend my personal thanks to Datuk Hasmah bt Abdullah, Datuk Aziyah bt Bahauddin, Dato' Hj. Ibrahim bin Hj. Jaapar and other heads of government and regulatory authorities for their assistance and support of the Institute and its activities.

On behalf of the Council, I thank our members whose support of the Institute and its activities has given us the impetus to grow further. The members form an important part of the organisation and as such, your constant feedback and opinions matter to the Institute, the Council and to me personally.

Last but not least, I thank my fellow Council members for their dedication and for the time and energy they have spent in developing the Institute and the tax profession. Finally, I thank the Institute's secretariat staff who have worked tirelessly in contributing to the success of the Institute through their dedication and commitment. We are all fully aware that there is so much that still has to be done. I am confident that with the support of all parties, the Institute will achieve its aspirations.

Dr Veerinderjeet Singh

President

Chartered Tax Institute of Malaysia

REPORT OF THE COUNCIL FOR 2008 / 2009

COMMITTEE REPORTS

Continuing Professional Development (CPD) Committee

The 2008/2009 year was a year of transition for the Continuing Professional Development (CPD) Committee as it was merged with the Conference Organising Committee to conduct the National Tax Conference, seminars and workshops for the benefit of members and tax professionals.

Regular seminars, workshops, evening talks and forums were conducted throughout the year. The CPD Committee worked closely with the other Committees to ensure that the events are run smoothly and the needs of members are addressed.

The two-day National Tax Conference was held on 19 and 20 August 2008 at the Kuala Lumpur Convention Centre with the theme "Together Towards an Excellent Delivery System". The Conference, which brought together approximately 2,000 participants, is regarded as one of the most prestigious conferences in the area of taxation.

The Institute's signature event of the year, "The Budget Talk with YBhg Datuk Aziyah bt Bahauddin, Under-Secretary of Tax Analysis Division, Ministry of Finance Malaysia" recorded the highest attendance with over 600 participants. The Director General of the Inland Revenue Board, YBhg Dato' Hasmah bt Abdullah participated in the forum discussion which was chaired by the President of the Institute.

Apart from that, a series of 2009 Budget seminars were held at various locations such as Kuala Lumpur, Petaling Jaya, Ipoh, Malacca, Seremban, Johor Bahru, Penang, Kuantan, Kuching, Sibu and Kota Kinabalu. The total number of participants who attended the Institute's 2009 Budget seminars recorded a substantial increase compared to the 2008 Budget seminars.

On 18 March 2009, a special seminar on the 2009 Budget was held for the benefit of members and practitioners who could not attend the other Budget seminars conducted in 2008.

The Memorandum of Understanding between the Institute and ACCA Malaysia to jointly organise CPD courses on taxation was signed on 1 April 2009. The Memorandum was designed to cater to the varying needs of members of both organisations. The Institute continued to work in collaboration with MAICSA to conduct a series of workshops on "Basic Tax Practice and Principles".

Disciplinary Committee

During the year, the Disciplinary Committee finalised the Investigation and Disciplinary Rules which were subsequently approved by the Council. The Rules were adopted by the Council for the purpose of governing the investigation and disciplinary activities of the Institute. The Committee has also started a review of the existing Rules and Regulations on professional conduct and ethics.

Editorial Committee

The Editorial Committee is responsible for the publication and release of the official journal of the Institute, Tax Guardian.

The committee agreed to continue with the outsourcing of the publication of the Tax Guardian as this has resulted in the timely delivery of the journal to members as well as an improvement in the quality.

The committee continues to look into ways of improving the content of the Tax Guardian which carries a wide range of articles on recent developments in taxation locally as well as internationally which are intended to meet the needs of tax practitioners.

Education Committee

The committee's main focus is to promote the professional qualification to potential members. For the 2008/2009 term, the committee embarked on an active programme to promote the qualification to public universities and institutions of higher learning. Career talks were held at University of Malaya, International Islamic University Malaysia, Institute Professional Baitulmal, Universiti Putra Malaysia, Universiti Teknologi Mara, Curtin University Sarawak, Multimedia University, IKIP International College, Open University Melaka, Universiti Kebangsaan Malaysia.

The committee is looking at further steps that are necessary to enhance the status of the professional qualification by the Malaysian Qualifications Agency and Jabatan Perkhidmatan Awam.

Examination Committee...continued

The professional examinations were successfully held from 15 to 19 December 2008 at centres in Georgetown, Ipoh, Kota Bharu, Kuala Lumpur, Malacca, Johor Bahru, Kota Kinabalu and Kuching.

In 2008, the Institute registered 74 new students. A total of 237 candidates registered for the December 2008 examinations. The examination results were released to students on 27 February 2009.

The examination was conducted satisfactorily and it has shown an improvement in some of the papers compared to previous years. The performance of the students in the examinations was satisfactory and there had been an improvement in some of the papers compared to previous years.

The committee has also started the process of updating the examination syllabus and is planning to review the examinations framework within the next 12 months.

International Affairs Committee

The Institute continued to strengthen its working relationship with the various international professional bodies.

On 27 November 2008, the 16th General Council Meeting and 8th General Meeting of Asia-Oceania Tax Consultants' Association (AOTCA) were held successfully at the Shanghai International Convention Centre, Shanghai, China. The meetings were attended by delegates from the member organisations and hosted by the Chinese Certified Tax Agents Association (CCTAA).

Apart from attending the meetings, the Institute signed Memorandums of Understanding (MoU) with two foreign tax bodies, i.e Taxation Institute of Australia (TIA) and CCTAA. The main objectives of the MoUs are to promote the exchange of information regarding the tax legislation in each jurisdiction and to conduct seminars and continuing professional development events which will mutually benefit both parties. In addition, the MoU with TIA is also to seek better co-operation and sharing of information relating to the professional examination syllabus.

Membership Services Committee

For 2008/2009, the Membership Committee continued to work towards promoting membership of the Institute. The Committee also took steps to revamp the membership register due to non-payment of subscriptions for more than a year.

The Committee was involved in taking steps to effect the change in the name of the Institute to the Chartered Tax Institute of Malaysia. In line with the change of the Institute's name, the Committee also deliberated on the designations for members. It is in the process of formulating criteria to be met for the issuance of practising certificates.

Public Relations Committee

The Public Relations Committee spearheaded various activities including brainstorming sessions among Council members to enhance the Institute's image and to re-brand itself as the premier body for all tax professionals.

In early August 2008, a series of networking lunches was held with various publication media to build closer ties with the Institute.

To kick off the re-branding exercise, the Committee held a brainstorming session on the proposed change of the existing logo and name on 16 August 2008. The Committee also conducted a survey on the proposed changes in the name and logo of the Institute amongst its members. Following the positive feedback received, a logo design contest was organised.

An Extraordinary General Meeting of the Institute was held on 7 March 2009 to pass a special resolution on the proposed change of Institute's name to "Chartered Tax Institute of Malaysia". On 12 March 2009, the Registrar of Companies issued the Certificate of Incorporation on the Change of Name to the Institute.

In line with the new name and logo, the Committee has also initiated the changes to the relevant areas affecting the Institute such as the website, corporate items, stationery, correspondence and printed materials, as well as souvenir items.

REPORT OF THE COUNCIL FOR 2008 / 2009...(continued)

Technical and Public Practice Committee

As in the past, the Technical and Public Practice Committee continued to strengthen its working relationship with the various government agencies and authorities. There has been encouraging responses from the relevant authorities towards proposals submitted by the Institute. The major tasks and activities undertaken in the year were as follow:

2010 National Budget Proposals

The Institute is in the process of submitting the 2010 Budget Memorandum to the Ministry of Finance (MOF).

Dialogues with the Inland Revenue Board and the Royal Customs Malaysia

Various dialogues were held with the Inland Revenue Board (IRB) and the Royal Customs Malaysia. These dialogues served as a platform to discuss and seek clarification on relevant issues raised by members.

Discussions with the Tax Review Panel

The Institute was invited by the Tax Review Panel from time to time to discuss issues relating to the tax treatment of various transactions and tax administration procedures.

Filing Programme

The Institute, together with other bodies, held a series of meetings with the IRB to discuss issues relating to the filing programme, including the timetable for launching the e-filing module and submitted comments on draft tax return forms as well as revision of the Schedular Tax Deduction (STD) Rules and Guidelines.

Dialogues with Ministry of Finance (MOF)

The Institute continues to actively participate in dialogues with the MOF to discuss matters related to tax policy. The Institute had submitted comments on the draft Rules on Transfer Pricing and Advance Pricing Arrangements.

The Institute was also invited to discuss the tax implications on adoption of International Financial Reporting Standards.

Tax Agents

During the year, the Institute received feedback from members on various issues relating to the renewal of tax agent licences. The Institute raised the various issues pertaining to the licensing of tax agents with the MOF and continues to follow up on this matter.

Joint Public Rulings Working Group

The Institute, in collaboration with the accounting profession, continues to actively participate in providing comments on proposed public rulings.

Joint Tax Working Group on Financial Reporting Standards (JTWG-FRS)

A Joint Tax Working Group on Financial Reporting Standards (FRS) has been set up by the Malaysian Institute of Accountants (MIA), the Malaysian Institute of Certified Public Accountants (MICPA) and the Institute to study the tax impact of adopting the various reporting standards. The FRSs under study at the initial stage are FRS 2, 5, 102, 116, 117, 121, 139 and 140.

Convergence Task Force of the Malaysian Accounting Standards Board (MASB)

The Institute has been invited to participate in the Convergence Task Force of the MASB with a view to coordinate efforts for transitioning to International Financial Reporting Standards and efforts in developing guidance.

COMMITTEES 2008 / 2009

EXECUTIVE COMMITTEE

Dr. Veerinderjeet Singh (Chairman)
Lim Heng How (Deputy Chairman)
Khoo Chin Guan
Lim Kah Fan

Total number of meetings held: 7

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

Lim Kah Fan (Chairman)
Khoo Chin Guan (Deputy Chairman)
Aruljothi a/l Kanagaretnam
Dato' Liew Lee Leong @ Raymond Liew
Lew Nee Fook
Lim Thiam Kee, Peter
Neoh Chin Wah
Yeo Eng Hui, Adrian
Safrizal bin Mohd Said

Total number of meetings held: 5

Terms of Reference

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

DISCIPLINARY COMMITTEE

Chow Kee Kan (Chairman)
Dr. Ahmad Faisal Zakaria (Deputy Chairman)
Asso Prof Faridah bt Ahmad
Lew Nee Fook
Neoh Chin Wah
Tuan Haji Ab Rahim bin Abdullah

Total number of meetings held: 4

Terms of Reference

1. To recommend to the Council the procedures, rules and regulations pertaining to disciplinary matters, including any subsequent improvements thereto.
2. To conduct hearings on all cases referred to the Committee by the Investigation Committee.
3. To determine the appropriate action to be taken upon completion of a hearing.

COMMITTEES 2008 / 2009...(continued)

EDITORIAL COMMITTEE

SM Thanneermalai (Chairman)
Dato' Liew Lee Leong @ Raymond Liew (Deputy Chairman)
Chow Kee Kan
Tan Leh Kiah, Francis
Harpal Singh
Prof. Dr. Jeyapalan Kasipillai
Lew Nee Fook
Lim Heng How
Aurobindo Ponniah
Lim Phaik Hoon
M Silverranie
Dr Nakharatnam Somasundaram
Saravana Kumar

Total number of meetings held : 7

Terms of Reference

1. To consider all matters pertaining to the editorial policies of the journal.
2. To improve the quality of the journal by soliciting well-researched articles.
3. To ensure that all articles submitted are placed through a 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.
6. To generate advertising revenue.

EDUCATION COMMITTEE

Assoc Prof. Faridah Ahmad (Chairman)
Prof Dr Jeyapalan Kasipillai (Deputy Chairman)
Dr Ahmad Faisal Zakaria
Venkiteswaran Sankar
Assoc Prof. Dr Loo Ern Chen

Total number of meetings held: 5

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.

EXAMINATIONS COMMITTEE

Prof. Dr. Jeyapalan Kasipillai (Chairman)
Assoc. Prof. Faridah Ahmad (Deputy Chairman)
Aruljothi Kanagaretnam
Lim Thiam Kee, Peter
Yeo Eng Hui, Adrian

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.

INTERNATIONAL AFFAIRS COMMITTEE

Lim Thiam Kee, Peter (Chairman)
Harpal Singh Dhillon (Deputy Chairman)
Lim Heng How
Lew Nee Fook
SM Thanneermalai
Dr Veerinderjeet Singh
Mokhtar Mahmud
Tan Leh Kiah, Francis

Total number of meetings held: 2

Terms of Reference

1. To promote the Institute as the premier Malaysian tax professional institution in international forums.
2. To develop and maintain good relationship and networking with overseas taxation bodies.
3. To promote understanding and collaboration in regional and international taxation matters.
4. To support the Continuing Professional Development Committee in organising international and regional courses, conferences, seminars, workshops and forums.

MEMBERSHIP SERVICES COMMITTEE

Yeo Eng Hui, Adrian (Chairman)
Aruljothi a/l Kanagaretnam (Deputy Chairman)
Tuan Haji Ab Rahim
Dr Ahmad Faisal bin Zakaria
Lew Nee Fook
Dato' Liew Lee Leong @ Raymond Liew
Lim Kah Fan
Mokhtar bin Mahmud

Total number of meetings held: 6

Terms of Reference

1. To review and recommend to Council the policies, procedures and qualifications recognised 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 readmission 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 develop and improve the processes involving the issuance of Practising Certificates, where applicable.
8. To promote membership of the Institute.
9. To enhance services provided to members.

PUBLIC RELATIONS COMMITTEE

Dato' Liew Lee Leong @ Raymond Liew (Chairman)
Lim Thiam Kee, Peter (Deputy Chairman)
Dr Veerinderjeet Singh
Yeo Eng Hui, Adrian
SM Thanneermalai
Safrizal bin Mohd Said

Total number of meetings held: 6

Terms of Reference

1. To develop and maintain media relationship and exposure of the Institute
2. To plan, coordinate and organise activities and programmes to establish the Institute as the premier institute in taxation
3. To develop and maintain the Institute's brand
4. To maintain close working relationship with the relevant Ministries and Government authorities

COMMITTEES 2008 / 2009...(continued)

TECHNICAL AND PUBLIC PRACTICE COMMITTEE

Khoo Chin Guan (Chairman)
Lim Kah Fan (Deputy Chairman)
Chow Kee Kan
Harpal Singh Dhillon
Neoh Chin Wah
SM Thanneermalai
Dr Veerinderjeet Singh
Tan Leh Kiah, Francis
Mokhtar bin Mahmud
Chow Chee Yen
Harvinder Singh
K. Sandra Segaran
Dr Nakha Ratnam Somasundaram
Nancy Yeoh
Tan Eng Yew
Wong Yok Chin

Total number of meetings held: 4

Terms of Reference

1. To provide effective representation at dialogues with Government authorities on tax issues faced by members, the business community and the public at large.
2. 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.
3. To issue 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 tax practitioners.

CALENDAR OF EVENTS 2008 / 2009

DATE	TRAINING PROGRAMME	VENUE
JUNE 2008		
2	Evening Talk : Section 153 - The New Tax Agent Guidelines	Equatorial Hotel, Kuala Lumpur
3	Workshop: Dividends & Single Tier Tax System	Bayview Hotel, Penang
5	Workshop: Dividends & Single Tier Tax System	Mutiara Hotel, Johor Bahru
10	Practitioners Update	Equatorial Hotel, Kuala Lumpur
12	Workshop: Tax Planning	PNB Darby Park, Kuala Lumpur
17	Workshop: Dividends & Single Tier Tax System	Hyatt Regency, Kota Kinabalu
18	Workshop: Dividends & Single Tier Tax System	Holiday Inn, Kuching
21	Workshop: Tax Planning on Current Tax Issues	Legacy Hotel, Malacca
JULY		
1	Workshop: Tax Planning on Current Tax Issues	Bayview Hotel, Penang
1	Workshop: Investment Incentives	MIT Training Room, Kuala Lumpur
2	Workshop: Tax Planning on Current Tax Issues	Mutiara Hotel, Johor Bahru
7	Workshop: Indirect Tax - Latest Updates	Equatorial Hotel, Kuala Lumpur
8	Workshop: Investment Incentives	Impiana Casuarina Hotel, Ipoh
9	Workshop: Tax Planning on Current Tax Issues	Hyatt Regency, Kota Kinabalu
10	Workshop: Tax Planning on Current Tax Issues	Holiday Inn, Kuching
10	Workshop: Investment Incentives	Bayview Hotel, Penang
15	Workshop: Investment Incentives	Mutiara Hotel, Johor Bahru
17	Workshop: Tax Audit Under Self-Assessment	PNB Darby Park, Kuala Lumpur
17	Workshop: Investment Incentives	Legacy Hotel, Malacca
23	Workshop: Investment Incentives	Holiday Inn, Kuching
AUG		
19-20	National Tax Conference 2008	Kuala Lumpur Convention Centre
30	2009 Budget Seminar : Selangor	Holiday Villa, Subang
SEPTEMBER		
2	2009 Budget Talk with YBhg Datuk Aziyah binti Bahauddin	Best Western Premier Seri Pacific Hotel, Kuala Lumpur
5	2009 Budget Seminar	Impiana Casuarina Hotel, Ipoh
8	2009 Budget Seminar	Legacy Hotel, Malacca
9	2009 Budget Seminar	Royale Adelphi, Seremban

CALENDAR OF EVENTS 2008 / 2009...(continued)

DATE	TRAINING PROGRAMME	VENUE
10	2009 Budget Seminar	Mutiara Hotel, Johor Bahru
15	2009 Budget Seminar	M.S Garden, Kuantan
16	2009 Budget Seminar	Holiday Inn, Kuching
17	2009 Budget Seminar	TanahMas, Sibul
18	2009 Budget Seminar	Hyatt Regency, Kota Kinabalu
19	2009 Budget Seminar	Bayview Hotel, Penang
20	2009 Budget Seminar	Equatorial Hotel, Kuala Lumpur
23	2009 Budget Seminar (2nd Session)	Equatorial Hotel, Kuala Lumpur
OCTOBER		
13	Workshop: Understanding Deferred Taxation	Best Western Premier Seri Pacific Hotel, Kuala Lumpur
17	Workshop: Understanding Deferred Taxation	Bayview Hotel, Penang
17-18	Workshop: Introduction to Corporate Taxation & Self Assessment System	Bayview Hotel, Penang
22	Workshop: Cross Border Transactions	Novotel, Kuala Lumpur
23	Seminar: Tax Planning	PWTC, Kuala Lumpur
30	Workshop: Cross Border Transactions	Mutiara Hotel, Johor Bahru
NOVEMBER		
5	Practitioners Update	Bayview Hotel, Penang
6	Workshop: Cross Border Transactions	Bayview Hotel, Penang
18-19	Workshop: Introduction to Corporate Taxation & Self Assessment System	Holiday Inn, Kuching
DECEMBER		
2	Seminar: Indirect Taxes	Sime Darby Convention Centre, Kuala Lumpur
5-6	Workshop: Introduction to Corporate Taxation & Self Assessment System	Legacy Hotel, Malacca
9	Practitioners Update	Legacy Hotel, Malacca
10	Practitioners Update	Mutiara Hotel, Johor Bahru
10-11	Workshop: Introduction to Corporate Taxation & Self Assessment System	Impiana Casuarina Hotel, Ipoh
18	Workshop: Tax Audits & Investigations	PNB Darby Park, Kuala Lumpur
22	Practitioners Update	Hyatt Regency, Kota Kinabalu
23	Practitioners Update	Holiday Inn, Kuching

DATE	TRAINING PROGRAMME	VENUE
JANUARY 2009		
12	Workshop: Withholding Tax & Cross Border Transactions	PNB Darby Park, Kuala Lumpur
FEBRUARY		
5	Workshop: Corporate Restructuring & Tax Management	PNB Darby Park, Kuala Lumpur
13-14	Workshop: Introduction to Corporate Taxation & Self Assessment System	PNB Darby Park, Kuala Lumpur
16	Workshop: Corporate Restructuring & Tax Management	Impiana Casuarina Hotel, Ipoh
17	Seminar: A Critique on Recent Tax Cases- Discerning Judicial Mood	Equatorial Hotel, Kuala Lumpur
19	Workshop: Corporate Restructuring & Tax Management	Legacy Hotel, Malacca
MARCH		
5	Workshop: Corporate Restructuring & Tax Management	Mutiara Hotel, Johor Bahru
10	Workshop: Practical Implications on New Public Rulings	PNB Darby Park, Kuala Lumpur
16	Workshop: Practical Implications on New Public Rulings	Mutiara Hotel, Johor Bahru
23	Workshop: Practical Implications on New Public Rulings	Bayview Hotel, Penang
26	Workshop: Corporate Restructuring & Tax Management	Bayview Hotel, Penang
28	Workshop: Income Reconstruction	Legacy Hotel, Malacca
31	Workshop: Practical Implications on New Public Rulings	Impiana Casuarina Hotel, Ipoh
APRIL		
1	Workshop: Corporate Restructuring & Tax Management	Holiday Inn, Kuching
7	Workshop: A Critique on Recent Tax Cases	Impiana Casuarina Hotel, Ipoh
7	Workshop: Practical Implications on New Public Rulings (2nd Session)	PNB Darby Park, Kuala Lumpur
11	Workshop: Income Reconstruction	Bayview Hotel, Penang
15	Workshop: Income Reconstruction	Impiana Casuarina Hotel, Ipoh
20	Workshop: Taxation on Individual (JV with MAICSA)	MAICSA Training Room, Kuala Lumpur
22	Workshop: Practical Implications on New Public Rulings	Legacy Hotel, Malacca
25	Workshop: Income Reconstruction	Mutiara Hotel, Johor Bahru
28	Seminar: Understanding Latest Changes on Transfer Pricing	Equatorial Hotel, Kuala Lumpur
29	Workshop: A Critique on Recent Tax Cases	Bayview Hotel, Penang
MAY		
5	Workshop: A Critique on Recent Tax Cases	Legacy Hotel, Malacca
7	Workshop: Capital Allowances Maximisation	Mutiara Hotel, Johor Bahru

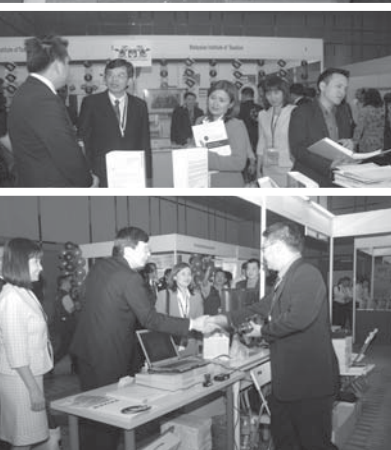
CALENDAR OF EVENTS 2008 / 2009...(continued)

DATE	TRAINING PROGRAMME	VENUE
7	Workshop: Single-Tier Tax System	PNB Darby Park, Kuala Lumpur
12	Workshop: A Critique on Recent Tax Cases	Mutiara Hotel, Johor Bahru
14	Workshop: Capital Allowances Maximisation	Legacy Hotel, Malacca
18	Workshop: Latest Development on Transfer Pricing in Malaysia	Hyatt Regency, Kota Kinabalu
21	Workshop: Latest Development on Transfer Pricing in Malaysia	Holiday Inn, Kuching
27	Workshop: Latest Development on Transfer Pricing in Malaysia	Bayview Hotel, Penang
28	Workshop: Capital Allowances Maximisation	Impiana Casuarina Hotel, Ipoh

HIGHLIGHTS 2008

CHARTERED TAX INSTITUTE OF MALAYSIA
(formerly known as Malaysian Institute of Taxation)











REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

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REPORT OF THE COUNCIL

REPORT OF THE COUNCIL

Your Council hereby submit their report together with the audited financial statements of the Institute for the financial year ended 31 December 2008.

PRINCIPAL OBJECTIVES

The principal objectives of the Institute, being a company limited by guarantee incorporated under the Companies Act, 1965 are to promote, encourage and advance the status and interest of the taxation profession in Malaysia. There has been no significant change in the nature of the principal objectives during the financial year.

RESULTS

RM

Surplus for the financial year after taxation

604,103

RESERVES AND PROVISIONS

All material transfers to and from reserves and provisions during the financial year have been disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the income and expenditure statement and balance sheet of the Institute were made out, the Council 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 satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the Council of the Institute is not aware of any circumstances that would render the amount written off for bad debts, or the amount of the allowance for doubtful debts, in the financial statements of the Institute inadequate to any substantial extent.

CURRENT ASSETS

Before the income and expenditure statement and balance sheet of the Institute were made out, the Council 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 had been written down to an amount that they might be expected to realise.

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

VALUATION

At the date of this report, the Council is 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 that has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Institute that has arisen since the end of the financial year.

No contingent liability or other liability 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, 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 is 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 misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Institute for the financial year were not, in the opinion of the Council, substantially affected by any item, transaction or event of a material and unusual nature.

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 likely, in the opinion of the Council, to affect substantially the results of the operations of the Institute for the financial year in which this report is made.

COUNCIL

The members of the Council who served since the date of the last report are:-

Chow Kee Kan	
Dato' Liew Lee Leong @ Raymond Liew	
Dr. Veerinderjeet Singh	
Harpal Singh Dhillon	
Khoo Chin Guan	
Lew Nee Fook	
Lim Heng How	
Lim Kah Fan	
Lim Thiam Kee, Peter	
Neoh Chin Wah	
Prof. Dr. Jeyapalan A/L Kasipillai	
Yeo Eng Hui, Adrian	
Assoc. Prof. Faridah Binti Ahmad	(elected on 14.6.2008)
Tan Leh Kiah, Francis	(appointed on 25.9.2008)
Tuan Haji Ab Rahim Bin Abdullah	(appointed on 25.9.2008)
Aruljothi A/L Kanagaretnam	(retired on 14.6.2008, re-elected on 14.6.2008)
Dr. Ahmad Faisal Bin Zakaria	(retired on 14.6.2008, re-elected on 14.6.2008)
SM Thanneermalai	(retired on 14.6.2008, re-elected on 14.6.2008)
Mokhtar Bin Mahmud	(retired on 14.6.2008, reappointed on 25.9.2008)
Safrizal Bin Mohd. Said	(retired on 14.6.2008, reappointed on 25.9.2008)
Nujumudin Bin Mydin	(retired on 14.6.2008)
Venkiteswaran Sankar	(retired on 14.6.2008)

In accordance with Article 59 of the Institute's Articles of Association, Khoo Chin Guan, Lim Kah Fan, Yeo Eng Hui, Adrian and Dato' Liew Lee Leong @ Raymond Liew retire at the forthcoming Annual General Meeting.

In accordance with Article 58(A) of the Institute's Articles of Association, Tuan Haji Ab Rahim Bin Abdullah, Tan Leh Kiah, Francis, Mokhtar Bin Mahmud and Safrizal Bin Mohd Said retire at the forthcoming Annual General Meeting.

BENEFITS OF COUNCIL MEMBERS

During and at the end of the financial year, no arrangement subsisted to which the Institute is a party with the object of enabling Council members of the Institute to acquire benefits by means of the acquisition of debentures of the Institute or any other body corporate.

Since the end of the previous financial year, 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 other than as disclosed in the financial statements.

INTERESTS OF COUNCIL MEMBERS

None of the Council members holding office at the financial year end had any interest in the Institute.

REPORT OF THE COUNCIL...(continued)

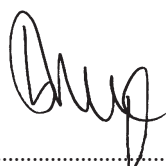
EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

The Institute changed its name from Malaysian Institute of Taxation to Chartered Tax Institute of Malaysia on 12 March 2009.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

Signed in accordance with a resolution by the Council,



DR. VEERINDERJEET SINGH

Council member



LIM HENG HOW

Council member

Kuala Lumpur

Date : 29 April 2009

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Note	2008 RM	2007 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,024,807	1,064,243
Current assets			
Other receivables, deposits and prepayments	5	247,441	13,888
Fixed deposits	6	1,352,542	1,297,346
Cash and bank balances		747,333	515,518
		2,347,316	1,826,752
TOTAL ASSETS		3,372,123	2,890,995
Represented by:			
ACCUMULATED FUND			
Balance brought forward		2,117,229	1,295,641
Surplus for the financial year		604,103	821,588
Balance carried forward		2,721,332	2,117,229
Non-current liabilities			
Term loan	7	87,604	200,171
Deferred taxation	8	9,322	8,299
		96,926	208,470
Current liabilities			
Other payables and accruals	9	497,634	545,374
Term loan	7	14,364	9,715
Provision for taxation		41,867	10,207
		553,865	565,296
Total liabilities		650,791	773,766
TOTAL ACCUMULATED FUND AND LIABILITIES		3,372,123	2,890,995

The accompanying notes form an integral part of these financial statements.

INCOME AND EXPENDITURE STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	2008 RM	2007 RM
INCOME		
AOTCA international conference	-	354,991
Branches' dinner income	32,950	-
Courses and seminars	1,205,058	1,057,001
Examinations	26,245	28,331
Fund raising activities	3,760	-
Interest on fixed deposits	42,336	30,174
Members' annual subscription	519,995	522,860
Members' entrance fees	44,000	50,900
National tax conference	402,957	402,597
Publications	106,876	105,682
Students' annual subscription	70,300	64,800
Students' exemption fee	9,200	16,440
Students' registration fee	9,750	13,500
Sundry income	1,365	44,700
	2,474,792	2,691,976

INCOME AND EXPENDITURE STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008...(continued)

	2008 RM	2007 RM
EXPENDITURE		
Accounting fee	8,450	8,400
Annual general meeting expenses	33,172	36,716
AOTCA conference expenses	-	226,174
Audit fee	4,500	4,500
Bank charges	1,068	1,270
Branches' dinner expenses	30,327	-
Courses and seminar expenses	770,875	618,164
Depreciation	48,569	57,253
Entertainment	931	574
Equipment rental	10,788	13,470
Examinations	26,659	22,073
Filing fee	150	300
International relations	13,514	15,676
Medical expenses	3,238	2,295
Newspaper and periodicals	4,279	1,848
Meeting expenses	12,604	15,553
Miscellaneous expenses	102	(1,700)
Office storage rental	1,800	1,800
Postage and courier	37,444	39,891
Printing and stationery	34,222	30,397
Professional fees	8,176	12,483
Promotion and publicity	6,002	5,418
Publications	109,745	111,711
Quit rent and assessment	8,640	8,640
Service charges and sinking fund	10,837	10,753
Staff costs		
- Employees Provident Fund and SOCSO	56,979	53,465
- staff remuneration	477,760	451,812
- staff welfare	321	1,814
Telephone expenses	19,753	24,233
Term loan interest	13,730	24,759
Travelling	11,916	6,973
Upkeep of office	10,274	12,127
Upkeep of office equipment	9,296	13,669
Website and e-mails	1,400	6,400
Water and electricity	14,085	12,583
	1,801,606	1,851,494
Surplus for the year before taxation	673,186	840,482
Taxation (Note 10)	(69,083)	(18,894)
SURPLUS FOR THE FINANCIAL YEAR AFTER TAXATION	604,103	821,588

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN FUND

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Accumulated Fund RM
Balance at 1 January 2007	1,295,641
Surplus for the financial year	821,588
Balance at 31 December 2007	2,117,229
Surplus for the financial year	604,103
Balance at 31 December 2008	2,721,332

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	2008 RM	2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES:		
Surplus for the financial year after taxation	604,103	821,588
Adjustments for:		
Depreciation	48,569	57,253
Interest income	(42,336)	(30,174)
Taxation	69,083	18,894
	679,419	867,561
Changes In Working Capital:		
Receivables	(233,553)	3,100
Payables	(47,740)	110,426
Tax paid	(36,400)	-
Net Operating Cash Flow	361,726	981,087
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(9,133)	(30,623)
Interest income	42,336	30,174
Net Investing Cash Flow	33,203	(449)
CASH FLOWS FROM FINANCING ACTIVITY:		
Repayment of term loan	(107,918)	(415,852)
Net Financing Cash Flow	(107,918)	(415,852)
NET CHANGE IN CASH AND CASH EQUIVALENTS	287,011	564,786
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	1,812,864	1,248,078
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	2,099,875	1,812,864
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and bank balances	747,333	515,518
Fixed deposits	1,352,542	1,297,346
	2,099,875	1,812,864

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

I. PRINCIPAL OBJECTIVES

The principal objectives of the Institute, being a company limited by guarantee incorporated under the Companies Act, 1965 are to promote, encourage and advance the status and interest of the taxation profession in Malaysia. There has been no significant change in the nature of the principal objectives during the financial year.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Institute have been prepared in accordance with the Financial Reporting Standards (“FRS”) and the provisions of the Companies Act, 1965 in Malaysia. The financial statements of the Institute have been prepared under the historical cost basis, except as disclosed in the significant accounting policies in Note 2.3 to the financial statements.

The preparation of financial statements in conformity with FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and reported amounts of the revenue and expenses during the reported period. It also requires the directors’ best knowledge of current events and actions, and therefore actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

2.2 New and Revised FRS, Amendments to FRS and IC Interpretations

(a) Adoption of Revised FRSS, Amendments to FRS and IC Interpretations

The Institute had adopted the following revised FRSS, amendments to FRS and IC Interpretations (“IC Int”) that are relevant to their operations and are mandatory for the current financial year:-

Revised FRSS

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

Amendments to FRS

FRS 121	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
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IC Int

IC Int 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Int 2	Members’ Shares in Co-operating Entities and Similar Instruments
IC Int 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Int 6	Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
IC Int 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
IC Int 8	Scope of FRS 2

The adoption of the above revised FRS, amendments to FRS and IC Int did not result in any substantial changes in the Institute’s accounting policies, and did not have any material impact on the results and the financial position of the Institute.

(b) FRS and IC Interpretations that are issued, not yet effective and have not been early adopted

The Institute has not adopted the following new FRS and IC Int that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Institute:-

		Effective for Financial periods beginning on or after
New FRS		
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
IC Int		
IC Int 9	Reassessment of Embedded Derivatives	1 January 2010
IC Int 10	Interim Financial Reporting and Impairment	1 January 2010

Other than FRS 139, the council members do not anticipate that the application of the above new FRSs and IC Int, when they are effective, will have a material impact on the results and the financial position of the Institute. The Institute has applied the transitional provision in FRS 139.103AB which exempts entities from disclosing the possible impact arising from the initial recognition of this standard on the financial statements of the Institute as required by paragraph 30(b) of FRS 108.

2.3 Significant Accounting Policies

(a) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(e).

Depreciation is calculated to write off the cost on the straight line basis over the expected useful lives of the property, plant and equipment concerned. The annual rates used are as follows:-

Freehold properties	2%
Office equipment	10%
Furniture and fittings	10%
Computer equipment	40%
Renovation	10%

(b) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(c) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future, whether or not billed to the Institute.

(d) Financial Instruments

Financial instruments are recognised in the balance sheet when the Institute has become a party to the contractual provisions of the instruments. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item. Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Institute has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(e) Impairment of Assets

At each balance sheet date, the carrying values of assets, other than financial assets, are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

NOTES TO THE FINANCIAL STATEMENTS...(continued)

(e) Impairment of Assets (Continued)

An impairment loss is charged to the income statement immediately. Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is also recognised in the income statement immediately.

(f) Income Recognition

Income from subscriptions, entrance, exemption and registration are recognised based on receipt basis. Courses and seminar fees are recognised on accrual basis.

(g) Employee Benefits

(i) Short-term employee benefits

Wages, salaries, social security contributions, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by the employees.

(ii) Post-employment benefits

The Institute contributes to the Employees Provident Fund, the national defined contribution plan. The contributions are charged to the income statement in the period to which they are related. Once the contributions have been paid, the Institute has no further payment obligations.

(h) Cash and Cash Equivalents

For the purpose of the cash flow statements, cash and cash equivalents consist of cash in hand, bank balances, demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Impairment of Property, Plant and Equipment

As at balance sheet date, the council members of the Institute are of the opinion that there is no impact resulting from the impairment review by the management.

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold Property RM	Office Equipment RM	Furniture and Fittings RM	Computer Equipment RM	Renovation RM	Total RM
2008						
Cost						
At 1 January 2008	969,750	76,375	81,787	97,631	41,063	1,266,606
Additions	-	3,830	2,353	2,950	-	9,133
Disposals	-	-	-	-	-	-
At 31 December 2008	969,750	80,205	84,140	100,581	41,063	1,275,739
Accumulated Depreciation						
At 1 January 2008	40,406	34,005	28,038	88,958	10,956	202,363
Charge for the year	19,395	8,021	8,414	8,633	4,106	48,569
Disposals	-	-	-	-	-	-
At 31 December 2008	59,801	42,026	36,452	97,591	15,062	250,932
Net Book Value at 31 December 2008	909,949	38,179	47,688	2,990	26,001	1,024,807
2007						
Cost						
At 1 January 2007	969,750	74,975	61,382	91,563	38,313	1,235,983
Additions	-	1,400	20,405	6,068	2,750	30,623
Disposals	-	-	-	-	-	-
At 31 December 2007	969,750	76,375	81,787	97,631	41,063	1,266,606
Accumulated Depreciation						
At 1 January 2007	21,011	26,368	19,859	71,022	6,850	145,110
Charge for the year	19,395	7,637	8,179	17,936	4,106	57,253
Disposals	-	-	-	-	-	-
At 31 December 2007	40,406	34,005	28,038	88,958	10,956	202,363
Net Book Value at 31 December 2007	929,344	42,370	53,749	8,673	30,107	1,064,243

The freehold property of the Institute with a net book value of RM909,949/- (2007 : RM929,344/-) have been pledged to a financial institution to secure banking facilities granted to the Institute as stated in Note 7 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS...(continued)

5. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2008 RM	2007 RM
Other receivables	226,642	-
Sundry deposits	10,752	3,659
Prepayments	10,047	10,229
	247,441	13,888

6. FIXED DEPOSITS

	2008 RM	2007 RM
Deposits placed with a licensed bank	1,352,542	1,297,346

7. TERM LOAN

	2008 RM	2007 RM
Term loan	101,968	209,886
Less: Portion due within twelve months	(14,364)	(9,715)
Portion due after twelve months	87,604	200,171

The terms of repayment of the term loan are as follows:-

Within twelve months (included under current liabilities)	14,364	9,715
After the next twelve months (included under long term liabilities)		
- not later than two years	15,080	6,994
- later than two years but not later than five years	52,262	23,491
- later than five years	20,262	169,686
	87,604	200,171
	101,968	209,886

The term loan is secured by way of legal charge over the freehold property of the Institute.

The term loan bears interest at rates ranging from 6.15% to 7.15% per annum.

8. DEFERRED TAXATION

	2008 RM	2007 RM
Balance at 1 January	8,299	-
Recognised in income statement (Note 10)	1,023	8,299
Balance at 31 December	9,322	8,299

Deferred tax liabilities on taxable temporary differences recognised in the financial statements are as follows:-

	2008 RM	2007 RM
At the beginning of the financial year	8,299	-
Recognised in income statements (Note 10)	1,023	8,299
At the end of the financial year	9,322	8,299

9. OTHER PAYABLES AND ACCRUALS

	2008 RM	2007 RM
Other payables	349,861	328,290
Accruals	147,773	217,084
	497,634	545,374

10. TAXATION

	2008 RM	2007 RM
Income tax		
- current year	(42,255)	(10,595)
- prior year	(25,805)	-
Deferred tax		
- current year (Note 8)	1,496	(8,299)
- prior year	(2,519)	-
	(69,083)	(18,894)

NOTES TO THE FINANCIAL STATEMENTS...(continued)

10. TAXATION (Continued)

The tax liability is computed based on the principle of 'mutuality'. In accordance therewith, any net income arising (after setting off corresponding expenditure) from subscriptions, membership fees and other related income in respect of members is not subject to tax.

The accrual for taxation differs from the amount of taxation determined by applying the applicable statutory tax rate to the surplus before tax as a result of the following differences:-

	2008 RM	2007 RM
Surplus before taxation	673,186	840,482
Tax at the applicable tax rate of 26% (2007 : 27%)	(175,028)	(226,930)
Tax effect arising from		
- difference in tax rate	373	12,445
- non-taxable surplus from members	142,171	172,282
- non-deductible expenses	(8,275)	(4,980)
- reversal of deferred tax assets not recognised in the financial statements	-	28,289
- deferred tax under provided in prior year	(2,519)	-
- underaccrual in prior year	(25,805)	-
Tax expense for the financial year	(69,083)	(18,894)

11. CAPITAL COMMITMENTS

	2008 RM	2007 RM
Capital expenditure in respect of property, plant and equipment contracted but not provided for	6,543	-

12. 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.

	2008 RM	2007 RM
Not later than one year	10,788	10,788
Later than one year but not later than five years	13,485	24,273
	24,273	35,061

13. KEY MANAGEMENT PERSONNEL RENUMERATION

Key management personnel remuneration during the year are as follows :-

	2008 RM	2007 RM
Key management personnel expenses remuneration		
- salaries, bonus and other emoluments	347,348	332,487
- Employees Provident Fund and SOCSO	41,784	40,251
	389,132	372,738

14. EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

The Institute changed its name from Malaysian Institute of Taxation to Chartered Tax Institute of Malaysia on 12 March 2009.

15. FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Institute seeks to manage effectively the various risks namely credit, liquidity and interest risk, to which the Institute is exposed to in its daily operations.

(i) Credit risk

As at balance sheet date, there were no significant concentrations of credit risk in the Institute. The maximum exposure to credit risk for the Institute is represented by the carrying amount of each financial instrument.

(ii) Liquidity risk

As part of its overall prudent liquidity management, the Institute maintains sufficient levels of cash and cash equivalents to meet its working capital requirements.

(iii) Interest rate risk

The investments in financial assets are short term in nature and are not held for speculative purposes but have been mostly placed in short term deposits with licensed financial institutions.

(b) Fair Values

(i) Recognised financial instruments

The fair value of the financial assets and financial liabilities approximate their respective carrying values on the balance sheet of the Institute.

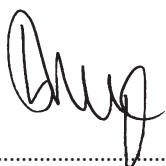
(ii) Unrecognised financial instruments

There were no unrecognised financial instruments as at 31 December 2008.

STATEMENT BY COUNCIL MEMBERS

We, **DR. VEERINDERJEET SINGH** and **LIM HENG HOW**, being two of the Council members of CHARTERED TAX INSTITUTE OF MALAYSIA, do hereby state that in the opinion of the Council, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the Institute as at 31 December 2008 and of the results and cash flows of the Institute for the financial year ended on that date in accordance with the Financial Reporting Standards and the provisions of the Companies Act, 1965.

Signed in accordance with a resolution by the Council,



DR. VEERINDERJEET SINGH

Council member



LIM HENG HOW

Council member

Kuala Lumpur

Date : 29 April 2009

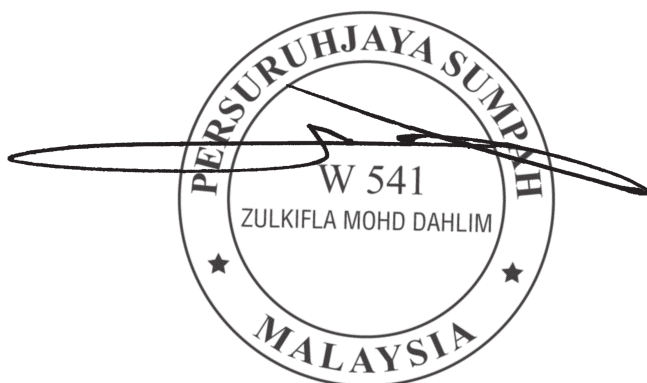
STATUTORY DECLARATION

I, **LIM HENG HOW**, the Council member primarily responsible for the financial management of CHARTERED TAX INSTITUTE OF MALAYSIA, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are 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.


.....
LIM HENG HOW

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 29 April 2009

Before me,



NO. 17, JALAN PETALING
50000 KUALA LUMPUR

.....
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE COUNCIL MEMBERS OF CHARTERED TAX INSTITUTE OF MALAYSIA (formerly known as Malaysian Institute of Taxation)

Report on the Financial Statements

We have audited the financial statements of Chartered Tax Institute of Malaysia, which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 27 to 39.

Council Members' Responsibility for the Financial Statements

The council members of the Institute are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Institute's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the council members, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Institute as of 31 December 2008 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Institute have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the council members of the Institute, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants



M.J. Monteiro
No. 828/05/10 (J/PH)
Partner

Kuala Lumpur

Date : 29 April 2009



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(formerly known as Malaysian Institute of Taxation)

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