

CHARTERED TAX INSTITUTE OF MALAYSIA

Minutes of the 19th Annual Meeting (AGM) held on Saturday, 11 June 2011 at 9.30 a.m. at Sheraton Imperial Kuala Lumpur Hotel, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan.

Present:	Mr Khoo Chin Guan(Chairman) Mr SM Thanneermalai Mr Lim Kah Fan Mr Lim Heng How Dr. Veerinderjeet Singh Mr Lew Nee Fook Dr Ahmad Faisal bin Zakaria Mr AruljothiKanagaretnam Mr Chow Kee Kan Assoc. Prof. Faridah Ahmad Dr Jeyapalan Kasipillai Mr. Lai Shin Fah Mr Lim Thiam Kee, Peter Dato' Liew Lee Leong, Raymond Mr Poon Yew Hoe Ms. SeahSiew Yun Datuk Tan LehKiah , Francis MsYeoh Poh Yew, Nancy
Absent with Apologies:	Mr Yeo Eng Hui, Adrian
	Ms. Ann Vong Ms. Karen Yeong Ms. Irene Chew, Cik Fauziahany Onn, Ms Catherine Tong and Ms Amanda Loh, representing the Company Secretary Encik Mohd Khairy Harith, Mr Ramesh Raj & Mr. Sukhpal Singh A/L Kaur Singh by invitation, representing Messrs Morison AnuarulAzizan Chew
Members' Attendance	A total of 75 members attended, as recorded in the attendance register.
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 19th 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 is 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 were carried out by the Institute to enhance its profile, promote the tax profession as well as contributing towards improving and enhancing the Malaysian tax system.</p> <p>The following issues were highlighted by the Chairman:-</p> <p>4.1 The Institute continues to represent members' interest in its various meetings and dialogues with the Ministry of Finance (MoF) and the relevant tax authorities. Since the last AGM, various dialogues were held with the Inland Revenue Board (IRB), the Royal Malaysian Customs Department (RMCD), the Tax Analysis Division of the MoF and the Ministry of International Trade and Industry (MITI). These dialogues provided the platforms for the Institute to discuss and provide its comments on tax issues as well as to seek clarification on relevant issues raised by members.</p> <p>4.2 The Joint Public Rulings working group submitted comments on five draft public rulings and one Guideline to the IRB whilst the Joint Tax Working group on Financial Reporting Standard (FRSs), of which the Institute holds co-chairmanship, continues to study the tax impact on the adoption of the various financial reporting standards in Malaysia. The working group held six meetings and finalised four discussion papers on the tax implications of four FRSs for the comments of its members. Four dialogues were held with the MoF and IRB to discuss the tax implications on the implementation of FRSs 121 and 139 respectively.</p>

	<p>4.3 The Indirect Tax Working group commented on two draft GST guides issued by the RMCD and participated in two dialogues with the MoF on service tax issues. As the Government continues to expedite the liberalisation process to enhance business competitiveness in Malaysia, the Institute was invited to participate in a dialogue with MITI particularly in the area of liberalisation of the services sector.</p> <p>4.4 The Institute was recently invited to participate in the Economic Model/ Strategic Reform Initiatives labs organised by PEMANDU under the Economic Transformation Programme. Four representatives from the Institute were involved in the three tax related labs relating to improving tax compliance and administration, rationalising tax incentives, implementation of GST and possibility of direct tax reduction.</p> <p>4.5 On the education front, the Institute signed Memorandum of Understanding ("MOU") with Universiti Teknologi MARA and Universiti Tunku Abdul Rahman to collaborate in the area of tax education. There is also a joint collaboration with Universiti Tun Abdul Razak on the tax workshop. A MOU was also signed with CPA Australia to develop a Malaysian tax variant paper for the CPA Australia professional programme.</p> <p>4.6 The Institute's professional examination syllabus has been reviewed and the new syllabus will be effective from the 2011 December examinations. Meanwhile, the Institute continues to promote the CTIM qualification at career talks and forums at universities as well as to taxation firms.</p> <p>4.7 The Institute continues to update members with the latest tax developments through Continuing Professional Development events conducted in major towns in the country. The 10th National Tax Conference, jointly organised with the IRB in July 2010, attracted close to 2,000 participants. The Budget seminars organised nationwide following the tabling of the 2011 Budget in October 2010, benefited participants across the country. Budget seminars conducted in collaboration with ACCA Malaysia were also carried out in smaller towns for the benefit of members from both organisations. Workshops on tax issues were also organised jointly with MAICSA for the benefit of members from both professional bodies.</p>
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	<p>4.8 On the international scene, the Institute is a member of the Asia-Oceania Tax Consultants Association (AOTCA), an organization comprising 20 tax professional bodies from 16 countries within the region. The main objective of AOTCA is to promote mutual understanding and co-operation amongst the various tax bodies whose memberships include tax consultants in the Asia Oceania region. The Chairman informed that he and the Executive Director attended the AOTCA's 18th General Council Meeting and the 9th General Meeting which was held in Sydney, Australia on behalf of the Institute. The Institute also received courtesy calls from the Professor of Accounting, Faculty of Commerce at the Aichi-Gakuin University, Japan as well as a representative from Association of International Accountants, United Kingdom.</p> <p>4.9 The Institute visited the Companies Commission of Malaysia and amongst others, discussed on the letter of support requirement pertaining to the newly incorporated company to undertake taxation services. On this matter, he informed that the Letter of Support is no longer required. The Institute also paid a courtesy call to the newly appointed Chairman of the Special Commissioner of Income Tax.</p> <p>4.10 The Institute is supportive of tax research which will benefit the tax profession and the country as a whole. The Institute is therefore committed towards encouraging, promoting and advancing the field of tax research in Malaysia. In tandem with this, the Institute has recently submitted its application for the setting up of the Malaysian Tax Research Foundation. The Chairman announced that the Foundation was officially launched at the Annual Dinner held last night.</p> <p>4.11 The Council of the Institute had approved the implementation of Practising Certificates for those members in practice. The implementation date is targeted for 1 January 2012, and members issued with practising Certificates will be eligible to use the description "Chartered Tax Practitioner"(CTP) . The initiative is in line with the practice adopted by various other professional bodies in Malaysia and in other parts of the world. In relation to this, the Institute is of the view that it should be involved in the tax licensing process of tax agents, particularly during the interview stage and are working towards achieving this objective. The Institute provided feedback on the paper prepared by the IRB entitled "Proposed Categorisation (3-Tier) of Approved Tax Agents" and was of the view that there should not be any categorisation of tax agents.</p> <p>4.12 Proposal for a reduction in the subscription fee for qualified retired members (aged 65 and above) was recently approved by the Council for implementation with effect from January 2012.</p>
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	<p>4.13 The Institute Secretariat moved to its present premises in December 2005. Since then, it has outgrown the office space available. In line with this, a taskforce comprising Council members has been formed with the view to identify a new building for the Institute. A new and bigger premise would enable the Institute to better serve its members.</p> <p>4.14 The Chairman expressed his gratitude to the IRB, MoF and RMCD, the Tax Review Panel, PEMUDAH, PEMANDU and the Professional Services Development Corporation for their continued support.</p> <p>The Chairman concluded his address with a note of thanks to the members for their support given to the Institute and its activities which have encouraged them to grow further. He also thanked his fellow Council members and branch chairpersons for their dedication in developing the Institute and the tax profession. He extended his sincere thanks and appreciation to the Institute secretariat staff, led by Ms. Ann Vong for their dedication and commitment in contributing to the success of the Institute.</p>
	<p>At this juncture, 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) Election of four (4) council members for the 2011/2012 term 2) Proposed Amendments to the Articles of Association 3) To receive the Audited Accounts and Financial Statements for the year ended 31 December 2010 4) To re-appoint the Auditors <p>The abovementioned proposal was unanimously agreed by all the members present. The meeting then proceed with the next agenda.</p>
5.	<p>ELECTION OF FOUR (4) COUNCIL MEMBERS</p> <p>5.1 The Chairman announced the retirement of four Council Members, namely Dr.Veerinderjeet Singh(457), Mr. Lim Heng How(319), Prof Dr Jeyapalan A/L Kasipillai(144) and Mr Lew Nee Fook @ Liu Nee Choong (1840) pursuant to Article 59 of the Articles of Association. He informed that Dr.Veerinderjit Singh, Mr. Lim Heng How, Prof Dr Jeyapalan A/L Kasipillai have completed their full term on the Council and are thus not eligible for re-election.</p>

	<p>5.2 Mr. Lew Nee Fook @ Liu Nee Choong being eligible, had offered himself for re-election. There were also 4 nominations of candidates received by the Institute for election at this 19th Annual General Meeting, namely Datuk Tan Leh Kiah, Francis (1365), Ms. Seah Siew Yun (3062), Mr. K. Sandra Segaran A/L Karuppiah (1534) and Dr Tan Thai Soon(2330).</p> <p>5.3 The Chairman then invited Mr. K. Sandra Segaran A/L Karupppiah and Dr. Tan Thai Soon, being the new nominees to the Council to introduce themselves to the members.</p> <p>5.4 The Chairman informed that the vote on the election of the Council members would be carried out by ballot process which will be conducted together with item 6- Proposed amendment to the Articles of Association.</p>
6.	<p>SPECIAL BUSINESS-PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION</p> <p>6.1 Dato' Raymond Liew (1513) proposed and Associate Prof Faridah Ahmad(456) seconded the following motion:</p> <p>“That subject to the approval of the Minister of Domestic Trade, Cooperatives and Consumerism the proposed amendments to the Articles of Association of the Institute as contained in the Appendix 1 be and are hereby approved AND THAT the Council of the Institute be and are hereby authorized to assent to any modifications, verifications 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.”</p> <p>6.2 The Chairman thereupon invited questions from the floor. He explained that the proposed amendment to the Articles of Association is to allow the Institute to distribute Annual Reports in CD format.</p> <p>6.3 As there are were no 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 ballot. He then invited Mr. Chow Kee Kan to act as the Scrutineer.</p> <p>6.4 The Chairman briefed the Members present on the balloting process.</p> <p>6.5 The Members raised queries on the level of confidentiality of the balloting process. The Chairman re-assured the members that the balloting process would be carried out in a professional manner and with strict confidentiality. He then invited volunteers to assist Mr. Chow Kee Kan in the balloting process. The volunteers were Mr. Harpal Singh (555), Mr Chak Kong Keong (933) & Mr. Kuo Yew Chee (1499).</p>

<p>7.</p>	<p>ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE INSTITUTE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 TOGETHER WITH THE AUDITORS REPORT</p> <p>7.1 The Annual Report and Financial Statements for the financial year ended 31 December 2010 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 informed that the financial statements were tabled for information only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the members and hence this Agenda is not put forward for voting.</p> <p>7.3 The Chairman thereupon invited questions from the floor.</p> <p>7.4 Mr. Wong Tze Mun (2752) felt that the remuneration of key management personnel such as salaries, bonus and other emoluments was not properly disclosed in the 2010 Annual Report in accordance with Financial Reporting Standard (FRS). The Auditors explained that there was no requirement under FRS 124 to disclose the remuneration of key management personnel in detail. The Chairman informed that the Council would take into consideration the comments made and escalate the matter to the Auditors for clarification. Mr. Lim Hoo Teck (2203) suggested that the Council consider disclosing the remuneration in successive band similar to that disclosed by public listed companies.</p> <p>7.5 Mr. Lim stated that the announcement made by the Chairman to identify new premise in order to better serve its Members was not in line with the Institute's mission. The Chairman stressed that the existing premise has limited space and the existing facility was not sufficient to cater to its members. He added that the Council has plans to acquire a new building with a bigger space in order to cater for more workshops and to set up a bigger library for its members.</p> <p>Mr Vincent Josef (1966) was in consensus to relocate to a new building and suggested that Management should look for the location with sufficient parking facilities.</p> <p>He thereafter complimented Management for keeping the Members well informed of the updates on amendments and procedures issued by the IRB. He suggested that the Institute should set up an online library which would be beneficial to its members and added that the Management should also consider to change the colour of the cover for budget commentary according to the years for easy identification.</p>
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	<p>7.6 Mr. Lim requested for an explanation relating to the breakdown of the other receivables and other payables. The Chairman explained that the other receivables comprised of the amount due from MAICSA amounting to RM20,000 and RM50,000 from the registration fees due from the National Tax Conference. As to other payables, the Chairman informed that this was attributable by the amount paid to IRB for the National Tax Conference and accrued staff bonus.</p> <p>7.7 Mr. Chong Lip Chee (2041) drew the Council's attention on the details of bad debts written off for the financial year ended 31 December 2010. The Chairman explained that the bad debts were in relation to overdue cheques received from individuals who attended seminars or workshops organised by the Institute. Management was unable to obtain replacement cheques.</p> <p>7.8 Mr Chekabei @ MahinderaKumar A/L Tarachand (2162) asserted that Management has to be responsible for the overdue cheques as this was due to their oversight. He informed that Management should hold the personnel responsible and request for payment instead of writing off as a bad debts. The Chairman explained that this issue dates back to many years ago and since then, measures have been put in place to ensure that this does not occur again.</p> <p>7.9 Mr. Kumar suggested that going forward, Members who intend to participate in seminars or workshops and make payment via cheque have to forward the cheques in advance to the Institute. This is to ensure that actual payment has been recorded.</p> <p>At this juncture, Mr. Chong Lip Chee (2041) informed that it may not be practical as some members, including himself would only make payment on the day of the seminar.</p> <p>7.10 Mr. Renganathan (3078) suggested for seminar fees to be paid via credit cards besides Direct Access to which the Chairman informed that the Council will consider this suggestion and look into the cost and implementation.</p> <p>7.11 In reply to the query raised by Mr. Renganathan, the Chairman explained that the Institute had already submitted a proposal to change its Articles to allow the Institute to furnish the Annual Report and Statement of Accounts and any other business to be circulated to its members in the form of CD-ROM or other electronic media.</p>
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	<p>7.12 Mr. Lim Hoo Teck (2203) referred the Meeting to page 31 of the Annual Report and requested Management to provide details of publications expenses and breakdown of the international relations expenses. The Chairman explained that the publications expenses was in regard to payments made to CCH for printing of the tax guide for the 3rd and 4th quarter of 2009 for which payment was only recorded in the 2010 accounts. With regards to the International Relations expenses, the Chairman informed that these were expenses incurred for attending AOTCA's 18th General Council Meeting and the 9th General Meeting which is held in Sydney.</p> <p>7.13 Mr. Lim thereafter queried on the membership profile to which, the Chairman clarified that the membership classification has a certain degree of overlap. Some of the approved company auditors have been classified as Chartered Accountants and approved Tax Agents and vice versa.</p> <p>7.14 Next, he sought clarification on the amount in the column reclassification of cash and bank balances under note 16 of the Audited Accounts for the financial year ended 31 December 2010. The Chairman informed that the amount should be under other receivables.</p> <p>7.15 Mr. Rajagopal (1626) stated that the professional development program is expensive and several members queried on the increase in seminar and workshop fees. Mr. Thannee explained that despite the escalating hotel and speakers cost, the program cost only increased by a minimal amount of RM20.00 last year. Mr. Thannee informed the Institute will strive to maintain the program cost.</p> <p>7.16 He also highlighted that the date of Annual General Meeting held was not appropriate as many members were busy finalizing the Audited Account for the financial year ended 31December 2010. He suggested that the Council should consider alternative dates to enable more members to attend the Annual General Meeting. The Chairman took note of the comments.</p> <p>7.17 Dr. Sivamoorthy A/L Shanmugam (438) cited some technical issues faced by practitioners and urged the Council to continuously hold dialogues and meetings with the IRB to address the members grievances.</p> <p>The Chairman stated that the Council is continuously in discussion with the IRB to address the issues faced by its members and assured the members present that the Council would at all times safeguard their interest.</p> <p>After satisfying all the queries raised, the Chairman moved to the next item on the Agenda.</p>
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<p>8.</p>	<p>RE-APPOINTMENT OF AUDITORS OF THE INSTITUTE</p> <p>8.1 Mr. Kumar proposed (2162) and Mr. Rajagopal (1626) 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 Meeting was adjourned at 11:30 a.m.</p>												
<p>9.</p>	<p>ANNOUNCEMENT OF ELECTED COUNCIL MEMBERS</p> <p>The Meeting reconvened at 11.55 a.m.</p> <p>Mr. Chow Kee Kan handed the results of the ballot result to the Chairman who declared the ballot results as follows:-</p> <table border="1" data-bbox="435 961 1516 1480"> <thead> <tr> <th>Nomination of Council Members</th><th>No. of votes</th></tr> </thead> <tbody> <tr> <td>Lew Nee Fook @ Liu Nee Choong(1840)</td><td>125</td></tr> <tr> <td>Datuk Tan Leh Kiah, Francis (1365)</td><td>111</td></tr> <tr> <td>Seah Siew Yun (3062)</td><td>152</td></tr> <tr> <td>K. Sandra Segaran A/L Karuppiah (1534)</td><td>243</td></tr> <tr> <td>Dr Tan Thai Soon (2330)</td><td>94</td></tr> </tbody> </table> <p>The Chairman announced that the members re-elected to the Council were Mr Lew Nee Fook @ Liu Nee Choong, Datuk Tan Leh Kiah, Francis, Ms. Seah Siew Yun and Mr. K. Sandra Segaran A/L Karuppiah. He thanked Dr. Veerinderjeet Singh, Mr. Lim Heng How and Prof Dr Jeyapalan A/L Kasipillai for their contribution and congratulated the newly elected Council members.</p> <p>It was noted that the appointments of Datuk Tan Leh Kiah, Francis, Ms. Seah Siew Yun ad Mr. K. Sandra Segaran A/L Karuppiah 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	Lew Nee Fook @ Liu Nee Choong(1840)	125	Datuk Tan Leh Kiah, Francis (1365)	111	Seah Siew Yun (3062)	152	K. Sandra Segaran A/L Karuppiah (1534)	243	Dr Tan Thai Soon (2330)	94
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10.	<p>ANNOUNCEMENT OF PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION</p> <p>The Chairman received the results of the ballot votes for the proposed amendments to the Memorandum and Articles of Association from Mr. Chow Kee Kan and declared the ballot result 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>209</td><td>97.2</td><td>6</td><td>2.8</td></tr></table> <p>The Chairman declared the following motion carried:-</p> <p>“THAT subject to the approval of the Minister of Domestic Trade, Cooperatives and Consumerism the proposed amendments to the Articles of Association of the Institute as contained in the Appendix 1 be and are hereby approved AND THAT the Council of the Institute be and are hereby authorized to assent to any modifications, verifications 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”</p> <p>The Chairman thereafter announced that he would not be seeking re-election as the President of the Institute after the AGM due to work commitments but would continue to serve as a Council Member. The members present then placed on record their appreciation to the President for his contributions to the Institute during his tenure as the President.</p>		No. of Votes					For	%	Against	%	Proposed Amendments to the Articles of Association	209	97.2	6	2.8
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11.	<p>CLOSE OF MEETING</p> <p>There being no other business, the Meeting was declared closed at 12.05p.m.</p>															

Signed as a correct record,

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Chairman

Date