



# Annual Report 2022



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## NOTICE OF THE 31<sup>ST</sup> ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty First (31<sup>st</sup>) Annual General Meeting (“AGM”) of the Chartered Tax Institute of Malaysia (“the Institute”) will be held at Banquet Hall, Level 3, East Wing, Kuala Lumpur Convention Centre, 50088 Kuala Lumpur on Saturday, 24 June 2023 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 2022 and the Report of the Auditors thereon.
3. To re-elect/elect four (4) Council Members for the 2023/2027 term.
  - (a) Lai Shin Fah @ David Lai and Datuk Koong Lin Loong retire pursuant to Clause 76 of the Institute’s Constitution and are not eligible for re-election pursuant to Clause 75.
  - (b) Alan Chung Ch’ung Yit and Chong Mun Yew retire pursuant to Clause 76 of the Institute’s Constitution. Being eligible, Alan Chung Ch’ung Yit and Chong Mun Yew 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) Hii Chui Yung
    - (ii) Koo Kian Ming
4. To re-appoint Messrs Sekhar & Tan as the Auditors for the ensuing year at a remuneration to be determined by the Council Members.

### As Special Business

To consider and if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution:-

5. **“Special Resolution  
- Proposed Amendments to the Constitution of the Institute (“Proposed Amendments”)**

THAT subject to the approval of the Registrar of Companies, the Institute’s existing Constitution be amended as follows:-

- (i) By deleting the existing Clause 76 and replacing with the new Clause 76 as set out below:-

| Current                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Proposed Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Justification/Purpose                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| At each subsequent annual general meeting, one quarter (1/4) of the Members of the Council (or, if their number is not multiple of four, the number nearest to but not exceeding one quarter) shall retire by rotation but shall be eligible for re-election. The retiring Members of the Council shall be those who have been longest in office since the date of election or last re-election. As among those who have been in office for the same length of time, the Members who are to retire shall, unless there is an agreement among them, be determined by lot. | At each subsequent annual general meeting, one quarter (1/4) of the Members of the Council (or, if their number is not multiple of four, the number nearest to but not exceeding one quarter) shall retire by rotation but shall be eligible for re-election <b>if the re-election is not limited by the tenure (in full or part thereof) in Clause 75.</b> The retiring Members of the Council shall be those who have been longest in office since the date of election or last re-election. As among those who have been in office for the same length of time, the Members who are to retire shall, unless there is an agreement among them, be determined by lot. | To add clarity of the current process carried out. |

## NOTICE OF THE 31<sup>ST</sup> ANNUAL GENERAL MEETING

- (ii) By deleting the words "dies" and "resigns" under Clause 77(a) as they are covered under Clause 79 and 80

| Current                                                                                                                                                                                                                     | Proposed Amendment                                                                                                                                                                                                                             | Justification/Purpose           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| <p>The office of a Member of the Council is vacated: -</p> <p>a) If he dies or leaves Malaysia for a period of more than twelve (12) months or resigns or is unwilling or becomes incapable of carrying out his duties.</p> | <p>The office of a Member of the Council is vacated: -</p> <p>a) If he <del>dies or</del> leaves Malaysia for a period of more than twelve (12) months or <del>resigns</del> is unwilling or becomes incapable of carrying out his duties.</p> | Covered under Clause 79 and 80. |

- (iii) By deleting the existing Clause 80 and replacing with the new Clause 80 as set out below:-

| Current                                                                                                                                                                                                                                                                                                          | Proposed Amendment                                                                                                                                                                                                                                                                                                | Justification/Purpose                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <p>Any casual vacancy arising from the vacation of office under Clause 78 or 79 by a Member of the Council or upon death shall be filled by the Council by appointment from amongst Members of the Institute. Such appointee shall hold office only for the remainder term of office of the vacating Member.</p> | <p>Any casual vacancy arising from the vacation of office under Clause <del>77</del>, 78 or 79 by a Member of the Council shall be filled by the Council by appointment from amongst Members of the Institute. Such appointee shall hold office only for the remainder term of office of the vacating Member.</p> | To expand the powers of Council to include all events under Clause 77 and not only for Clause 78 and 79. |

- (iv) By deleting the existing Clause 92 and replacing with the new Clause 92 as set out below:-

| Current                                                                                                                                                                                                                                                                                                                                            | Proposed Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Justification/Purpose                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| <p>A circular resolution duly signed by letter, facsimile, or other electronic means by all Members of the Council shall be as valid and effectual as if it had been passed at a meeting of the Council duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Council Members.</p> | <p>A circular resolution duly signed by letter, <del>facsimile</del>, or other electronic means by all Members of the Council shall be as valid and effectual as if it had been passed at a meeting of the Council duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Council Members.</p> <p><b><i>The expression "signed" includes approval by legible confirmed transmission by electronic mail or any technology purporting to include a signature and/or electronic or digital signature.</i></b></p> | To enhance to include electronic / digital signature. |

AND THAT the Council be and is hereby authorised to assent to any modification, variation and/or amendments as they may deem fit or as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give effect to the Proposed Amendments."

6. Any other business for which due notice has been given to the Institute.

## NOTICE OF THE 31<sup>ST</sup> ANNUAL GENERAL MEETING

By Order of the Council

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

2 June 2023

### NOTES

- Clause 49(2) provides that a Member may appoint a proxy who shall either be an Associate Member or Fellow Member of the Institute.*
- A member whose subscription is overdue as at 1 May 2023 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.*
- To be effective for the purpose of the Annual General Meeting to be held on Saturday, 24 June 2023, 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, 22 June 2023 or emailed to support\_convneagm@kpmg.com.my not later than 9:30 a.m. on Thursday, 22 June 2023.*
- 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.*
- You are requested to refer to the attached Administrative Details to participate and vote at the AGM.*

## THE COUNCIL 2022/2023

### 2022/2023 Attendance Report

#### PRESIDENT

1. Chow Chee Yen ..... 4

#### COUNCIL MEMBERS

2. Soh Lian Seng ..... 4

3. Agnes Wong Ling Lee ..... 4

4. Alan Chung Ch'ung Yit ..... 4

5. Anil Kumar Puri A/L Ashok Kumar ..... 3

6. Chong Mun Yew ..... 4

7. Datuk Koong Lin Loong ..... 3

8. Harvinder Singh A/L Chanan Singh ..... 4

9. Lai Shin Fah @ David Lai ..... 3

10. Leow Mui Lee ..... 3

11. Manvinder Singh A/L Ajeet Singh ..... 2

12. Sharon Yong Nyuk Li ..... 4

13. Steve Chia Siang Hai ..... 4

14. Tan Hooi Beng ..... 3

15. Theneshkannaa A/L Kannan @ Renganathan Kannan ..... 4

16. Zen Chow Tuck Him ..... 4

No of meetings: 4

Auditors

**Messrs Sekhar & Tan**

Registered Office and Address

**Chartered Tax Institute of Malaysia**

Registration No: 199101015438 (225750-T)

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 2022/2023**

Chow Chee Yen



Soh Lian Seng

Agnes Wong  
Ling LeeAlan Chung  
Ch'ung YitAnil Kumar Puri  
A/L Ashok Kumar

Chong Mun Yew

Datuk Koong  
Lin LoongHarvinder Singh  
A/L Chanan SinghLai Shin Fah  
@ David Lai

Leow Mui Lee

Manvinder Singh  
A/L Ajeet SinghSharon Yong  
Nyuk LiSteve Chia  
Siang Hai

Tan Hooi Beng

Theneshkannaa  
A/L Kannan  
@ Renganathan  
KannanZen Chow  
Tuck HimMohd Noor Abu Bakar  
Resigned wef 9 July 2022**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

### Continuing Professional Development

Nursalmi Haslina Binti Mohd Rusli

### Corporate Support

Christine Jennifer Sanda

### Examination & Education

Irene Chen

### Membership & Operation

Nor Haliza Binti Yusop

### Technical & Editorial

Thong Vee Kean



## PRESIDENT'S STATEMENT

### My dear fellow members,

The forthcoming 31<sup>st</sup> Annual General Meeting is scheduled to take place at the Kuala Lumpur Convention Centre on 24 June 2023. It is my pleasure to chair the meeting for the first time as the President of the Institute.

I would like to extend my utmost thanks to all Council Members, Branch Chairmen, Committee/Working Group members and the Secretariat for their full support and dedication and their tireless efforts in contributing to the advancement of the Institute and the tax profession for this past one year.

I would also like to thank all members who have supported the Institute invaluable by providing constant feedback and by participating in the various CTIM activities and events.

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

1. Datuk Koong Lin Loong – not eligible for re-election
2. Lai Shin Fah @ David Lai – not eligible for re-election
3. Alan Chung Ch'ung Yit – eligible for re-election
4. Chong Mun Yew – eligible for re-election

On behalf of the Institute, our sincere appreciation to Datuk Koong, David, Alan and Mun Yew for their immense contribution to CTIM.

A brief indication of the Institute's financial position as of 31 December 2022 is as follows: -

| Year               | 2022    | 2021    |
|--------------------|---------|---------|
|                    | RM '000 | RM '000 |
| Surplus before tax | (26)    | 468     |
| Cash & deposits    | 8,359   | 7,695   |

The substantial reduction in the surplus before tax is due to the postponement of the 2023 Budget Seminars until after the re-tabling of the 2023 Budget in February 2023. Notwithstanding that, the Institute's finances are in a healthy state.

### Technical Committees

I am glad to report that the various Technical Committees and Working Groups of the Institute have been very actively involved in various activities for the 2022/2023 term.

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 2023 Budget Speech and Finance Bill 2023;
2. Tax corporate governance framework and guidelines;
3. Guidelines and income tax exemption orders on tax treatment regarding income received from overseas;
4. Implementation of Global Anti-Base Erosion (GloBE) Model Rules (Pillar Two);
5. Compliance, operational, tax audit and investigation issues;
6. Transfer pricing documentation and guidelines; and
7. Voluntary disclosure policies on indirect tax.

Please refer to the detailed technical committee reports accordingly for the complete list of submitted papers / memorandums to the relevant authorities.

### Public Practice Development

The Institute, to my delight, has provided strong support for the public practice as set out below: -

1. Obtained the MOF's confirmation in respect of the requirement to attend the latest Budget Seminar in relation to the application for renewal of the S.153 tax agent licence, that was affected by the postponement of the 2023 Budget Seminars until after the re-tabling of the 2023 Budget in February 2023; and
2. Exploring the proposals from insurance brokers and insurance companies to provide professional indemnity insurance policy coverage for CTIM members and their tax practices.

## PRESIDENT'S STATEMENT

### Continuing Professional Development

The 22<sup>nd</sup> National Tax Conference (NTC) 2022 with the theme “The Role of Taxation in Post Pandemic Recovery” was held in August 2022 at the Kuala Lumpur Convention Centre (KLCC). I am proud that the NTC was well attended by almost 2,000 participants.

In living up to CTIM's role of advancing the knowledge on the latest tax developments, the Institute conducted a series of four 2023 Budget Seminars in March 2023. It was well noted that the highly interactive and engaging sessions had resulted in numerous insights.

CTIM participation as invited panelists in HASiL's Seminar Percukaian Kebangsaan, held in March 2023 demonstrates the close collaboration between CTIM and HASiL. The close ties with HASiL is much cherished by the Institute.

The Hasil-CTIM Tax Forum 2023 will be organised on 30 May 2023 at the Berjaya Times Square Hotel Kuala Lumpur to discuss the latest issues on taxation. YBhg. Dato' Che Nazli Jaapar, Under-Secretary of Tax Division of the Ministry of Finance and YBhg. Datuk Dr. Mohd Nizom Sairi, Chief Executive Officer of HASiL will be speaking in this forum.

CTIM and HASiL will be jointly organising the NTC 2023 on 1 and 2 August 2023 at the KLCC. The Institute looks forward to members' participation in this annual auspicious event.

### Examination and Education Committees

CTIM has 509 registered students as of 31 March 2023. Without fail, the June 2022 and December 2022 examinations were conducted and I am heartened by the students' tenacity to pursue the CTIM professional qualification.

The 26<sup>th</sup> Graduation and Prize Giving Ceremony will be held on 24 June 2023. I would like to congratulate all the graduates and exam papers prize winners for their achievements.

### Membership

The Institute has grown in its stature as the leading and premier taxation body in Malaysia with a current membership base of over 3,800 members as of 31 March 2023. I would encourage eligible tax practitioners who are not CTIM members to take up membership with the Institute.

### Tax Guardian

The Tax Guardian is a specialised tax journal in Malaysia. Members, subscribers and students have found its contents useful in enhancing their technical knowledge and keeping them abreast with the latest tax developments in the country. A special thanks to all the contributors of the Tax Guardian for their invaluable articles, updates and write-ups.

As President of the Institute, I am grateful to have been given this opportunity to serve and be part of this premier tax body. Last but not least, I would like to encourage everyone to bring the tax profession to the highest level of competency, vitality and respectability, as tax plays an undeniable role in the economy of a nation.

**Chow Chee Yen**  
President  
Chartered Tax Institute of Malaysia

## REPORT OF THE COUNCIL FOR 2022/2023

### 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), Tax Audit and Investigation Working Group (TAIWG) and International Tax Working Group (ITWG). 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 2023

Submission of a memorandum on 2023 Budget proposals to MOF followed by participation in the 2023 Budget Consultation.

Submission of a list of tax incentives from Budget 2023 on 7 October 2022 not included in Budget 2023 (Retabled) on 24 February 2023 to MOF.

Joint submission of a memorandum on the issues arising from the 2023 Budget and Finance Bill 2023 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 2023 Budget on 24 February 2023.

#### 2. Technical, Compliance and Operations Matters

During the year, the committee provided feedback and engaged MOF and HAsiL on various technical, compliance and operations, tax audit and investigation matters including the following:

##### 2.1 Technical Matters

- a. HAsiL's responses to joint memorandum on post-2022 budget issues;
- b. HAsiL's tax corporate governance (TCG) framework and TCG guidelines;
- c. HAsiL's consultation paper on time restriction policy to claim unabsorbed business losses;
- d. HAsiL's draft guidelines on tax treatment regarding income received from overseas;
- e. HAsiL's guidelines on:
  - i. tax treatment regarding income received from overseas;
  - ii. deduction for secretarial and tax filing fees from YA 2022; and
  - iii. tax treatment of digital currency transactions;
- f. Gazette orders:
  - i. Income Tax (Restriction on Deductibility of Interest) (Amendment) Rules 2022 [P.U. (A) 27/2022];
  - ii. Income Tax (Conditions for the Grant of Rebate under Subsection 6D(4)) Order 2021 [P.U. (A) 504/2021];
  - iii. Income Tax (Exemption) Order 2022 [P.U. (A) 96/2022];
  - iv. Income Tax (Deduction for the Sponsorship of Scholarship to Malaysian Student Pursuing Studies at Technical and Vocational Certificate, Diploma, Bachelor's Degree, Master's Degree or Doctor of Philosophy Levels) Rules 2022 [P.U. (A) 49/2022];
  - v. Deduction for Expenses in relation to the Cost of Detection Test of Covid-19 for Employees [P.U. (A) 404/2021 as amended by P.U. (A) 291/2022];
  - vi. Qualifying Plant Allowances for Computers and Information Technology Equipment [P.U. (A) 187/1998];
  - vii. Cost of Provision of Computer Software [P.U. (A) 272/1999]; and
  - viii. Income Tax (Deduction For Incorporation Expenses) Rules 2003 [P.U. (A) 475/2003] as amended by P.U. (A) 472/2005;
- g. 2% tax deducted under S.107D and tax rebate under S.6D;
- h. MOF's public consultation paper on the implementation of Global Anti-Base Erosion (GloBE) Model Rules (Pillar Two) arising from Malaysia's participation in the OECD Inclusive Framework on Base Erosion and Profit Shifting;

## REPORT OF THE COUNCIL FOR 2022/2023

- i. Comparative study of other countries including ASEAN countries on the tax treatment related to the definition of plant and the tax treatment of intangible assets;
- j. Income Tax Exemption Orders 2022 for foreign source income (FSI); and
- k. Conditions for FSI exemption for dividends.

### 2.2 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. Six draft Public Rulings have been reviewed by the JPRWG during the period from mid-April 2022 to March 2023.

### 2.3 Compliance and Operations Matters

- a. HASiL's FAQ on implementation of e-Telegraphic Transfer (e-TT) System for Telegraphic Transfer (TT), Electronic Funds Transfer (EFT), and Interbank GIRO Transfer (IBG) Payment Methods;
- b. Memorandum on compliance and operational issues for DESIRE Dialogue I/2022;
- c. Form e-C 2022, CP204 and CP204A;
- d. Changes in Organisation e-Filing login via MyTax;
- e. Requested for the following:
  - i. Appeal on the application period for extension of time (EOT); and
  - ii. EOT of two or three days for the e-filing submission process due to the HASiL website and e-filing system down.

### 2.4 Tax Audit and Investigation Matters

- a. Memorandum on tax audit and investigation issues;
- b. Summary paper following the Program Libat Urus LHDNM Dengan CTIM Berkenaan Cadangan Struktur Baharu Pengenaan Penalti Di Bawah Subseksyen 113(2) ACP 1967;
- c. Feedback/comments on the appeal process in relation to dispute resolution;
- d. Discussion forum between HASiL and CTIM on profiling issues;
- e. Tax audit and investigation (TAI) issues from the CTIM TAI Roadshow 2022; and
- f. Courtesy visits to the HASiL Headquarters [Deputy Chief Executive Officer (Compliance) Office, HASiL Tax Compliance Department and HASiL Investigation Department], HASiL Sarawak State Director Office, HASiL Pahang State Director Office and HASiL Sabah State Director Office.

The purpose of the visits are to strengthen the good rapport between CTIM and HASiL, and to discuss how CTIM and HASiL can carry out joint activities on tax audit and/or investigation matters.

## 3. 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, 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, withholding tax on software payments, completion of a construction project, e-filing system for withholding tax (WHT), deferment of submission and payment of small WHT amounts, and not-for-profit charitable hospital.

## 4. Participation in Joint Capital Gains Tax Working Group (Joint CGT WG)

Following the announcement in the 2023 Budget speech on 24 February 2023 on the proposed implementation of CGT on the disposal of unlisted shares by companies from 2024, the Institute together with MIA and MICPA has set-up a Joint CGT WG in March 2023 to provide constructive inputs on the design considerations of the various aspects concerning CGT for the tax authorities' consideration.

## 5. Technical Circulars

93 e-CTIMs were issued on direct tax matters from mid-April 2022 to March 2023 which provided members with updates on tax developments, announcements from HASiL and minutes of meetings and dialogues with HASiL.

## REPORT OF THE COUNCIL FOR 2022/2023

### 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 2023 Budget Proposals to the MOF and the Institute's comments arising from the 2023 Budget Speech and Finance Bill 2023, with the other CTIM Technical Committees.

#### 1. 2023 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 2022 and June 2022, for inclusion in the 2023 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 on various issues including issues arising from HASiL's Guidelines on the Application of Stamp Duty Relief under S.15 and S.15A of the Stamp Act 1949 (Updated 2022).

#### 3. E-Circulars

21 e-CTIMs were issued in the period from mid-April 2022 to March 2023 in relation to Stamp Duty, Labuan Business Activity Tax Act, RPGT, taxation of foreign fund management company, and other tax incentives (principal hub, equity crowdfunding, bionexus status company, investment tax allowance – eligible industries, late-life assets production sharing contract, food production projects, relocation of provision of services business incentive scheme, and venture capital).

### TECHNICAL COMMITTEE - INDIRECT TAX (TC-IT)

The Committee held four (4) TC-IT meetings during the term 2022-2023 and a total of 59 e-CTIMs on indirect tax have been issued since mid-April 2022 to March 2023. The summary of the key activities are as follows: -

#### National Indirect Tax Conference 2022

The TC-IT organised a full day National Indirect Tax Conference 2022 with the theme "Adapting to the New Economy in the Endemic Era" on 19 May 2022 at the Kuala Lumpur Convention Centre. Many of the TC-IT members participated as moderators and panelists in this event, together with representatives from the Royal Malaysian Customs Department (RMCD) and the private sector.

The topics discussed in this conference were in relation to the future direction of Sales Tax and Service Tax and the focus of the RMCD, discussion on Customs hot topics – Customs & Excise Duties, Valuation, Importation, E-Commerce, Common issues on Licence Manufacturing Warehouse, etc, Voluntary Disclosure and Amnesty Programme and updates on indirect tax cases.

#### Engagements with the Ministry of Finance

1. Submission of CTIM Memorandum on 2023 Budget Proposals on indirect tax in relation to law and guidelines on sales tax on low value goods (LVG), liberalising the service tax regime to mitigate the tax cascading effect, expanding of service tax exemption for exported services, Licensed Manufacturing Warehouse, and amending the review and appeal process provisions in indirect tax laws e.g. Section 143, Customs Act 1967.
2. Engagement session with stakeholders regarding the proposed imposition of sales tax on LVG.

#### Engagements with the Royal Malaysian Customs Department

1. On matters pertaining to indirect tax as follows: -
  - a. Proposals for the implementation of Voluntary Disclosure Policies for indirect tax.
  - b. Proposed implementation of the Voluntary Disclosure Programme 2023 for indirect tax.
  - c. Service tax issues in relation to the exclusion clause under Schedule I, Group G - Professional Services
  - d. Irrecoverable sales tax on use of inputs in manufacturing of exempt products.
  - e. Sales tax exemption for machine and equipment for hotel business.
2. Participation in the Technical Committee on Sales Tax and Service Tax ("SST") Implementation Meeting No. 1/2022 chaired by the RMCD. The issues raised by the TC-IT were in relation to the draft guide on sales tax on LVG (First Edition) as updated by the RMCD dated 9 January 2023, effective date of Sales Tax (Exemption from Registration) (Amendment) Order 2022, revision of the list of manufacturing operations exempted from registration, application of

## REPORT OF THE COUNCIL FOR 2022/2023

paragraph 3, First Schedule of the Service Tax Regulations 2018 relating to branches, service tax treatment for customs agent services and service tax refund facility to Joint Development Area operator companies.

3. 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. 1/2022 and No. 2/2022 chaired by the RMCD.

### Participation in Technical Working Group on Paying Taxes

1. Discussions and feedback on indirect tax matters in relation to manufacturing aid, declaration fees collection at Batu Berendam and Tanjung Keling Free Industrial Zones, expansion of excise duty on premixed beverages, import duty exemption as per item 113 of the Customs Duties (Exemption) Order 2017, tariff classification under MYMUDAH/Economic Action Council, simplification of application procedures for advance ruling, proposed online applications for advance rulings, advance ruling for tariff classification, advance ruling for Rule of Origin, Customs laboratory exercise, system to search advance ruling results (eKKB), voluntary disclosure policies on indirect tax and substitute for u-Customs system.
2. Engagement session together with the RMCD, the Federation of Malaysian Manufacturers to discuss issues on removal of sales tax exemption on manufacturing aid.

### TECHNICAL COMMITTEE – TRANSFER PRICING (TC-TP)

The TC-TP's area of focus is in relation to 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.

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

1. Courtesy Meeting (CM) with the Directors of Multinational Tax Branch of HASiL and TP Policy on 24 November 2022 at the HASiL Multinational Tax Branch, Bandar Baru Bangi, Selangor.

The main purpose of the CM 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 joint activities between CTIM and HASiL.

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 and TP Guidelines, which would be mutually beneficial.

The CM was led by the TC-TP Chairman, together with the TC-TP members. A total of 23 representatives from HASiL (12) and CTIM (11) attended this CM.

2. Feedback/comments on Form C YA 2022 - TP related disclosures.
3. Feedback/comments on the Minimum TP Documentation Template [Pin 1/2022] as published by HASiL on 10 November 2022.
4. Feedback/comments on the draft updated Malaysian TP Guidelines (extract of Chapter 1, 6 and 9).

### 2023 Budget

The TC-TP provided its input on TP issues for inclusion in the CTIM Memorandum on 2023 Budget Proposals to the Ministry of Finance in June 2022. The TP issues submitted were in relation to introduction of safe harbour rules on routine support services and to reduce cost of compliance, definition of 'related party', reassurance of no double penalty, preventing double taxation arising from TP adjustment on local related party transactions, alignment of statutory limitation for TP, certainty and consistency over TP treatment for businesses granted tax incentives and tax deduction for TP compliance fee.

### E-Circulars

3 e-CTIMs were issued from mid-April 2022 to March 2023 in relation to Form C, Year of Assessment 2022 - TP related disclosures, Minimum TP Documentation Template (Pin 1/2022) and Mutual Agreement Procedures.

## REPORT OF THE COUNCIL FOR 2022/2023

### 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.

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

#### 1. Issues pertaining to CPD points for renewal of the S. 153 tax agent licence

The Institute has sought clarification from the Ministry of Finance (MOF) on the issue pertaining to CPD points for renewal of the tax agent licence.

#### 2. CTIM Virtual Forum Discussion for Members on Practitioner Issues

The PPC has successfully organised 5 virtual forum sessions for CTIM members in 5 different regions (i.e. Northern, Central, Southern, East Coast, and East Malaysia) on issues faced by tax practitioners. It has been moderated by the PPC Chairman together with the PPC members as panelists.

#### 3. Professional Indemnity Insurance policy for CTIM members

The Marsh Insurance Brokers (Malaysia) Sdn. Bhd. has approached the Institute to discuss a proposal to provide insurance coverage for CTIM members. The CTIM members have also requested how to obtain a professional indemnity insurance policy for their tax practices. The PPC is exploring this proposal for CTIM members. Apart from this, PPC is also exploring more proposals from other insurance brokers and insurance companies.

#### 4. Confirmation obtained in respect of the requirement to attend the latest Budget Seminar in relation to the application for renewal of the S. 153 tax agent licence

The Institute has obtained the MOF's confirmation in respect of the requirement to attend the latest Budget Seminar in relation to the application for renewal of the S. 153 tax agent licence, that was affected by the postponement of the 2023 Budget Seminars until after the re-tabling of the 2023 Budget in February 2023.

### Public Practice Circulars

2 e-CTIMs were issued on public practice matters from mid April 2022 to March 2023 which provided members with updates in relation to the application for renewal of S. 153 tax agent licence.

### EDITORIAL COMMITTEE

Tax Guardian, the Chartered Tax Institute of Malaysia's quarterly official publication, has continued to publish a wide spectrum of tax related topics 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 tabled by the Minister of Finance.

The Editorial Committee reviews articles and makes constructive comments in order to maintain the Tax Guardian's excellent quality before approving them for publication. Members of the Editorial Committee also meet to discuss various ways to further improve and enhance the quality of Tax Guardian. It is currently in discussion with another professional body to find areas of collaboration to mutually benefit each other's members.

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.

## REPORT OF THE COUNCIL FOR 2022/2023

### EXAMINATION COMMITTEE

The Institute registered 84 new students from April 2022 to March 2023. The total number of registered students as of March 2023 was 509.

The 2022 CTIM Professional Online Examinations were conducted in two sessions i.e. the June 2022 examination and the December 2022 examination. The examination results for June 2022 and December 2022 sittings were released to students on 16 August 2022 and 20 February 2023 respectively.

New examiners were identified for question development for CTIM Professional Examination to maintain the standards of the examination.

The committee recommended that the syllabus be revised for the CTIM Professional Examination due to the changes in the legislation. The revised syllabus will be implemented in the December 2023 Examination.

The 26<sup>th</sup> CTIM Graduation and Prize Giving Ceremony will be held on 24 June 2023. A total of 24 students graduated from the December 2021, June 2022, and December 2022 examinations, and 14 students are awarded book prizes in various categories.

### EDUCATION COMMITTEE

Two career talks were conducted at the following institutions of higher learning in promoting CTIM Professional Examination:

| No | University                                                                                        | Programme                                                                                                          | Speakers                           | Date                           |
|----|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------|
| 1. | Universiti Tunku Abdul Rahman (UTAR), Sg Long                                                     | Bachelor of Accounting students                                                                                    | Mr Chong Mun Yew,<br>Mr Daniel Woo | 2 November 2022<br>(Virtual)   |
| 2. | University Malaya (UM) - "FPE (Faculty of Business and Economics) Professional & Career Day 2022" | Bachelor of Accounting, Bachelor of Business Administration, Bachelor of Finance; & Bachelor of Economics students | Mr Daniel Woo                      | 17 December 2022<br>(Physical) |

### CTIM-MTRF-Academicians Forum

The inaugural forum was hosted by CTIM and the Malaysian Tax Research Foundation (MTRF) for tax practitioners, academicians and researchers to share knowledge and discuss tax syllabus, recent tax developments, future tax trends, and tax research ideas. The forum was held on 21 March 2023 moderated by Mr Chong Mun Yew, Chairman of CTIM Education Committee and Mr K Sandra Segaran, Chairman of MTRF. It was held in a hybrid mode and participated by 60 attendees.

### Universiti Tunku Abdul Rahman (UTAR) Career Xplorer 2023

Accounting Society of Universiti Tunku Abdul Rahman (UTAR) organised Career Xplorer 2023 from 27 to 28 March 2023 at UTAR Sg Long Campus. Career Xplorer 2023 was a two-day physical event featuring a career fair, career talks, and interview sessions. CTIM was invited to join the event and provided the students with information regarding tax career and CTIM professional examination.



## REPORT OF THE COUNCIL FOR 2022/2023

### CONTINUING PROFESSIONAL DEVELOPMENT (CPD) COMMITTEE

After the recovery from the COVID-19 pandemic, CTIM has been actively organising workshops, seminars, conferences and forums (both physically and virtually) to help professionals in the tax field keep abreast with tax developments and current issues, locally and internationally. The CPD programmes conducted by CTIM in the year 2022 include CPD programmes held in collaboration with other professional bodies and in-house training programmes for a government ministry.

#### I. 2023 Post-Budget Seminars

- (a) After the 2023 Budget was presented again on 24 February 2023, CTIM conducted a series of four 2023 Post-Budget Seminars. The first Budget Seminar was held physically on 13 March 2023 at the Berjaya Times Square Hotel, Kuala Lumpur with a total number of 571 participants. The Ministry of Finance was represented by YBhg. Dato' Che Nazli Jaapar, the Under-Secretary of the Tax Division and Mr. Fadzlee Malik, Principal Assistant Secretary of the Tax Division. The remaining series of Budget Seminars were conducted virtually on 20, 23 and 28 March 2023. The number of participants who attended the Budget Seminars in 2023 increased by 6% compared to the previous year.
- (b) CTIM President and Deputy President were invited by the Lembaga Hasil Dalam Negeri Malaysia (HASiL) as Panelists in their Seminar Percukaian Kebangsaan (SPK) organised virtually on 7 and 8 March 2023. CTIM's participation in these HASiL post-budget seminars demonstrates the close collaboration between CTIM and HASiL.

#### 2. Collaboration Event with HASiL

- (a) 22<sup>nd</sup> National Tax Conference (NTC) 2022

For the first time, the 22<sup>nd</sup> edition of the NTC 2022 was organised in a hybrid format i.e a combination of physical and virtual participation on 2 & 3 August 2022 at the Kuala Lumpur Convention Centre. The Conference with the theme "The Role of Taxation in Post Pandemic Recovery" was attended by a total of 1,965 attendees.

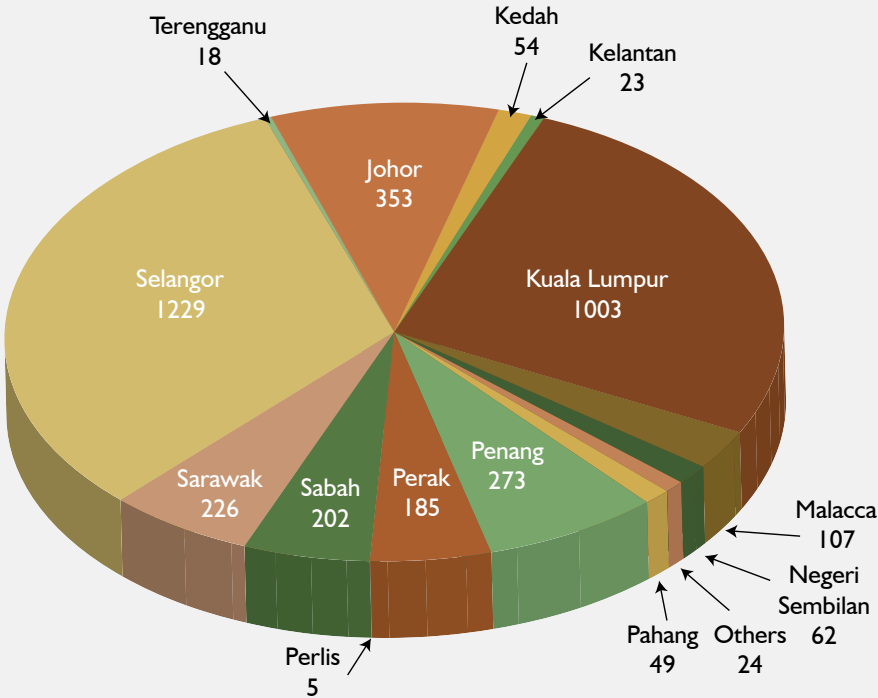
The NTC 2023 will be held on 1 & 2 August 2023 at the Kuala Lumpur Convention Centre and the Institute welcomes members' support in gracing this event, physically or virtually.

**REPORT OF THE COUNCIL FOR 2022/2023**

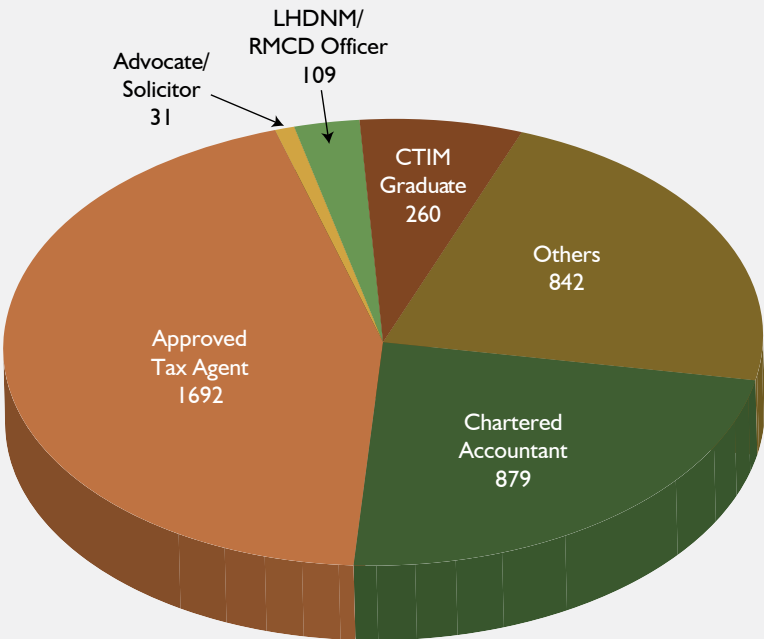
**MEMBERSHIP COMMITTEE**

As of 31 March 2023, there were 3813 members comprising 549 Fellow members, 3242 Associate members and 22 Provisional members (31 March 2022: 3761 members)

**By State**



**By Category**



## COMMITTEES 2022/2023

### EXECUTIVE COMMITTEE

Chow Chee Yen (Chairman)  
Soh Lian Seng  
Datuk Koong Lin Loong  
Lai Shin Fah @ David Lai  
Steve Chia Siang Hai

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 Constitution.
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.

### CONTINUING PROFESSIONAL DEVELOPMENT COMMITTEE

Council Members:  
Steve Chia Siang Hai (Chairman)  
Chow Chee Yen

Others:  
Saravana Kumar A/L Segaran  
Kaw Wei Seng

Total number of meetings held: 1

#### Terms of Reference

1. To organise and administer seminar, workshop and webinar 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 (NTC) is jointly organised with the Lembaga Hasil Dalam Negeri Malaysia (HASiL) and is managed by a separate joint committee. CTIM's representation in the joint NTC committee is as follows:

Council Members:

- Leow Mui Lee (Co-Organising Chairman)
- Lai Shin Fah @ David Lai

Others:

- Aruljothi Kanagaretnam
- K. Sandra Segaran A/L Karuppiah

## COMMITTEES 2022/2023

### EDITORIAL COMMITTEE

**Council Members:**

Alan Chung Ch'ung Yit (Chairman)  
Agnes Wong Ling Lee  
Chong Mun Yew  
Harvindar Singh A/L Chanan Singh  
Tan Hooi Beng

**Others:**

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

Total number of meetings held: 2

*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.

### EDUCATION COMMITTEE

**Council Members:**

Chong Mun Yew (Chairman)  
Sharon Yong Nyuk Li

**Others:**

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

Total number of meetings held: 1

*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.

## COMMITTEES 2022/2023

### EXAMINATION COMMITTEE

Council Members:

Chong Mun Yew (Chairman)  
Sharon Yong Nyuk Li

Others:

Abdul Salam Chandran Abdullah  
Daniel Woo Tuck Cheong  
Dr Loganathan Krishnan  
Dr Loo Ern Chen  
Dr Michael Yap Meow Chung  
Dr Nakha Ratnam Somasundaram  
Dr Voon Yuen Hoong  
Karen Koh Sai Tian  
Logeswary Maheswaran

Total number of meetings held: 2

*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

### MEMBERSHIP COMMITTEE

Council Members:

Datuk Koong Lin Loong (Chairman)  
Agnes Wong Ling Lee  
Alan Chung Ch'ung Yit

Others:

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

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 2022/2023

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

#### Council Members:

Theneshkannaa A/L Kannan @ Renganathan Kannan (Chairman)  
Anil Kumar Puri A/L Ashok Kumar  
Chong Mun Yew  
Chow Chee Yen  
Harvindar Singh A/L Chanan Singh  
Lai Shin Fah @ David Lai  
Leow Mui Lee  
Manvinder Singh A/L Ajeet Singh  
Sharon Yong Nyuk Li  
Soh Lian Seng  
Steve Chia Siang Hai  
Tan Hooi Beng  
Zen Chow Tuck Him

#### Others:

Beh Tok Koay  
Carol Eng Hooi Ling  
Daniel Woo  
Ivan Jacobs  
K. Sandra Segaran A/L Karuppiyah  
Kelvin Lim  
Ng Say Guat

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 issue guidance notes and other relevant technical publications when necessary.
5. To consider matters affecting tax practitioners and meet members to understand their requirements.

## COMMITTEES 2022/2023

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

Council Members:

Anil Kumar Puri A/L Ashok Kumar (Chairman)  
Alan Chung Ch'ung Yit  
Chow Chee Yen  
Leow Mui Lee  
Manvinder Singh A/L Ajeet Singh  
Sharon Yong Nyuk Li  
Steve Chia Siang Hai  
Tan Hooi Beng

Others:

Abdul Salam Chandran  
Kelvin Lim  
Koo Kian Ming  
Nicholas Anthony Crist

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:

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

Others:

Annie Thomas  
Huang Shi Yang  
Jalbir Singh Riar  
Joanne Hooi  
Ng Sue Lynn  
Saravana Kumar A/L 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 2022/2023

### PUBLIC PRACTICE COMMITTEE (PPC)

**Council Members:**

Zen Chow Tuck Him (Chairman)  
Alan Chung Ch'ung Yit  
Datuk Koong Lin Loong  
Lai Shin Fah @ David Lai

**Others:**

Choo Ah Kow  
Chu Yun Henn  
George Tan Sze Yee  
Jalbir Singh Riar  
Jesu Dason  
Kao Pei Ting  
Kenny Chong Thian Poh  
Soo Yuit Weng

Total number of meetings held: 0

*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.

### TECHNICAL COMMITTEE – TRANSFER PRICING (TC-TP)

**Council Members:**

Leow Mui Lee (Chairman)  
Theneshkannaa A/L Kannan @ Renganathan Kannan

**Others:**

Anushia Joan Soosaipillai  
Bob Kee Lin Jen  
Chan Tuck Keong  
Foo Meng Huei  
SM Thanneermalai  
Sockalingam Murugesan  
Subhabrata Dasgupta  
Tan Chin Teck  
Theresa Goh Lee Hwa  
Venkataraman Ganesan

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.



## CALENDAR OF CPD EVENTS 2022/2023

| Date       | Event                                                                                                                | Venue                                |
|------------|----------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 15.06.2022 | Workshop: Learn to Develop, Build Upon, and/or Appreciate the Importance of the Capital Statement in Tax Audits      | Zoom Webinar                         |
| 22.06.2022 | Workshop: Withholding Tax Compliance and Withholding Tax Audit                                                       | Zoom Webinar                         |
| 01.07.2022 | Workshop: Tax Treatment on Interest – Common Issues and Latest Updates                                               | Zoom Webinar                         |
| 14.07.2022 | Workshop: Guide to Prepare Transfer Pricing Documentation for Intragroup Services and Highlight of Issues (Half Day) | Zoom Webinar                         |
| 18.07.2022 | Webinar: Navigating Form Q, Form N and Dispute Resolution                                                            | Zoom Webinar                         |
| 20.07.2022 | Workshop: Tax Management and Incentives in Specialised Industries                                                    | Zoom Webinar                         |
| 15.08.2022 | Workshop: Practical Tax Insights on Real Estate Investments                                                          | Zoom Webinar                         |
| 26.08.2022 | Workshop: The Decision to Litigate: Tax Appeals and Choice of Forum                                                  | Zoom Webinar                         |
| 07.09.2022 | Workshop: Key Taxation Issues: Individuals and Companies                                                             | Zoom Webinar                         |
| 14.09.2022 | Seminar: Existing and Emerging Taxation Issues in the Endemic Era                                                    | Sheraton Imperial Kuala Lumpur Hotel |
| 20.09.2022 | Workshop: Taxation of Estate and Trust in Malaysia                                                                   | Zoom Webinar                         |
| 28.09.2022 | Workshop: Preparation of Transfer Pricing Documentation for Financial Assistance (Half day)                          | Zoom Webinar                         |
| 06.10.2022 | Workshop: Investment and Other Incentives – Often Without Further Expenditure                                        | Zoom Webinar                         |
| 13.10.2022 | Workshop: Selected Public Rulings & Tax Guidelines                                                                   | Zoom Webinar                         |
| 26.10.2022 | Webinar: Taxation on Foreign Source Income                                                                           | Zoom Webinar                         |
| 03.11.2022 | Workshop: Latest Tax Developments                                                                                    | Zoom Webinar                         |
| 08.11.2022 | Workshop: Cross Border Transactions and Withholding Tax                                                              | Zoom Webinar                         |
| 15.11.2022 | Workshop: Tax Compliance, Tax Knowledge, Tax Complexity                                                              | Zoom Webinar                         |
| 16.11.2022 | Workshop: Update on Transfer Pricing Documentation Requirements                                                      | Zoom Webinar                         |
| 30.11.2022 | Workshop: How to Avoid Pitfalls When Claiming Tax Incentives                                                         | Zoom Webinar                         |
| 06.12.2022 | Workshop: Tax Treatment on Interest Income, Interest Expenses and Rental Income: Latest Developments                 | Zoom Webinar                         |
| 09.12.2022 | Workshop: Transfer Pricing Documentation and Latest Updates                                                          | Zoom Webinar                         |
| 14.12.2022 | Workshop: Malaysian Property Tax, Estates and Trusts                                                                 | Zoom Webinar                         |
| 16.12.2022 | Workshop: Managing Taxpayer & LHDN Expectations in Tax Audits - a Guide for Tax Practitioners                        | Zoom Webinar                         |
| 05.01.2023 | Workshop: Corporate Tax Strategies                                                                                   | Zoom Webinar                         |
| 09.01.2023 | Workshop: Tax Audits and Investigations: Principles and the Practical Aspects                                        | Zoom Webinar                         |
| 12.01.2023 | Workshop: Withholding Tax in Malaysia - Principles and Latest Developments                                           | Zoom Webinar                         |
| 17.01.2023 | Workshop: Real Property Gains Tax (RPGT)                                                                             | Zoom Webinar                         |
| 30.01.2023 | Workshop: Fundamentals of Capital Allowances                                                                         | Zoom Webinar                         |

## CALENDAR OF CPD EVENTS 2022/2023

| Date       | Event                                                                                                          | Venue                                   |
|------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 02.02.2023 | Workshop: Towards Readiness for Employer's and Payroll Audit by LHDNM                                          | Zoom Webinar                            |
| 07.02.2023 | Workshop: Taxation of Property Developers and Contractors                                                      | Zoom Webinar                            |
| 09.02.2023 | Workshop: New Public Rulings in 2022                                                                           | Zoom Webinar                            |
| 13.02.2023 | Workshop: Latest Tax Updates and Tax Cases                                                                     | Zoom Webinar                            |
| 15.02.2023 | Workshop: Most Important Tax Updates in 2022 That You Must Know                                                | Zoom Webinar                            |
| 16.02.2023 | Workshop: Employer's Reporting and Compliance Responsibilities                                                 | Zoom Webinar                            |
| 21.02.2023 | Workshop: Reinvestment Allowance & Automation Capital Allowance                                                | Zoom Webinar                            |
| 23.02.2023 | Workshop: Update on Transfer Pricing Documentation Requirements                                                | Zoom Webinar                            |
| 06.03.2023 | Workshop: Tax Implications on Business Restructuring                                                           | Zoom Webinar                            |
| 10.03.2023 | Workshop: Most Important Tax Updates in 2022 That You Must Know (Re-Run)                                       | Zoom Webinar                            |
| 13.03.2023 | 2023 Budget Seminar                                                                                            | Berjaya Times Square Hotel Kuala Lumpur |
| 15.03.2023 | Workshop: Tax Agents Under Section 153(3) of the Income Tax Act 1967                                           | Zoom Webinar                            |
| 20.03.2023 | 2023 Budget Seminar                                                                                            | Zoom Webinar                            |
| 23.03.2023 | 2023 Budget Seminar                                                                                            | Zoom Webinar                            |
| 28.03.2023 | 2023 Budget Seminar                                                                                            | Zoom Webinar                            |
| 30.03.2023 | Workshop: Cross Border Transactions and Withholding Tax                                                        | Zoom Webinar                            |
| 04.04.2023 | Workshop: Tax Issues and Law Relating to Property Developers, JMB/MC, and Investors                            | Zoom Webinar                            |
| 06.04.2023 | Workshop: Highlights of Budget Day & Finance Bill 2023                                                         | Zoom Webinar                            |
| 13.04.2023 | Workshop: Tax Audits and Investigations                                                                        | Zoom Webinar                            |
| 19.04.2023 | Workshop: Review and Update on Public Rulings Issued in the Last 2 Years                                       | Zoom Webinar                            |
| 08.05.2023 | Workshop: Learn to Develop, Build Upon and/or Appreciate the Importance of the Capital Statement in Tax Audits | Zoom Webinar                            |
| 09.05.2023 | Workshop: Submission of Return Forms 2022                                                                      | Zoom Webinar                            |
| 10.05.2023 | Workshop: Real Property Gains Tax (RPGT) (Re-Run)                                                              | Zoom Webinar                            |
| 23.05.2023 | Workshop: Tax Treatment on Interest – Common Issues and Latest Updates                                         | Zoom Platform                           |
| 25.05.2023 | Workshop: Business Tax - For Beginners                                                                         | Renaissance Hotel. JB                   |
| 31.05.2023 | Workshop: Corporate Tax Strategies (Re-Run)                                                                    | Zoom Webinar                            |

## CALENDAR OF CPD EVENTS 2022/2023

### COLLABORATION EVENTS

| Date          | Event                                                                                                                                     | Venue                                         |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| 14.06.2022    | Module 1: Fundamental of Malaysian Taxation: Treatment on Capital Expenditures and Its Relief in Malaysia [Jointly organised with MAICSA] | Zoom Webinar                                  |
| 02-03.08.2022 | National Tax Conference 2022 [Jointly organised with HASiL]                                                                               | Hybrid -<br>Kuala Lumpur<br>Convention Centre |

### MINISTRY OF FINANCE (MOF) - Internal Training Programme

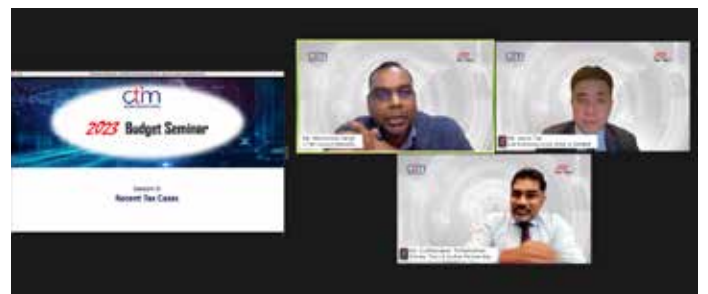
| Date       | Event                                              | Venue         |
|------------|----------------------------------------------------|---------------|
| 23.06.2022 | Environmental, Social & Governance (ESG)           | MOF Putrajaya |
| 19.07.2022 | Stamp Duty                                         | MOF Putrajaya |
| 14.09.2022 | How Other Countries Conduct Taxation of e-Commerce | 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 2022**

|                                                                       |                |
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## 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 2022.

### 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*

RM33,802

### 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:

|                                               |                          |
|-----------------------------------------------|--------------------------|
| Alan Chung Ch'ung Yit                         |                          |
| Chong Mun Yew                                 |                          |
| Chow Chee Yen                                 |                          |
| Chow Tuck Him                                 |                          |
| Datuk Koong Lin Loong                         |                          |
| Lai Shin Fah @ David Lai                      |                          |
| Leow Mui Lee                                  |                          |
| Soh Lian Seng                                 |                          |
| Steve Chia Siang Hai                          |                          |
| Theneshkannaa A/L Kannan @ Renganathan Kannan |                          |
| Anil Kumar Puri A/L Ashok Kumar               | (Appointed on 5.1.2022)  |
| Harvinder Singh A/L Chanan Singh              | (Appointed on 5.1.2022)  |
| Tan Hooi Beng                                 | (Appointed on 5.1.2022)  |
| Agnes Wong Ling Lee                           | (Appointed on 7.10.2022) |
| Manvinder Singh A/L Ajeet Singh               | (Appointed on 7.10.2022) |
| Sharon Yong Nyuk Li                           | (Appointed on 7.10.2022) |
| Farah Binti Rosley                            | (Retired on 25.6.2022)   |
| Low Geok Ping                                 | (Retired on 25.6.2022)   |
| Mohd Noor Bin Abu Bakar                       | (Resigned on 9.7.2022)   |

### 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 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 RM5,252 to 3 Council members.

None of the 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 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 (2021: 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.

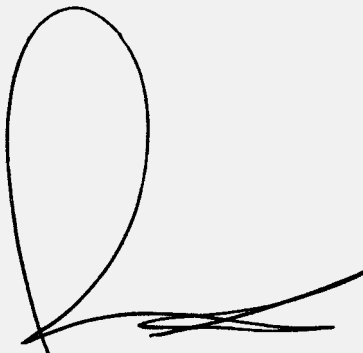
## COUNCIL MEMBERS' REPORT

### AUDITORS

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

The auditors' remuneration of the Institute for the financial year ended 31 December 2022 is RM14,000.

Signed in accordance with a resolution of the Council,



---

Chow Chee Yen



---

Soh Lian Seng

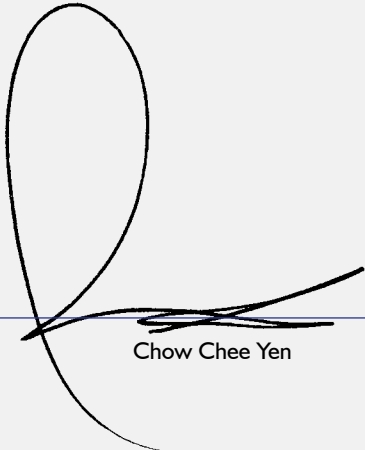
Kuala Lumpur

Date: 27 March 2023

## STATEMENT BY COUNCIL MEMBERS

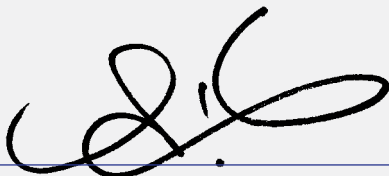
We, Chow Chee Yen and Soh Lian Seng, being two of the Council members of CHARTERED TAX INSTITUTE OF MALAYSIA, do hereby state that in the opinion of the Council members, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial 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 2022 and of its financial performance and cash flows for the year then ended.

Signed in accordance with a resolution of the Council,



---

Chow Chee Yen



---

Soh Lian Seng

Kuala Lumpur

Date: 27 March 2023

## 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 4 April 2023.



---

Kok Chooi Fung

Before me,

04 APR 2023



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

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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 2022, and the statement of profit or loss and other comprehensive income, 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 39 to 60.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as at 31 December 2022, 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: 4 April 2023

**STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2022**

|                               |      | 2022      | 2021      |
|-------------------------------|------|-----------|-----------|
|                               | Note | RM        | RM        |
| <b>Non-current assets</b>     |      |           |           |
| Property, plant and equipment | 5    | 1,524,698 | 1,596,260 |
| Right-of-use asset            | 6    | 18,594    | 28,736    |
| Deferred tax assets           | 7    | 115,000   | 34,000    |
|                               |      | 1,658,292 | 1,658,996 |
| <b>Current assets</b>         |      |           |           |
| Other receivables             | 8    | 236,963   | 150,946   |
| Prepayments                   |      | 65,536    | 104,906   |
| Deposits with licensed banks  | 9    | 8,231,268 | 7,392,655 |
| Cash and bank balances        |      | 128,665   | 302,658   |
|                               |      | 8,662,432 | 7,951,165 |
| <b>Current liabilities</b>    |      |           |           |
| Other payables                | 10   | 1,072,590 | 390,366   |
| Lease liability               | 11   | 10,624    | 10,118    |
| Tax payable                   |      | 15,751    | 11,096    |
|                               |      | 1,098,965 | 411,580   |
| Net current assets            |      | 7,563,467 | 7,539,585 |
|                               |      | 9,221,759 | 9,198,581 |
| <b>Financed by:</b>           |      |           |           |
| Accumulated funds             |      | 9,212,540 | 9,178,738 |
| <b>Non-current liability</b>  |      |           |           |
| Lease liability               | 11   | 9,219     | 19,843    |
|                               |      | 9,221,759 | 9,198,581 |



## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### YEAR ENDED 31 DECEMBER 2022

|                                                                         | Note | 2022<br>RM  | 2021<br>RM  |
|-------------------------------------------------------------------------|------|-------------|-------------|
| Operating income                                                        | 12   | 2,967,853   | 3,154,244   |
| Operating expenditure                                                   | 13   | (931,942)   | (754,134)   |
| Gross income over operating expenditure                                 |      | 2,035,911   | 2,400,110   |
| Other income                                                            | 14   | 726,398     | 659,687     |
| Administrative expenditure                                              | 15   | (2,765,688) | (2,561,852) |
| Other operating expenditure                                             | 16   | (21,365)    | (27,500)    |
| Finance cost                                                            | 17   | (1,498)     | (1,980)     |
| (Deficit)/surplus before tax                                            |      | (26,242)    | 468,465     |
| Tax income/(expense)                                                    | 18   | 60,044      | (64,301)    |
| Surplus after tax, representing total comprehensive income for the year |      | 33,802      | 404,164     |

## STATEMENT OF CHANGES IN ACCUMULATED FUNDS

### YEAR ENDED 31 DECEMBER 2022

|                                         | Accumulated<br>funds<br>RM |
|-----------------------------------------|----------------------------|
| At 1 January 2021                       | 8,774,574                  |
| Total comprehensive income for the year | 404,164                    |
| At 31 December 2021/1 January 2022      | 9,178,738                  |
| Total comprehensive income for the year | 33,802                     |
| At 31 December 2022                     | 9,212,540                  |

**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 DECEMBER 2022**

|                                                                      | <b>2022</b>      | <b>2021</b>        |
|----------------------------------------------------------------------|------------------|--------------------|
|                                                                      | <b>RM</b>        | <b>RM</b>          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |                  |                    |
| (Deficit)/surplus before tax                                         | (26,242)         | 468,465            |
| Adjustments for:                                                     |                  |                    |
| Allowance for impairment losses                                      | 21,365           | 27,500             |
| Depreciation:                                                        |                  |                    |
| Property, plant and equipment                                        | 131,892          | 112,102            |
| Right-of-use asset                                                   | 10,142           | 10,142             |
| Interest income                                                      | (155,960)        | (123,337)          |
| Interest expense on lease liability                                  | 1,498            | 1,980              |
| Operating (deficit)/surplus before working capital changes           | (17,305)         | 496,852            |
| Changes in receivables                                               | (62,290)         | 16,098             |
| Changes in payables                                                  | 682,224          | (550,789)          |
| Cash generated from/(absorbed by) operations                         | 602,629          | (37,839)           |
| Net tax (paid)/refunded                                              | (16,301)         | 23,838             |
| Net cash from/(used in) operating activities                         | 586,328          | (14,001)           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |                  |                    |
| Changes in deposits with maturity more than 90 days                  | (412,050)        | (1,067,316)        |
| Purchase of property, plant and equipment                            | (60,330)         | (87,447)           |
| Interest income received                                             | 150,238          | 115,300            |
| Net cash used in investing activities                                | (322,142)        | (1,039,463)        |
| <b>CASH FLOW FROM FINANCING ACTIVITY</b>                             |                  |                    |
| Repayment of lease liability and net cash used in financing activity | (11,616)         | (11,616)           |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>          | <b>252,570</b>   | <b>(1,065,080)</b> |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                | <b>2,130,808</b> | <b>3,195,888</b>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                      | <b>2,383,378</b> | <b>2,130,808</b>   |
| <b>CASH AND CASH EQUIVALENTS ARE REPRESENTED BY:</b>                 |                  |                    |
| Cash and bank balances                                               | 128,665          | 302,658            |
| Deposits with licensed banks (Note 9)                                | 2,254,713        | 1,828,150          |
|                                                                      | <b>2,383,378</b> | <b>2,130,808</b>   |

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2022

#### 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 27 March 2023.

#### 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 2022.

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 January 2023:*

|                        |                                                                                                            |
|------------------------|------------------------------------------------------------------------------------------------------------|
| 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: Disclosure of Accounting Policies</i>                             |
| Amendments to MFRS 108 | <i>Accounting Policies, Changes in Accounting Estimates and Errors: 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 annual financial periods beginning on or after 1 January 2024:*

|                        |                                                                                                                                                 |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Amendments to MFRS 16  | <i>Lease: Lease Liability in a Sale and Leaseback</i>                                                                                           |
| Amendments to MFRS 101 | <i>Presentation of Financial Statements: Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current</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> |
|------------------------------------|----------------------------------------------------------------------------------------------|

MFRS 17, Amendments to MFRS 10, 16, 17, 112 and 128 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.

##### (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.

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 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.

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.

##### (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.

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2022

#### 3. Significant Accounting Policies (cont'd)

##### (b) Financial Instruments (cont'd)

###### (ii) Financial Instrument Categories and Subsequent Measurement

###### Financial Assets (cont'd)

###### (a) Amortised cost (cont'd)

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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2022

#### 3. Significant Accounting Policies (cont'd)

##### (b) Financial Instruments (cont'd)

###### (ii) Financial Instrument Categories and Subsequent Measurement

###### **Financial Liabilities (cont'd)**

###### (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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2022

#### 3. Significant Accounting Policies (cont'd)

##### (c) Impairment on Non-Financial Assets (Cont'd)

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.

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 |
|------------------|---------|

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 3. Significant Accounting Policies (cont'd)

#### (e) Leases (Cont'd)

##### (ii) Subsequent Measurement (cont'd)

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 is recognised in profit or loss.

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.



## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2022

#### 3. Significant Accounting Policies (cont'd)

##### (g) Income Tax (Cont'd)

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 2022

#### 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 2022 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 2022

#### 5. Property, Plant and Equipment

|                                 | Freehold<br>buildings<br>RM | Office<br>equipment<br>RM | Furniture<br>and fittings<br>RM | Computer<br>equipment<br>and<br>software<br>RM | Renovation<br>RM | Total<br>RM |
|---------------------------------|-----------------------------|---------------------------|---------------------------------|------------------------------------------------|------------------|-------------|
| <b>Cost</b>                     |                             |                           |                                 |                                                |                  |             |
| At 1 January 2022               | 1,967,425                   | 117,983                   | 105,930                         | 179,571                                        | 33,363           | 2,404,272   |
| Additions                       | -                           | 16,358                    | -                               | 43,972                                         | -                | 60,330      |
| Disposal                        | -                           | -                         | -                               | (3,915)                                        | -                | (3,915)     |
| At 31 December 2022             | 1,967,425                   | 134,341                   | 105,930                         | 219,628                                        | 33,363           | 2,460,687   |
| <b>Accumulated depreciation</b> |                             |                           |                                 |                                                |                  |             |
| At 1 January 2022               | 498,171                     | 88,489                    | 94,225                          | 96,720                                         | 30,407           | 808,012     |
| Charge for the year             | 39,349                      | 11,762                    | 10,593                          | 67,237                                         | 2,951            | 131,892     |
| Disposal                        | -                           | -                         | -                               | (3,915)                                        | -                | (3,915)     |
| At 31 December 2022             | 537,520                     | 100,251                   | 104,818                         | 160,042                                        | 33,358           | 935,989     |
| <b>Carrying amount</b>          |                             |                           |                                 |                                                |                  |             |
| At 31 December 2022             | 1,429,905                   | 34,090                    | 1,112                           | 59,586                                         | 5                | 1,524,698   |
| <b>Cost</b>                     |                             |                           |                                 |                                                |                  |             |
| 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   |
| <b>Accumulated depreciation</b> |                             |                           |                                 |                                                |                  |             |
| 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     |
| <b>Carrying amount</b>          |                             |                           |                                 |                                                |                  |             |
| At 31 December 2021             | 1,469,254                   | 29,494                    | 11,705                          | 82,851                                         | 2,956            | 1,596,260   |

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

**6. Right-Of-Use Asset**

|                                 | Office<br>equipment<br>RM |
|---------------------------------|---------------------------|
| <b>Cost</b>                     |                           |
| At 1 January/31 December 2022   | 50,710                    |
| <b>Accumulated depreciation</b> |                           |
| At 1 January 2022               | 21,974                    |
| Charge for the year             | 10,142                    |
| At 31 December 2022             | 32,116                    |
| <b>Carrying amount</b>          |                           |
| At 31 December 2022             | 18,594                    |
| <b>Cost</b>                     |                           |
| At 1 January/31 December 2021   | 50,710                    |
| <b>Accumulated depreciation</b> |                           |
| At 1 January 2021               | 11,832                    |
| Charge for the year             | 10,142                    |
| At 31 December 2021             | 21,974                    |
| <b>Carrying amount</b>          |                           |
| At 31 December 2021             | 28,736                    |

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 2022

#### 7. Deferred Tax Assets

|                                                                                    | 2022<br>RM | 2021<br>RM |
|------------------------------------------------------------------------------------|------------|------------|
| At 1 January                                                                       | 34,000     | 82,000     |
| Recognised in statement of profit or loss and other comprehensive income (Note 18) | 81,000     | (48,000)   |
| At 31 December                                                                     | 115,000    | 34,000     |

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

|                                                                          | Property,<br>plant<br>and<br>equipment<br>RM | Deferred<br>income<br>RM | Unabsorbed<br>capital<br>allowance<br>and<br>tax losses<br>RM | Allowance<br>for<br>impairment<br>losses<br>RM | Total<br>RM |
|--------------------------------------------------------------------------|----------------------------------------------|--------------------------|---------------------------------------------------------------|------------------------------------------------|-------------|
| At 1 January 2021                                                        | (16,000)                                     | 8,000                    | 84,000                                                        | 6,000                                          | 82,000      |
| Recognised in statement of profit or loss and other comprehensive income | (7,000)                                      | (6,000)                  | (29,000)                                                      | (6,000)                                        | (48,000)    |
| At 31 December 2021/<br>1 January 2022                                   | (23,000)                                     | 2,000                    | 55,000                                                        | -                                              | 34,000      |
| Recognised in statement of profit or loss and other comprehensive income | 13,000                                       | 65,000                   | 3,000                                                         | -                                              | 81,000      |
| At 31 December 2022                                                      | (10,000)                                     | 67,000                   | 58,000                                                        | -                                              | 115,000     |

#### 8. Other Receivables

|                                       | 2022<br>RM | 2021<br>RM |
|---------------------------------------|------------|------------|
| Other receivables                     | 240,585    | 161,103    |
| Less: Allowance for impairment losses | (21,365)   | (27,500)   |
|                                       | 219,220    | 133,603    |
| Deposits                              | 17,743     | 17,343     |
|                                       | 236,963    | 150,946    |

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:

|                                     | 2022<br>RM | 2021<br>RM |
|-------------------------------------|------------|------------|
| Individually impaired:              |            |            |
| Other receivable - nominal value    | 21,365     | 27,500     |
| Less: Allowance for impairment loss | (21,365)   | (27,500)   |
|                                     | -          | -          |

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2022

#### 8. Other Receivables (cont'd)

|                     | 2022<br>RM | 2021<br>RM |
|---------------------|------------|------------|
| At 1 January        | 27,500     | 26,444     |
| Charge for the year | 21,365     | 27,500     |
| Recovered           | (140)      | (520)      |
| Written off         | (27,360)   | (25,924)   |
| At 31 December      | 21,365     | 27,500     |

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

|                                                 | 2022<br>RM  | 2021<br>RM  |
|-------------------------------------------------|-------------|-------------|
| As presented in statement of financial position | 8,231,268   | 7,392,655   |
| Deposits with maturity more than 90 days        | (5,976,555) | (5,564,505) |
| As presented in statement of cash flows         | 2,254,713   | 1,828,150   |

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 19 to the financial statements.

#### 10. Other Payables

|                 | 2022<br>RM | 2021<br>RM |
|-----------------|------------|------------|
| Other payables  | 662,574    | 145,832    |
| Accruals        | 102,323    | 219,772    |
| Deferred income | 307,693    | 24,762     |
|                 | 1,072,590  | 390,366    |

Included in other payables is an amount of RM554,835 (2021: RM1,467) owing to Lembaga Hasil Dalam Negeri ["LHDNM"] being its share of net income from the National Tax Conference.

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2022

#### 11. Lease Liability

|              | 2022<br>RM | 2021<br>RM |
|--------------|------------|------------|
| Analysed as: |            |            |
| Non-current  | 9,219      | 19,843     |
| Current      | 10,624     | 10,118     |
|              | 19,843     | 29,961     |

|                    | 2022<br>RM | 2021<br>RM |
|--------------------|------------|------------|
| Maturity analysis: |            |            |
| Year 1             | 10,624     | 10,118     |
| Year 2             | 9,219      | 10,624     |
| Year 3             | -          | 9,219      |
|                    | 19,843     | 29,961     |

#### 12. Operating Income

|                                         | 2022<br>RM | 2021<br>RM |
|-----------------------------------------|------------|------------|
| Courses and seminars                    | 1,709,997  | 1,926,915  |
| Examinations                            | 291,459    | 239,927    |
| Publications:                           |            |            |
| Current year                            | 7,562      | 36,370     |
| Over provision in respect of prior year | (10,929)   | (31,838)   |
| Membership services                     | 969,764    | 982,870    |
|                                         | 2,967,853  | 3,154,244  |

|                       | 2022<br>RM | 2021<br>RM |
|-----------------------|------------|------------|
| Timing of recognition |            |            |
| At a point in time    | 1,942,973  | 2,116,784  |
| Over time             | 1,024,880  | 1,037,460  |
|                       | 2,967,853  | 3,154,244  |

Membership services income is recognised net of discount of RM50,900 (2021: RM40,350) for members of age 65 and above upon application.

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2022

#### 13. Operating Expenditure

|                      | 2022<br>RM | 2021<br>RM |
|----------------------|------------|------------|
| Courses and seminars | 609,700    | 444,642    |
| Examinations         | 121,548    | 131,239    |
| Publications         | 200,694    | 177,353    |
| Membership services  | -          | 900        |
|                      | 931,942    | 754,134    |

#### 14. Other Income

|                            | 2022<br>RM | 2021<br>RM |
|----------------------------|------------|------------|
| Bad debt recovery          | 140        | 520        |
| Interest on fixed deposits | 155,960    | 123,337    |
| National Tax Conference*   | 553,833    | 520,743    |
| Sundry income              | 15,465     | 15,087     |
|                            | 726,398    | 659,687    |

\* 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 net income.



## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2022

#### 15. Administrative Expenditure

|                                           | 2022<br>RM | 2021<br>RM |
|-------------------------------------------|------------|------------|
| Annual General Meeting                    | 47,950     | 30,344     |
| Auditors' remuneration:                   |            |            |
| Charge for the year                       | 14,000     | 14,000     |
| Over provision in respect of prior year   | -          | (2,000)    |
| Bank charges                              | 35,520     | 25,070     |
| Building service charges and sinking fund | 16,453     | 16,288     |
| Depreciation:                             |            |            |
| Property, plant and equipment             | 131,892    | 112,102    |
| Right-of-use asset                        | 10,142     | 10,142     |
| Insurance                                 | 3,624      | 3,371      |
| I.T. maintenance                          | 38,968     | 28,648     |
| Legal and secretarial fees                | 4,113      | 3,942      |
| Low value lease expense                   | 1,680      | 1,680      |
| Marketing and publicity                   | 9,000      | 12,160     |
| Meeting expenses                          | 3,325      | 1,989      |
| Newspaper, periodicals and subscriptions  | 32,257     | 29,423     |
| Printing, postage and stationery          | 13,222     | 13,825     |
| Professional fees                         | 13,683     | 19,558     |
| Quit rent and assessment                  | 15,453     | 15,737     |
| Recruitment expenses                      | -          | 399        |
| Staff costs:                              |            |            |
| - Employees Provident Fund and SOCSO      | 263,332    | 245,485    |
| - Staff remuneration                      | 1,994,041  | 1,879,792  |
| - Staff welfare and insurance             | 45,973     | 43,887     |
| Telecommunication expenses                | 6,879      | 14,248     |
| Travelling, parking and toll              | 23,648     | 16,742     |
| Office expenses                           | 19,841     | 14,604     |
| Upkeep of office equipment                | 3,830      | -          |
| Utilities                                 | 16,862     | 10,416     |
|                                           | 2,765,688  | 2,561,852  |

#### 16. Other operating expenditure

|                                         | 2022<br>RM | 2021<br>RM |
|-----------------------------------------|------------|------------|
| Allowance for impairment of receivables | 21,365     | 27,500     |

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2022

#### 17. Finance cost

|                                     | 2022<br>RM | 2021<br>RM |
|-------------------------------------|------------|------------|
| Interest expense on lease liability | 1,498      | 1,980      |

#### 18. Tax (Income)/Expense

|                                                 | 2022<br>RM | 2021<br>RM |
|-------------------------------------------------|------------|------------|
| Malaysia income tax:                            |            |            |
| Current year                                    | 20,956     | 16,301     |
| Deferred tax (Note 7):                          |            |            |
| Current year                                    | (74,000)   | 42,000     |
| (Under)/over provision in respect of prior year | (7,000)    | 6,000      |
|                                                 | (60,044)   | 64,301     |

Malaysian income tax is calculated at the average tax rate of 10.70% (2021: 10.70%) on the first RM100,000 (2021: RM100,000) and at the statutory tax rate of 24% (2021: 24%) on the balance of the chargeable income of the estimated taxable surplus for the year.

The numerical reconciliation between the tax (income)/expense in the statement of profit or loss and other comprehensive income and income tax expense applicable to (deficit)/surplus before tax of the Institute is as follows:

|                                                                                               | 2022<br>RM | 2021<br>RM |
|-----------------------------------------------------------------------------------------------|------------|------------|
| (Deficit)/surplus before tax                                                                  | (26,242)   | 468,465    |
| Tax at average tax rate of 10.70% (2021: 10.70%)<br>on the first RM100,000 (2021: RM100,000)  | (2,808)    | 10,700     |
| Tax at statutory tax rate of 24% (2021: 24%) on the balance of chargeable income              | -          | 88,432     |
| Non-taxable income                                                                            | (65,617)   | (35,313)   |
| Expenses not deductible for tax purposes                                                      | 20,633     | 10,210     |
| Effect of difference in tax rate (Under)/over provision of taxation in respect of prior year: | (5,252)    | (15,728)   |
| Deferred tax                                                                                  | (7,000)    | 6,000      |
| Tax (income)/expense                                                                          | (60,044)   | 64,301     |

At the reporting date, the Institute has unabsorbed tax losses and capital allowances amounting to approximately RM212,300 (2021: RM235,100) and RM28,400 (2021: RM Nil) respectively, which can be carried forward and utilised to offset against its future taxable profits.

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2022

#### 19. 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<br>% | Within 1 year<br>RM | 1 - 5 years<br>RM | Total<br>RM |
|------------------------------|------|----------------------|---------------------|-------------------|-------------|
| <b>At 31 December 2022</b>   |      |                      |                     |                   |             |
| <b>Financial asset</b>       |      |                      |                     |                   |             |
| <u>Fixed rate:</u>           |      |                      |                     |                   |             |
| Deposits with licensed banks | 9    | 2.74%                | 8,231,268           | -                 | 8,231,268   |
| <b>Financial liability</b>   |      |                      |                     |                   |             |
| <u>Fixed rate:</u>           |      |                      |                     |                   |             |
| Lease liability              | 11   | 5.00%                | 10,624              | 9,219             | 19,843      |
| <b>At 31 December 2021</b>   |      |                      |                     |                   |             |
| <b>Financial asset</b>       |      |                      |                     |                   |             |
| <u>Fixed rate:</u>           |      |                      |                     |                   |             |
| Deposits with licensed banks | 9    | 1.36%                | 7,392,655           | -                 | 7,392,655   |
| <b>Financial liability</b>   |      |                      |                     |                   |             |
| <u>Fixed rate:</u>           |      |                      |                     |                   |             |
| Lease liability              | 11   | 5.00%                | 10,118              | 19,843            | 29,961      |

##### (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 2022

#### 19. 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 based on contractual undiscounted repayments obligations is as follows:

|                            | Note | Within 1 year<br>RM | 1 - 5 years<br>RM | Total<br>RM |
|----------------------------|------|---------------------|-------------------|-------------|
| <b>At 31 December 2022</b> |      |                     |                   |             |
| Other payables             | 10   | 1,072,590           | -                 | 1,072,590   |
| Lease liability            | 11   | 10,624              | 9,219             | 19,843      |
| <b>At 31 December 2021</b> |      |                     |                   |             |
| Other payables             | 10   | 390,366             | -                 | 390,366     |
| Lease liability            | 11   | 10,118              | 19,843            | 29,961      |

#### 20. Financial Instruments

##### (a) Categories of Financial Instruments

|                              | Note | 2022<br>RM | 2021<br>RM |
|------------------------------|------|------------|------------|
| <b>Financial assets</b>      |      |            |            |
| Amortised cost:              |      |            |            |
| Other receivables            | 8    | 236,963    | 150,946    |
| Deposits with licensed banks | 9    | 8,231,268  | 7,392,655  |
| Cash and bank balances       |      | 128,665    | 302,658    |
|                              |      | 8,596,896  | 7,846,259  |
| <b>Financial liabilities</b> |      |            |            |
| Amortised cost:              |      |            |            |
| Other payables               | 10   | 1,072,590  | 390,366    |
| Lease liability              | 11   | 19,843     | 29,961     |
|                              |      | 1,092,433  | 420,327    |

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 DECEMBER 2022**

#### **20. Financial Instruments** *(cont'd)*

##### **(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.

#### **21. 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 31<sup>ST</sup> ANNUAL GENERAL MEETING

Date : **Saturday, 24 June 2023**  
Time : **9:30 a.m.**  
Venue : **Banquet Hall, Level 3, East Wing, Kuala Lumpur Convention Centre, 50088 Kuala Lumpur**

### Registration

1. Registration will start at 8:30 a.m. and close at 9:45 a.m.
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 2023 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, 22 June 2023 or emailed to support\_conveneagm@kpmg.com.my not later than 9:30 a.m. on Thursday, 22 June 2023.

The form of proxy is attached together with the 2022 Annual Report and a copy can also be downloaded from the Institute's website under "Members Only → Annual General Meeting".

### 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 30<sup>th</sup> AGM Minutes will not be tabled for discussion at the forthcoming AGM. Members are advised to review the Minutes of the 30<sup>th</sup> AGM held on 25 June 2022 on the Institute's website under "Members Only → Minutes of Meetings". Issues may be raised provided due notice is given to the Secretariat in accordance with Note 4 of the Notice of Meeting.*





CHARTERED TAX INSTITUTE OF MALAYSIA

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

**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 thirty-first (31st) Annual General Meeting of  
the Institute to be held at the Banquet Hall, Level 3, East Wing, Kuala Lumpur Convention Centre, 50088 Kuala  
Lumpur on Saturday, 24 June 2023 at 9:30 am and at any adjournment thereof in the manner set out below.

\* Strike out whichever is not desired

| No. | Resolution                                                                                                                                                                                  | For | Against |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
| 1.  | To elect not more than four (4) Council Members for the 2023/2027 term by secret ballot.<br><i>(Please review the administrative details for further information on the voting process)</i> | N/A |         |
| 2.  | To re-appoint the Auditors for the ensuing year. (See Note below)                                                                                                                           |     |         |
| 3.  | To adopt the proposed amendment to clauses 76, 77, 80 and 92 of the Constitution of the Institute.                                                                                          | N/A |         |

**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 ..... 2023

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 2023 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, 24 June 2023, 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 am on Thursday, 22 June 2023 or emailed to support\_convneagm@kpmg.com.my not later than 9:30 am on Thursday, 22 June 2023.







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