



MALAYSIAN INSTITUTE OF TAXATION

Minutes of the 16th Annual General Meeting (AGM) held on Saturday, 14 June 2008 at 9.30 a.m. at Prince Room 3, Level 3, Prince Hotel & Residence Kuala Lumpur, Jalan Conlay, 50450 Kuala Lumpur.

Present : Dr. Veerinderjeet Singh
Mr. Lim Heng How
Mr. Khoo Chin Guan
Dr. Ahmad Faisal Bin Zakaria
Mr. Aruljothi Kanagaretnam
Mr. Chow Kee Kan
Mr. Harpal Singh Dhillon
Dr. Jeyapalan Kasipillai
Mr. Lew Nee Fook
Dato' Liew Lee Leong @ Raymond Liew
Mr. Lim Kah Fan
Mr. Lim Thiam Kee, Peter
En. Mokhtar bin Mahmud
Mr. Neoh Chin Wah
Mr. SM Thanneermalai
Mr. Venkiteswaran Sankar
Mr. Adrian Yeo

Absent with apologies: En Nujumudin Bin Mydin
Mr. Chow Kee Kan
En. Safrizal bin Mohd Said

A total of 58 members attended as recorded in the attendance register.

In Attendance : Ms. Ann Vong
Ms. Mariah Tasbi Abd. Wahid
Mr. Cheah Foo Seong, by invitation,
representing Company Secretary

1. CALL TO ORDER

The Chairman called the meeting to order at 9.30 am.

2. NOTICE OF MEETING

The Chairman enquired as to whether there were any objections to the validity of the meeting. No objections were raised.

The Chairman informed that as there was no objection to the validity of the meeting, the notice of meeting will be taken as read.

3. DETERMINATION OF QUORUM

The Administration Manager confirmed that there were 58 members present and that there was a quorum.

The Chairman proceeded to call the meeting to order.

4. PRESIDENT'S ADDRESS

4.1 The President thanked members for the support received by the Institute and briefed the AGM on the current developments and activities of the Institute in the past year and highlighted the following issues:-

- (i) The Institute organised CPD events not only in the Klang Valley but also in major towns in the country to ensure that members continue to be updated with the latest tax information on a regular basis.
- (ii) The main events held were the National Tax Conference which was held in July 2007 with a record 1,800 participants and the Budget seminars. The Institute also played host to the Asia Oceania Tax Consultants Association (AOTCA) annual general meeting and successfully organised the 2nd International AOTCA Convention in November 2007.
- (iii) The Council developed the Strategic Initiatives for the Institute in July 2007 which outlined several action plans that are expected to be achieved over the next four years.

One of the key action plans that had been completed was the renaming of the Institute's journal to "Tax Guardian" and improving its contents.

- (iv) The President expressed his gratitude to the authorities for their continued support to the Institute and in particular the Tax Analysis Division and the Tax Review Panel of the Ministry of Finance, Inland Revenue Board, the Royal Customs Malaysia, the Professional Services Development Corporation, PEMUDAH and numerous other organisations that have approached the Institute to provide assistance and input. The Chairman also extended his personal thanks to Datuk Aziyah bt. Bahaudin, Dato' Hasmah Abdullah, Dato' Seri Haji Abd Rahman bin Abd Hamid and other heads of government and regulatory authorities for their assistance and support of the Institute and its activities.

- 4.2 The President concluded his address with a note of thanks to members for their support and to Council members and secretariat staff for their dedication and commitment.

5. ANNUAL REPORT OF THE COUNCIL

- 5.1 The Chairman announced that the Annual Report had been circulated earlier and this was being tabled at the meeting pursuant to Article 64 of the Articles of Association.
- 5.2 The Chairman requested for a proposer for the motion that the Annual Report of the Institute be received. Mr. Chiang Li Chian (57) proposed that the Annual Report be received and this was seconded by Mr. Yeo Eng Hui (976).
- 5.3 The Chairman then allowed questions from members relating to the Annual Report.

Mr. Lim Hoo Teck (2203) commented that the attendances at committee meetings were not reported in the annual report whereas in 2006 the attendance was reported accordingly. The Chairman assured members that the EXCO looks at the attendance of members at committee meetings and if members wished, this will be reported in future.

Mr Ravindran a/l Duraisamy (2835) raised a question regarding the issuance of practising certificates. The Chairman informed members that the Institute will be studying the possibility of issuing practising certificates to members. On a comment by Mr. Ravindran that the logo of the Institute need not be changed, the Chairman informed that the Public Relations Committee will take into consideration all views before proceeding with the review of the logo.

- 5.4 There being no further questions, the Chairman then put the motion to a vote.
- 5.5 The motion was unanimously adopted. The Chairman declared the resolution to receive the Annual Report carried.

6 STATEMENT OF ACCOUNTS

- 6.1 The Chairman announced that the Statement of Accounts of the Institute for the financial year ended 31 December 2007 together with the report of the auditors thereon had been circulated together with the Notice of the AGM. Pursuant to Article 64 of the Articles of Association and Section 169 of the Companies Act, 1965, the Council was tabling the Statement of Accounts at the meeting.

- 6.2 The Chairman requested for a proposer for the motion that the Statement of Accounts of the Institute for the financial year ended 31 December 2007 and the report of auditors thereon be received. Mr. Lim Thiam Kee (2486) proposed and was seconded by Mr. Ng Soo Har (1977). The Chairman announced that the Statement of Accounts of the Institute for the financial year ended 31 December 2007 and the report of auditors thereon be received.
- 6.3 The Chairman then opened the floor to questions pertaining to the Statement of Accounts.

Mr. Lim Hoo Teck (2203) commented on the adoption of the FRS in the financial statements. The auditors (Messrs Baker Tilly Monteiro & Heng) confirmed that they have obtained clarifications from MASB with regard to the adoption of the relevant FRSs and there were no major changes compared to the previous year's Statement of Accounts.

Mr. Ng Soo Har (1977) enquired about the increases in the meeting expenses and postage and courier charges. Mr. Lim Heng How explained that the meeting expenses increased primarily because the Institute held two Branch meetings during the year. Mr. Lim Heng How explained that the postage rates had also increased in 2007. The Chairman further explained that the Institute had intentions to fully utilise the electronic media in the future. For now, a number of members prefer hard copies to be mailed to them.

Mr. Chong Lip Chee (2041) enquired about the miscellaneous expenses which showed a negative figure and the staff cost which was lower compared to the previous year. Mr. Lim Heng How explained that the negative figure shown in the miscellaneous expenses was due to a reversal of expenses which were reported in the previous year. Mr. Lim Heng How further explained that staff cost was lower due to the lower number of staff during the year.

Mr. Harpal Singh Dhillon (555) suggested that, as far as possible, all meetings should be held at MIT premises rather than being held outside the Institute's premises and requested that members be notified accordingly if meetings are required to be held outside the Institute's premises. The Chairman confirmed that, as far as possible, meetings will definitely be held at the MIT premises.

Mr. Lim Thiam Kee (2486) suggested that the Institute settles the balance of the term loan during the year. Mr. Lim Heng How explained that there will be a substantial penalty charged by the bank if the Institute settles the loan in full. However, the Institute will make a prepayment of around RM100,000 this year so as to reduce the loan amount.

Mr. Ng Soo Har (1977) further enquired why income from student registration had reduced compared to the previous year. The Chairman explained that the Institute had lower student registrations and that the Institute has recruited a new manager who will take charge of education

and examinations and assist in promoting the Institute's professional examinations.

Referring to the surplus made in 2007, Mr Ravindran a/l Duraisamy (2835) proposed that the seminar fees be reduced and a cash rebate be introduced for members who attend outstation events. Mr. Lim Heng How explained that members are currently enjoying a lower rate compared to that charged to non-members. The Chairman highlighted that the surplus in 2007 was exceptional as the AOTCA Convention was not an annual event. Further the seminar fees are comparable to what is charged by local professional bodies. Nevertheless, the CPD Committee will continue to look into the matter to ensure that the fees charged are competitive.

The Chairman further explained that the surplus may be used in future to fund the purchase of new premises as the current premises may not be adequate. In addition, the Institute has to plan for recruiting more technical staff as well as issue more publications in the future.

- 6.4 As there were no further questions, the Chairman then put the motion to a vote.
- 6.5 The motion was unanimously adopted. The Chairman declared the resolution to receive the Statement of Accounts of the Institute for the financial ended 31 December 2007 and the report of the Auditors thereon carried.

7. TO ELECT COUNCIL MEMBERS

- 7.1 The Chairman announced the retirement of four (4) Council Members, namely Encik Nujumudin bin Mydin (1819), Mr. Venkiteswaran Sankar (1769), Mr. Aruljothi Kanagaretnam (300) and Dr. Ahmad Faisal bin Zakaria (1464) pursuant to Article 59 of the Institute's Memorandum and Articles of Association.
- 7.2 The Chairman announced that both Encik Nujumudin bin Mydin and Mr. Venkiteswaran Sankar are not seeking re-election.
- 7.3 The Chairman further announced that nomination forms had been issued to all members on 14 April 2008 and at the close of nomination on 30 April 2008, the Institute received two (2) nominations namely that of Associate Professor Faridah binti Ahmad (456) and Mr. SM Thanneermalai (149).
- 7.4 The Chairman then informed the members that as there were four (4) nominations for the four (4) vacancies, all candidates were hereby elected as Council members.
- 7.5 The Chairman then requested for a proposer and seconder to adopt the motion to appoint the four nominees to the Council as one resolution and to dispense with the use of the secret ballot as required by Article 49(1)

of the Institute's Memorandum & Articles of Association. Mr. Lim Kah Fan (345) proposed to adopt the motion and this was seconded by Mr. Wong Seng Chong (188).

- 7.6 The Chairman enquired as to whether there were any objections to the resolution to adopt the motion. No objections were raised. As such, the Chairman announced that the motion was hereby adopted.
- 7.7 The Chairman then put the resolution to appoint Mr. Aruljothi Kanagaretnam (300), Dr. Ahmad Faisal bin Zakaria (1464), Associate Professor Faridah binti Ahmad (456) and Mr. SM Thanneermalai (149) as Council members for the term 2008/2009 to a vote.
- 7.8 The motion was unanimously adopted. The Chairman declared the resolution carried. The Chairman announced that the members elected to the Council were Mr. Aruljothi Kanagaretnam (300), Dr. Ahmad Faisal bin Zakaria (1464), Associate Professor Faridah binti Ahmad (456) and Mr. SM Thanneermalai (149).
- 7.9 The Chairman congratulated the newly elected Council members and thanked the retiring Council members for their service.
- 7.10 Mr. Chong Lip Chee (2041) requested the newly elected Council members to give a brief comment on what they will do for the Institute during their term of office. The request was duly complied with.

8. APPOINTMENT OF AUDITORS OF THE INSTITUTE

- 8.1 The Chairman requested for a proposer for the motion that Messrs Baker Tilly Monteiro & Heng be re-appointed as the Institute's auditors and that the Council be authorised to fix their remuneration.
- 8.2 Dr. Ahmad Faisal bin Zakaria (1464) proposed the motion which was seconded by Mr. Yeo Eng Hui (976).
- 8.3 The Chairman then put the motion to a vote.
- 8.4 The meeting unanimously voted in favour of the motion and the Chairman declared the resolution that Messrs Baker Tilly Monteiro & Heng be appointed as the Institute's auditors and that the Council be authorised to fix their remuneration carried.

9. SPECIAL BUSINESS: PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

- 9.1 The Chairman requested for a proposer and seconder to table the motion for the proposed amendments to the Memorandum and Articles of Association of the Institute. Mr. Lim Heng How (319) proposed whilst Mr. Neoh Chin Wah (699) seconded the motion.

- 9.2 The Chairman then opened the floor to questions pertaining to the proposed amendments to the Memorandum and Articles of Association of the Institute.

Mr. Ng Soo Har (1977) enquired whether the Institute's name can be changed to Malaysian Chartered Institute of Taxation. The Chairman explained that the Council was looking at local as well as foreign bodies relating to this matter and will research on whether the word "Chartered" can be used by the Institute.

Mr. Chong Lip Chee (2041) requested for further information relating to the changes in the upgrading of an Associate member to a Fellow. The Chairman requested the Membership Services Committee Chairman to attend to the matter. The Chairman confirmed that progression to a Fellow was not an automatic process and members need to apply and this needs to be considered and approved by the Council.

Further to the question raised by Encik Wan Idris bin Wan Ibrahim (1064) relating to the proposed changes to Article 7(c), the Chairman explained that Article 7(d) caters for admission of MIA members who do not have practising certificates.

- 9.3 As there were no further questions, the Chairman advised that the resolution be adopted and be read as "THAT subject to the approval of the Minister of Domestic Trade and Consumer Affairs, the proposed amendments to the Memorandum and Articles of Association of the Institute as contained in the Appendix be and 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". The Chairman then put the motion to a vote.
- 9.4 The meeting voted unanimously in favour of the motion and the Chairman declared the resolution carried.

10. ANY OTHER BUSINESS

- 9.1 The Chairman enquired as to whether there had been any valid notice received on this matter pursuant to the Articles of Association of the Institute. The Administration Manager replied that no valid notices had been received.

11. OTHER MATTERS

- 10.1 The Chairman informed the meeting that the Institute had received two proposals from members. However, as the notices did not have a

second, they were not considered as valid under the Articles of Association of the Institute.

- 10.2 The Chairman referred to the proposal submitted by Mr. Subramaniam Sankar (448) relating to:
- (a) Distribution of surpluses
 - (b) Notices sent via e-mail be accepted

The Chairman explained to members that Clause 4 of the Memorandum of the Institute prohibits the distribution of the Institute's profits/reserves/surpluses to members.

The Company Secretary confirmed that notices via e-mail are not considered as official documents and there was no legal recognition with regard to the matter at this point in time.

- 10.3 The Chairman then referred to a proposal submitted by Dato' Haji Mohd Sahir bin Sanawi (238) relating to his request to reduce CPD requirements for senior practitioners for the purpose of renewing the tax licence. The Chairman informed that the Institute will be continuing discussions with the authorities on the tax licence process and that the issue of lowering CPD requirements for senior practitioners will be raised.

- 10.4 Mr. Lim Hoo Teck (2203) informed the meeting that the Minutes of the 15th AGM were not correctly dated. The Chairman apologised for the oversight and assured the meeting that such errors will not recur in future.

- 10.5 On the advice of the Company Secretary, the Chairman proposed that Article 35(b) of the Memorandum and Articles of Association be amended as follows:
- "The Institute shall notify all Members in writing of all proposals to amend the Memorandum and/or Articles not less than twenty one (21) days before the meeting at which such proposals are to be discussed."

The Chairman then put the proposal to a vote. The meeting voted unanimously in favour of the proposal.

12. CLOSE OF MEETING

- 11.1 The Chairman thanked all members for attending the meeting.
- 11.2 The Chairman declared the meeting closed at 11.20 am.

Signed as a correct record.

Chairman