

CHARTERED TAX INSTITUTE OF MALAYSIA

Minutes of the 20th Annual General Meeting (AGM) held on Saturday, 16 June 2012 at 9.30 a.m. at the Ballroom, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, P.O Box 11468, 50746 Kuala Lumpur.

Present:	Mr Thanneermalai A/L SP SM Somasundaram (Chairman) Mr Lim Kah Fan Mr Lew Nee Fook @ Liu Nee Choong Mr Aruljothi A/L Kanagaretnam Mr Chow Kee Kan @ Chow Tuck Kwan Dato' Liew Lee Leong Mr Lim Thiam Kee Mr Yeo Eng Hui Mr Poon Yew Hoe Datuk Tan Leh Kiah Ms Seah Siew Yun Mr K. Sandra Segaran A/L Karuppiah
Absent with Apologies:	Mr Khoo Chin Guan Assoc. Prof. Faridah binti Ahmad Mr Lai Shin Fah @ David Lai Dr Ahmad Faisal bin Zakaria
In Attendance	Mr P Thomas Simon Ms Hemalatha Renganathan Ms. Cynthia Louis, Cik Fauziahany Onn and Ms Catherine Tong representing the Company Secretaries By invitation, representing Messrs Morison Anuarul Azizan Chew
Members' Attendance	A total of 65 members attended as recorded in the attendance register. 80 proxies were received.
1.	CALL TO ORDER The Chairman called the meeting to order at 9.30 a.m.

2.	<p>NOTICE OF MEETING</p> <p>The Chairman informed the members that the notice convening the 20th Annual General Meeting had been sent to the members in accordance with the Institute's Articles of Association. There being no objections 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.</p>
4.	<p>PRESIDENT'S ADDRESS</p> <p>The Chairman briefed the members on the various activities that had been carried out by the Institute to enhance its profile as well as events and programmes held to promote the tax profession and contribute towards improving and enhancing the Malaysian tax system.</p> <p>The following issues were highlighted by the Chairman:-</p> <p>4.1 The Institute's finances were in a healthy state; with a surplus recorded derived mainly from the strong support by members and the public, and the efficient organisation of the National Tax Conference, held on 19th and 20th July 2011. This had allowed the Institute to allocate some funds towards the acquisition of new premises for the Institute. Last year, it had been reported that a Task Force had been formed to identify a new building for the Institute and the President updated the members that the Institute had acquired, an adjacent office lot for approximately RM1 million and the acquisition would be funded from internally generated funds.</p> <p>4.2 Throughout the year, Members have gained a greater insight and understanding of CTIM's present and past activities and membership benefits through members' dialogues.</p> <p>4.3 The CPD Department has been kept very active with its latest new idea, the IRB-CTIM Roadshow – a series of events that traversed the length and breadth of the nation providing an opportunity for the members, and public alike, to hear from the tax authorities, and be heard by them. The events confirm the close collaboration between the two parties for their mutual benefit. It was also an exercise in relationship building, beneficial to all parties.</p> <p>4.4 The Technical and Public Practice Department, the various committees and working groups therein, have not only produced much helpful information to keep the members abreast of technical updates, but have also been instrumental</p>

	<p>in consolidating the information and substantive data that was crucial for the licensing of the tax profession issue and impending changes in the licensing process.</p> <p>4.5 In connection thereto, the issue with the Practicing Certificate has been resolved and have been issued to 300 members.</p> <p>4.6 In addition, much precious time and concerted effort had been directed towards addressing issues such as (a) the postponement of imposition of (new rates of) penalty on late filing of returns, (b) the recommendation to the Companies Commission of Malaysia (CCM) on the taxation aspects of the Limited Liability Partnerships – that an option be made available i.e., to be treated as a partnership or as a body corporate, (c) the review of the stamp duty provisions upon the request of the IRB – recommended that the current instrument-based system of taxation be retained with minor changes, as opposed to introducing a new transaction-based stamp duty regime, (d) feedback and comments to the Malaysian Accounting Standards Board (MASB) on the tax impact of specific proposed FRs, and (e) the approach that should be adopted, by the Royal Malaysian Customs Department (RMCD), in licensing our members to provide goods and service tax (GST) services to their clients in the future, when GST is introduced, as well as feedback on RMCD’s draft GST guides. Without doubt, CTIM has had an impactful presence in these areas, and was confident that IRBM, MOF, CCM, MASB and RMCD were listening to CTIM’s views. CTIM has also been present at The Special Task Force to Facilitate Business (PEMUDAH – Pasukan Petugas Khas Pemudahcara Perniagaan) meetings to contribute its thoughts on various issues.</p> <p>4.7 The Education Committee led by Ms Seah Siew Yun has made great strides in terms of strengthening the strategic alliances with other institutes of higher learning for the provision of courses relating to the professional examinations. CTIM will conduct its examinations twice a year. In addition, two examinations had been proposed each year in respect of the collaboration with CPA Australia.</p> <p>4.8 The Malaysian Tax Research Foundation (MTRF), set up on 7 June 2011, is expected to play a key role in the tax arena. CTIM had applied for exemption under Section 44(6) of the Income Tax Act, 1967, and been awarded a grant of RM1 million by the Ministry Of Finance to carry out tax research in furtherance of the Foundation’s objectives.</p> <p>4.9 The efforts made by the Membership Department to increase membership strength have brought about favorable results. To date the membership stands at 2948. Moving forward, efforts to increase membership would be enhanced including qualification recognition by young tax practitioners, promotion of exam to students and academicians as well as building close rapport with the authorities. It was anticipated that there would be an increase in staff strength which would result in additional operational cost in order to improve services.</p>
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	<p>4.10 Whilst a lot has been done so far, the Chairman emphasized the importance to be vigilant to amendments in the legislation eg. CP 58 issues, impacting the industry for which clarification was required. The Council members will keep the members informed of progress.</p> <p>4.11 Attending regular update courses was essential to keep abreast of changes in rules and tax legislation. The Chairman encouraged members to continue to take full advantage of CPD events organized for the members' benefit.</p> <p>4.12 In addition, the Chairman welcomed comments from members in order to ensure the Institute continues with its effort to support the members.</p>
5.	<p>ELECTION OF FOUR (4) COUNCIL MEMBERS</p> <p>5.1 The Chairman announced the retirement of four Council Members in accordance with Article 59 of the Institutes' Articles of Association, namely Dr Ahmad Faisal bin Zakaria (1464), Aruljothi A/L Kanagaretnam (300) pursuant to Article 59 of the Articles of Association. He informed that Dr Ahmad Faisal bin Zakaria, Aruljothi A/L Kanagaretnam had completed their full term on the Council and were thus not eligible for re-election to the Council.</p> <p>5.2 The Chairman informed that Dr Faridah binti Ahmad (456) had expressed her intention not to seek re-election and thus would retain office until the close of the 20th Annual General Meeting (AGM).</p> <p>5.3 Mr. Thanneermalai A/L SP SM Somasundaram (149) being eligible, had offered himself for re-election. There were also 3 candidates received by the Institute for election at this 20th AGM, namely Mr. Jeyapalan A/L Kasipillai (144), Mr. Ong Chong Chee (2302) and Ms Phan Wai Kuan (3296).</p> <p>5.4 Upon the Chairman's invitation, Mr. Jeyapalan A/L Kasipillai, Mr. Ong Chong Chee and Ms Phan Wai Kuan, the nominees introduced themselves to the members.</p> <p>5.5 The Chairman then highlighted that Section 126(1) of the Companies Act 1965 that requires the election of each Council Member to be voted individually unless all members present at the meeting agreed without objection that the election of the four Council Members be made by a single resolution. As a member objected to the election of the four (4) Council Members by a single motion, the Chairman then put each motion for re-election and election of Council Members to be voted at the meeting individually.</p> <p>5.6 The Chairman requested for a proposer to propose that Mr. Thanneermalai A/L SP SM Somasundaram retiring pursuant to Article 59 of the Articles of</p>

	<p>Association and being eligible be re-elected as a Council Member of the Institute.</p> <p>5.7 Mr. Aruljothi A/L Kanagaretnam proposed the motion which was seconded by Mr. Lew Nee Fook (1840).</p> <p>5.8 The motion was then put to the meeting and declared unanimously carried.</p> <p>5.9 Mr. Lew Nee Fook proposed the motion for the election of Mr. Jeyapalan A/L Kasipillai, who has offered himself for election as a new member of the Council pursuant to Article 57 (ii) of the Articles of Association. The motion was seconded by Mr. Aruljothi A/L Kanagaretnam.</p> <p>5.10 The motion was then put to the meeting and declared unanimously carried.</p> <p>5.11 Mr. K Sandra Segaran A/L Karuppiah (1534) proposed the motion for the election of Mr. Ong Chong Chee, who has offered himself for election as a new member of the Council pursuant to Article 57 (ii) of the Articles of Association. The motion was seconded by Mr. Wong Seng Chong (188).</p> <p>5.12 The motion was then put to the meeting and declared unanimously carried.</p> <p>5.13 Mr. Lew Nee Fook proposed the motion for the election of Ms Phan Wai Kuan, who has offered herself for election as a new member of the Council pursuant to Article 57 (ii) of the Articles of Association. The motion was seconded by Mr. Yeo Eng Hui, Adrian (976).</p> <p>5.14 The motion was then put to the meeting and declared unanimously carried.</p>
6.	<p>ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE INSTITUTE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS REPORT</p> <p>6.1 The Annual Report and Financial Statements for the financial year ended 31 December 2011 (“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>6.2 En Mohd Noor (422) proposed the motion which was seconded by Mr Lew Nee Fook that the Annual Report and Financial Statements of the Institute for the financial year ended 31 December 2011 and Report of the Auditors thereon be received.</p>

	<p>6.3 The Chairman thereupon invited questions from the floor.</p> <p>6.4 Mr Steven Lim Hoo Teck (2203) drew the Meeting's attention to page 31 of the ARFS which showed a surplus of RM616,315 for the year 2011 against a surplus of RM500,065 for year 2010. He opined that CTIM should not be a profit making entity and should focus its efforts in line with its mission statement and funds channelled towards the furtherance of the Institute's objectives. He then queried Management on their plan for the utilisation of surplus reserves of RM3 million.</p> <p>6.5 He also said that the Malaysian Institute of Management tabled their Budget for approval annually at the Annual General Meeting for good corporate governance. He then requested on whether CTIM's Budget could similarly be tabled to the members for approval.</p> <p>6.6 The Chairman responded that the RM3 million kept in fixed deposit had been accumulated over the years. The Council planned to utilize part of the funds totalling RM1 million for the purchase of the additional office space and RM350,000 to settle amount due to the Inland Revenue Board for the 2011 National Tax Conference (NTC).</p> <p>6.7 He elaborated that operational expenses were expected to increase due to additional staff and office space. He pointed out that for conservative purposes, it was always prudent to maintain at least 12-18 months cash reserve to meet contingencies.</p> <p>6.8 On the request that the Budget of the Institute should be tabled to the members for approval, he said that Budgets was not an item for discussion at the Annual General Meeting and should be left for deliberation by the Council. He however welcomed the members to see him on the Budget if required.</p> <p>6.9 Mr SK Ng queried on the reason that there were no accounting fees in 2011 as the Institute had incurred an accounting fee of RM16,960 for 2010. The Chairman replied that the accounts of the Institute was now done internally.</p> <p>6.10 On the query from Mr SK Ng on the reason that the prior year bad debts of RM22,429 had been written off, the Chairman said that many members who had not been paying the subscription fees had been terminated, consequently these dues had been written off.</p> <p>6.11 Mr Vincent Joseph (1966) then questioned the Chair on the volume of increase of the membership in 2011. It was noted that the membership had increased by 200 after taking into account those memberships that had been terminated during the year.</p> <p>6.12 Next, the meeting discussed steps to improve membership which included invitation to IRB Officers and members of CTIM, ensuring that it was a</p>
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	<p>requirement for all tax agents to be members of CTIM,etc.</p> <p>6.13 With regard to Mr Steven Lim Hoo Teck's query on the percentage of shared profits with the Income Tax Department for the NTC jointly organized with the Income Tax Department, as reflected on Note 9, Mr Lim Kah Fan (345), Deputy President said that the Institute's share of profits was approximately 60% and the percentage in the accounts has been distorted for various reasons.</p> <p>6.14 Mr Steven Lim Hoo Teck highlighted that the remuneration of CTIM Council Members and senior management should be disclosed for good corporate governance. The Chairman with the concurrence of the Auditors present, said that there was no necessity to disclose the remuneration of the senior management in the ARFS and Council Members do not draw any remuneration.</p> <p>6.15 To Mr SK Ng's subsequent query, the Auditors confirmed that the surplus of RM616,000 had taken into account all relevant FRS provisions.</p> <p>6.16 The Auditors, in response to Mr Steven Lim Hoo Teck's query on comparative figures under Note 16 of the ARFS explained with reasons on the changes effected.</p> <p>After all the queries had been satisfactorily answered, the Chairman moved to the next item on the Agenda.</p>
7.	<p>RE-APPOINTMENT OF AUDITORS OF THE INSTITUTE</p> <p>7.1 Encik Mohd Noor proposed and Dr Veerinderjit Singh (457) 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>
8.	<p>CLOSE OF MEETING</p> <p>There being no other business, the Meeting was declared closed at 11.15a.m.</p>

Signed as a correct record,

Chairman

Date