

ctim
CHARTERED TAX INSTITUTE OF MALAYSIA

Annual Report 2021



CONTENTS

Notice of the 30th Annual General Meeting	2
The Council 2021/2022 & Mission Statement	3-4
Branch Offices/Secretariat	5
President's Statement	6-8
Report of the Council for 2021/2022	9-16
Committees 2021/2022	17-22
Calendar of CPD Events 2021/2022	23-25
Pictorial Highlights 2021/2022	26-28
Financial Statements for the year ended 31 December 2021	29-58
Others	
* Administrative Details of the Annual General Meeting	
* Form of Proxy	

NOTICE OF THE 30TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirtieth (30th) Annual General Meeting (“AGM”) of the Chartered Tax Institute of Malaysia (“the Institute”) will be held at Hall 7C, Level 3, Kuala Lumpur Convention Centre, 50088 Kuala Lumpur on Saturday, 25 June 2022 at 9:30 a.m. to consider the following items of business:-

AGENDA

1. President’s address.
2. To receive the Annual Report and Financial Statements of the Institute for the year ended 31 December 2021 and the Report of the Auditors thereon.
3. To re-elect/elect four (4) Council Members for the 2022/2026 term.
 - (a) Farah Binti Rosley retires pursuant to Clause 76 of the Institute’s Constitution and is not eligible for re-election pursuant to Clause 75.
 - (b) Theneshkannaa A/L Kannan @ Renganathan Kannan, Low Geok Ping and Soh Lian Seng retire pursuant to Clause 76 of the Institute’s Constitution. Being eligible, Theneshkannaa A/L Kannan @ Renganathan Kannan and Soh Lian Seng offer themselves for re-election.
 - (c) Pursuant to Clause 73(ii) of the Institute’s Constitution and the nominations received, the following persons have offered themselves for election as new members of the Council:-
 - (i) Agnes Wong Ling Lee
 - (ii) Sharon Yong Nyuk Li
4. To re-appoint Messrs Sekhar & Tan as the Auditors for the ensuing year at a remuneration to be determined by the Council Members.
5. Any other business for which due notice has been given to the Institute.

By Order of the Council

Cynthia Gloria Louis (MAICSA 7008306)(SSM PC No.: 201908003061)
Chew Mei Ling (MAICSA 7019175)(SSM PC No.: 201908003178)
Secretaries

Date: 2 June 2022

NOTES

1. Clause 49(2) provides that a Member may appoint a proxy who shall either be an Associate Member or Fellow Member of the Institute.
2. A member whose subscription is overdue as at 1 May 2022 shall not be entitled to vote on any question either personally or by proxy at any meeting of members of the Institute or at a poll.
3. To be effective for the purpose of the Annual General Meeting to be held on Saturday, 25 June 2022, the form of proxy must be deposited at KPMG Management & Risk Consulting Sdn. Bhd. (150059-H), Concourse, KPMG Tower, No.8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor, Malaysia not later than 9:30 a.m. on Thursday, 23 June 2022 or emailed to Ms Ai Hoe (akhor@kpmg.com.my) or Ms Cheryl Leong (cherylleong1@kpmg.com.my) not later than 9:30 a.m. on Thursday, 23 June 2022.
4. Any two (2) members having a right of voting may require the Institute to circulate a statement with respect to a matter referred to in a proposed resolution to be dealt with at that meeting or other business to be dealt with at that meeting or give notice of a resolution which may be properly moved and is intended to move at that meeting, to Members of the Institute entitled to receive notice of a Meeting of Members provided a request is received by the Institute in the case of a requisition requiring notice of resolution, at least ten (10) clear days before the meeting or in the case of any other statement, at least seven (7) clear days before the day appointed for the meeting.
5. You are requested to refer to the attached Administrative Details to participate and vote at the AGM.

THE COUNCIL 2021/2022

2021/2022 Attendance Report

PRESIDENT

1. Farah Binti Rosley	5
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DEPUTY PRESIDENT

2. Chow Chee Yen	5
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COUNCIL MEMBERS

3. Koong Lin Loong	4
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4. Lai Shin Fah @ David Lai	5
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5. Chow Tuck Him	5
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6. Leow Mui Lee	5
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7. Mohd Noor Bin Abu Bakar	2
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8. Low Geok Ping	4
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9. Soh Lian Seng	5
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10. Theneshkannaa A/L Kannan @ Renganathan Kannan	5
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11. Alan Chung Ch'lung Yit	5
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12. Chong Mun Yew	5
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13. Steve Chia Siang Hai	5
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14. Anil Kumar Puri A/L Ashok Kumar	3
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15. Harvindar Singh A/L Chanan Singh	5
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16. Tan Hooi Beng	5
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No of meetings: 3 virtual, 2 hybrid

Auditors

Messrs Sekhar & Tan

Registered Office and Address

Chartered Tax Institute of Malaysia

Unit B-13-2, Block B, 13th Floor, Megan Avenue II

No 12, Jalan Yap Kwan Seng

50450 Kuala Lumpur, Malaysia

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THE COUNCIL 2021/2022

Farah Binti Rosley



Chow Chee Yen



Koong Lin Loong

Lai Shin Fah
@ David Lai

Chow Tuck Him



Leow Mui Lee

Mohd Noor
Bin Abu Bakar

Low Geok Ping



Soh Lian Seng

Theneshkannaa
A/L Kannan @
Renganathan
KannanAlan Chung
Ch'ung Yit

Chong Mun Yew

Steve Chia
Siang HaiAnil Kumar Puri
A/L Ashok KumarHarvindar Singh
A/L Chanan Singh

Tan Hooi Beng

MISSION STATEMENT

To be the premier body providing effective institutional support to members and promoting convergence of interests with the government, using taxation as a tool for the nation's economic advancement; and to attain the highest standard of technical and professional competency in revenue law and practice supported by an effective secretariat.

BRANCH OFFICES

East Coast Branch

Chairman: Wong Seng Chong
Address: Messrs Lau, Wong & Yeo
1, 2nd Floor, Lorong Pasar Baru I
25000 Kuantan, Pahang

Malacca Branch

Chairman: Choo Ah Kow
Address: Tey Consultancy
22-A, Lorong Bukit China
75100 Melaka

Northern Branch

Chairman: Kellee Khoo Kee Lee
Address: T & K Tax Savvy Sdn Bhd
347-V, Tingkat Pemancar
11700 Gelugor, Pulau Pinang

Perak Branch

Chairman: Lam Weng Keat
Address: Deloitte Tax Services Sdn Bhd
Level 2, Weil Hotel
292, Jalan Sultan Idris Shah
30000 Ipoh, Perak

Sabah Branch

Chairman: Chu Yun Henn
Address: PO Box 620656
91030 Tawau
Sabah

Sarawak Branch

Chairman: Kenny Chong Thian Poh
Address: Crowe Horwath
2nd Floor, C378, Block C
iCom Square, Jalan Pending
93450 Kuching, Sarawak

Southern Branch

Chairman: Jesu Dason
Address: Dason & Dason
Suite 0525, Level 5
Wisma SP Setia
Jalan Indah 15, Bukit Indah
79100 Iskandar Puteri, Johor

THE SECRETARIAT

Executive Director

Margaret Kok

Admin & IT

Norhaliza Yusop

Continuing Professional Development

Nursalmi Haslina Mohd Rusli

Corporate Support

Christine Jennifer Sanda

Examination & Education

Irene Chen

Technical & Editorial

Thong Vee Kean

PRESIDENT'S STATEMENT

My dear fellow members,

The forthcoming 30th Annual General Meeting (AGM) is scheduled to take place at Kuala Lumpur Convention Centre on 25 June 2022. I am delighted that the AGM will be held physically so I look forward to engaging everyone in person.

This AGM will be my final chairing as the President of the Institute. My term on the CTIM Council will be coming to an end. Nevertheless, I will continue to assist the Institute in any way possible although I will not be involved with the Institute in an official capacity.

Since 2019 as the President of CTIM, the Institute went through various developments and braving through the period of uncertainty during the Covid-19 pandemic. I have strived to bring ideas and discussions on taxation and suggestions for improvements by working closely with the authorities and relevant agencies. In addition, looking at enhancing the Institute's image and branding by working closely with the Government authorities and other stakeholders. I am certain that the next President will continue to carry on the torch in championing the Institute and its activities for the benefit of all our members and the tax profession as a whole.

I am very grateful and would like to extend my sincere thanks and appreciation to all Council Members, Branch Chairmen, Committee/ Working Group members and the Secretariat for their full support, dedication and the precious time and energy they have spent during my tenure as the President. It would not be possible for me to spearhead the Institute without their support. My big thank you also go to all members who have supported the Institute invaluable by providing invaluable feedbacks and by participating in the various CTIM activities and events.

The Institute wishes to inform that the following Council Members are retiring:

1. Farah Rosley – not eligible for re-election
2. Low Geok Ping – eligible for re-election
3. Soh Lian Seng – eligible for re-election
4. Thenesh Kannaa – eligible for re-election

I would like to take this opportunity to express my heartfelt thank you to Low Geok Ping, Soh Lian Seng and Thenesh Kannaa, for their immense contribution to CTIM.

A brief indication of the Institute's financial position as of 31 December 2021 is as follows: -

Year	2021	2020
	RM '000	RM '000
Surplus before tax	468	(255)
Cash & deposits	7,695	7,693

The Institute's finances are in a healthy state. I am pleased to announce that the Institute was able to recover well from the impact of the Covid-19 pandemic with a surplus before tax in 2021 compared to the loss-making position in the preceding year.

Technical Committees

The various Technical Committees and Working Groups of the Institute led by Thenesh Kannaa, Anil Kumar Puri, David Lai, Leow Mui Lee, Soh Lian Seng, Mohd Noor together with Steve Chia, Tan Hooi Beng, Chow Chee Yen, Koong Lin Loong, Chong Mun Yew, Zen Chow, Alan Chung, Stefanie Low, Harvinder Singh and Huang Shi Yang have been very actively involved in various activities for the 2021/2022 term. Their passion in driving the taxation issues is commendable. I also wish to express my thanks to Thenesh Kannaa for driving some of the specific issues on direct tax, together with the council members. The Institute has submitted various key papers and memorandums to the authorities in relation to matters such as the following: -

1. Issues arising from the 2022 Budget and Finance Bill 2021;
2. Tax treatment on foreign sourced income;
3. "Lembaga Hasil Dalam Negeri" (HASiL) draft guidelines on the income tax treatment of hybrid instruments and tax treatment regarding income received from overseas;
4. HASiL's draft tax corporate governance framework and guidelines;
5. Practice Note No. 2/2020 - Claiming Capital Allowance for the Development Cost for Customised Computer Software under the Income Tax Rules 2019;
6. HASiL's frequently asked questions (FAQ) on 2% withholding tax deducted from payment by payer company to agent, dealer or distributor;
7. Income Tax (Deduction for Expenses in relation to Listing on ACE Market or LEAP Market of Bursa Malaysia) Rules 2020;
8. Deduction for cost of renovation and refurbishment of business premise incurred in the period to 31 December 2021;
9. Income Tax (Accelerated Capital Allowance) (Machinery and Equipment Including Information and Communication Technology Equipment) Rules 2021;
10. Income Tax (Deduction for Expenses in relation to the Cost of Personal Protection Equipment) Rules 2021;
11. Income tax rules on the special deduction for reduction of rental;

PRESIDENT'S STATEMENT

Technical Committees (cont'd)

12. HASiL's Tax Collection Framework;
13. HASiL's guidelines on penalty imposed under S.112(3) of the ITA 1967;
14. Public Consultation Document Pillar One – Amount A - Draft Model Rules for Nexus and Revenue Sourcing;
15. Strategic Programme to Empower the People and the Economy (PEMERKASA and PEMERKASA+), Protection of the People and Recovery of the Economy (PEMULIH), and Movement Control Order matters;
16. HASiL's Tax Audit Framework and Tax Investigation Framework;
17. Transfer pricing (TP) issues for consideration by HASiL together with feedback/comments on the TP Documentation - Flowchart and Self-Test issued by the HASiL;
18. Voluntary Disclosure and Amnesty Programme for Indirect Tax (VA Programme);
19. Tax incentive related to research and development – issues and suggestions for improvement;
20. 7 draft public rulings during the period from April 2021 to mid-April 2022;
21. Exclusion of intangibles from the term “plant”; and
22. Withholding tax on software payments.

Public Practice Development

The Institute had organized a series of virtual forum discussions nationwide for members from February 2022 to April 2022. The forum discussions were aimed at obtaining practitioner issues and addressing the challenges faced by members. It also gave an opportunity for members to ask questions that affect taxpayers and tax practitioners in their state. I would like to thank Zen Chow, the Branch Chairmen and the Public Practice Committee for their hard work and commitment in organising these events which were well received by members.

The Institute had requested the Ministry of Finance (MOF) to grant the recognition of continuing professional development (CPD) points from CTIM online tax seminars and tax courses, similar to the physical tax seminars and tax courses, for an indefinite period beginning from 1 April 2022 and in order for members to continue accumulating CPD points for the purpose of application and renewal of tax agent licence. I am pleased that the MOF has agreed to recognise our online tax seminars or webinars on a perpetual basis with effect from 1 April 2022. This will make tax seminars and tax courses more accessible and contribute to improving the level of tax competency in the country.

Continuing Professional Development

The 21st National Tax Conference (NTC) 2021 titled “Taxation: Achieving Economic Resilience and Supporting Business Continuity” which was held virtually in July 2021, had an attendance of 2,591 participants. I would like to record my sincere appreciation to the co-organising Chairman Yeo Eng Ping, K Sandra Segaran, Leow Mui Lee and the NTC 2021 Committee as well as the dedication and commitment of the HASiL Committee.

CTIM also successfully conducted a series of 2022 Post-Budget Seminars virtually in November 2021 and December 2021. A total number of 1,783 participants attended the Budget Seminars. I would like to thank everyone including HASiL who have made this major tax event a great success.

The CTIM Council Members and I were invited by HASiL as panelists in their “Seminar Percukaian Kebangsaan” (SPK) which was organised virtually in November 2021. CTIM's participation in the SPK illustrates the close collaboration that CTIM has with HASiL in showing private-public sector partnerships.

CTIM organised a series of Tax Audit and Investigation Roadshow 2022 from February 2022 to May 2022. HASiL State Directors from various cities in Malaysia participated as panel members in these forums. Many issues in relation to tax audit and investigation were raised and discussed from the perspective of HASiL, taxpayers and tax practitioners which immensely benefitted the participants. I wish to express my gratitude to Soh Lian Seng, Chairman of the Tax Audit and Investigation working group and the Branch Chairmen for driving this initiative.

The HASiL-CTIM Tax Forum 2022 was conducted on 24 March 2022 via live streaming from the Kuala Lumpur Convention Centre to provide a platform for disseminating and discussing the latest issues on taxation between HASiL and tax professionals. This one-day forum was attended virtually by a total of 1,495 attendees. We were honoured to have YBhg Datuk Mohd Nizom Sairi, Chief Executive Officer (CEO) of HASiL to grace the opening session where he shared important information on the latest tax developments from HASiL. I would like to thank the moderators and panelists from HASiL and CTIM who have discussed and shared many tax issues for the benefit of the participants.

Another annual event of CTIM i.e. the Quarterly Tax Updates was held on 28 April 2022. My sincere appreciation to the Tax Policy Department of HASiL and the Tax Division of MOF for providing the respective updates on the amendment to the tax legislation and the taxation on foreign source income.

PRESIDENT'S STATEMENT

Continuing Professional Development (*cont'd*)

The National Indirect Tax Conference 2022 was finally back on 19 May 2022 after four years with the theme "Adapting to the New Economy in the Endemic Era". Live streamed from the Kuala Lumpur Convention Centre (KLCC), this hybrid event was a success with the strong support and participation by the Royal Malaysian Customs Department (RMCD).

HASiL and the Institute are jointly organising the NTC 2022 on 2 and 3 August 2022 at the KLCC. The Institute looks forward to members' participation in this annual auspicious event which will be held in a hybrid format that caters to physical and virtual participation.

During the year, virtual and physical courtesy visits were organized with senior officials of HASiL and RMCD. I hope the visits will continue to foster greater collaboration between CTIM, HASiL and RMCD in many years to come.

I would like to thank Chow Chee Yen and his CPD Committee members together with the able support of the CTIM Secretariat for organising and putting together all these CPD events of great benefit to members despite the COVID-19 pandemic challenges.

Examination and Education Committees

CTIM has 493 registered students as of 31 March 2022. The online examinations were conducted successfully for the June 2021 and December 2021 sittings. I am pleased to note that the syllabus for the December 2021 CTIM Professional Examination has been revised so as to be relevant in line with the changes and updates.

The 25th e-Graduation and Prize Giving Ceremony was held on 23 October 2021, celebrating 35 students who successfully completed the CTIM Professional Examination in December 2019, December 2020 and June 2021, and awarding book prizes to 15 students who have excelled in various examination papers. The ceremony was graced by YBhg Datuk Mohd Nizom Sairi, CEO of HASiL who delivered a resounding graduation speech. 98 invited guests and students attended this joyous occasion.

CTIM organized a webinar on "How to Read, Understand and Interpret Tax Laws" in November 2021 which was facilitated by Abdul Salam Chandran.

In collaboration with the Malaysian Tax Research Foundation, the Institute launched the Revenue Law - Tax Cases Digest on 25 May 2022. Written by Dr Nakha Somasundaram, this book is an invaluable resource to tax professionals, and students sitting for the CTIM Revenue Law professional examination as a reference and guide particularly in regards to the interpretation of the tax provisions in the context of the statutes and case laws. It was our honour to have the presence of Puan Che Nazli Jaapar, Undersecretary of the Tax Division of the MOF to deliver the keynote address and officiate the book launch.

Two virtual career talks were conducted in institutions in Sibul, Sarawak and in Kampar, Perak to promote the CTIM Professional Qualification to students. I would like to convey my big thanks to the Examination and Education Committees led by Chong Mun Yew and Stefanie Low respectively and also Abdul Salam Chandran for their great efforts and contribution.

Membership

CTIM membership continues to be on an upward trend with a membership of 3,761 as of 31 March 2022. I would encourage eligible tax practitioners who are not CTIM members to take up membership with the Institute. I would like to thank Koong Lin Loong, Alan Chung and the Membership Committee for their great work.

Tax Guardian

The Tax Guardian has been well received by members including those from the authorities because of specialized articles on taxation which enable members to keep abreast of the latest tax updates and news. CTIM students find the Tax Guardian very useful in their preparation for the CTIM examinations. The Editorial Committee reviews articles on a regular basis and makes constructive comments in order to maintain the Tax Guardian's excellent quality. I would like to thank Alan Chung for his contribution as the Chairman of the Editorial Committee, Chong Mun Yew, Tan Hooi Beng, Harvinder Singh and the committee members. A special thanks and credit to the contributors of the articles in the Tax Guardian who despite their busy schedule continue to contribute to excellent articles and write-ups.

I am humbled serving the members as CTIM Council and President over the years and it has been wonderful working with everyone. I am proud to see CTIM as the premier tax body in Malaysia and growing from strength to strength. I wish to also express my big thank you to the secretariat for their dedication and commitment. I would like to wish my successor and the Council all the best in the future and to continue to be agile and stay relevant in this complex and forever changing tax environment.

Wishing all our members the very best for the future. Take care always.

Farah Rosley
President
Chartered Tax Institute of Malaysia

REPORT OF THE COUNCIL FOR 2021/2022

TECHNICAL COMMITTEE - DIRECT TAX I (TC-DT I)

The TC-DT I focuses on technical and operational matters on income tax. The committee carries out its activities through its main technical committee as well as working groups, namely the Joint Public Ruling Working Group (JPRWG), Compliance & Operations Working Group (COWG) and Tax Audit and Investigation Working Group (TAIWG). Other working groups may be formed from time to time to deal with specific matters, where necessary. During the year, the committee and its working groups have been actively involved in reviewing various technical and operational/compliance matters and engaging the Ministry of Finance (MOF) and the Inland Revenue Board of Malaysia (HAsiL) in discussions on those matters.

In brief, the key activities undertaken during the year are as follows:

1. Budget 2022

Joint submission of a memorandum on the issues arising from the 2022 Budget and Finance Bill 2021 together with the Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) to HAsiL and MOF after the announcement of the 2022 Budget. Participation in the virtual dialogue on the memorandum chaired by YBhg Datuk Mohd Nizom Sairi, CEO of HAsiL.

2. Technical, Compliance and Operations Matters

During the year, the committee provided feedback and engaged MOF and HAsiL on various technical, compliance and operational matters including the following:

2.1 Technical Matters

- a. HAsiL's guidelines on the application of S.12(3) and S.12(4) of the Income Tax Act (ITA) 1967;
- b. HAsiL's draft guidelines on:
 - i. the income tax treatment of hybrid instruments; and
 - ii. tax treatment regarding income received from overseas;
- c. HAsiL's draft tax corporate governance (TCG) framework and TCG guidelines;
- d. Practice Note No. 2/2020 - Claiming Capital Allowance for the Development Cost for Customised Computer Software under the Income Tax Rules 2019;
- e. Definition of factory in the Public Ruling No. 10/2020 - Reinvestment Allowance Part I – Manufacturing Activity;
- f. HAsiL's frequently asked questions (FAQ) on 2% withholding tax deducted from payment by payer company to agent, dealer or distributor;
- g. Gazette orders:
 - i. Income Tax (Exemption) (No. 4) Order 2013 [P.U. (A) 28/2013], in relation to Tun Razak Exchange;
 - ii. Income Tax (Deduction for Expenses in relation to Listing on ACE Market or LEAP Market of Bursa Malaysia) Rules 2020 [P.U. (A) 263/2020];
 - iii. Deduction for cost of renovation and refurbishment of business premise incurred in the period to 31 December 2021 [P.U. (A) 381/2020];
 - iv. Income Tax (Accelerated Capital Allowance) (Machinery and Equipment Including Information and Communication Technology Equipment) Rules 2021 [P.U. (A) 268/2021];
 - v. Income Tax (Deduction for Expenses in relation to the Cost of Personal Protection Equipment) Rules 2021 [P.U. (A) 269/2021];
 - vi. Income tax rules on the special deduction for reduction of rental [P.U. (A) 353/2021 and 354/2021];
 - vii. Income Tax (Deduction for Expenses in relation to the Cost of Detection Test of Coronavirus Disease 2019 (COVID-19) for Employees) Rules 2021 [P.U. (A) 404/2021]; and
 - viii. Income Tax (Conditions for the Grant of Rebate under subsection 6D(4)) Order 2021 [P.U. (A) 504/2021];
- h. Special Reinvestment Allowance;
 - i. Tax treatment of charter hire fees paid to non-resident shipping companies;
 - j. Questions in MOF's public consultation document on the study of tax incentives;
- k. Strategies to increase tax revenue and strengthen the tax system in MOF's 2022 pre-budget statement; and

REPORT OF THE COUNCIL FOR 2021/2022

- I. Public Consultation Document Pillar One – Amount A - Draft Model Rules for Nexus and Revenue Sourcing.
- 2.2 Strategic Programme to Empower the People and the Economy (PEMERKASA and PEMERKASA+), Protection of the People and Recovery of the Economy (PEMULIH), and Movement Control Order matters
 - a. Deferment of monthly income tax instalment payments from 1 April 2021 to 31 December 2021 for companies in the tourism industry and selected industries such as cinemas and spas;
 - b. Guidance for taxpayers on filing of tax returns and tax payments due to Movement Control Order (MCO) 3.0;
 - c. Tax policy considerations during the total lockdown period; and
 - d. HASiL's FAQ on:
 - i. tax matters during the MCO 3.0 (as at 2 June 2021); and
 - ii. special deduction for taxpayers who give rental reduction for business premises to small and medium enterprises (SME) and non-SME.
- 2.3 Draft Public Rulings

The JPRWG is involved in reviewing, providing feedback and engaging HASiL on draft Public Rulings issued by HASiL to the JPRWG for comments. Seven draft Public Rulings have been reviewed by the JPRWG during the period from April 2021 to mid-April 2022.
- 2.4 Compliance and Operations Matters
 - a. HASiL's Tax Collection Framework;
 - b. HASiL's guidelines:
 - i. for approval of the Director General of Inland Revenue under S.44(6) of the ITA 1967, dated 30 January 2020;
 - ii. on penalty imposed under S.112(3) of the ITA 1967 (GPO 3/2020);
 - iii. on submission of estimated tax payable under S.107C of the ITA 1967 (GPO 1/2021); and
 - iv. on compensation on late refund of overpayment of tax (GPO 2/2021);
 - c. HASiL's FAQ on:
 - i. revision of estimate of tax payable in the 11th month of the basis period for years of assessment (YAs) 2021 and 2022;
 - ii. deferment of CP204 and CP500 payments for micro, small and medium enterprises (MSMEs) from January 2022 to June 2022;
 - iii. international tax issues due to COVID-19 travel restrictions, in relation to the discontinuation of tax treatment concessions after 31 December 2021; and
 - iv. 2% withholding tax deducted from payment by payer company to agent, dealer or distributor;
 - d. HASiL's Malaysian Income Tax Reporting System (MITRS);
 - e. Form CP204B (Revised 2020); and
 - f. Requested for the following to be extended:
 - i. Extension of time for submission of income tax return forms, initial/revised estimate of tax payable and deferment of tax payments affected by the total lockdown;
 - ii. Grace period for tax filings and payments with 31 August 2021 deadline, by an additional 2 months; and
 - iii. Grace period for tax filings and payments with 30 September 2021 deadline in respect of the return for YA 2020 for individuals, partnerships, associations, deceased persons' estate and Hindu joint families who carry on business, by an additional 15 days.
- 2.5 Tax Audit and Investigation Matters
 - a. HASiL's request for information involving tax practitioners and their clients for the purpose of gathering data, not only from tax practitioners but also from all other industries at large; and
 - b. HASiL's Tax Audit Framework dated 15 December 2019 and Tax Investigation Framework dated 1 January 2020.

REPORT OF THE COUNCIL FOR 2021/2022

3. CTIM Tax Audit and Investigation Roadshow 2022 Discussion Forum on Updates and Issues

The TAIWG organized virtual forum discussions (Forum) on tax audit and investigation issues for participants in the Klang valley and all states throughout Malaysia from February 2022 to May 2022. The Forum was conducted by the TAIWG. Tax audit and investigation issues were submitted to HASiL prior to the Forum. It was moderated by the TAIWG Chairman together with the HASiL State Directors, CTIM council members, and TAIWG members as panelists.

4. Participation in Technical Working Group on Paying Taxes (TWGPT)

The Institute participated in discussions with the TWGPT and provided feedback on proposals to simplify and enhance the Malaysian tax system. Tax matters discussed by the TWGPT included equity condition for exemption of income on increased exports, deduction for secretarial fee and tax filing fee on incurred basis, definition of factory for reinvestment allowance claim, exclusion of intangibles from the term 'plant', repeal of exemption of foreign source income received in Malaysia by a resident and withholding tax on software payments.

5. Technical Circulars

131 e-CTIMs were issued on direct tax matters from April 2021 to mid-April 2022 which provided members with updates on tax developments, announcements from HASiL and minutes of meetings and dialogues with HASiL.

TECHNICAL COMMITTEE - DIRECT TAX II (TC-DT II)

The taxation matters under the purview of the Technical Committee - Direct Tax II (TC-DT II) are in relation to Real Property Gains Tax (RPGT), Petroleum Income Tax, matters related to Labuan, Stamp Duty, Promotion of Investments Act 1986, other tax incentives, capital market transactions, etc. TC-DT II was involved in preparing the Institute's 2022 Budget Proposals to the MOF and the Institute's comments arising from the 2022 Budget Speech and Finance Bill 2021, with the other CTIM Technical Committees.

1. 2022 Budget Memorandum on Tax Issues Relating to the Capital Market Industry

The TC-DT II provided its input on tax issues for the Capital Market Industry to the Securities Commission in May 2021, for inclusion in the 2022 Budget. The tax issues were in relation to the long term development of the capital market, tax treatment of capital market products and deductibility of expenses, real estate investment trusts (REIT), fund management companies, business trusts, wholesale money market funds, retail money market funds, debt securities, debt financing, financing through sale and leaseback of assets, equity crowdfunding / peer-to-peer financing, asset-backed securitization, and technology-based companies on the ACE/LEAP market.

2. Engagements on Various Issues

During the year, TC-DT II engaged with HASiL and MOF on various issues including the following:

- i. Additional issues arising from the tax treatment of Labuan entities;
- ii. Questions in MOF's public consultation document on the study of tax incentives;
- iii. Public Consultation Document Pillar One – Amount A - Draft Model Rules for Nexus and Revenue Sourcing; and
- iv. HASiL's draft tax corporate governance (TCG) framework and TCG guidelines.

3. E-Circulars

42 e-CTIMs were issued in the period from April 2021 to mid-April 2022 in relation to Stamp Duty, Labuan Business Activity Tax Act, REIT / property trust fund (PTF), Sukuk, retail money market fund unit trust, and other tax incentives (automation, E&E sector, fund management services, intellectual property, PENJANA, principal hub, manufacturers of pharmaceutical products including vaccines, global trading centre, MSC, Sabah Development Corridor, East Coast Economic Region, and venture capital).

TECHNICAL COMMITTEE - INDIRECT TAX (TC-IT)

The Committee held two (2) TC-IT meetings during the term 2021-2022 and a total of 75 e-CTIMs on indirect tax have been issued since April 2021 to mid-April 2022. The summary of the key activities are as follows: -

Indirect tax webinars

The TC-IT organised the following indirect tax webinars:

1. A series of indirect tax webinars on 16 April 2021, 1 June 2021, 18 June 2021 and 9 July 2021 on various indirect tax topics in relation to sales tax, service tax and customs matters.
2. A webinar on 2022 Budget Proposals from Indirect Tax perspective on 6 January 2022 which included panel discussions on the indirect tax proposals and also the Voluntary Disclosure and Amnesty Programme for Indirect Tax (VA Programme).

REPORT OF THE COUNCIL FOR 2021/2022

Engagement with the Ministry of Finance

1. Submission of CTIM Memorandum on 2022 Budget Proposals on indirect tax in relation to claiming a refund via the offsetting method on service tax on imported digital service provided by foreign registered person, intermediate goods produced in-house subject to sales tax, sales tax drawback not allowed on materials used in manufacture, to liberalise the service tax regime to mitigate the tax cascading effect, synchronise service tax treatment on export of services with international norms, digitisation and modernisation of licensed manufacturing warehouse regime commonly used by investors, etc.
2. Submission of CTIM Memorandum on indirect tax issues arising from 2022 Budget Speech & Appendices. The indirect tax issues raised were in relation to sales tax on low value goods, service tax on goods delivery services, indirect tax incentives for digital ecosystem acceleration scheme, extension of tourism tax exemption, tax incentives to support the development of the electric vehicle industry and expansion of scope for excise duty on sugar sweetened beverages.

Engagements with the Royal Malaysian Customs Department

1. On matters pertaining to the VA Programme as follows:
 - a. Participation in the "Sesi Perbincangan JKDM Bersama Pihak Industri Berkaitan Special Voluntary Disclosure Programme (SVDP) bagi Cukai Tidak Langsung" to discuss the SVDP-IT proposals.
 - b. Submission of the Institute's recommendations for the SVDP-IT.
 - c. Submission of a list of voluntary disclosure case studies to the RMCD for their consideration.
 - d. Feedback/comments on the draft Guidelines on the Voluntary Disclosure and Amnesty Program.
2. Submission of CTIM Memorandum on indirect tax issues arising from 2022 Budget Speech & Appendices.
3. Requested for updates from the RMCD on indirect tax issues arising due to Total Lockdown from 1 June 2021 - 14 June 2021.
4. Participation in the Technical Committee on Sales Tax and Service Tax ("SST") Implementation Meetings No. 1/2021 and No. 1/2022 chaired by the RMCD: The issues raised by the TC-IT were in relation to processing of remission of sales tax paid, Guide on Reimbursement and Disbursement dated 15 September 2020, "Panduan Perkhidmatan Perundingan, Latihan dan Tunjuk Ajar" dated 15 September 2020, "Perkhidmatan Pengurusan" dated 15 January 2021, "Perkhidmatan Pengurusan Penggudangan" dated 6 October 2020, Guide on Professional Services dated 6 October 2020, Guide on Accommodation (Version 2) dated 13 October 2020, Kelab (Kumpulan C, D dan E) dated 13 October 2020, offset bill of demand amount due with GST refund in TAP Portal, exemption/offset for imported service, omission of certain particulars in invoices and credit notes/debit notes, service tax provided between within or between special area, exclusion clause under Schedule 1, Group G Professional Services, amendment of final GST-03 Return (taxable period ending 31 August 2018), Service Tax Policy No. 3/2021 – Service Tax Exemption on Brokerage Services Related to Trading of Shares Listed in Bursa Malaysia.
5. Participation by the Customs and Excise Working Group (CEWG), a working group under the TC-IT, in the Customs-Private Sector Consultative Panel Meetings No. 1/2021 and No. 2/2021 chaired by the RMCD.

Participation in Technical Working Group on Paying Taxes

1. Discussions and feedback on indirect tax matters in relation to back ruling for tariff classification, updated status on U-Customs project, drawback procedures under Sections 93 and 99 and CTIM's proposal on voluntary disclosure for indirect tax.
2. Submission of proposals for Budget 2022 to revitalise the private sector to extend the service tax exemption for accommodation, to F&B and employment services to help boost the sector, and for Sales and Service Tax audits (during the Movement Control Order (MCO) period) to only be conducted where there is evidence of wrong-doings to minimise any disruptions for businesses.

TECHNICAL COMMITTEE – TRANSFER PRICING (TC-TP)

The Technical Committee - TP's (TC-TP) area of focus is in relation to transfer pricing (TP), advance pricing arrangement and mutual agreement procedure. The Committee provides effective representation at dialogues with the authorities on issues faced by members and tax practitioners and recommends effective proposals to enhance the development of TP in the country.

TP 2021 Webinar

The TC-TP successfully organised a full day TP 2021 webinar on 27 April 2021. Many of the TC-TP members participated as moderators and panelists in this virtual event.

The topics discussed in this webinar were in relation to managing TP in times of uncertainty, legislative changes to TP, TP audits, tax cases on TP, intricacies of managing intra-group services from a TP perspective and TP vs Customs valuation.

REPORT OF THE COUNCIL FOR 2021/2022

Interaction with the Inland Revenue Board of Malaysia (HAsiL) on TP issues

1. Virtual Courtesy Meeting (VCM) with the Directors of Multinational Tax Branch of HAsiL and TP Policy on 4 May 2021.
The main purpose of the VCM is for the CTIM and HAsiL TP teams to get to know each other better, to strengthen the good rapport between CTIM and HAsiL and to discuss on how CTIM and HAsiL can carry out joint activities on TP matters.
The objective is to provide effective representation at dialogues with the Government authorities on TP issues and to recommend to the Government effective proposals to enhance the development of TP in the country, including the review of legislations and guidelines i.e. TP Rules, Section 140A, Section 113B and TP Guidelines, which would be mutually beneficial.
The VCM was led by the CTIM President and TC-TP Chairman, together with the Deputy President and the TC-TP members. A total of 25 representatives from IRBM (12) and CTIM (13) attended this VCM.
2. Letter to request for the draft TP Rules, draft TP Framework, draft TP Guidelines, etc, when the documents are ready and available, for the Institute to provide feedback/comments before the said documents are finalised and issued by HAsiL to the public.
3. Submission of TP issues for consideration by HAsiL.
4. Feedback/comments on the TP Documentation - Flowchart and Self-Test which were issued by HAsiL on 20 September 2021.
5. Email to request for updates on draft Malaysian TP Guidelines and other TP related guidelines

2022 Budget

The TC-TP provided its input on TP issues for inclusion in the CTIM Memorandum on 2022 Budget Proposals to the Ministry of Finance in August 2021. The TP issues were in relation to the definition of 'related party' for the purpose of TP, reassurance of no double penalty with regard to the newly introduced S. 140A(3C) (relating to surcharge on TP adjustments) and TP compliance fee as deductible expense.

E-Circulars

4 e-CTIMs were issued from April 2021 to mid-April 2022 in relation to Country-by-Country Reporting (CbCR) Notification using the Form C and TP Documentation – Flowchart and Self-Test.

Public Practice Committee (PPC)

The PPC is primarily focused on matters pertaining to the public practice of taxation services (including issues and best practices) as well as tax agent licensing and is involved in interaction with various authorities.

CTIM Virtual Forum Discussions for Members on Practitioner Issues

The Chairman of PPC has moderated 5 Virtual Forum Discussions from February 2022 to April 2022 together with the PPC members as panelists for CTIM Members in 5 different regions (i.e. Northern, East Coast, Southern, East Malaysia, and Central Regions) focusing on practitioner issues. The forum sessions were aiming to collect different practitioner issues to be deliberated further so that the challenges of CTIM practitioners can be addressed. Overall, the participation by CTIM members in the Forums was engaging and the Forums were very well received by the participants.

Engagements with MOF

- Seek clarification pertaining to issue on CPD points for renewal of tax agent licence

Public Practice Circulars

For the period from 1 April 2021 to 15 April 2022, a total of 14 e-CTIMs were issued (3) on public practice and (11) on the branch as follows:

Public practice e-CTIMs in relation to –

- Organising a virtual forum discussion for members on practitioner issues; and
- MOF – TERAS 2.0 for the Application and Renewal of Tax Agent Licence

Branch e-CTIMs in relation to –

- Organising a virtual forum discussion for members in 5 different regions on practitioner issues

REPORT OF THE COUNCIL FOR 2021/2022

EDITORIAL COMMITTEE

Tax Guardian, the Chartered Tax Institute of Malaysia's quarterly official publication, has continued to publish a wide spectrum of topics on tax issues affecting both Malaysia and the rest of the world, written by practitioners and professionals in their disciplines.

Current Issues, SST and Indirect Taxes, Domestic Issues, International Issues, Technical Updates, Tax Cases, and Learning Curve are among the categories in which articles are classified in the Tax Guardian. It also includes articles summarising the significant subjects discussed at major conferences such as the National Tax Conference and the annual budget presented by the Ministry of Finance.

The Editorial Committee reviews articles on a regular basis and makes constructive comments in order to maintain the Tax Guardian's excellent quality.

The Institute continues to support members and academics to produce thought leadership pieces and well-written analyses of current issues, case judgments, contentious issues, and new legislative developments that will serve as a valuable source of information on taxation's finer points. The educational articles continue to enhance and strengthen the technical proficiency of members and readers.

EXAMINATION COMMITTEE

The Institute registered 95 new students from April 2021 to March 2022. The total number of registered students as of March 2022 was 493.

The committee is happy to report that the 2021 CTIM Professional Online Examinations were conducted successfully. The June 2021 examination commenced on 21 June and the December 2021 examination commenced on 20 December. The examination results for June 2021 and December 2021 sittings were released to students on 17 August 2021 and 17 February 2022 respectively.

The syllabus for the CTIM Professional Examination has been revised to refine the scope and to be in line with the updates in the legislation. The revised syllabus was implemented in the December 2021 Examination.

The 25th CTIM e-Graduation and Prize Giving Ceremony was held on 23 October 2021. A total of 35 students graduated from the December 2019, December 2020 and June 2021 examination sittings, and 15 students were awarded book prizes in various categories.

A webinar on "How to Read, Understand and Interpret Tax Laws" was organised on 25 November 2021. The webinar was facilitated by Mr Abdul Salam Chandran, who guided students on how to determine the most appropriate provision in the tax laws to address and seek for a solution on tax issues as identified in the CTIM examination questions.

The book launch ceremony of "Revenue Law – Tax Cases Digest" was held on 25 May 2022. This is a joint event of the Institute and the Malaysian Tax Research Foundation. The book, which was written by Dr Nakha Ratnam Somasundaram, is a useful resource for students sitting for the CTIM Revenue Law professional examination.

EDUCATION COMMITTEE

The committee is happy to report that two virtual career talks were conducted despite the ongoing global pandemic. The talks were conducted at the following institutions in promoting CTIM Professional Examination:

No	University	Programme	Speakers	Date	No. of students
1	Methodist Pilley Institute - Sibul, Sarawak	Opened to public and all students	Ms Stefanie Low Geok Ping Mr Chong Mun Yew Mr Kenny Chong	1 Oct 2021	108
2	Tunku Abdul Rahman University College – Kampar, Perak	Diploma in Accounting & Degree in Accounting and Finance students	Mr Chong Mun Yew Mr Lam Weng Keat	11 Apr 2022	49

REPORT OF THE COUNCIL FOR 2021/2022

CONTINUING PROFESSIONAL DEVELOPMENT (CPD) COMMITTEE

Pandemic risk jeopardises business continuity and one of the areas impacted by COVID-19 includes physical CPD programmes.

Hence, the Institute continues to organise the workshops, seminars, conferences and forums virtually to ensure members are kept abreast of the latest tax changes and developments.

1. Seminars and Workshops

The number of seminars and workshops organised by CTIM in the year 2021 decreased by 22% compared to the previous year. This includes events held in collaboration with the other professional bodies and in-house training programmes for a government ministry.

2. 2022 Post-Budget Seminars

- (a) CTIM had successfully conducted a series of 2022 Post-Budget Seminars virtually on 18, 24 and 30 November 2021 and 9 December 2021. A total number of 1,783 participants comprising participants from the private and public sectors had attended the Budget Seminars. The number of participants who attended the Budget Seminars increased by 26% compared to the previous year.
- (b) CTIM Council Members have also been invited by the Lembaga Hasil Dalam Negeri Malaysia (LHDNM) as Panelists in their Seminar Percukaian Kebangsaan (SPK) organised virtually on 9, 11 and 16 November 2021. CTIM's participation in these LHDNM post-budget seminars illustrates the close collaboration that CTIM has with LHDNM in showing private-public sector partnerships.

3. Collaboration Events with the LHDNM

- (a) 21st National Tax Conference (NTC) 2021

The 21st edition of the NTC 2021 was successfully organised on 27 & 28 July 2021. The Conference with the theme "Taxation: Achieving Economic Resilience and Supporting Business Continuity" was attended virtually by a total of 2,591 attendees which is a 22% increase from the previous year. The NTC 2022 will be held on 2 & 3 August 2022 at the Kuala Lumpur Convention Centre and the Institute welcomes members' support in gracing this event with their presence physically or virtually.

- (b) Tax Audit and Investigation Roadshow 2022: Discussion forum on updates and issues

CTIM had organised a series of Tax Audit and Investigation Roadshow 2022 from 14 February to May 2022. HASiL State Directors from 8 major cities in Malaysia participated as panel members in these forums together with the CTIM Branch Chairmen and Tax Audit and Investigation Working Committee (TAIWG) Members. The forums were moderated by the Chairman of TAIWG.

- (c) HASiL-CTIM Tax Forum 2022

The HASiL-CTIM Tax Forum 2022 was conducted on 24 March 2022 via live streaming from the Kuala Lumpur Convention Centre to provide a platform for disseminating and discussing the latest issues on taxation between HASiL and tax professionals. This one-day forum was attended virtually by a total of 1,495 attendees.

4. National Indirect Tax Conference 2022

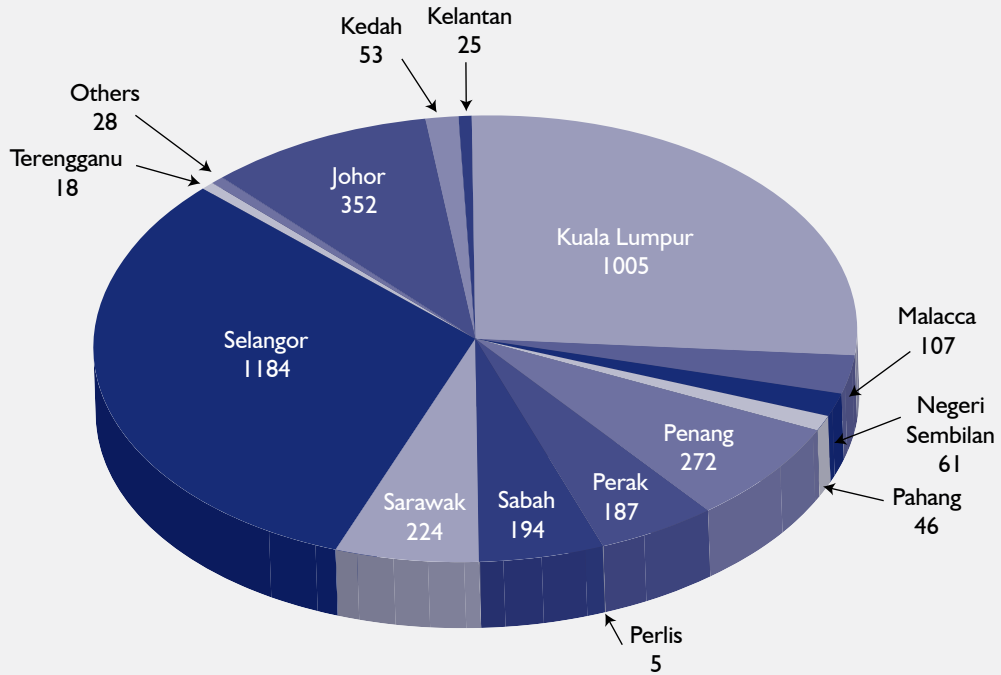
The National Indirect Tax Conference 2022 was organised on 19 May 2022 in a hybrid format, i.e., virtual participation and a restricted number of physical participation with live streaming from the Kuala Lumpur Convention Centre. The conference brought together many distinguished presenters from the indirect tax fraternity and the Royal Malaysian Customs Department covering various indirect tax issues and the latest updates.

REPORT OF THE COUNCIL FOR 2021/2022

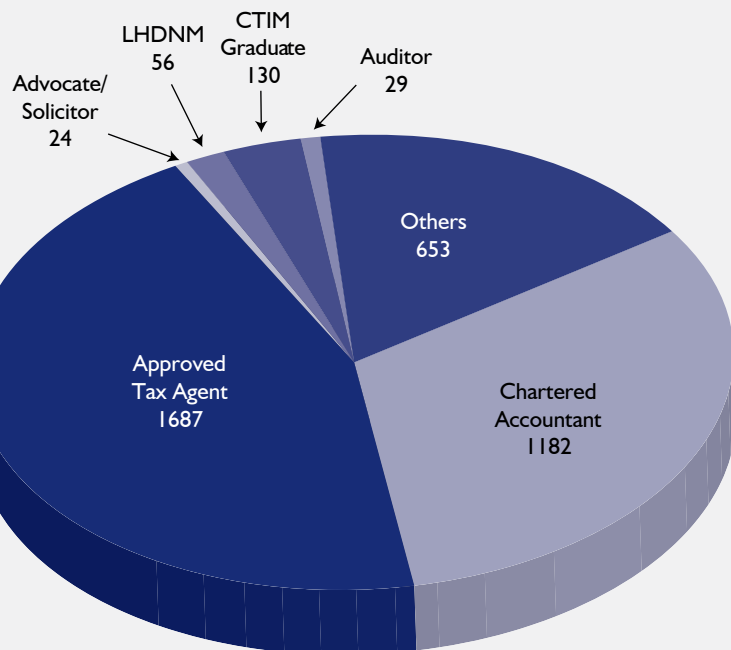
MEMBERSHIP SERVICES COMMITTEE

As of 31 March 2022, there were 3761 members comprising 569 Fellow members, 3173 Associate members and 19 Provisional members (31 March 2021: 3715 members)

By State



By Category



COMMITTEES 2021/2022

EXECUTIVE COMMITTEE

Council Members:

Farah Binti Rosley (Chairman)
Chow Chee Yen
Koong Lin Loong
Lai Shin Fah @ David Lai
Soh Lian Seng

Total number of meetings held: 2

Terms of Reference

1. To consider and recommend to the Council major long-term objectives and overall policy of the Institute.
2. To recommend changes to the structure and composition of the Institute.
3. To review the Institute's Memorandum and Articles of Association.
4. To consider matters affecting the Institute and its members which are urgent in nature and outside the terms of reference or jurisdiction of any committee.
5. To ensure proper implementation of the policies of the Council and its committees and to provide direction where necessary.
6. To consider the recommendation and reports of the Executive Director relating to human resources, administration and financial matters of the Institute.

EDITORIAL COMMITTEE

Council Members:

Alan Chung Ch'ung Yit (Chairman)
Chong Mun Yew
Tan Hooi Beng
Harvinder Singh A/L Chanan Singh

Others:

Professor Dr Jeyapalan Kasipillai
Kenneth Yong Voon Ken
Dr Nakha Ratnam s/o Somasundaram
K. Sandra Segaran A/L Karupiah
Saravana Kumar Segaran

Total number of meetings held: 1

Terms of Reference

1. To consider all matters pertaining to the editorial policies of the journal so that the technical quality of the journal continues to be enhanced and is benchmarked to other similar reputable tax journals worldwide.
2. To improve the quality of the journal by soliciting well-researched technical articles.
3. To ensure that all articles submitted are placed through a stringent vetting process to determine suitability for publication.
4. To monitor the production process so that the journal is released on a timely basis.
5. To increase the circulation and subscriber base of the journal at all times.
6. To generate advertising revenue to make the journal self-sufficient eventually.

COMMITTEES 2021/2022

CONTINUING PROFESSIONAL DEVELOPMENT COMMITTEE

Council Members:

Chow Chee Yen (Chairman)

Steve Chia Siang Hai

Others:

Saravana Kumar Segaran

Soh Pin Tau

Total number of meetings held: 2

Terms of Reference

1. To organise and administer seminars and workshop programmes to enhance the skills and knowledge of members and tax professionals and to maintain their professional competency.
2. To profile the Institute through regional and international conferences.

NATIONAL TAX CONFERENCE COMMITTEE

The National Tax Conference is jointly organised with the Lembaga Hasil Dalam Negeri Malaysia (LHDNM) and is managed by a separate joint committee. The following Council Members were nominated by the Council to this joint committee and are as follows:

- Soh Lian Seng (Co-Organising Chairman)
- Leow Mui Lee

Others:

Aruljothi A/L Kanagaretnam

K. Sandra Segaran A/L Karuppiyah

EXAMINATION COMMITTEE

Council Members:

Chong Mun Yew (Chairman)

Others:

Abdul Salam Chandran Bin Abdullah

Daniel Woo Tuck Cheong

Dr Loganathan Krishnan

Dr Loo Ern Chen

Dr Michael Yap Meow Chung

Dr Nakha Ratnam s/o Somasundaram

Dr Voon Yuen Hoong

Karen Koh Sai Tian

Logeswary a/p Maheswaran

Total number of meetings held: 1

Terms of Reference

1. To establish and review (from time to time) the examination syllabus of the Institute's Examination to ensure that it remains relevant in meeting the challenges and demands of the changing tax regime and tax laws so that graduates will be able to meet the current and future market expectations.
2. To establish and review rules and regulations of the Institute's Examination.
3. To determine the eligibility of students sitting for the Institute's Examination and to recommend to the Council the appropriate examination fee.
4. To consider and approve applications for exemption from the relevant examination papers.
5. To appoint chief examiners, examiners, invigilators, markers and moderators and to recommend to the Council the honorarium and fees payable.
6. To consider and approve the Institute's Examination papers set by the appointed examiners.
7. To consider any appeals relating to the examination results.
8. To consider and approve the publication of model answers and examiners' comments.
9. To determine the policy on safekeeping and confidentiality of examination papers and of answer scripts.
10. To determine prize winners and to publish the results of the examinations.

COMMITTEES 2021/2022

EDUCATION COMMITTEE

Council Members:

Stefanie Low Geok Ping (Chairman)
Chong Mun Yew

Others:

Choo Ah Kow
Chu Yun Henn
Kenny Chong Thian Poh
Lam Weng Keat
Wong Seng Chong
Amiruddin Ahmad
Angela Lim Li Xuan
Daniel Woo Tuck Cheong
Dr Rani Diana binti Othman
Paul Ang Siew Chuan

Total number of meetings held: 0

Terms of Reference

1. To look into the requirements of registered students and to assist them in facilitating their progression as members of the Institute.
2. To formulate strategies to promote the Institute's qualification to prospective students.
3. To determine accreditation processes and establish strategic alliances with institutions of higher learning for the provision of courses relating to the professional examination.
4. To source for contributions of published material to the Resource Centre of the Institute.

MEMBERSHIP SERVICES COMMITTEE

Council Members:

Koong Lin Loong (Chairman)
Alan Chung Ch'ung Yit

Others:

Aruljothi A/L Kanagaretnam
K. Renganathan A/L Renganathan Kannan
Emily Wong Shiau Li

Total number of meetings held: 2

Terms of Reference

1. To review and recommend to Council the policies, procedures and qualifications recognized for admission of members.
2. To consider applications for membership and reclassification of membership for approval of the Council.
3. To consider and make recommendation to Council for removal of a member from the membership register for failing to pay the annual subscription in accordance with the regulations of the Institute.
4. To consider applications for readmission by members who have been suspended or excluded from membership.
5. To review the membership fees from time to time and make recommendations to Council.
6. To develop and update the by-laws on professional conduct and ethics.
7. To promote membership of the Institute.
8. To enhance services provided to members.

COMMITTEES 2021/2022

TECHNICAL COMMITTEE - DIRECT TAXATION I [TC-DT (I)]

Council Members:

Theneshkannaa A/L Kannan @ Renganathan Kannan (Chairman)
Steve Chia Siang Hai (Co-Chairman)
Anil Kumar Puri
Chow Chee Yen
Chong Mun Yew
Harvindar Singh A/L Chanan Singh
Lai Shin Fah @ David Lai
Leow Mui Lee
Mohd Noor Bin Abu Bakar
Soh Lian Seng
Tan Hooi Beng
Zen Chow Tuck Him

Others:

Beh Tok Koay
Carol Eng Hooi Ling
Daniel Woo
K. Sandra Segaran A/L Karuppiah
Ng Say Guat
Phan Wai Kuan

Total number of meetings held: 4

To assist the TC-DT (I) in the execution of its duties, the Committee constitutes various working groups as and when required. These working groups deal with tax compliance and operations matters, public rulings, tax audits and tax investigations and other technical aspects.

Terms of Reference

- 1. The TC-DT (I) shall be responsible for all direct tax issues related to Income Tax, but excluding issues related to Stamp Duty, Real Property Gains Tax, Petroleum Income Tax, Labuan Income Tax & other matters relating to Labuan, Promotion of Investments Act 1986 & other tax incentives (eg MSC, Bionexus) and issues under the purview of Securities Commission and Bank Negara.*
- 2. To provide effective representation at dialogues with Government authorities on tax issues faced by members, the business community and the public at large.*
- 3. To recommend to the Government proposals for the review of tax policy, tax administration and other fiscal changes so as to promote certainty, clarity and transparency as well as to simplify the taxation system.*
- 4. To issue tax information circulars to members on a timely basis and to issues guidance notes and other relevant technical publications when necessary.*
- 5. To consider matters affecting tax practitioners and meet members to understand their requirements.*

COMMITTEES 2021/2022

TECHNICAL COMMITTEE - DIRECT TAXATION II [TC-DT (II)]

Council Members:

Anil Kumar Puri (Chairman)
Tan Hooi Beng (Co-Chairman)
Farah Rosley
Chow Chee Yen
Alan Chung Ch'ung Yit
Leow Mui Lee
Low Geok Ping
Steve Chia Siang Hai

Others:

Abdul Salam Chandran
Datuk Harjit Singh Sidhu A/L Bhagwan Singh
Koo Kian Ming
Nicholas Anthony Crist
Phan Wai Kuan
Sharon Yong

Total number of meetings held: 2

Terms of Reference

1. The Technical Committee - Direct Tax (II) shall be responsible for all direct tax issues not under the purview of Technical Committee - Direct Tax (I), and includes Stamp Duty, Real Property Gains Tax, Petroleum Income Tax, Labuan Income Tax & other matters relating to Labuan, Promotion of Investments Act 1986 & other tax incentives (eg MSC, Bionexus) and issues under the purview of Securities Commission (SC) and Bank Negara.
2. To provide effective representation at dialogues with Government authorities on tax issues faced by members, the business community and the public at large.
3. To recommend to the Government proposals for the review of tax policy, tax administration and other fiscal changes so as to promote certainty, clarity and transparency as well as to simplify the taxation system.
4. To issue tax information circulars to members on a timely basis and to issue guidance notes and other relevant technical publications when necessary.
5. To consider matters affecting tax practitioners.

TECHNICAL COMMITTEE - INDIRECT TAXATION (TC-IT)

Council Members:

David Lai Shin Fah (Chairman)
Theneshkannan A/L Kannan @ Renganathan Kannan
Alan Chung Ch'ung Yit

Others:

Annie Thomas
Huang Shi Yang
Jalbir Singh Riar
Joanne Hooi
Ng Sue Lynn
Saravana Kumar Segaran
Sitartha Raja Kumaran
Tan Eng Yew
Thisha Gunasilan
Yap Mei Sei

Total number of meetings held: 2

Terms of Reference

1. To provide effective representation on indirect tax issues faced by members and the business community.
2. To recommend to the Government proposals for the review of indirect tax policy, indirect tax administration and other fiscal changes so as to promote certainty, clarity, transparency and efficiency.
3. To issue indirect tax information circulars to members on a timely basis and to issue guidance notes and other relevant technical publications when necessary.
4. To consider matters affecting indirect tax practitioners.

COMMITTEES 2021/2022

TECHNICAL COMMITTEE – TRANSFER PRICING (TC-TP)

Council Members:

Leow Mui Lee (Chairman)

Theneshkannaa A/L Kannan @ Renganathan Kannan

Others:

Anushia Joan Soosaipillai

Bernice Tan

Bob Kee Lin Jen

Chan Tuck Keong

Foo Meng Huei

SM Thanneermalai

Sockalingam Murugesan

Theresa Goh Lee Hwa

Subhabrata Dasgupta

Total number of meetings held: 1

Terms of Reference

1. To provide effective representation at dialogues with the Government authorities on transfer pricing issues faced by members and the tax practitioners in the country.
2. To recommend to the Government effective proposals to enhance the development of transfer pricing in the country, including the review of legislations i.e Transfer Pricing Rules and Advance Pricing Arrangement Rules.
3. To issue transfer pricing information circulars to members on a timely basis, and to issue guidance notes and other relevant publications on transfer pricing where necessary.

PUBLIC PRACTICE COMMITTEE (PPC)

Council Members:

Zen Chow Tuck Him (Chairman)

Alan Chung

David Lai Shin Fah

Koong Lin Loong

Others:

Choo Ah Kow

Chu Yun Henn

Jalbir Singh Riar

Jesu Dason

Kenny Chong Thian Poh

Soo Yuit Weng

Tan Keat Keat

Yeo Chin Meng

Total number of meetings held: 1

Terms of Reference

1. To provide effective representation at dialogues with the Government authorities on public practice issues faced by members and the tax practitioners in the country.
2. To recommend to the Government effective proposals to enhance the development of the tax profession in the country, including the review of tax agent licensing procedures, so as to promote certainty, clarity and transparency in the matter, and simplification of the licensing process.
3. To issue professional public practice information circulars to members on a timely basis, and to issue guidance notes and other relevant publications on public practice when necessary.
4. To recommend a code of best practices for members, with a view to assisting them in dealing with the clients and authority professionally as well as ethical issues faced in their practice.
5. To review the criteria for the issuance of the Public Practice Certificate and organisation of the one-day Public Practice Certificate Course for new applicants.
6. To identify issues pertaining to the management of a public practice i.e. risk management, revenue and cost management, staff recruitment and retention etc.

CALENDAR OF CPD EVENTS 2021/2022

Date	Event	Venue
01.06.2021	Indirect Tax Webinar Series: Service tax on management, consultancy and other Group G services	Zoom Webinar
04.06.2021	Workshop: The Changing Tax Landscape and Recent Tax Developments in Malaysia	Zoom Webinar
10.06.2021	Workshop: Learn to Develop, Build Upon and/or Appreciate the Importance of the Capital Statement in Tax Audits (Re-Run)	Zoom Webinar
18.06.2021	Indirect Tax Webinar Series: Managing Customs Audits	Zoom Webinar
24.06.2021	Workshop: Corporate Tax Strategy (Re-Run)	Zoom Webinar
09.07.2021	Indirect Tax Webinar: Sales Tax Issues for Manufacturers and Importers	Zoom Webinar
12.07.2021	Workshop: Selected Latest Public Rulings	Zoom Webinar
16.07.2021	Workshop: The Taxation of Property Transaction in Malaysia	Zoom Webinar
04.08.2021	Workshop: Investment and Other Incentives	Zoom Webinar
06.08.2021	Webinar: Achieving Tax-Aligned Mergers & Acquisitions (M&A)	Zoom Webinar
20.08.2021	Workshop: The Decision to Litigate: Tax Appeals and Choice of Forum	Zoom Webinar
25.08.2021	Workshop: Transfer Pricing and Contemporaneous Documentation	Zoom Webinar
02.09.2021	Workshop: Practical Preparation for Tax Audits & Investigations	Zoom Webinar
07.09.2021	Workshop: Tax Issues and Law Relating Developers, JMB/MC and Investors	Zoom Webinar
10.09.2021	Workshop: Tax Compliance and IRB's Perspective	Zoom Webinar
21.09.2021	Workshop: Real Property Gains Tax (RPGT)	Zoom Webinar
13.10.2021	Workshop: Taxation Benefit for Specialised Industries	Zoom Webinar
21.10.2021	Workshop: Preparation of Transfer Pricing Documentation for Financial Assistance	Zoom Webinar
22.10.2021	Webinar: Top 8 Controversial Issues in 2021/2020	Zoom Webinar
28.10.2021	Workshop: Withholding Taxes and Other Related Issues	Zoom Webinar
09.11.2021	Workshop: Transfer Pricing and Contemporaneous Documentation (Re-Run Session)	Zoom Webinar
18.11.2021	2022 Budget Seminar	Zoom Webinar
24.11.2021	2022 Budget Seminar	Zoom Webinar
30.11.2021	2022 Budget Seminar	Zoom Webinar
03.12.2021	Workshop: Preparation of Capital Statement, Skillful Tax Negotiation and Recent Tax Cases	Zoom Webinar
09.12.2021	2022 Budget Seminar	Zoom Webinar
14.12.2021	Workshop: Malaysian Property Tax, Estate and Trust	Zoom Webinar
16.12.2021	Workshop: Tax Incentive	Zoom Webinar
12.01.2022	Workshop: Finance Act 2021 - Usual Benefits and Major Challenges	Zoom Webinar
13.01.2022	Webinar: 2022 Budget Proposals – Indirect Tax Perspectives	Zoom Webinar
21.01.2022	Workshop: Practical Insights into Employers and Employees Tax Compliance	Zoom Webinar

CALENDAR OF CPD EVENTS 2021/2022

Date	Event	Venue
08.02.2022	Workshop: Transfer Pricing – Principles and Documentation	Zoom Webinar
14.02.2022	Roadshow: Tax Audit and Investigation Roadshow 2022: Discussion Forum on Updates and Issues (Perak)	Zoom Webinar
16.02.2022	Workshop: Employer's Reporting and Compliance Responsibilities	Zoom Webinar
17.02.2022	Roadshow: Forum Discussion on Practitioner Issues (Northern)	Zoom Webinar
18.02.2022	Workshop: Deductible Business Expenses Module	Zoom Webinar
21.02.2022	Roadshow: Tax Audit and Investigation Roadshow 2022: Discussion Forum on Updates and Issues (Kelantan, Terengganu & Pahang)	Zoom Webinar
28.02.2022	Roadshow: Tax Audit and Investigation Roadshow 2022: Discussion Forum on Updates and Issues (Malacca & Negeri Sembilan)	Zoom Webinar
07.03.2022	Roadshow: Tax Audit and Investigation Roadshow 2022: Discussion Forum on Updates and Issues (Penang, Kedah & Perlis)	Zoom Webinar
10.03.2022	Workshop: Selected Public Rulings and Tax Guidelines	Zoom Webinar
14.03.2022	Workshop: E-Commerce and Digital Taxation in Malaysia	Zoom Webinar
16.03.2022	Roadshow: Forum Discussion on Practitioner Issues (East Coast)	Zoom Webinar
17.03.2022	Workshop: Tax Issues and Law Relating to Property Developers, JMB/MC, and Investors	Zoom Webinar
29.04.2022	Roadshow: Forum Discussion on Practitioner Issues (Southern)	Zoom Webinar
01.04.2022	Roadshow: Tax Audit and Investigation Roadshow 2022: Discussion Forum on Updates and Issues (Sabah)	Zoom Webinar
06.04.2022	Workshop: Tax Agents Under Section 153(3) of the Income Tax Act 1967	Zoom Webinar
15.04.2022	Workshop: Capital Allowances	Zoom Webinar
18.04.2022	Roadshow: Tax Audit and Investigation Roadshow 2022: Discussion Forum on Updates and Issues (Johor)	Zoom Webinar
20.04.2022	Roadshow: Forum Discussion on Practitioner Issues (East Malaysia)	Zoom Webinar
26.04.2022	Roadshow: Forum Discussion on Practitioner Issues (Central)	Zoom Webinar
28.04.2022	Seminar: Quarterly Tax Updates 2022	Zoom Webinar
13.05.2022	Workshop: Group Relief Under Section 44A - A Practical Approach & Latest Updates	Zoom Webinar
17.05.2022	Roadshow: Tax Audit and Investigation Roadshow 2022: Discussion Forum on Updates and Issues (Sarawak)	Zoom Webinar
19.05.2022	National Indirect Tax Conference 2022	Hybrid Conference at Kuala Lumpur Convention Centre
25.05.2022	Workshop: Industrial Building Allowance	Zoom Webinar
26.05.2022	Roadshow: Tax Audit and Investigation Roadshow 2022: Discussion Forum on Updates and Issues (Klang Valley)	Zoom Webinar

CALENDAR OF CPD EVENTS 2021/2022

COLLABORATION EVENTS

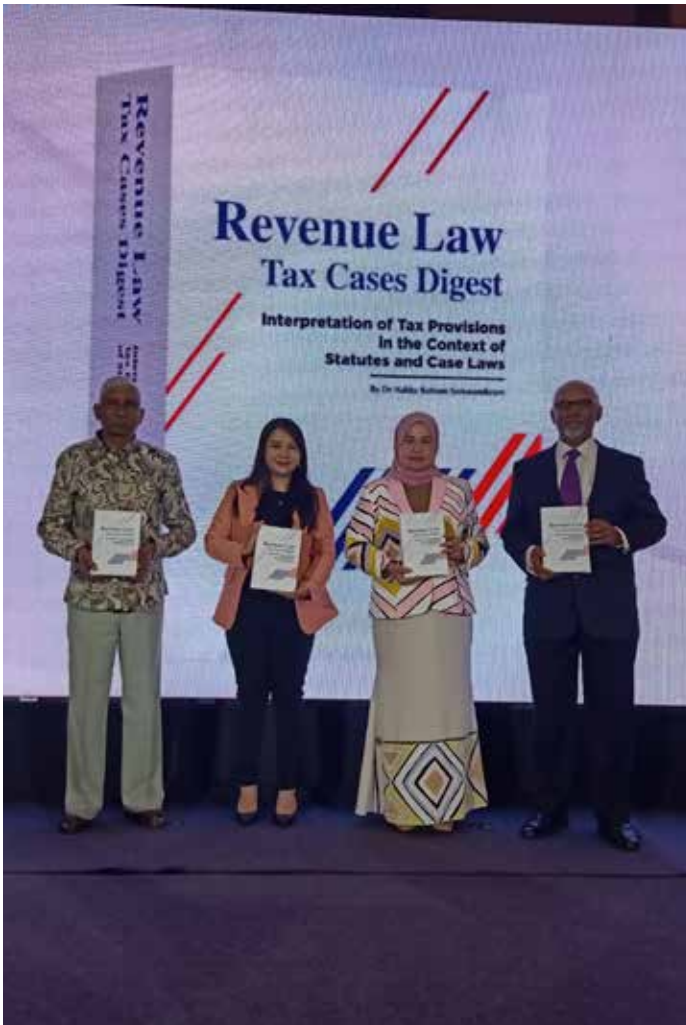
Date	Event	Venue
08.07.2021	Workshop: Malaysian Taxation Course 2021 (Special re-run on advanced tax topics) [Jointly organised with MAICSA]	Zoom Webinar
27-28.07.2021	National Tax Conference 2021 [Jointly organised with HASiL]	Zoom Webinar
24.03.2022	HASiL–CTIM Tax Forum 2022	Live Streaming from Kuala Lumpur Convention Centre
29.03.2022	Module 1: Fundamental of Malaysian Taxation: The Malaysian Income Tax Structure [Jointly organised with MAICSA]	Zoom Webinar
05.04.2022	Module 1: Fundamental of Malaysian Taxation: The Rules of Business Deduction in Malaysia [Jointly organised with MAICSA]	Zoom Webinar
25.05.2022	Module 2: Category of Taxpayer [Jointly organised with MAICSA]	Zoom Webinar

MINISTRY OF FINANCE (MOF) - Internal Training Programme

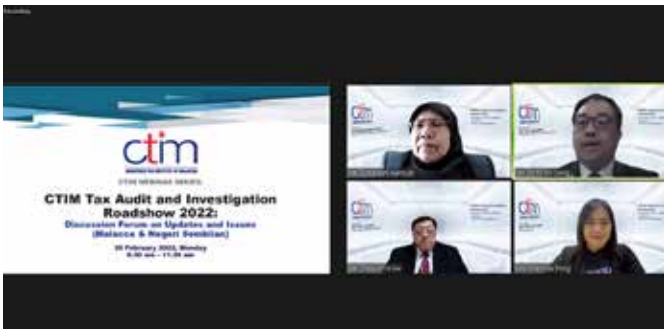
Date	Event	Venue
17.03.2022	Customs and Trade Facilitation	MOF Putrajaya
31.03.2022	Enhancing Tax Compliance	MOF Putrajaya
04.04.2022	Relationship between Direct Tax & Indirect Tax	MOF Putrajaya
14.04.2022	Principles of Consumption Taxes	MOF Putrajaya
20.04.2022	BEPs & Impact of Digital Economy to Malaysia & Labuan	MOF Putrajaya



Pictorial HIGHLIGHTS









CHARTERED TAX INSTITUTE OF MALAYSIA 199101015438 (225750 T)

(Incorporated in Malaysia as a Company Limited by Guarantee)

FINANCIAL STATEMENTS

31 DECEMBER 2021

COUNCIL MEMBERS' REPORT	30 - 32
STATEMENT BY COUNCIL MEMBERS	33
STATUTORY DECLARATION	34
INDEPENDENT AUDITORS' REPORT	35 - 36
STATEMENT OF FINANCIAL POSITION	37
STATEMENT OF INCOME AND EXPENDITURE	38 - 39
STATEMENT OF CHANGES IN ACCUMULATED FUNDS	40
STATEMENT OF CASH FLOWS	41
NOTES TO THE FINANCIAL STATEMENTS	42 - 58

COUNCIL MEMBERS' REPORT

The Council members hereby present their report and the audited financial statements of the Institute for the financial year ended 31 December 2021.

PRINCIPAL OBJECTIVES

The principal objectives of the Institute are to promote, encourage and advance the status and interest of the taxation profession in Malaysia.

There have been no significant changes in the nature of these objectives during the financial year.

RESULTS

Surplus after tax

RM404,164

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Institute were made out, the Council members took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and are satisfied that all known bad debts had been written off and adequate allowance had been made for doubtful debts.

At the date of this report, the Council members are not aware of any circumstances which would render the amount written off for bad debts or the amount of the allowance for doubtful debts, in the financial statements of the Institute, inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Institute were made out, the Council members took reasonable steps to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Institute, were written down to an amount that they might be expected to realise.

At the date of this report, the Council members are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Institute misleading.

VALUATION METHODS

At the date of this report, the Council members are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Institute misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (i) any charge on the assets of the Institute which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Institute which has arisen since the end of the financial year.

No contingent liability or other liability of the Institute has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Council members, will or may substantially affect the ability of the Institute to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Council members are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Institute which would render any amount stated in the financial statements of the Institute misleading.

COUNCIL MEMBERS' REPORT

ITEMS OF AN UNUSUAL NATURE

In the opinion of the Council members:

- (i) the results of the operations of the Institute for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the Institute for the financial year in which this report is made.

COUNCIL MEMBERS

The members who have served in the Council during the year up to the date of this report are:

Farah Binti Rosley	
Chow Chee Yen	
Koong Lin Loong	
Lai Shin Fah @ David Lai	
Mohd Noor Bin Abu Bakar	
Chow Tuck Him	
Leow Mui Lee	
Theneshkannaa A/L Kannan @ Renganathan Kannan	
Soh Lian Seng	
Low Geok Ping	
Alan Chung Ch'ung Yit	
Chong Mun Yew	
Steve Chia Siang Hai	
Anil Kumar Puri A/L Ashok Kumar	(Appointed on 5.1.2022)
Tan Hooi Beng	(Appointed on 5.1.2022)
Harvinder Singh A/L Chanan Singh	(Appointed on 5.1.2022)
Nicholas Anthony Crist	(Retired on 19.6.2021)
Yeo Eng Ping	(Retired on 19.6.2021)
K. Sandra Segaran A/L Karupiah	(Retired on 19.6.2021)

COUNCIL MEMBERS' BENEFITS AND INTERESTS

The Institute is a company limited by guarantee and thus has no shares in which the Council members could have an interest. The Institute has not issued any debentures.

No Council member has received or become entitled to receive a benefit by reason of a contract made by the Institute or a related corporation with the Council member, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

COUNCIL MEMBERS' REMUNERATION

None of the Council members or past Council members of the Institute have received any remuneration from the Institute during the financial year, except for examiners fee and tax guardian writer fee paid amounting to RM7,513 to 4 Council members.

None of the Council members or past Council members of the Institute have received any benefits otherwise than in cash from the Institute during the financial year.

No payment has been paid to or payable to any third party in respect of the services provided to the Institute by the Council members or past Council members of the Institute during the financial year.

INDEMNITY AND INSURANCE FOR COUNCIL MEMBERS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premium paid, during or since the end of the year for any person who is or has been the Council member, officer or auditor of the Institute.

NUMBER OF EMPLOYEES, REGISTERED AND PRINCIPAL OFFICE

The number of persons employed by the Institute at the end of the financial year was 19 (2020: 19). The registered and principal office of the Institute is located at B-13-2, 13th Floor, Megan Avenue II, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

COUNCIL MEMBERS' REPORT

AUDITORS

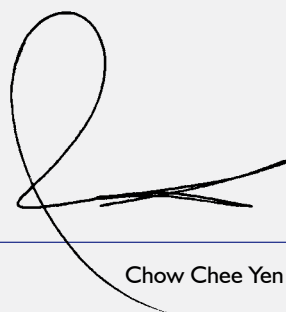
The auditors, Sekhar & Tan, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in the Statement of Income and Expenditure.

Signed in accordance with a resolution of the Council,



Farah Binti Rosley



Chow Chee Yen

Kuala Lumpur

Date: 28 April 2022

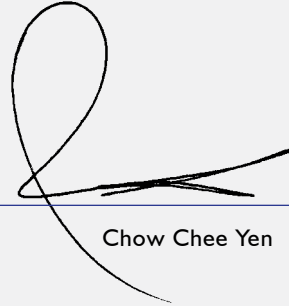
STATEMENT BY COUNCIL MEMBERS

We, Farah Binti Rosley and Chow Chee Yen, being two of the Council members of CHARTERED TAX INSTITUTE OF MALAYSIA, do hereby state that in the opinion of the Council members, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Institute as at 31 December 2021 and of its financial performance and cash flows for the year then ended.

Signed in accordance with a resolution of the Council,



Farah Binti Rosley



Chow Chee Yen

Kuala Lumpur

Date: 28 April 2022

STATUTORY DECLARATION

I, Kok Chooi Fung, the Executive Director primarily responsible for the financial management of CHARTERED TAX INSTITUTE OF MALAYSIA, do solemnly and sincerely declare that the accompanying financial statements are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Kok Chooi Fung at Kuala Lumpur in Wilayah Persekutuan on 28 April 2022.



Kok Chooi Fung

Before me,



Unit C-6-1, Megan Avenue II
No. 12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

Commissioner For Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHARTERED TAX INSTITUTE OF MALAYSIA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Chartered Tax Institute of Malaysia, which comprise the statement of financial position as at 31 December 2021, and the statement of income and expenditure, statement of changes in accumulated funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 37 to 58.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as at 31 December 2021, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards ["MFRSs"], International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Institute in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ["By-Laws"] and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ["IESBA Code"], and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Council members of the Institute are responsible for the other information. The other information comprises the information included in the Council members' report, but does not include the financial statements of the Institute and our auditors' report thereon.

Our opinion on the financial statements of the Institute does not cover the Council members' report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Institute, our responsibility is to read the Council members' report and, in doing so, consider whether the Council members' report is materially inconsistent with the financial statements of the Institute or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Council members' report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Council Members for the Financial Statements

The Council members of the Institute are responsible for the preparation of financial statements of the Institute that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Council members are also responsible for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Institute, Council members are responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council members either intend to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Institute as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHARTERED TAX INSTITUTE OF MALAYSIA

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Institute, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council members.
- Conclude on the appropriateness of Council members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Institute or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Institute, including the disclosures, and whether the financial statements of the Institute represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report is made solely to the members of the Institute, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

The engagement partner on the audit resulting in this independent auditors' report is Siew Kah Toong.



Sekhar & Tan
No. AF 0926
Chartered Accountants



Siew Kah Toong
No. 01045/03/2024 J
Chartered Accountant

Kuala Lumpur
Date: 28 April 2022

**STATEMENT OF FINANCIAL POSITION
 AT 31 DECEMBER 2021**

		2021	2020
	Note	RM	RM
Non-current assets			
Property, plant and equipment	5	1,596,260	1,620,915
Right-of-use asset	6	28,736	38,878
Deferred tax assets	7	34,000	82,000
		1,658,996	1,741,793
Current assets			
Other receivables	8	150,946	186,923
Prepayments		104,906	104,490
Tax recoverable		-	29,043
Deposits with licensed banks	9	7,392,655	7,305,656
Cash and bank balances		302,658	387,421
		7,951,165	8,013,533
Current liabilities			
Other payables	10	390,366	941,155
Lease liability	11	10,118	9,636
Tax payable		11,096	-
		411,580	950,791
Net current assets		7,539,585	7,062,742
		9,198,581	8,804,535
Financed by:			
Accumulated funds		9,178,738	8,774,574
Non-current liability			
Lease liability	11	19,843	29,961
		9,198,581	8,804,535

STATEMENT OF INCOME AND EXPENDITURE

YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM
Operating income			
Courses and seminars		1,926,915	1,210,218
Examinations		239,927	171,548
Publications:			
Current year		36,370	61,902
Over provision in respect of prior year		(31,838)	-
Membership services		982,870	991,670
	12	3,154,244	2,435,338
Less: Operating expenditure			
Courses and seminars		(444,642)	(538,194)
Examinations		(131,239)	(41,544)
Publications		(177,353)	(192,535)
Membership services		(900)	(4,652)
		(754,134)	(776,925)
Gross income over operating expenditure		2,400,110	1,658,413
Other income			
Bad debt recovery		520	-
Interest on fixed deposits		123,337	140,333
National Tax Conference	13	520,743	439,553
Sundry income		15,087	2,150
		659,687	582,036
Less: Administrative expenditure			
Annual General Meeting		30,344	85,962
Auditors' remuneration:			
Charge for the year		14,000	16,000
Over provision in respect of prior year		(2,000)	-
Bank charges		25,070	2,531
Building service charges and sinking fund		16,288	15,954
Depreciation:			
Property, plant and equipment		112,102	73,808
Right-of-use asset		10,142	10,142
Insurance		3,371	2,615
I.T. maintenance		28,648	28,423
Legal and secretarial fees		3,942	4,781
Balance carried forward		241,907	240,216

STATEMENT OF INCOME AND EXPENDITURE
YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM
Less: Administrative expenditure (cont'd)			
Balance brought forward		241,907	240,216
Low value lease expense		1,680	560
Marketing and publicity		12,160	-
Meeting expenses		1,989	95
Newspaper, periodicals and subscriptions		29,423	32,133
Printing, postage and stationery		13,825	41,418
Professional fees		19,558	34,084
Quit rent and assessment		15,737	15,095
Recruitment expenses		399	61,845
Staff costs:			
- Employees Provident Fund and SOCSO		245,485	205,275
- Staff remuneration		1,879,792	1,681,240
- Staff welfare and insurance		43,887	56,408
Telecommunication expenses		14,248	21,815
Travelling, parking and toll		16,742	22,693
Office expenses		14,604	13,920
Upkeep of office equipment		-	2,070
Utilities		10,416	19,459
		2,561,852	2,448,326
Less: Other operating expenditure			
Allowance for impairment losses		27,500	26,444
Bad debt written off		-	19,058
		27,500	45,502
Less: Finance cost			
Interest expense on lease liability		1,980	2,439
Surplus/(deficit) before tax		468,465	(255,818)
Tax (expense)/income	14	(64,301)	37,000
Surplus/(deficit) after tax		404,164	(218,818)

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
YEAR ENDED 31 DECEMBER 2021**

	Accumulated funds RM
At 1 January 2020	8,993,392
Deficit after tax	(218,818)
At 31 December 2020/1 January 2021	8,774,574
Surplus after tax	404,164
At 31 December 2021	<u>9,178,738</u>

STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2021

	2021	2020
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(deficit) before tax	468,465	(255,818)
Adjustments for:		
Allowance for impairment losses	27,500	26,444
Bad debts written off	-	19,058
Depreciation:		
Property, plant and equipment	112,102	73,808
Right-of-use asset	10,142	10,142
Interest income	(123,337)	(140,333)
Interest expense on lease liability	1,980	2,439
Operating surplus/(deficit) before working capital changes	496,852	(264,260)
Changes in receivables	16,098	38,005
Changes in payables	(550,789)	(202,404)
Cash absorbed by operations	(37,839)	(428,659)
Payment for lease of low-value asset	-	(560)
Net tax refunded	23,838	39,619
Net cash used in operating activities	(14,001)	(389,600)
CASH FLOWS FROM INVESTING ACTIVITIES		
Changes in deposits with maturity more than 90 days	(1,067,316)	(1,337,189)
Purchase of property, plant and equipment	(87,447)	(63,387)
Interest income received	115,300	144,010
Net cash used in investing activities	(1,039,463)	(1,256,566)
CASH FLOW FROM FINANCING ACTIVITY		
Repayment of lease liability and net cash used in financing activity	(11,616)	(11,616)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,065,080)	(1,657,782)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,195,888	4,853,670
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,130,808	3,195,888
CASH AND CASH EQUIVALENTS ARE REPRESENTED BY:		
Cash and bank balances	302,658	387,421
Deposits with licensed banks (Note 9)	1,828,150	2,808,467
	2,130,808	3,195,888

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

1. Corporate Information

The principal objectives of the Institute are to promote, encourage and advance the status and interest of the taxation profession in Malaysia.

The financial statements were authorised for issue in accordance with a resolution of the Council on 28 April 2022.

2. Basis Of Preparation

(a) Statement of Compliance

The financial statements of the Institute have been prepared in accordance with Malaysian Financial Reporting Standards ["MFRSs"], International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

During the year, the Institute adopted all the new or revised MFRSs that are effective for the Institute's financial year beginning on or after 1 January 2021.

The adoption of these new and revised MFRSs has no material effect on the financial statements.

As at the date of authorisation of these financial statements, the following Standards and Amendments to Standards have been issued by the Malaysian Accounting Standards Board ["MASB"] but are not yet effective and have not been early adopted by the Institute:

Effective for annual financial periods beginning on or after 1 April 2021:

Amendments to MFRS 16	<i>Leases: Covid-19 Related Rent Concessions</i>
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Effective for annual financial periods beginning on or after 1 January 2022:

Amendments to MFRS 3	<i>Business Combinations: Reference to the Conceptual Framework</i>
Amendments to MFRS 116	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to MFRS 137	<i>Provisions, Contingent Liabilities and Contingent Assets:</i>
	<i>Onerous Contracts - Cost of Fulfilling a Contract</i>

Annual Improvements to MFRS Standards 2018 - 2020

Effective for annual financial periods beginning on or after 1 January 2023:

MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements: Disclosure of Accounting Policies</i>
Amendments to MFRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors:</i>
	<i>Definition of Accounting Estimates</i>
Amendments to MFRS 112	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

Effective for a date yet to be confirmed:

Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
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MFRS 17, Amendments to MFRS 3, 10, 16, 17 128 and 137 will not have any financial impact to the Institute as they are not relevant to the Institute's operations.

The Institute will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material financial effect to the financial statements of the Institute upon their initial application.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

2. Basis Of Preparation (cont'd)

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis other than those disclosed in Note 3.

(c) Functional and Presentation Currency

These financial statements are presented in Ringgit Malaysia ["RM"], which is the Institute's functional currency.

3. Significant Accounting Policies

Unless otherwise stated, the following accounting policies have been applied consistently to the periods presented in these financial statements.

(a) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that future economic benefits associated with the asset will flow to the Institute and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred. The carrying amount of the replaced part is derecognised.

Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Institute is obligated to incur when the asset is acquired, if applicable.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets concerned. The principal annual rates are:

Freehold buildings	50 years
Office equipment	10 years
Furniture and fittings	10 years
Computer equipment and software	2.5 years
Renovation	10 years

At each reporting date, the carrying amount of an item of property, plant and equipment is assessed for impairment (see Note 3(c) on impairment on non-financial assets).

The residual values, useful lives and depreciation methods are reviewed at each year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying value is recognised in profit or loss.

(b) Financial Instruments

(i) Recognition and Initial Measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Institute becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3. Significant Accounting Policies (cont'd)

(b) Financial Instruments (cont'd)

(ii) Financial Instrument Categories and Subsequent Measurement

Financial Assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Institute changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(b) Fair value through other comprehensive income

(i) Debt investment

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(ii) Equity investment

This category comprises investment in equity that is not held for trading, and the Institute irrevocably elects to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Institute may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

The Institute does not have any financial assets classified at fair value through profit or loss and financial assets classified at fair value through other comprehensive income at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3. Significant Accounting Policies (cont'd)

(b) Financial Instruments (cont'd)

(ii) Financial Instrument Categories and Subsequent Measurement (cont'd)

Financial Assets (cont'd)

The Institute's financial assets measured at amortised cost comprise receivables and cash and cash equivalents in the statement of financial position.

Financial Liabilities

The Institute classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired:

(a) *Fair value through profit or loss*

The Institute does not have any financial liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

(b) *Amortised cost*

The Institute's other financial liabilities include payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expired or control of the asset is not retained or substantially all risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Institute currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(v) Impairment

Impairment provisions for current and non-current receivables are recognised based on the simplified approach within MFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the receivables. Impairment provisions are recorded in a separate provision account with the loss being recognised in the statement of income and expenditure. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

(c) Impairment on Non-Financial Assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3. Significant Accounting Policies (cont'd)

(c) Impairment on Non-Financial Assets (cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash at banks and on hand, fixed deposits, and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value with original maturities of three months or less, and are used by the Institute in the management of its short term funding requirements. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(e) Leases

At the inception of the contract, the Institute assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

As a lessee

(i) Recognition and Initial Measurement

The Institute recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset on the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Institute's incremental borrowing rate.

Lease payments included in the measurement of lease liability comprise the following:

- Fixed payments, including in-substance fixed payments, less any lease incentive receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price under a purchase option that the Institute is reasonably certain to exercise; and
- Penalties for early termination of a lease unless the Institute is reasonably certain not to terminate early.

The Institute excludes variable lease payments that linked to future performance or usage of the underlying asset from lease liability. Instead, these payments are recognised in statement of income and expenditure in the period in which the performance or use occurs.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

3. Significant Accounting Policies (cont'd)

(e) Leases (cont'd)

As a lessee (Cont'd)

(i) Recognition and Initial Measurement (cont'd)

The Institute has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Institute recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) Subsequent Measurement

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use asset or the end of lease term are as follows:

Office equipment	5 years
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In addition, the right-of-asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Institute's estimate of the amount expected to be payable under a residual value guarantee, or if the Institute changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(f) Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Institute recognises income when it transfers control over a good or service to a customer and specific recognition criteria have been met for each of the Institute's activities as follows:

Membership services and student subscription	- Only subscription which is attributable to current financial year is recognised as income while subscription relating to periods beyond the current financial year is recognised as subscription in advance in deferred income.
Income from events and conferences	- Recognised in the period the services are provided. Advanced payments received from events and conferences are recognised as deferred income.
Publications	- Recognised when physical control of the publications passes to the purchasers.
Examination fees	- Recognised when the examination is held.
Sponsorship	- Recognised when the event is held.
Interest income	- Recognised based on a time proportion basis that takes into account the effective yield on the asset.

(g) Income Tax

Income tax comprises current and deferred tax.

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for the year. Current tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3. Significant Accounting Policies (cont'd)

(g) Income Tax (cont'd)

Current tax is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax liabilities and assets are provided for, using the liability method, in respect of all temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base including unabsorbed tax losses and capital allowances unless the deferred tax arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each reporting date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reduction will be reversed to the extent of the taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax will be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items recognised outside the profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

(h) Borrowing Costs

Borrowing costs consist of interest in respect of lease liabilities which is recognised in statement of income and expenditure in the period they are incurred.

(i) Employee Benefits

Wages, salaries, social security contributions, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the employees have rendered the associated services.

Bonuses and gratuity are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

The Institute makes contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

(j) Provisions

Provisions are recognised when the Institute has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(k) Contingencies

A contingent liability or asset is a possible obligation or benefit that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within control of the Institute.

Contingent liabilities and assets are not recognised in the statements of financial position of the Institute.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

4. Critical Accounting Estimates And Judgements

The preparation of financial statements require management to make judgement, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Critical judgements made in applying accounting policies

In the process of applying the Institute's accounting policies, which are described in Note 3, the Council members are of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year, are discussed below:

Impairment of loans and receivables

The Institute assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Institute considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Depreciation

Property, plant and equipment are depreciated on a straight-line basis over its estimated useful lives. The management estimates the useful lives of these property, plant and equipment to be between 2.5 to 50 years. These are common life expectancies applied in businesses. The carrying amounts of the Institute's property, plant and equipment at 31 December 2021 are stated in Note 5 to the financial statements. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of these assets, therefore future depreciation charges could be revised.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statement of financial position and the amount of unrecognised tax losses and unrecognised temporary differences. The details are disclosed in Note 7 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

5. Property, Plant and Equipment

	Freehold buildings RM	Office equipment RM	Furniture and fittings RM	Computer equipment and software RM	Renovation RM	Total RM
Cost						
At 1 January 2021	1,967,425	107,898	105,930	102,209	33,363	2,316,825
Additions	-	10,085	-	77,362	-	87,447
At 31 December 2021	1,967,425	117,983	105,930	179,571	33,363	2,404,272
Accumulated depreciation						
At 1 January 2021	458,822	78,127	83,632	48,257	27,072	695,910
Charge for the year	39,349	10,362	10,593	48,463	3,335	112,102
At 31 December 2021	498,171	88,489	94,225	96,720	30,407	808,012
Carrying amount						
At 31 December 2021	1,469,254	29,494	11,705	82,851	2,956	1,596,260
Cost						
At 1 January 2020	1,967,425	106,794	105,930	39,926	33,363	2,253,438
Additions	-	1,104	-	62,283	-	63,387
At 31 December 2020	1,967,425	107,898	105,930	102,209	33,363	2,316,825
Accumulated depreciation						
At 1 January 2020	419,473	67,636	73,039	38,217	23,737	622,102
Charge for the year	39,349	10,491	10,593	10,040	3,335	73,808
At 31 December 2020	458,822	78,127	83,632	48,257	27,072	695,910
Carrying amount						
At 31 December 2020	1,508,603	29,771	22,298	53,952	6,291	1,620,915

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

6. Right-Of-Use Asset

	Office equipment RM
Cost	
At 1 January/31 December 2021	50,710
Accumulated depreciation	
At 1 January 2021	11,832
Charge for the year	10,142
At 31 December 2021	21,974
Carrying amount	
At 31 December 2021	28,736
Cost	
At 1 January/31 December 2020	50,710
Accumulated depreciation	
At 1 January 2020	1,690
Charge for the year	10,142
At 31 December 2020	11,832
Carrying amount	
At 31 December 2020	38,878

The Institute leases a photocopier machine for a lease term of 5 years. The maturity analysis of lease liability is presented in Note 11.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

7. Deferred Tax Assets

	2021 RM	2020 RM
At 1 January	82,000	45,000
Recognised in statement of income and expenditure (Note 14)	(48,000)	37,000
At 31 December	34,000	82,000

The components and movement of deferred tax asset at reporting date are as follows:

	Property, plant and equipment RM	Deferred income RM	Unabsorbed capital allowance and tax losses RM	Allowance for impairment losses RM	Total RM
At 1 January 2020	(10,000)	10,000	45,000	-	45,000
Recognised in statement of income and expenditure	(6,000)	(2,000)	39,000	6,000	37,000
At 31 December 2020/ 1 January 2021	(16,000)	8,000	84,000	6,000	82,000
Recognised in statement of income and expenditure	(7,000)	(6,000)	(29,000)	(6,000)	(48,000)
At 31 December 2021	(23,000)	2,000	55,000	-	34,000

8. Other Receivables

	2021 RM	2020 RM
Other receivables	161,103	196,024
Less: Allowance for impairment losses	(27,500)	(26,444)
	133,603	169,580
Deposits	17,343	17,343
	150,946	186,923

The Institute's other receivables that are impaired at the reporting date and the movement of the allowance account used to record the impairment are as follows:

	2021 RM	2020 RM
Individually impaired:		
Other receivable - nominal value	27,500	26,444
Less: Allowance for impairment loss	(27,500)	(26,444)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

8. Other Receivables (cont'd)

	2021 RM	2020 RM
At 1 January	26,444	-
Charge for the year	27,500	26,444
Recovered	(520)	-
Written off	(25,924)	-
At 31 December	27,500	26,444

Other receivables that are individually determined to be impaired at the reporting date relate to receivables that have defaulted on payments or not contactable.

9. Deposits With Licensed Banks

	2021 RM	2020 RM
As presented in statement of financial position	7,392,655	7,305,656
Deposits with maturity more than 90 days	(5,564,505)	(4,497,189)
As presented in statement of cash flows	1,828,150	2,808,467

In accordance with the guidance in FRSIC Consensus 22 "Classification of Fixed Deposits and Similar Instruments as Cash and Cash Equivalents", the Institute has excluded deposits with maturity more than 90 days from cash and cash equivalents.

Information on financial risks of cash and cash equivalents are disclosed in Note 16 to the financial statements.

10. Other Payables

	2021 RM	2020 RM
Other payables	145,832	630,870
Accruals	219,772	130,623
Deferred income	24,762	179,661
	390,366	941,154

Included in other payables is an amount of RM1,467 (2020: RM466,694) owing to Lembaga Hasil Dalam Negeri ["LHDNM"] being its share of profit from the National Tax Conference.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

11. Lease Liability

	2021 RM	2020 RM
Analysed as:		
Non-current	19,843	29,961
Current	10,118	9,636
	29,961	39,597

	2021 RM	2020 RM
Maturity analysis:		
Year 1	10,118	9,636
Year 2	10,624	10,118
Year 3	9,219	10,624
Year 4	-	9,219
	29,961	39,597

12. Operating Income

	2021 RM	2020 RM
Timing of recognition		
At a point in time	2,116,784	1,393,622
Over time	1,037,460	1,041,716
	3,154,244	2,435,338

Membership services income is recognised net of discount of RM40,350 (2020: RM19,325) for members of age 65 and above upon application.

13. National Tax Conference

The National Tax Conference ["NTC"] is jointly organised by the Institute and LHDNM on a yearly basis. The income from NTC represents the Institute's share of net income after deducting expenditure and LHDNM's share of profits.

14. Tax Expenses/(Income)

	2021 RM	2020 RM
Malaysia income tax:		
Current year	16,301	-
Deferred tax (Note 7):		
Current year	42,000	(37,000)
Over provision in respect of prior year	6,000	-
	64,301	(37,000)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

14. Tax Expenses/(Income) (cont'd)

Malaysian income tax is calculated at the average tax rate of 10.70% (2020: 10.90%) on the first RM100,000 (2020: RM100,000) and at the statutory tax rate of 24% (2020: 24%) on the balance of the chargeable income of the estimated taxable surplus for the year.

The numerical reconciliation between the tax expenses/(income) in the statement of income and expenditure and income tax expense applicable to surplus/(deficit) before tax of the Institute is as follows:

	2021	2020
	RM	RM
Surplus/(deficit) before tax	468,465	(255,818)
Tax at average tax rate of 10.70% (2020: 10.90%) on the first RM100,000 (2020: RM100,000)	10,700	(10,900)
Tax at statutory tax rate of 24% (2020: 24%) on the balance of chargeable income	88,432	(37,396)
Non-taxable income	(29,313)	(38,884)
Expenses not deductible for tax purposes	10,210	63,280
Effect of difference in tax rate	(15,728)	(13,100)
Tax expense/(income)	64,301	(37,000)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

15. Financial Risk Management Objectives And Policies

The Institute's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Institute's operations whilst managing its interest rate, credit and liquidity risks. The Institute operates within clearly defined guidelines that are approved by the Council members and the Institute's policy is to not engage in speculative transactions.

(a) Interest Rate Risk

The Institute constantly monitors its interest rate risk and does not utilise swap contracts or other derivative instruments for trading or speculative purposes. At the end of the reporting period, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

The Institute's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Institute's deposits and is managed through the use of fixed rate instruments.

The following tables set out the carrying amount, the weighted average effective interest rates ["WAEIR"] of the Institute's financial instruments as at the reporting date and the periods in which they reprice or mature, whichever is earlier:

	Note	WAEIR per annum %	Within 1 year RM	1 - 5 years RM	Total RM
At 31 December 2021					
Financial asset					
<u>Fixed rate:</u>					
Deposits with licensed banks	9	1.36%	7,392,655	-	7,392,655
Financial liability					
<u>Fixed rate:</u>					
Lease liability	11	5.00%	10,118	19,843	29,961
At 31 December 2020					
Financial asset					
<u>Fixed rate:</u>					
Deposits with licensed banks	9	1.59%	7,305,656	-	7,305,656
Financial liability					
<u>Fixed rate:</u>					
Lease liability	11	5.00%	9,636	29,961	39,597

(b) Credit Risk

Credit risk is the risk of a financial loss to the Institute if a counterparty of a financial asset fails to meet its contractual obligations. The Institute's exposure to credit risk arises mainly from other receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At reporting date, there were no significant concentration of credit risk.

The maximum exposure to credit risk for the Institute is the carrying amount of the financial assets shown in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

15. Financial Risk Management Objectives And Policies (cont'd)

(c) Liquidity Risk

Liquidity risk is the risk that the Institute will not be able to meet its financial obligations as and when they fall due. Cash flow forecasting is performed by monitoring the Institute's liquidity requirements to ensure that it has sufficient liquidity to meet operational, financing repayments and other liabilities as they fall due.

The summary of the maturity profile of the Institute's financial liabilities at the reporting date based on contractual undiscounted repayments obligations is as follows:

	Note	Within 1 year RM	1 - 5 years RM	Total RM
At 31 December 2021				
Other payables	10	390,366	-	390,366
Lease liability	11	10,118	19,843	29,961
At 31 December 2020				
Other payables	10	941,155	-	941,155
Lease liability	11	9,636	29,961	39,597

16. Financial Instruments

(a) Categories of Financial Instruments

	Note	2021 RM	2020 RM
Financial assets			
Amortised cost:			
Other receivables	8	150,946	186,923
Deposits with licensed banks	9	7,392,655	7,305,656
Cash and bank balances		302,658	387,421
		7,846,259	7,880,000
Financial liabilities			
Amortised cost:			
Other payables	10	390,366	941,155
Lease liability	11	29,961	39,597
		420,327	980,752

(b) Fair Value of Financial Instruments

The carrying amounts of long-term payables recorded at amortised cost are reasonable approximation of their fair values as the effective interest rate is considered to be the market rate.

The carrying amounts of the other financial assets and financial liabilities are reasonable approximation of fair values, either due to short term nature or insignificant impact of discounting.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

17. Capital Management

The objective of the Institute on capital management is to ensure that it maintains a strong credit rating and safeguard the Institute's ability to continue as a going concern, so as to support its operation and maximise accumulated fund.

The Institute manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Institute. There were no changes to the Institute's approach to capital management during the year.



CHARTERED TAX INSTITUTE OF MALAYSIA
Registration No. 199101015438 (225750-T)

ADMINISTRATIVE DETAILS OF THE 30TH ANNUAL GENERAL MEETING

Date : **Saturday, 25 June 2022**
Time : **9:30 a.m.**
Venue : **Hall 7C, Level 3, Kuala Lumpur Convention Centre, 50088 Kuala Lumpur**

Registration

1. Registration will start at 8:30 am and close at 9:45 am.
2. Please produce your Identity Card (IC) for verification and quote your membership number at the registration counter.
3. You will be directed to scan the personalised QR Code using your mobile phone to register for the electronic voting on the ConveneAGM platform.

Quorum

The quorum for this meeting shall be 30 members.

Eligibility to Vote

A member whose subscription is overdue as at 1 May 2022 shall not be entitled to vote on any question either personally or by proxy at the Annual General Meeting (AGM) or at a poll.

Voting Procedure

1. Each eligible member will vote on the resolutions using own mobile phone.
2. Each eligible member's own vote entitlement together with the vote entitlement(s) as a proxy will be set up in ConveneAGM.

Form of Proxy

The duly completed form of proxy must be deposited at KPMG Management & Risk Consulting Sdn. Bhd. (150059-H), Concourse, KPMG Tower, No.8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor, Malaysia not later than 9:30 a.m. on Thursday, 23 June 2022 or emailed to Ms Ai Hoe (akhor@kpmg.com.my) or Ms Cheryl Leong (cherylleong1@kpmg.com.my) not later than 9:30 a.m. on Thursday, 23 June 2022.

The form of proxy can be downloaded from the Institute's website under 'Members Only'.

Personal Data Policy

By registering for the electronic voting, the member of CTIM has consented to the use of such data for the purpose of processing and administration by CTIM and/or its agents; and to comply with any laws, regulations and/or guidelines.

The member agrees the he/she will indemnify CTIM in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The 29th AGM Minutes will not be tabled for discussion at the forthcoming AGM. Members are advised to review the Minutes of the 29th AGM held on 19 June 2021 on the Institute's website under "Members Only". Issues may be raised provided due notice is given to the Secretariat in accordance with item 4 of the Notice of Meeting.

FORM OF PROXY

I, CTIM Membership No.:
hereby appoint CTIM Membership No.:
or the Chairman* of the Meeting, as my proxy to vote on my behalf at the Thirtieth (30th) Annual General Meeting of the Institute to be held at Hall 7C, Level 3, Kuala Lumpur Convention Centre, 50088 Kuala Lumpur on Saturday, 25 June 2022 at 9:30 a.m. and at any adjournment thereof in the manner set out below.

* Strike out whichever is not desired

No.	Resolution	For	Against
1.	To re-elect/elect not more than four (4) Council Members for the 2022/2026 term by secret ballot. <i>(Please review the administrative details for further information on the voting procedure)</i>	N/A	
2.	To re-appoint the Auditors for the ensuing year. (See Note below)		

Note: Please ensure that "X" is marked with legible ink for Resolution 2. The use of any other mark or correction fluid or tape will render the vote for Resolution 2 invalid

Signed this day of 2022

Signature:

in the presence of(Name of *Witness),

CTIM Membership No.:

Signature of *Witness: Date:

* Witness shall be another member of the Institute entitled to vote at a meeting of the Institute

NOTES

1. Clause 49(2) provides that a Member may appoint a proxy who shall either be an Associate Member or Fellow Member of the Institute.
2. A member whose subscription is overdue as at 1 May 2022 shall not be entitled to vote on any question either personally or by proxy at any meeting of members of the Institute or at a poll.
3. To be effective for the purpose of the Annual General Meeting to be held on Saturday, 25 June 2022, the duly completed form of proxy must be deposited at KPMG Management & Risk Consulting Sdn. Bhd. (150059-H), Concourse, KPMG Tower, No.8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor, Malaysia not later than 9:30 a.m. on Thursday, 23 June 2022 or emailed to Ms Ai Hoe (akhor@kpmg.com.my) or Ms Cheryl Leong (cherylleong1@kpmg.com.my) not later than 9:30 a.m. on Thursday, 23 June 2022.



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