

CHARTERED TAX INSTITUTE OF MALAYSIA

Minutes of the 22nd Annual General Meeting (AGM) held on Saturday, 14 June 2014 at 9.30 a.m. at the Ballroom, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur.

<p>Present:</p>	<p>Mr SM Thanneermalai (Chairman) Mr Poon Yew Hoe Mr Lew Nee Fook @ Liu Nee Choong Mr Chow Kee Kan @ Chow Tuck Kwan Mr Lai Shin Fah @ David Lai Datuk Tan Leh Kiah , Francis Ms Seah Siew Yun Dr Jeyapalan Kasipillai Mr Phan Wai Kuan Mr Yeo Eng Ping Mr Aruljothi Kanagaretnam Mr Nicholas Anthony Crist</p>
<p>Absent with Apologies:</p>	<p>Mr Lim Thiam Kee, Peter Mr K. Sandra Segaran A/L Karuppiah Mr Ong Chong Chee Ms Renuka Thuraisingham</p>
<p>In Attendance</p>	<p>Mr P Thomas Simon - Executive Director</p> <p>Ms Cynthia Louis- Company Secretary Ms Catherine Tong } Ms Jegajothy Jeganantham } representing Corporate Partners (Asia) Sdn Bhd</p>
<p>By invitation</p>	<p>Mr Tan Poh Ling Mr Tan Jee Hwa Mr Chew Loong Jin Mr Lim Zhi Yuen En. Aiman Afiffudin</p> <p>} representing Messrs Morison Anuarul Azizan Chew</p>
<p>Members' Attendance</p>	<p>A total of 64 members attended as recorded in the attendance register. 464 proxies were received representing 14.64% of the total Institute's membership.</p> <p>The Chairman informed that a total of 182 members have appointed him as their proxy to vote in favour of the motions proposed at this meeting.</p>

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 convening the 22nd Annual General Meeting (“AGM”) had been sent to the members in accordance with the Institute’s Articles of Association. There being no objection on the validity of the Meeting, the notice of the meeting was taken as read.</p>
3.	<p>DETERMINATION OF QUORUM</p> <p>Having confirmed with the Company Secretary that there was a quorum present in accordance with Article 48(1) of the Institute’s Articles of Association, the Chairman called the meeting to order at 9.30 a.m.</p>
4.	<p>ELECTION OF FOUR (4) COUNCIL MEMBERS</p> <p>The Chairman sought consensus from all members present to proceed with the agenda in the following order, to expedite the meeting process:-</p> <ol style="list-style-type: none"> 1) Agenda 3: Election of four (4) council members for the 2014/2015 term 2) Agenda 5: Proposed Amendment to the Articles of Association 3) Agenda 2: To receive the Annual Report and Financial Statements of the Institute for the year ended 31 December 2013 4) Agenda 4: To re-appoint the Auditors <p>The abovementioned proposal was unanimously agreed by all the members present. The meeting then proceeded with the next item of the agenda.</p> <p>4.1 Mr Venkiteswaran Sankar (1769) reiterated the query raised by him at the last AGM with regards to the confidentiality of the balloting process in that the balloting papers still contain serial numbers.</p> <p>The Chairman explained that the serial numbers printed on the ballot papers was mainly for administrative control purposes and not with the intention to track the members’ voting. He assured that the balloting process would be carried out professionally and confidentially by the independent scrutineer, Messrs Morison Anuarul Azizan Chew.</p> <p>4.2 The Chairman announced the retirement of two Council Members in accordance with Article 59 of the Institutes’ Articles of Association, namely Mr Lim Thiam Kee (2486) and Chow Kee Kan @ Chow Tuck Kwan (0011) pursuant to Article 59 of the Articles of Association. He informed that the abovementioned Council Members had completed their full term on the Council and were thus not eligible for re-election to the Council.</p> <p>4.3 Mr. Lai Shin Fah @ David Lai (1207) and Mr. Poon Yew Hoe (2980) retire pursuant to Article 59 of the Institutes Articles of Association and offer themselves for re-election.</p>

	<p>4.4 There were also 4 nominations received by the Institute for election at this AGM, namely Ms Goh Lee Hwa (0787), Ms Farah Rosley (3473), Datuk Harjit Singh Sidhu (3517) and Mr Lee Chong Leng (2603).</p> <p>4.5 Upon the Chairman's invitation, Mr Lai Shin Fah @ David Lai (1207), Mr Poon Yew Hoe (2980), Ms Goh Lee Hwa (0787), Ms Farah Rosley (3473), Datuk Harjit Singh Sidhu (3517) and Mr Lee Chong Leng (2603) introduced themselves and highlighted how they could be of value to the Institute if they are elected or re-elected as Council Member.</p> <p>4.6 The Chairman informed the members that the vote on the election of the Council members would be carried out by ballot process which will be conducted together with item 2- Proposed Amendment to the Articles of Association.</p>				
5.	<p>SPECIAL BUSINESS-PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION</p> <p>5.1 The Chairman moved to the next item on the agenda which was the Proposed amendment to the Institute' Article of Association ("Proposed Amendment") in accordance with Article 35(a) which read as follows:</p> <p>"THAT subject to the approval of the Minister of Domestic Trade, Cooperatives and Consumerism, the following new Article be inserted immediately after Article 20 hereof."</p> <table border="1"> <thead> <tr> <th>Articles of Association</th><th>Proposed New Article 20A</th></tr> </thead> <tbody> <tr> <td>Article 20A Tax Technician Certificate</td><td>In accordance with Article 13, a student who has completed the required number of examination papers at an intermediate level shall be issued a prescribed certificate that denotes a qualification at the level of a tax technician."</td></tr> </tbody> </table> <p>The Chairman explained that the rationale of the Proposed Amendment was mainly to address the shortage of tax practitioners in the industry.</p> <p>In replying to Mr Joseph Anthony's enquiry (1431) on the definition of Tax Technician, the Chairman said that students who have completed the intermediate level examinations are qualified to act as Tax Technicians as they are equipped with basic tax knowledge which would enable them to assist in addressing the basic tax issues. He further explained that the Tax Technician would not be regarded as a member of CTIM.</p> <p>5.2 Chan Pooi Chin (2948), highlighted to the floor that during her tenure sitting for the CTIM examinations that most of the students were of non-tax background. As such, she was concerned, that a person who may be regarded as a Tax Technician may not have the relevant experience preparing tax computations.</p>	Articles of Association	Proposed New Article 20A	Article 20A Tax Technician Certificate	In accordance with Article 13, a student who has completed the required number of examination papers at an intermediate level shall be issued a prescribed certificate that denotes a qualification at the level of a tax technician."
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	<p>5.3 The Chairman stated that the Institute needs to take a pro-active step as there is a huge shortage in the industry. He called upon Dr. Jeyapalan who chairs the Examinations Committee to further elaborate on this new qualification.</p> <p>5.4 Dr. Jeyapalan (0144), clarified that CTIM has to grow and give options to the students as the Taxation examinations are one of the toughest. The CTIM syllabus have been changed. One of the initiatives proposed was to provide for a Tax Technician Certificate to CTIM students with a view that this will propel and motivate the students to complete the syllabus while having the opportunity to work in a tax environment. Dr. Jeyapalan also informed that feedback on this proposal for a Tax Technician Certificate had been sought from industry practitioners and academicians and was heavily debated during committee and council meetings.</p> <p>5.5 As there were no further queries raised, the Chairman informed that the Proposed Amendment shall be carried out by secret ballot and that Mr Tan Jee Hwa from Messrs Morison Anuarul Azizan Chew had been appointed as the Scrutineer.</p> <p>5.6 The motions on the proposed Amendments, re-election / election of Council Members were put to the members for a vote.</p> <p>5.7 The meeting adjourned for the ballot process.</p>
<p>6.</p>	<p>PRESIDENT’S ADDRESS</p> <p>After all the votes had been cast, the Chairman continued with the meeting while waiting for the Scrutineers to count the votes.</p> <p>The Chairman informed that Mr Lim Thiam Kee and himself would be retiring as the President and Deputy President respectively after the AGM. However, he would still serve as a Council member of the Institute. The President thanked the members for giving him the opportunity to serve for the last 3 years and further thanked the Council and the Secretariat for their support during his tenure of service as the President of the Institute.</p> <p>He informed that the Institute made a similar profit as last year and stressed that the Institute’s main aim was not to make profits but to ensure profits generated are utilised for the benefit of the members prudently.</p> <p>He highlighted that the most important aspect was to understand the needs of the members which was to support its’ members both technically and non-technically as this was crucial for the members to run their day to day operations.</p> <p>The President also informed the members that the Technical Committee was divided into two sections i.e Technical Committees 1 & 2. Technical Committee 1 lead by Ms. Phan Wai Kuan and Technical Committee 2 lead by Ms. Renuka Thuraisingham and the Technical Committee-Indirect Tax lead by Mr David Lai.</p> <p>The President added that the Technical Committees have established network channels with various authorities such as Inland Revenue Board (“IRB”), Royal Malaysian Customs (“RMC”) and Securities Commission (SC) to discuss and share views on tax related matters.</p>

	<p>The President also stated that the Institute was trying to give more relevant on e-CTIM and looking to recruit more people to support and to give information on the publications and may incorporate a column for comments in future publications.</p> <p>He further said that the Institute is working to roll out a Tax Practice Manual for the benefit of small and medium tax practitioners. The Tax Practice Manual may be made available for a nominal fee or subsidized partially by the Institute.</p> <p>The President also emphasized a need to focus more on the CTIM Branches by sharing technical knowledge to enable the Branches to grow.</p> <p>He also pointed out that the examination syllabus have been changed under the purview of the Examination Committee led by Dr. Jeyapalan.</p> <p>Lastly, the President hoped members would be more pro-active to give feedback on matters arising or faced in the industry. This would enable the Council to address issues properly thus making CTIM an influential Institute.</p>
7.	<p>ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE INSTITUTE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS REPORT</p> <p>The Chairman then proceeded with Agenda 2.</p> <p>7.1 The Annual Report and Financial Statements for the financial year ended 31 December 2013 (“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>7.2 The Chairman requested the Executive Director, Mr. Thomas Simon, to explain the financial performance of the Institute and also invited questions from the floor.</p> <p>7.3 Mr. Thomas informed that the Property Plant & Equipment increased by approximately RM200,000 from RM1.951 million as recorded in previous financial year mainly due to the costs incurred for the renovation works done on the training room whilst approximately RM21,000 were expensed off as Office Expenses.</p> <p>The increase in other receivables was mainly attributed from the increase in pre-payment/deposits paid for the National Tax Conference (“NTC”) jointly organised by the Institute and the IRB and the sale of the Budget booklets.</p> <p>7.4 The Institute’s cash position had improved this year primarily due to cash generated from the interest received for placement of Fixed Deposit and money market transactions.</p> <p>7.5 Mr Thomas informed that an amount of RM392,232 in other payables was owing to IRB, being their share of the profits from the NTC. He further clarified that even though the NTC was held in the middle of the year, payment was determined only after all fees received and all expenditures are accounted for. It was noted that payment was normally made in the First Quarter of the subsequent year. Besides this, other payables were accrued for the Hotel and Speakers costs in conjunction with the Budget Seminar which was postponed by the IRB.</p>

	<p>7.6 Next Mr. Thomas informed that the Government Grants received by the Institute were from PEMANDU of RM250,000 and MOF of RM100,000 for conducting trainings for Small and Medium Enterprises (“SME”) with the main objective where the SME practitioners come together and export their services overseas. As such, the utilisation of the grants are subject to certain conditions and the Institute has to pick particular events which are relevant to get the subsidies to claim from the grant. There is also a balance of RM90,000 remaining from the grant and the Institute is finding for suitable events for utilisation of the Grant.</p> <p>7.7 The Chairman there upon invited questions from the floor.</p> <p>7.8 Mr Joseph Anthony (1431), asked for an explanation as to the reduction in the value of the Freehold Property of the Institute after depreciation as compared to last year. Besides this, Mr. Joseph also asked why there was a reduction in the value of the grants received this year compared to last. He further, queried that staff costs stated under the operating expenditure in the financials was 2 times more than the membership fees collected. As such, Mr. Joseph was enquiring on the number of staff and salary bracket of the staff.</p> <p>7.9 The Chairman addressed the issue in respect to staff costs, and concurred with Mr. Joseph that there will be a time where the membership fee will have to be increased but at the moment there are sufficient funds for the rise in staff costs. The Chairman also voiced that due to competition in the industry for good staff, salaries of the Institute have to remain competitive. As for the disclosure of staff salary, the Chairman opined that staff salary is privy and confidential.</p> <p>7.10 Mr. Thomas addressed Mr Joseph Anthony’s query in respect to the depreciation on the freehold property. Mr. Thomas informed that the 3 units occupied by CTIM are Strata Titles in a multi storey building meant for offices and is amortised.</p> <p>7.11 Mr. Lim Hoo Teck (Steven Lim) (2203) highlighted that the membership of the Institute as at 8 May 2014 was 3,168 compared to 3,035 members as at 30 April 2013, a slight increase of 4.4%. He suggested that the Exco should look into ways to increase the membership of the Institute.</p> <p>7.12 The Chairman took note of Mr. Steven Lim’s comments and informed that the Institute has been advertising in the MIA journal and also looking at other avenues to increase the membership. The Institute has tightened the policy on members selection whereby only candidates that have at least 5 years tax experience and met other criteria would be considered by the Institute. He further said that the Institute has terminated approximately 50 to 60 memberships due to their outstanding payment of subscription fees.</p> <p>7.13 Mr. Steve Lim (2203) then raised a query with regards to Insurance expenses incurred at the previous financial year of RM5,865 which was not recorded in the current financial year and requested for the breakdown of the insurance expenses.</p> <p>Mr. Thomas clarified that the Insurance on the Building had only been obtained after the year end as the existing Insurance Company had discontinued their service without giving sufficient notice of termination. However, the Chairman explained that the Building is now fully insured by another Insurance Company and necessary steps and controls would be carried out to ensure the same incident would not be repeated.</p>
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	<p>7.14 Mr Chong Kean Huat (2309), highlighted whether the Institute could consider re-classifying the Land and Building to Building as there was no land and also to review the accounting treatment of the deferred tax liabilities to which the Chairman answered that the Committee would discuss the above accounting treatments with the Auditors.</p> <p>7.15 Mr. Chong further proposed that CTIM should consider a collaboration with the Higher Education Institutions to carry out tax examinations. Mr. Thomas informed that CTIM has entered into MOU’s with UTAR, TAR College, UITM but would look at further collaborations with other colleges.</p> <p>The motion was declared carried by the Chairman with a majority of 37 members voting by a show of hands in favour of the adoption of the accounts.</p>																																							
8.	<p>RE-APPOINTMENT OF AUDITORS OF THE INSTITUTE</p> <p>8.1 The motion was put to the Meeting and declared carried with a majority of 42 votes voted in favour of the motion:-</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>																																							
9.	<p>ANNOUNCEMENT OF ELECTED COUNCIL MEMBERS</p> <p>The Scrutineers from Messrs Morison Anuarul Azizan Chew handed the ballot results to the Chairman who declared the ballot results as follows:-</p> <table><tr><th rowspan="2">Nomination of Council Members</th><th colspan="4">No. of votes</th></tr><tr><th>For</th><th>%</th><th>Against</th><th>%</th></tr><tr><td>Goh Lee Hwa</td><td>361</td><td>100</td><td>Nil</td><td>-</td></tr><tr><td>Poon Yew Hoe</td><td>248</td><td>93.94</td><td>16</td><td>6.06</td></tr><tr><td>Farah Rosley</td><td>235</td><td>88.01</td><td>32</td><td>11.99</td></tr><tr><td>Datuk Harjit Singh Sidhu</td><td>231</td><td>69.16</td><td>103</td><td>30.84</td></tr><tr><td>Lai Shin Fah @ David Lai</td><td>214</td><td>87.70</td><td>30</td><td>12.30</td></tr><tr><td>Lee Chong Leng</td><td>20</td><td>16</td><td>105</td><td>84</td></tr></table> <p>The Chairman announced that Mr Poon Yew Hoe was re-elected pursuant to the Article 59 and the members elected to the Council for 2014/2015 were Ms Goh Lee Hwa, Ms Farah Rosley and Datuk Harjit Singh Sidhu. He then congratulated Mr Poon Yew Hoe and the newly elected Council members.</p> <p>It was noted that the appointments of Ms Goh Lee Hwa, Ms Farah Rosley and Datuk Harjit Singh Sidhu 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.</p>	Nomination of Council Members	No. of votes				For	%	Against	%	Goh Lee Hwa	361	100	Nil	-	Poon Yew Hoe	248	93.94	16	6.06	Farah Rosley	235	88.01	32	11.99	Datuk Harjit Singh Sidhu	231	69.16	103	30.84	Lai Shin Fah @ David Lai	214	87.70	30	12.30	Lee Chong Leng	20	16	105	84
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10.	<p>ANNOUNCEMENT OF PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION</p> <p>The Chairman received the results of the ballot votes for the proposed amendments to the Articles of Association from the Scrutineers of Messrs Morison Anuarul Azizan Chew and declared the ballot results as follows:-</p> <table><tr><td></td><td colspan="4">No. of Votes</td></tr><tr><td></td><td>For</td><td>%</td><td>Against</td><td>%</td></tr><tr><td>Proposed Amendments to the Articles of Association</td><td>515</td><td>99.03</td><td>5</td><td>0.97</td></tr></table> <p>The Chairman declared the motioncarried.</p>		No. of Votes					For	%	Against	%	Proposed Amendments to the Articles of Association	515	99.03	5	0.97
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11.	<p>CLOSE OF MEETING</p> <p>There being no other business, the Meeting was declared closed at 11.40 a.m.</p>															

Signed as a correct record,

Chairman
Date