

CHARTERED TAX INSTITUTE OF MALAYSIA

Minutes of the 21st Annual General Meeting (AGM) held on Saturday, 15 June 2013 at 9.30 a.m. at the R Studios (2nd Floor, West Wing), Renaissance Hotel, Jalan Ampang, 50450 Kuala Lumpur

Present:	Mr SM Thanneermalai(Chairman) Mr Lim Kah Fan Mr Lew Nee Fook Mr Aruljothi Kanagaretnam Dato' Liew Lee Leong, Raymond Mr Lim Thiam Kee, Peter Mr Yeo Eng Hui Mr Poon Yew Hoe Datuk Tan Leh Kiah, Francis Ms Seah Siew Yun Mr K. Sandra Segaran A/L Karuppiah Mr Khoo Chin Guan Mr Lai Shin Fah @ David Lai Dr Jeyapalan Kasipillai Mr Ong Chong Chee Ms Phan Wai Kuan
Absent with Apologies:	Mr Chow Kee Kan
In Attendance	Mr P Thomas Simon - Executive Director Ms Cynthia Louis } Ms Irene Chew } Company Secretaries Cik Fauziahany Onn Cik Halimatun Sadiyah binti Abas representing Corporate Partners
By invitation	Ms Tan Poh Ling Mr Tan Jee Hwa Mr Sukhpal Singh A/L Kaur Singh } representing Messrs Morison Anuarul Azizan Chew

Members' Attendance	A total of 80 members attended, as recorded in the attendance register. 463 proxies were received representing 15.2% of the Institute's total membership.
1.	<p>CALL TO ORDER</p> <p>The Chairman called the meeting to order at 9.30 a.m.</p>
2.	<p>NOTICE OF MEETING</p> <p>The Chairman informed the members that the notice to convene the 21st Annual General Meeting had been sent to the members in accordance with the Institute's Articles of Association. There being no objection to the validity of the Meeting, the notice of the meeting was taken as read.</p>
3.	<p>DETERMINATION OF QUORUM</p> <p>Having confirmed with the Company Secretary that there was a quorum present in accordance with Article 48(1) of the Institute's Articles of Association, the Chairman called the meeting to order at 9.30 a.m.</p>
4.	<p>PRESIDENT'S ADDRESS</p> <p>The Chairman briefed the members on the achievements and progress of the Institute. He thanked the Council members for their dedication and untiring efforts. He also recorded his deep appreciation to the Secretariat for managing and supporting the work of the Institute.</p> <p>He informed that the new premises acquired the previous year have been renovated and is used for workshops and training activities. He added that this would allow the Institute to reduce the CPD fees for such events. Following the above, he invited all the members to use the facilities provided by the Institute in the revamped resource centre-cum-library, which provides access to some online (subscribed) facilities – OECD iLibrary, CCH and LawNet. He also added that the Institute disseminates news and other tax information through e-CTIMs and the CTIM Malaysian Tax Portal.</p> <p>He informed that the Committees and working groups have played a significant role in bringing CTIM to a higher level of accomplishment and performance. He also informed that a summary of the activities does not do justice to the many hours and rounds of discussions, deliberations and brainstorming that go into the preparation of each sound, meaningful and respectable paper/memorandum that is presented to the authorities.</p>

He then took the members through the activities undertaken by the Institute in the past year:-

(A) Engagement with the Inland Revenue Board of Malaysia (IRB)

The following were submitted:-

- Memorandum on Issues for DESIRE Meeting No. 1/2012, which are related to IRB's e-filing processes and delivery system;
- Memorandum on Collections Issues which contained matters on the challenges faced in connection with tax collections, tax clearance, etc;
- Comments on the Income Tax (Transfer Pricing) Rules 2012, Income Tax (Advance Pricing) Rules 2012, the TP Guidelines and APA Guidelines issued by the IRB. They address the challenges faced by the tax professionals regarding transfer pricing issues. The comments were extended to the Ministry of Finance;
- Feedback on IRB's Proposal for Monthly Tax Deductions (MTD) to be treated as Final Tax
- Feedback on the draft Tax Investigation Framework. The paper was the result of collaborative efforts of CTIM, MIA and MICPA;
- Memorandum on 2013 Budget Proposals;
- Comments on the draft Public Rulings on the following subjects/ topics:
 - Malaysian Ship and Exemption of Shipping Income
 - Special Deduction for Expenditure on Treasury Shares.
 - Taxation of Business Trust.
 - Taxation of Limited Liability Partnership; and
- Submissions on issues related to Form CP58, in connection with the anticipated Guidelines by IRB on CP58. The relentless pursuit of the matter, incorporating the alliance and cooperation of the other industry players, resulted in several much welcomed concessions to overcome practical challenges in the business environment.

(B) Interaction with the Ministry of Finance (MOF)

The following took place:

- Provided feedback on the second draft of the Guidelines on Taxation of Electronic Commerce transactions;
- CTIM attended a dialogue called by the MOF to discuss issues related to the 2013 Budget Seminars;
- CTIM coordinated the organization of the 2013 Budget Seminars;
- Following the submission of comments on the TP Rules and APA Rules, CTIM participated in the dialogue called by the MOF to discuss the issues raised; and

	<ul style="list-style-type: none"> • The Institute, upon the request by MOF, provided feedback on the proposed amendments to Guidelines on Application/ Renewal of Tax Agent Licence mooted by the IRB. In addition, CTIM together with MIA and MICPA submitted a Joint Memorandum on the Proposed Amendments to Guidelines on the Application and Renewal of Tax Agent Licence. Subsequent to this, the MOF had a dialogue with the IRB and the professional bodies to discuss the issues that had been raised. The follow-up to this was the submission of suggestions to the proposed amendments, jointly prepared by the Institute, MIA and MICPA. <p>(C) Interaction with the Tax Review Panel (TRP) in conjunction with Royal Malaysian Customs (RMC) matters</p> <ul style="list-style-type: none"> • Evaluated and provided feedback on the various draft GST Guides issued by the TRP. Comments were given on (a) Registration, (b) Tax Invoice and Record Keeping, (c) Approved Traders Scheme, (d) Warehousing Scheme and (e) Import; and • Reviewed the Proposed Amendments to GST Bill 2009 and submitted comments to TRP; this was followed by a dialogue with the TRP to discuss the recommendations. <p>He informed that the differentiation from other professional bodies in terms of excellence and in-depth support provided to the members, especially in technical support, was needed to enable the Institute to be recognized as a body solely specialized in taxation.</p> <p>He added that the Institute has proactively gone beyond the traditional scope of interaction only with MOF, IRB and the RMC. He also informed that he has led the Council members for purposeful, meaningful and relevant engagements with several authorities, namely the Ministry of International Trade and Industry, Malaysian Investment Development Authority (MIDA), Securities Commission (SC), and Companies Commission of Malaysia (CCM). The Institute has expressed its willingness to provide feedback from a tax perspective for consideration by the authorities when formulating policies.</p> <p>The Chairman informed that during the visit to CCM on 30 April 2013, the Institute had proposed to CCM that <i>taxation practice</i> should be included in the list of professional practices in the First Schedule of the Limited Liability Partnerships Act 2012. The Institute also brought forward a case for wider collaboration and co-operation between two bodies.</p> <p>With regard to Continuing Professional Development (CPD), the Chairman informed that the CPD Department had organized 138 events in the past 12 months. He then informed that discounted rates were given for courses such as <i>Structuring Tax Efficient Investments via Holding Companies</i>. He added that CTIM had successfully organized the IRB-CTIM Roadshow and the National Tax Conference 2012 which had been attended by an estimated 2500 participants. The Chairman</p>
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	<p>announced that the participation by the various sponsors in the National Tax Conference (NTC) 2013 was encouraging. He also invited the members to participate in the NTC 2013 which would be held the following week.</p> <p>The Chairman also informed that a Members' Technical Dialogue was held on 10 April 2013 at the Institute's newly renovated premises. He also informed that the dialogue acts as a platform to update members on the latest developments in the profession and engage members in order to gather feedback and guidance from members for consideration of the Council and Technical Committee - in decision-making towards successful achievement of its objectives. He also informed that more dialogues are planned, to better disseminate information to, and gather feedback from members. He expressed the hope that there would be stimulating exchanges of information, ideas and views.</p> <p>The Chairman informed that 134 e-CTIMs on technical matters were issued in 2012. The distinctive advantage of a CTIM membership lies in the e-CTIMs. The contents of the e-CTIMs provide timely, useful and, relevant information which keeps members informed and in touch with the latest developments.</p> <p>He also highlighted the following matters:-</p> <ul style="list-style-type: none"> a) CTIM professional examinations were conducted twice a year; b) Various schools, colleges and universities have been the focus of the Education Committee, which conducted 22 career talks for them; c) The Tax Guardian continues to be published on a regular basis, and the continued high quality of the contents confirms the respectable standing of the journal; d) The Malaysian Tax Research Foundation, recognizing the importance of research, continues to make opportunities available for researchers to make contributions in the field of taxation; e) The Public Practice Committee has started definite steps to provide members with Practice Guidance Notes, in line with the rapidly changing and evolving needs of the tax professional, including the area of risk management. <p>The Chairman informed of the plans for the Institute for the next 12 months highlighted as follows:-</p> <ul style="list-style-type: none"> 1) Enhance the technical information to members, in terms of quality and quantity; 2) Provide comments on rulings and other documentation issued by the authorities. 3) Invest in IT systems which allow information to be accessed easily by the members through the Internet. Currently, the Council Members are contemplating archiving all the past information which would be useful to members; 4) Increase staff strength, especially in the areas of technical, CPD, membership, journal as well as public practice. 5) Increase interaction with the authorities.
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	<p>In addition, the Chairman welcomed comments from members in order to ensure the Institute continues with its efforts to support the members.</p>
	<p>Next, the Chairman sought a 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 item 3: Election of four (4) Council Members for the 2013/2014 term 2) Agenda item 5: Proposed Amendment to the Articles of Association 3) Agenda item 4: To re-appoint the Auditors 4) Agenda item 2: To receive the Annual Report and Financial Statements of the Institute for the year ended 31 December 2012 <p>The above-mentioned proposal was unanimously agreed by all the members present. The meeting then proceeded with the next item on the agenda.</p>
5.	<p>ELECTION OF FOUR (4) COUNCIL MEMBERS</p> <p>5.1 Mr Venkiteswaran Sankar (1769) raised a query on the confidentiality of the balloting process for the election of Council Members. He highlighted that the balloting papers should not contain serial numbers for confidentiality. With regard to the above, the Chairman explained that having the serial numbers on the ballot papers was the Institute's past practice; nevertheless he took note of the comment raised. The Chairman also re-assured the members that the balloting process would be carried out in a professional manner and will ensure secrecy of the balloting.</p> <p>5.2 The Chairman announced the retirement of four Council Members namely, Mr Khoo Chin Guan (0027), Dato' Liew Lee Leong (1513), Mr Lim Kah Fan (0345) and Mr Yeo Eng Hui (0976) pursuant to Article 59 of the Articles of Association. He informed that the abovementioned Council Members had completed their full term in the Council and were thus not eligible for re-election to the Council.</p> <p>5.3 The Institute received 6 nominations for election at this 21st AGM, namely Mr Aruljothi A/L Kanagaretnam (0300), Mr Chak Kong Keong (0933), Datuk Harjit Singh Sidhu (3517), Mr Nicholas Anthony Crist (1681), Ms Renuka Thuraisingham (1229) and Ms Yeo Eng Ping (2727).</p> <p>5.4 Upon the Chairman's invitation, the nominees, Mr Aruljothi A/L Kanagaretnam (0300), Mr Chak Kong Keong (0933), Datuk Harjit Singh Sidhu (3517), Mr Nicholas Anthony Crist (1681), Ms Renuka Thuraisingham (1229) and Ms Yeo Eng Ping (2727), introduced themselves to the members.</p>

	<p>5.5 The Chairman informed that the voting for the election of the Council Members would be carried out by ballot process which will be conducted together with item 1- Proposed Amendment to the Articles of Association.</p>
6.	<p>SPECIAL BUSINESS - PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION</p> <p>6.1 The Chairman informed that the Institute had received the following motion which was proposed by Mr Ong Hing Huat (3413) (“Mr Ong”) and was seconded by Mr Teo Chong Hean (3624) in accordance with Article 35(a) of Institute’s Article of Association:</p> <p>“THAT subject to the approval of the Minister of Domestic Trade, Cooperatives and Consumerism, Article 63 of the Institute’s Articles of Association be deleted and THAT the following new Article be inserted in substitution hereof.”</p> <p><u>“Proposed Change to Article 63</u></p> <p><i>The Council shall be responsible for the overall management of the Institute and shall at its first meeting after incorporation and after an Annual General meeting thereafter elect from among the Council Members a President, a Deputy President.</i></p> <p><i>The President and Deputy President shall be elected from amongst the Council by a simple majority vote.</i></p> <p>6.2 He then invited Mr Ong to explain the rationale of the proposed amendment to Article 63 of the Institute’s Articles of Association.</p> <p>6.3 Mr Ong explained that the proposed amendment to the Articles of Association is to allow the president to hold office for more than 3 years for continuity, consistent with the term of a Council Member as contained in Article 58B.</p> <p>6.4 The Chairman thereupon invited questions from the floor.</p> <p>6.5 Upon a query raised by Mr Steven Lim Hoo Teck (2203) on the term of office as a President, the Chairman explained that the proposed amendment to Article 63 was to allow the term of a President to be for a maximum of 8 years in line with the term of a Council Member. However, the Chairman informed that a Council Member was unlikely to be elected as the President in his /her first year and in reality the President would hold office only for 6 or 7 years.</p> <p>6.6 Mr Steven Lim Hoo Teck said that it was important to groom a successor. The Chairman took note of the comment.</p>

	<p>6.7 Mr Venkiteswaran Sankar (1769) requested to know the Council Members' view on the proposed amendment and whether it was supported by the Council Members. The Chairman clarified that the motion was put forward after the Council Meeting had been held. Therefore, the issue of the proposed amendment was neither raised by the Council Members nor deliberated at the Council Meeting. The Chairman was of the opinion that the Members, instead of the Council members, have to take a view and make a decision on the proposed amendment as it was a motion from a member.</p> <p>6.8 Mr Venkiteswaran Sankar (1769) was of the opinion that identifying the successor would benefit the Institute as there would be continuity in the implementation of policies and mindset.</p> <p>6.9 Ms Yeo Eng Ping (2727) commented that the proposed amendment to the Articles of Association had only been received recently. Consequently, the Members would need time to consider the advantages and disadvantages as well as the impact of the changes.</p> <p>6.10 Mr Lew Nee Fook (1840) explained the process of the election of the President. He informed that after the balloting process, the Council Members would still need to endorse the election of the President at the Council Meeting held consequent to an Annual General Meeting.</p> <p>As there are were no further queries raised, the Chairman informed that pursuant to Article 49(1) of the Institute's Articles of Association, the amendments to the Articles shall be carried out by secret ballot. He then informed the members that Mr Sukhpal Singh A/L Kaur Singh from Messrs Morison Anuarul Azizan Chew had been appointed as the Scrutineer.</p>
<p>7.</p>	<p>RE-APPOINTMENT OF AUDITORS OF THE INSTITUTE</p> <p>7.1 Mr Peter Lim Thiam Kee (2486) proposed and Dato' Liew Lee Leong (1513) seconded the following motion which was put to the meeting for a vote and declared carried:</p> <p>“THAT Messrs Morison Anuarul Azizan Chew of 18, Jalan 1/64, Off Jalan Kolam Air/Jalan Ipoh, 51200 Kuala Lumpur be and are hereby re-appointed as Auditors of the Institute and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed by the Council.”</p> <p>The Members were then invited to cast their votes by secret ballot.</p>

<p>8.</p>	<p>ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE INSTITUTE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT</p> <p>Pending the counting of votes by the Scrutineer, the Meeting proceeded with the rest of the Agenda.</p> <p>8.1 The Annual Report and Financial Statements for the financial year ended 31 December 2012 ("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>8.2 The Chairman thereupon invited questions from the floor.</p> <p>8.3 Mr Steven Lim Hoo Teck drew the Meeting's attention to page 9 of the Annual Report. As at 30 April 2013, there were 3,035 members comprising 657 Fellow members, 2,376 Associate members and 2 Provisional members as compared to 2,898 members as at 31 March 2012. He informed that although there was an increase of 137 new members, there was effectively a reduction in the membership.</p> <p>8.4 The Chairman explained that the number of members reduced due to the strict implementation by the Secretariat on the collection of the subscription fees. He informed that the memberships were terminated as the members had failed to pay their subscription fees within 6 months. He added that the Secretariat did follow up with the members prior to the termination of the membership. He also said that there was a reinstatement fee of RM1,000 should the member wish to reinstate his membership. He stressed that CTIM's membership for 2013 was targeted at 3,500 members.</p> <p>8.5 Mr Steven Lim Hoo Teck expressed his concern on MIA promoting Malaysian Association of Tax Accountant (M.A.T.A) for the tax budget seminars. With regard to the issue raised by Mr Steven Lim Hoo Teck on the collaboration with MIA, the Chairman took note on the issue raised and informed that he would make an appointment with the President of MIA.</p> <p>8.6 Mr Venkatachalam (0044) highlighted that there was a printing error on page 6 of the Annual Report, the word "Southern" to be included prior the word "Branch". The Chairman took note and apologised for the printing error.</p> <p>8.7 Mr Steven Lim Hoo Teck queried on the reason for the increase in staff cost over the prior year. The Chairman explained that the increase in staff cost was due to an increase in the number of staff from 13 to 18 staff.</p>
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	<p>8.8 With regard to the disclosure of the remuneration of the Executive Director, the Chairman explained that the remuneration of the Executive Director was not required to be disclosed in the Audited Financial Statement as the position of Executive Director is an employee of the Institute. He also informed that the Council Members was not receiving remuneration from the Institute.</p> <p>8.9 Mr Saravanan Kumar (3450) and Mr Wong Seng Chong (0188) commented that the remuneration of the Executive Director need not be disclosed in the Audited Financial Statement.</p> <p>8.10 Dr Nakha Ratnam (1730) agreed that CTIM is a professional body and informed that the Chairman has brought a tremendous change to the Institute and has been doing an excellent job.</p> <p>8.11 Mr Thenesh Kannaa (3544) informed that members should balance transparency and privacy.</p> <p>8.12 Following Mr Kuan Kok Cheen's (2036) suggestion on using unutilised cash to invest in shares, the Chairman opined that it would be prudent to take a conservative approach and not venture into speculative trade as it was risky.</p> <p>8.13 Mr Steven Lim Hoo Teck requested that Annual General Meetings should be held in March as he felt that the month of June clashed with the peak period of tax consultants. The Chairman took note of the suggestion and would bring it to the Council for deliberation.</p> <p>8.14 Mr Thomas Selva Doss (2124) opined that RMC should recognise CTIM as a premier body in taxation and requested the Council Members to intensify their efforts to promote the Institute. He also added that the Institute would have a separate committee to focus on Indirect Tax.</p> <p>8.15 Mr Steven Lim Hoo Teck requested the Institute to provide technical support as it was needed by the small and medium firms.</p> <p>8.16 Mr Tan Thai Soon (2330) informed that an appropriate Knowledge Management System is important under the current situation. He also informed that the information provided by the Institute should be easily accessible by the members with the right hardware and software. The Chairman concurred.</p>
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ANNOUNCEMENT OF ELECTED COUNCIL MEMBERS

Mr Surkphal Singh A/L Kaur Singh from Messrs Morison Anuarul Azizan Chew handed the ballot results to the Chairman who declared the ballot results as follows:-

Nomination of Council Members	No. of votes			
	For	%	Against	%
Yeo Eng Ping	313	99.68	1	0.32
Aruljothi A/L Kanagaretnam	301	61.43	189	38.57
Renuka Thuraisingham	284	98.27	5	1.73
Nicholas Anthony Crist	274	96.48	10	3.25
Chak Kong Keong	191	50.4	188	49.60
Datuk Harjit Singh Sidhu	206	51.5	194	48.50

The Chairman announced that the members re-elected to the Council were Ms Yeo Eng Ping, Mr Aruljothi A/L Kanagaretnam, Ms Renuka Thuraisingham and Mr Nicholas Anthony Crist. He then congratulated the newly elected Council members.

It was noted that the appointments of Ms Yeo Eng Ping, Mr Aruljothi A/L Kanagaretnam, Ms Renuka Thuraisingham and Mr Nicholas Anthony Crist as Members of the Council would be effective upon their completion of the Statutory Declaration of Compliance in accordance with Section 123 (4) of the Companies Act, 1965.

10.

ANNOUNCEMENT OF PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Chairman received the results of the ballot votes for the proposed amendments to the Articles of Association from Mr Surkphal Singh A/L Kaur Singh of Messrs Morison Anuarul Azizan Chew and declared the ballot results as follows:-

	No. of Votes			
	For	%	Against	%
Proposed Amendments to the Articles of Association	241	47.16	270	52.84

The Chairman declared that the motion had not been carried.

<p>11.</p>	<p>CLOSE OF MEETING</p> <p>There being no other business, the Meeting was declared closed at 12.00 noon</p>
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Signed as a correct record,

Chairman

Date