



# Annual Report 2011



# Vision

To establish financial planning as a recognized profession through the promotion of excellence in financial planning for the benefits of all Malaysians.

# Mission

To establish the global CFP Mark as the leading symbol of excellence for personal financial planning in Malaysia.

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# Notice of Annual General Meeting



**NOTICE IS HEREBY GIVEN** that the 12th Annual General Meeting of the Financial Planning Association of Malaysia (FPAM) will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Saturday, **30 June 2012** at **11.00 a.m.** for the following purpose:

1. To receive the President's Statement and Board of Governor's report on the activities of the Association for the year ended 31 December 2011
2. To receive the audited accounts of the Association for the year ended 31 December 2011
3. To re-appoint Ernst & Young as the auditors and to authorize the Board to determine their remuneration
4. To transact any other ordinary business for which due notice shall have been given

By Order of the Board

**Ong Eu Jin**

Honorary Secretary

Kuala Lumpur

Date : 8 June 2012

Note: Only Certified Members of the Association who have fully paid all fees payable in respect of their membership up to thirty (30) days before the date of the Annual General Meeting are entitled to attend and vote at the Annual General Meeting. No proxies are allowed.

# Board of Governors



## SEATED LEFT TO RIGHT:

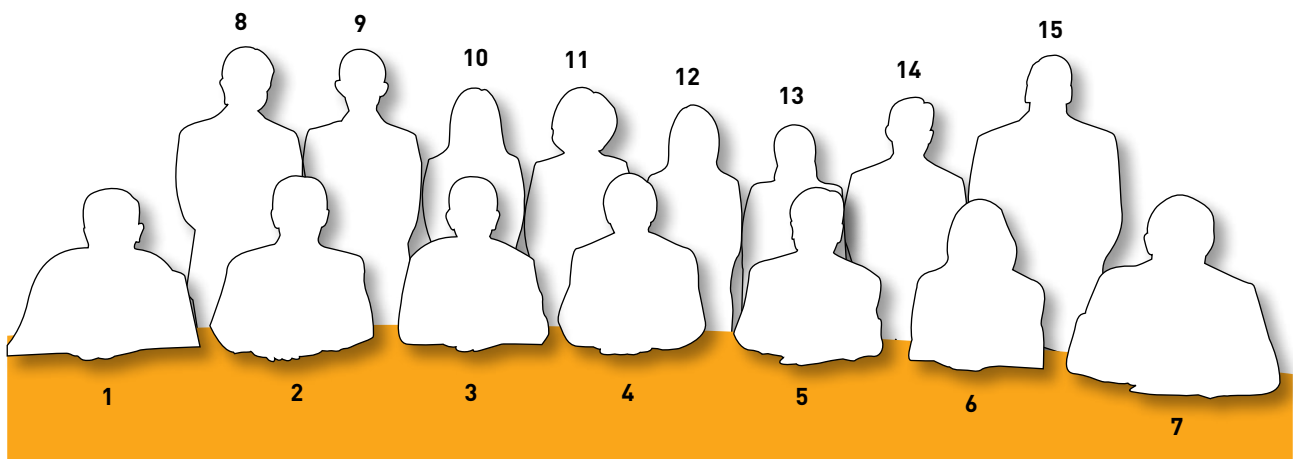
- 1) Steve Teoh Loon Heng
- 2) Ong Eu Jin (Honorary Secretary)
- 3) Datuk Ibrahim Muhammad (Vice President)
- 4) Wong Boon Choy (President)
- 5) Alex Sito Kok Chau (Vice President)
- 6) Sharifatul Hanizah Said Ali (Honorary Treasurer)
- 7) Edmond Cheah Swee Leng

## STANDING LEFT TO RIGHT:

- 8) Dato' Sulaiman Mohd Tahir
- 9) Dennis Tan Yik Kuan
- 10) Lor Ai Siew
- 11) Chia Siew Chin
- 12) Tang Wee Hen
- 13) Aida Md Daud
- 14) Chan Chow Hun (Chief Executive Officer)
- 15) Mikhail Raj Abdullah

## NOT IN PHOTOGRAPH:

- U Chen Hock  
Wong Loke Lim (Deputy President)  
Say Sok Kwan



# Board Attendance In Year 2011-2012

Board of Governors - Responsible for all policy matters affecting the Association and the profession		15 June 2011	24 August 2011	7 January 2012	28 March 2012	Total
1	Wong Boon Choy	•	•	•	•	4/4
2	Wong Loke Lim	•		•		2/4
3	Datuk Ibrahim bin Muhammad	•	•	•	•	4/4
4	Alex Sito Kok Chau	•			•	2/4
5	Ong Eu Jin	•	•		•	3/4
6	Sharifatul Hanizah Said Ali	•	•	•	•	4/4
7	Chia Siew Chin	•	•		•	3/4
8	Edmond Cheah Swee Leng			•	•	2/4
9	Steve Teoh Loon Heng	•	•		•	3/4
10	Aida Md Daud	•	•	•	•	4/4
11	Dennis Tan Yik Kuan	•	•		•	3/4
12	U Chen Hock		•			1/4
13	Lor Ai Siew	•			•	2/4
14	Tang Wee Hen	•	•	•	•	4/4
15	Dato' Sulaiman Mohd Tahir		•		•	2/3
16	Say Sok Kwan		•	•		2/3
17	Mikhail Raj Abdullah		•		•	2/3
18	Raju a/l Periasamy					-

(Note: Raju Periasamy resigned on 3/1/12)

Present
  Absent
  Resigned

# Profiles of Board of Governors

Name	Profile
	<p><b>MR. WONG BOON CHOY</b></p> <p><b>Mr Wong Boon Choy</b>, CA(M), CPA, CFP, is the Chief Executive Officer and Executive Director of MAAKL Mutual. Prior to joining MAAKL Mutual, he was the Senior General Manager of Public Mutual (formerly known as KL Mutual). He joined KL Mutual in 1988 and since then has accumulated more than 20 years of experience in the Malaysian unit trust industry. Before joining KL Mutual, he was with an international accounting firm for eight years.</p> <p>Mr Wong is a founder member and currently the President of the Financial Planning Association of Malaysia (FPAM). He was also involved in establishing the Federation of Investment Managers Malaysia (formerly known as Federation of Malaysian Unit Trust Managers) when he was appointed the Founding Secretary.</p> <p>A strong believer in financial planning, he co-authored a financial planning book entitled "Financial Freedom – Your Guide To Lifetime Financial Planning" and a second book entitled "Financial Freedom – Through Malaysian Equities and Unit Trusts". In June 2008, Mr Wong co-authored a third book which revolves around the themes of health and wealth entitled "CHOICES – Live Well and Don't Die Broke".</p>
	<p><b>MR. WONG LOKE LIM</b></p> <p><b>Mr Wong Loke Lim</b> is the Executive Director overseeing the investment management business of boutique financial services company, Hickham Capital Management Sdn Bhd. He is also the Managing Director of i-Biz Concept Sdn Bhd, a financial training and management resources provider. Previously, Mr Wong was a general manager at KAF Investment Bank Bhd. He is a Certified Financial Planner, a chartered accountant and a fellow of the Association of Chartered Certified Accountants.</p> <p>Mr Wong is the Deputy President of FPAM.</p>
	<p><b>DATUK IBRAHIM MUHAMMAD</b></p> <p><b>Datuk Ibrahim</b> started his career in Maybank with nearly 31 years of distinguished service record where he held various positions of responsibilities.</p> <p>In January 2005, he was appointed Head, Sales Management, where his core responsibility was to expand the retail business of Maybank. In August 2007, he assumed the post of Head, Bancassurance, where he was instrumental in the expansion and growth of the Bancassurance business. In 2009 he was the Head of National Sales, Community Distribution, Community Financial Services, Maybank and in charge of overall sales performance nationwide. Recently in January 2012, he was appointed Head of SME Banking, accountable for small &amp; medium business development for Maybank Group.</p> <p>During his career, he actively participated in major projects of the bank, namely KL Main Transformation Project in 2001, Sales Transformation Project and Bancassurance Model Review in 2005.</p> <p>Datuk Ibrahim graduated from University Pertanian Malaysia with a Bachelor of Science (Agriculture) in 1981. He has attended International Management Programmes at the Asian Institute of Management in Philippines, and at the University of Washington and the University of Chicago in the United States of America.</p> <p>Datuk Ibrahim is currently the Vice President of FPAM. He is also a member of the Federation of Investment Managers of Malaysia (FIMM).</p>
	<p><b>MR. ALEX SITO KOK CHAU</b></p> <p><b>Mr Alex Sito</b> is the general manager and head of the marketing and financial planning department at Public Mutual. His responsibility covers all functions of the company's marketing and communications, marketing research, Web marketing, bank channel business development and a range of financial planning products and services. Mr Sito joined Public Mutual in 1996 upon returning from the U.S. where he had worked with several large financial institutions. He is a chartered financial consultant and a Certified Financial Planner. He also holds a postgraduate degree in marketing from Australia's University of Newcastle. Mr Sito has over 20 years of experience in the financial services industry with a broad knowledge of both the U.S. and Malaysian mutual fund industry. The co-author of a book on financial planning entitled: Financial Freedom – Your Guide To Lifetime Financial Planning, Mr Sito is also a member of the American Marketing Association.</p> <p>Mr Sito is currently the Vice President of FPAM.</p>
	<p><b>MR. ONG EU JIN</b></p> <p><b>Mr Ong Eu Jin</b>, LLB(Hons), MBA, LLM, CFP, is a practicing lawyer and partner of Lee Hishammuddin Allen &amp; Gledhill. Previously, he was the Chief Operating Officer and Executive Director of OSK Trustees Berhad, a trust corporation registered with the Securities Commission and under the Trust Companies Act 1949.</p> <p>Mr Ong is currently the Honorary Secretary of FPAM.</p> <p>A qualified solicitor of the Supreme Court of England and Wales, he has authored three finance bestsellers and has also written on wealth protection and preservation, estate planning and business succession planning for local publications such as The Edge Malaysia and Smart Investor. Despite a tight schedule, Mr Ong manages to find time to go on the conference circuit, having been a featured speaker at events and seminars organised by Bursa Malaysia, Securities Commission Malaysia and the Financial Planning Association of Malaysia, among others.</p>

## Profiles of Board of Governors (cont'd)



### PUAN SHARIFATUL HANIZAH SAID ALI

**Puan Sharifatul Hanizah Said Ali** joined RHB Investment Management Bhd in December 2006 as its Chief Executive Officer. She was appointed as the Managing Director of RHBIM on 7th February 2007 upon obtaining approval from the Securities Commission.

Puan Hanizah has 22 years of experience in the financial services industry. She began her career in the capital markets industry in 1988 with a bank backed broking house prior to joining Permodalan Nasional Berhad ("PNB") in 1991. Puan Hanizah was formerly the Vice President at Pengurusan Pelaburan ASN Bhd, a wholly owned subsidiary of PNB. She has extensive and diverse experience encompassing the field of investment analysis, portfolio management and equity trading. She is currently a holder of the Capital Markets Services Representative Licence for fund management as well as investment advisory, a Fellow of the Financial Services Institute of Australasia and a Certified Financial Planner, and a member of the FPAM's Board of Governors. During her tenure in PNB, she also served on the boards of both listed and private companies invested by PNB as a nominee of the state investment corporation. She also currently sits on the Boards of RHB Research Institute Sdn Bhd, RHB Private Equity Management Ltd and RHB Islamic Asset Management Sdn Bhd.

Puan Hanizah is the Honorary Treasurer of FPAM.



### PUAN AIDA DAUD

**Puan Aida Daud** is currently the head of Human Capital Planning and Development (HCPD), responsible for the training and development of human capital in Permodalan Nasional Bhd (PNB). She graduated from ITM with a Diploma in Public Administration in 1981 and holds a Bachelor of Science in Business Administration (Finance and Law) from Portland State University, USA and an MBA from Scotland's Strathclyde University. Aida joined PNB in 1981 as an analyst and held various positions in Research and Corporate Services. She was the head of Corporate Services before moving to HRPD in 1998. In 1984, she participated in a one-year attachment with JB Were & Sons in Melbourne, Australia where she also completed a certificate course from the Financial Securities Institute of Australasia or Finsia (formerly known as Securities Institute, Australia). She joined Finsia as an Affiliate member in 1998 and became a Senior Associate Member in 2005, and has been a Certified Member of FPAM since 2003.

Puan Aida is a Board Member of FPAM.



### MDM CHIA SIEW CHIN (MRS SUE YONG)

**Mrs Sue Yong** is a pioneer in the offshore trust industry in Malaysia. She set up a trust company in the Labuan International Offshore Financial Centre in 1992. She is the Managing Director of TMF Trustees Malaysia Berhad (TMF) (previously known as Equity Trust (Malaysia) Bhd), a trustee company offering solutions to corporate and private clients in tax advantaged structures, corporate management as well as estate and trust planning. TMF also acts as corporate trustee for unit trust funds and private debt securities, and provides fund administration support. Mrs Yong is a member of the Institute of Chartered Accountants in England and Wales (ICAEW), Malaysian Institute of Accountants (MIA), Chartered Tax Institute of Malaysia (CTIM) and the UK-based Society of Trust and Estate Practitioners (STEP).

Mrs Yong is a Board Member of FPAM.



### MR. EDMOND CHEAH SWEE LENG

**Mr Cheah** is a founder member and Past President of FPAM which was established in December 1999.

He is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants and Association of Chartered Accountants, England & Wales. He is also a Certified Financial Planner. His professional experience has been in the fields of audit, merchant banking, corporate and financial advisory, portfolio and investment management, unit trust management and financial planning.

Mr Cheah was the Chief Executive Officer/Executive Director and a member of the Investment Committee of Public Mutual Berhad, the largest private unit trust management company in Malaysia. He was also a Council Member and Chairman of the Secretariat of the Federation of Malaysian Unit Trust Managers (FMUTM, now known as FiMM), a former Task Force Member on Islamic Finance for Labuan International Offshore Financial Centre (LOFSA) and a former member of the Securities Market Consultation Panel in Bursa Malaysia Berhad.

Mr Cheah sits on the Board of Adventa Berhad, Nylex Malaysia Berhad and Ancom Berhad. These companies are listed on Bursa Malaysia. He is also an Investment Committee Member and Director of MAAKL Mutual Berhad, a subsidiary of MAA Holdings Berhad which is listed on Bursa Malaysia.



## Profiles of Board of Governors (cont'd)



### MR. DENNIS TAN YIK KUAN

As Managing Director of iFAST Capital Sdn Bhd, **Mr Dennis Tan** has over 9 years' experience in the unit trust industry. Mr Tan oversees the iFAST Integrated Wealth Management Platform ("iFAST Platform") business in Malaysia. Launched in October 2008, the iFAST Platform is targeted at Corporate Unit Trust Advisers and financial institutions.

iFAST Capital is 82% owned by iFAST OSK Sdn Bhd – a 62%:38% joint venture between Singapore's iFAST Corporation Pte Ltd ("iFAST Corp") and Malaysia's OSK Investment Bank Bhd. Since 2000, iFAST Corp has been one of the largest online unit trust distributors in Asia and Singapore's leading wealth management platform for independent financial advisory companies.

iFAST Capital is licensed by the Securities Commission of Malaysia and holds the Capital Markets Services Licence to carry out the regulated activities of dealing in unit trust and investment advice. The company is also registered with the Federation of Investment Managers Malaysia (FIMM) as an Institutional Unit Trust Advisers (IUTA) to market and distribute unit trusts.

Mr Tan joined iFAST Corp in 2002 as an IT Manager and has been actively involved in the software development for end-user application. In 2004, he climbed the ranks to take on the position of Business Development Manager responsible for the growth of the software division business. In 2006, Mr Tan was promoted as Managing Director of iFAST Service Centre Sdn Bhd and more recently in 2008, he took on the role as the Managing Director of iFAST Capital Sdn Bhd.

Mr Tan is also the Executive Director for iFAST-OSK Sdn Bhd and also FA Corporate and Compliance Consultancy Sdn Bhd. He is a Computer Science graduate from University Putra of Malaysia and a Certified Financial Planner (CFP).

He is a Board Member of FPAM.



### MR. STEVE TEOH LOON HENG

A political science graduate, **Mr. Steve Teoh**, BA (Hons) UK, MMIM, CFP, is the Immediate Past President and a Founding Board Member of FPAM.

He currently serves as Chair of the Appeals Committee/Disciplinary Board and Adviser to the Editorial Panel of the 4E Journal as well as a member the Financial Planning Standards Board Communications Advisory Panel (CAP) that supports the CFP brand development activities amongst the 23 global affiliates.

Amongst the local industry development undertakings, he was the chair of the Malaysian Financial Planning Industry Consolidation Taskforce, and was a Work Group Member Representative of the industry SRO (Self-Regulatory Organization) initiatives. The undertaking of the Taskforce is a sanctioned initiative by both the Securities Commission and Bank Negara Malaysia to assist in the orderly development of the Financial Planning Industry. Mr. Teoh also sat on the Working Group for Financial Planning at the Malaysian Institute of Accountants (MIA).

He was a Licensed Representative of a Wealth Management Consultancy and until April 2005, was the Executive Director of a Securities Commission licensed Asset Management Company.

On the social responsibilities front, Mr. Teoh is a founding trustee of the BUDIMAS Charitable Trust, a foundation that caters for underprivileged children under the distinguish Royal Patronage of Her Majesty, the Queen.



### MR. U CHEN HOCK

**Mr U Chen Hock** is the Chief Executive Officer and Executive Director of OSK Investment Bank (OSKIB).

Prior to joining OSKIB, he had an illustrious career spanning over 30 years with HSBC Bank during which time, he had assumed numerous positions and responsibilities in the region in the areas of corporate, commercial and consumer banking.

He is currently a Board Member of FPAM. He was the President of FPAM for 1.5 terms between 2005/2008 before leaving Malaysia for his overseas postings.



### MS LOR AI SIEW

**Ms Lor Ai Siew**, BA (Hons), CFP, is the Deputy General Manager of Agency Operations Department at Public Mutual, handling Business Development, Agent Service and Insurance matters. She joined Public Mutual in 1996 and since then has accumulated more than 15 years of experience in the Malaysian unit trust industry. Prior to joining Public Mutual, she was in the insurance industry from 1990 to 1996, in charge of Agency Development and Support.

Ms Lor was a Working Committee Member – Chapter Development, and is currently a Board Member of FPAM.

## Profiles of Board of Governors (cont'd)



**MR. MIKHAIL RAJ ABDULLAH**

**Mr Mikhail Raj**, 54 years, had his Tertiary Education: Bachelor of Arts (UKM) 1982.

He was Lecturer with Cyma College of Science and Arts from 1982 and joined Bernama in 1984 as journalist. He has been Editor of Bernama Economic Service since 1998 covering trade, business and economic news as well as stock, commodity and currency markets. He has covered both regional and international meetings such as Asean summits, APEC summits, World Trade Organisation, Organisation of Islamic Conference (OIC) business meetings, Langkawi International Dialogue and Southern Africa International Dialogue.

He oversees about 15 reporters under Bernama Economic Service, whose main duties are to disseminate economic news daily to a wide range of clientele including, newspapers, radios, television stations, as well as websites, portals, embassies and government ministries in both English and Bahasa Malaysia. He handled coverage of annual budgets from 1984 to 2011 including writing the main feature article.

His early reporting days also included coverage of the insurance industry where he worked closely with the Malaysian Insurance Institute (MII) as well as Bank Negara Malaysia

Mr Mikhail Raj is a Board Member of FPAM.



**MS SAY SOK KWAN**

**Ms Say Sok Kwan** is the current Head of School of Business Studies, Tunku Abdul Rahman (TAR) College. Prior to this appointment in September 2009, she was the Head of Accounting Division, School of Business Studies (TAR) College and the Course Leader for both the ACCA and CIMA programmes at TAR College. She has been involved in designing, reviewing and developing programme curriculum for approval by the Ministry of Higher Education (MOHE), accreditation by the Malaysian Qualification Agency (MQA), Public Services Department (PSD), Professional Accountancy Bodies such as ACCA and CIMA and Foreign Universities particularly UK universities.

Ms Say is a Board Member of FPAM.



**DATO' SULAIMAN MOHD TAHIR**

**Dato' Sulaiman Mohd Tahir** is the Executive Director of CIMB Bank and Head of Consumer Sales and Distribution. He heads the development, implementation and management of the sales and distribution channels for the Group's consumer banking products and services. He also drives CIMB Bank's Community Link projects through the network of 325 branches in Malaysia.

Dato' Sulaiman has held various positions in CIMB including Group Head of the Japanese Business Unit, Branch Manager, Area Business Manager, and Regional Manager for Business Credit relationships. In 2002, he was appointed to lead the Credit Card Centre before assuming the role of Head of Retail Sales and subsequently head of Retail Sales and Distribution Division in 2005.

Prior to joining the Bank of Commerce (now known as CIMB Bank) in 1987, Dato' Sulaiman served at Price Waterhouse. He is 49 years old and holds a degree in Accounting from RMIT University, Australia.

Dato' Sulaiman is a Board Member of FPAM



**MS TANG WEE HEN**

**Ms Tang Wee Hen** is active in promoting financial planning practice in the local, region and international scenes. She is a Chartered Accountant (Bachelor of Accounting, Universiti Malaya), CFP, and also an Associate Certified Coach (ACC) credentialed under International Coach Federation (ICF) USA.

She was the Vice President of CIMB Wealth Advisors Financial Care Centre where her role was to set up, manage and develop the Financial Care Centre, as one of the pioneer licensed financial planning companies providing comprehensive financial planning services in Malaysia. As a Manager Coach for more than 70 Financial Planners, she conducted Sales Performance Coaching Clinic in supporting the planners and she also provided financial planning tool and processes training and support to the financial planners.

Prior to CIMB, Ms Tang held various local, regional and international roles with NCR Malaysia, NCR Corporation (USA), IPerintis (affiliated company with Petronas) and British American Tobacco in the areas of finance, accounting, auditing (International Corporate Auditor of NCR in 15 countries), taxation and project management since 1994.

Currently, Ms Tang serves as the Vice President South East Asia for PlanPlus Inc, a world class award winning financial planning software and training company based in Canada. She is also a Partner of Harvest Global Resources SB, a specialist provider of Sales Coaching in the areas of Skills Coaching, Performance Coaching and Developmental Coaching, both for Sales Leaders and Sales Professionals.

With more than 10 years of experience in the financial advisory industry, she has specialized herself as a Financial Advisor Consultant Coach, helping financial planners/advisors (both individual and corporate) in developing, transitioning and performing in their business.

She is currently a member of the Board Member of FPAM and leads the Practitioner Development Work Group, a chairperson of the Financial Planning Association (FPA USA) Asia Pacific Geographic Focus Group and a member of ICF USA and ICF Malaysia Chapter.

# President's Statement



On behalf of the Board of Governors, I have the pleasure to present to you the 12th Annual Report and Financial Statements of the Financial Planning Association of Malaysia for the year ended 31 December 2011.

## Financial Performance

For the year ended 31 December 2011, the Association achieved a surplus of RM42,581. This represents more than double the surplus of the previous period.

During this period, however, income fell by RM197,679 or 9%. At the same time, expenditure was reduced by RM224,647 or 11%.

Moving forward, we will need to step up our effort to increase revenue from membership and examinations which are the Association's main sources of income. We have done well in the continuing education program and will continue to increase its frequency and reach. In terms of managing expenditure, the Association will look to more industry collaboration as a means of leveraging resources to undertake programs to promote the industry. We will also review the costs incurred, among others, by office rental and by the 4E Journal, as possible sources of further savings.

## Membership

The number of current certified members has increased from 2,300 in the previous period to 2,580 individuals, by 280 or 12%. The number of individual members who have or are currently undertaking the Association's programs have increased by 659 or 7% ,from 8,857 to 9,516 members.

One of the challenges of growing individual membership for FPAM is that financial planning is a relatively young profession and it draws its practitioners and professionals from older, more established segments of the industry such as banking, insurance, unit trusts and stock broking.

Many members are eager to acquire the knowledge imparted by the CFP certification program and enroll in the program either on their own initiative or are encouraged by their employers or principals. Once qualified, however, many still choose to continue with their existing career which they have established and built over the years.

The existing legislation recognizing financial planners by requiring them to be licensed seems to require CFP certificants to make a choice of whether they belong in financial planning, as strictly defined, or not.

The Association would like to emphasize that the CFP designation is relevant for all professionals in the retail segment of the financial industry. It is valued by increasingly sophisticated consumers in their quest for knowledgeable, ethical advisers who place their interests first. The Association will focus increasingly on how the CFP designation improves members' competencies and adds to their prestige and recognition, irrespective of the industry segment they are in.

The Association is also seeking to build on the benefits that a CFP designation confers on its holders such as expanding the list of recognitions by regulators, industry bodies, government agencies and consumers. Members



will also be assured of the continuing rigor of the CFP certification program which ensures that it is always up to date, relevant and respected.

## Future entry qualifications

The Financial Planning Standards Board recommends that a bachelor's or equivalent degree be required for CFP certification, but recognizes this is not always possible and has allowed each affiliate to develop a program to gradually conform to this requirement. Currently, seven FPSB Members require a bachelor's degree or equivalent. They are Australia, Austria, Chinese Taipei, Indonesia, South Africa, Switzerland and the United States. Malaysia plans to achieve this entry requirement upgrade in the near future, allowing the current batch to complete their program. Those members whose membership have lapsed will have to meet the new requirement once it is introduced if they wish to re-register with the Association.

## Cross Border recognition

The CFP credential is an internationally recognized mark currently offered in 24 countries and is still expanding. It is one of the fastest growing professional qualifications in the area of personal financial services. Of particular interest to members especially to those who plan to expand beyond the borders of Malaysia is the international recognition accorded to the CFP credential.

In 2011, FPAM signed a memorandum of understanding with its counterpart in Singapore, the Financial Planning Association of Singapore (FPAS), to cross recognize each other's CFP credential. Other affiliates such as Australia, Canada, New Zealand and Hong Kong also have provisions to recognize and grant exemptions to CFP professionals from other countries.

## Practitioners and Professional Development Workgroup

This Workgroup was formed after the AGM last year. Its main purpose is to assist members who wish to take their theoretical knowledge one step further and apply it in practice. The programs organized by this workgroup are meant to benefit all segments of the membership be they employees, agents or licensed financial planners. The Workgroup's current series of workshop is meant to develop attendees' skills in engaging and communicating with clients and in better understanding clients' needs and meeting their expectations. Other areas of practice will also be included. The series of workshops have been well received and are available also at the Chapter level.

# President's Statement (cont'd)

## Regulatory trend

In what seems to be a growing trend, Regulators in a number of overseas jurisdictions have or are planning to introduce regulations that seek to move financial intermediaries from a sales and commission mode to an advisory and fee mode. This has been the case in India, the United Kingdom, Australia and Singapore. This often requires financial intermediaries to be properly registered with the necessary qualification being a prerequisite. Financial intermediaries should therefore understand that the qualification that they now hold is likely to be made a requirement for practice in future.

## Regulatory Review Workgroup

One of the issues raised by members regarding existing regulations on financial planning is that on one hand, it may penalize members who are not currently licensed financial planners but who nonetheless wish to adopt the financial planning approach in assessing their clients' financial situation and needs so as to better recommend an appropriate product or solution.

On the other hand, there are members in the industry who are not financial planners but adopt titles that convey the impression that they are similarly qualified and perform similar tasks, thus escaping the onerous obligations placed on licensed financial planners.

A workgroup was formed to review the regulations and to recommend the appropriate amendments to the Regulators.

Subsequent to our discussion, the Regulators have informed us that arising from our discussion, they will act with the necessary discernment when addressing cases relating to the above matter. They have also assured that the current regulation, read/taken together with the corresponding rules and guidance, are adequate for the issue to be addressed administratively with immediate effect. What is also important is for the industry and the public to assist in pointing out any transgressions to enable enforcement to take place when such incidences occur.

## CE courses

In a rapidly evolving and continuously developing industry, continuing education is an important component of any professional certification program. For the period ended 31, December 2011, FPAM organized a total of 31 courses for members' benefit across a broad section of topics, both in the Klang Valley and in the Chapter areas. As a further benefit to our members, almost all of these courses are recognized by SIDC for CPE points as well.

## Chapters

We are happy to note that the Chapters continue to be active in organizing programs for their members, averaging one every quarter. We continue to support our Chapters, among others, by subsidizing their continuing education and networking events.

However, the success of these Chapters is due to the Chapter members themselves and especially to the volunteers serving in the Chapter Committees. We commend their efforts and their generous volunteering spirit.

Last year, all the Chapters other than Perak, held their General Meetings which saw the formation of Chapter Committees for the new term of 2012/2013. The Perak Chapter will hold theirs this year.

I would like to thank the retiring Chairman of these committees - Tan Kim Book from the Malacca Chapter, Yap Soon Hin from the Penang Chapter, Wee Hun Been from the Sarawak Chapter and Poedjo Soesilotomo (Tom) of the Sabah Chapter - and their respective Committee members, for their services and contribution during their term of office.

At the same time I would like to congratulate and welcome Nicholas Chu, Kim Wan, Cynthia Chia and Wilfred Lim who now helm the leadership of the respective aforementioned Chapters

Moving forward, we would like to see Chapters track the impact of their programs more closely. Ideally the programs organized should be financially sustainable, well attended and contribute to membership retention and growth. Funding will also be allocated based on targets and objectives met.

## Acknowledgement

I am now serving as President of FPAM for a second consecutive term. It is indeed an honour but more importantly, I would not have been able to carry out my responsibilities in full had it not been for the unstinting support of my fellow Board members. I would like to thank each and every one of them for having contributed their time and expertise so generously.

During this period, the Board of Governors had undertaken a strategic review of the Association's direction and operations as well as put in place a series of targets and action plans. We have also formed a number of workgroups to address particular issues and activities. I would like to convey my deepest appreciation to all the members who volunteered for the various workgroups and committees including Ong Eu Jin who headed the Regulatory Review Workgroup, Tang Wee Hen who heads the Professional Development Workgroup, Steve Teoh who headed the Communication Workgroup, Lor Ai Siew who heads the Chapter Workgroup and Sharifatul Hanizah Said Ali who heads the IFP Workgroup.

On behalf of the Board of Governors, I would also like to express my appreciation to all the staff of FPAM for their contribution in the management of the Association. Last but not least, I wish to thank each and everyone of our members, individual and corporate, for your involvement, participation and support.

Thank you.

**Wong Boon Choy**  
President

# Calendar of Events

for the Year 2011

## January

### January 4

Seminar: **Accessing the Malaysia Equity Market**  
Instructor: *Mr. David Meow*  
Venue: Melia Hotel, Kuala Lumpur

### January 11

Seminar: **Financial Modelling**  
Instructor: *Mr. David Meow*  
Venue: Melia Hotel, Kuala Lumpur

### January 23

Seminar: **How to Detect Accounting Gimmicks and Fraud in Financial Reports**  
Instructor: *Mr. Sarjit Singh Sandhu*  
Venue: Concorde Hotel, Kuala Lumpur

### January 25

Event: **HP Global Wellness Initiative**  
Venue: HP Campus, Cyberjaya

### January 29

Seminar: **Declaration of Trust – Protection of Equitable Interest and Distribution of Assets**  
Instructor: *Mr. Azhar Iskandar Hew*  
Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

## February

### February 12

Seminar: **Wealth Destruction and Rehabilitation – Helping Malaysian Retirement Clients Thrive**  
Instructor: *Mr. Rajen Devadason*  
Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

### February 28

Event: **Courtesy Call to BNM & AKPK Kota Kinabalu**  
Venue: FPAM Sabah Chapter

## March

### March 5

Seminar: **Smart Property Investment Strategies**  
Instructors: *Mr. Ho Chin Soon & Mr. Michael Geh Thuan Peng*  
Venue: Eastin Hotel, Penang

### March 19

Seminar: **Understanding & Interpreting Financial Statements**  
Instructor: *Mr. Thye Foot Leong*  
Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

### March 19

Event: **Bintulu Networking Nite**  
Venue: Level 5, NewWorld Suite, Bintulu, Sarawak

### March 26

Seminar: **Mortgage Reduction Planning – Issues & Strategies**  
Instructor: *Mr. Franciss Chin*  
Venue: Promenade Hotel, Kota Kinabalu

### March 26

Seminar: **Smart Property Investment Strategies**  
Instructors: *Mr. Ho Chin Soon & Mr. Michael Geh Thuan Peng*  
Venue: Tower Regency Hotel, Ipoh

### March 30-31

Event: **UTAR Campus Career Fair**  
Venue: UTAR Campus, Kampar

## April

### April 2

Seminar: **Smart Property Investment Strategies**  
Instructors: *Mr. Ho Chin Soon & Mr. Michael Geh Thuan Peng*  
Venue: Harbour View Hotel, Kuching

### April 11 - 13

Event: **FPSB Council Meeting**  
Venue: Frankfurt, Germany

### April 15

Seminar: **How to Invest Sensibly with Options**  
Instructor: *Wai Yee Chen*  
Venue: Gurney Hotel, Penang

### April 15

Event: **Chapter AGM / Networking Nite**  
Venue: Gurney Hotel, Penang

### April 20

Seminar: **How to Invest Sensibly with Options**  
Instructor: *Wai Yee Chen*  
Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

## May

### May 7

Seminar: **Smart Property Investment Strategies**  
Instructors: *Mr. Ho Chin Soon & Mr. Michael Geh Thuan Peng*  
Venue: Sandakan

### May 13

Event: **Appreciation Nite for BOG**  
Venue: Nerofico Restaurant, Damansara Heights

### May 14

Seminar: **Smart Property Investment Strategies**  
Instructors: *Mr. Ho Chin Soon & Mr. Michael Geh Thuan Peng*  
Venue: Promenade Hotel, Tawau Sabah



# Calendar of Events (cont'd)

for the Year 2011

**May 21**

Event: **11th Annual General Meeting**  
 Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur



**May 21**

Seminar: **Practical Tips for Buy-Sell Arrangements and Business Succession**  
 Instructor: *Azhar Iskandar Hew*  
 Venue: Eastin Hotel, Penang

**May 28**

Seminar: **An Insight into Market Development with emphasis China and Vietnam**  
 Instructor: *Mr. Anthony Dass*  
 Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

**May 28**

Seminar: **Business Model & Business Opportunities for CFP Professional**  
 Speakers: *Mr. Javern C H Lim, Mr. Alvin Tan & Mr. Dennis Tan*  
 Venue: Tower Regency Hotel, Ipoh

**June**

**June 11 – 12**

Event: **CFP Certification Examinations**  
 Venue: Kuala Lumpur, Penang, Johor, Sabah & Sarawak

**June 18**

Seminar: **Practical Tips for Buy-Sell Arrangements and Business Succession**  
 Instructor: *Mr. Azhar Iskandar Hew*  
 Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

**July**

**July 9**

Seminar: **Foreign Exchange and Derivatives Strategies: Instruments & Practical Solution for Private Clients**  
 Instructor: *Ding Lai Hong*  
 Venue: Tower Regency Hotel, Ipoh

**July 16**

Seminar: **Understanding Alternative Investments**  
 Instructor: *Mr. Robert Bennett-Lovesy*  
 Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

**July 21**

Event: **FPAM Committee's visit FPAM**  
 Venue: FPAM, Kuala Lumpur



**July 26**

Event: **Meeting with Sec Comm re CMSA Amendment**  
 Venue: Sec Comm, Kuala Lumpur

**July 29**

Event: **Melaka Chapter General Meeting / Networking Nite**  
 Venue: Emperor Hotel, Melaka

**August**

**August 8**

Event: **Business Model & Business Opportunities Talk**  
 Venue: Harbour View Hotel, Kuching

**August 13**

Workshop: **Master Smart Techniques in the Client Engagement Process To KICKSTART Your Practice Immediately**  
 Instructor: *Ms Carol Yip*  
 Venue: Evergreen Laurel Hotel, Penang

**August 20**

Seminar: **FOREIGN EXCHANGE – Investment/Trading Strategies and Applications for the Private Investor**  
 Instructor: *Mr. YK Fong*  
 Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

**August 23**

Seminar: **Putting Your CPF into Practice for Greater Results**  
 Instructor: *Ms. Tang Wee Hen*  
 Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur



# Calendar of Events (cont'd)

## for the Year 2011



### September

#### September 8

Seminar: **Offshore Trust in Wealth Management**  
 Instructor: *Ms. Lee Chiwi*  
 Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

#### September 10

Seminar: **Foreign Exchange and Derivatives Strategies: Instruments & Practical Solution for Private Clients**  
 Instructor: *Ding Lai Hong*  
 Venue: Harbour View Hotel, Kuching

#### September 24

Seminar: **Harnessing ICT to Propel Your Financial Planning Practice**  
 Instructor: *Ms. Hong Fan Chong*  
 Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

#### September 26

Event: **Visit by FPSB CEO, Mr. Noel Maye**  
 Venue: FPAM, Kuala Lumpur

#### September 28

Event: **MOU Signing between TARC/FPAM**  
 Venue: TARC Setapak, Kuala Lumpur



#### September 30

Event: **MOU Signing between FPAS/FPAM**  
 Venue: NTUC Centre, Singapore

### October

#### October 12

Seminar: **Ethics and Strategies for Risk Management and Wealth Management**  
 Instructor: *Mr. Vergis Mathew*  
 Venue: The Royale Chulan, Kuala Lumpur

#### October 19

Seminar: **Wealth Creation and Asset Management**  
 Instructor: *Mr. Wong Loke Lim*  
 Venue: The Royale Chulan, Kuala Lumpur

#### October 22

Seminar: **Shariah Perspective of Financial Planning and Wealth Management**  
 Instructor: *Mr. Mahadzir Ahmad*  
 Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

#### October 29

Seminar: **Foreign Exchange and Derivatives Strategies: Instruments & Practical Solution for Private Clients**  
 Instructor: *Ding Lai Hong*  
 Venue: The Magellan Sutera Resort, Kota Kinabalu

#### October 29

Event: **Sabah Chapter AGM**  
 Venue: The Magellan Sutera Resort, Kota Kinabalu

#### October 29

Event: **Ipoh Chapter Networking Nite**  
 Venue: Folie Folie Café and Grill, Ipoh Perak

### November

#### October 31 – November 2

Event: **FPSB Council Meeting**  
 Venue: Washington, USA

#### November 7

Workshop: **Financial Planning Practice Clinic (FPPC)**  
 Instructor: *Practitioners Development Work Group (PDWG)*  
 Venue: FPAM Office



#### November 19

Seminar: **Wealth Maximization through Tax Planning**  
 Instructor: *Mr. KP Bose Dasan*  
 Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

#### November 23

Seminar: **"Global Best Practices on Investment Suitability"**  
 Instructor: *Mr. Shawn Brayman*  
 Venue: Kelab Golf Perkhidmatan Awam (KGPA), Kuala Lumpur

### December

#### December 10-11

Event: **CFP Certification Examinations**  
 Venue: Kuala Lumpur, Penang, Johor, Sabah & Sarawak

#### December 11

Event: **Networking Nite**  
 Venue: Harbour View Hotel, Kuching

#### December 14

Seminar: **Understanding & Interpreting Financial Statements**  
 Instructor: *Mr. Thye Foot Leong*  
 Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

#### December 16

Event: **Melaka Chapter Installation Nite**  
 Venue: Avillion Legacy Hotel, Melaka



# Report of the Board of Governors

## for the Year Ended 31 December 2011

The Board of Governors have pleasure in submitting their report and audited financial statement of the Association for the financial year ended 31 December 2011.

### Principal Activities

The Association's principal activities are to conduct its affair with the primary purpose of educating the public on the benefits of financial planning and to conduct certification courses and examinations leading to CFP certification. There has been no significant change in the nature of these activities during the financial year.

### 1. Financial Results

Operating surplus for the year	<b>RM</b> 42,581
--------------------------------	---------------------

In the opinion of the Board, the results of the operations of the Association during the financial year were not substantially affected by any item, transaction or events of a material and unusual nature.

#### Reserves and Provisions

There were no material transfer to or from reserve or provision during the financial year other than those disclosed in the financial statements.

## 2.0 Education and Examination

### 2.1 2011 Updates

#### Academic Collaboration

FPAM continued its collaboration with local institutions of higher learning on the Certified Financial Planner® certification programme in 2011 and signed a Memorandum Of Understanding on academic collaboration with Kolej Tunku Abdul Rahman (TARC) in September 2011.

The terms of the academic collaboration exempt TARC's students from the School of Business from certain modules of the CFP<sub>CERT</sub>™ certification programme. Modules which are not exempted are taught by TARC's faculty from the school of Business.

The objective of the MOU is to introduce financial planning as another career option to students from the School of Business as well as create awareness of the CFP<sub>CERT</sub>™ designation among TARC students.

The response from TARC students to the certification programme was very encouraging and the pass rate for the first batch who sat for Module 1 in December 2011 was above the national average.

The academic collaboration with TARC is the fourth collaboration with local institutions of higher learning. The previous collaborations were with Universiti Malaya (UM), Universiti Kebangsaan Malaysia (UKM) and Universiti Putra Malaysia (UPM).

#### Exemption from Pre-Contract Examination for Insurance Agents (PCEIA) Part A, B and C

The Malaysian Insurance Institute has granted exemption to members who have passed either the CFP<sub>CERT</sub>™ certification programme or the Islamic Financial Planner programme from having to sit and pass the Pre-Contract Examination for Insurance Agents Part A, B and C (PCEIA).

The recognition by the Malaysian Insurance Institute is a boost especially for members working in the insurance industry and those wanting to join the industry as they would be relieved of the burden of passing another examination. The exemption granted is also a further recognition of the quality of FPAM's certification programmes.



# Report of the Board of Governors (cont'd)

## for the Year Ended 31 December 2011



### 2.2 Enrollment Trend

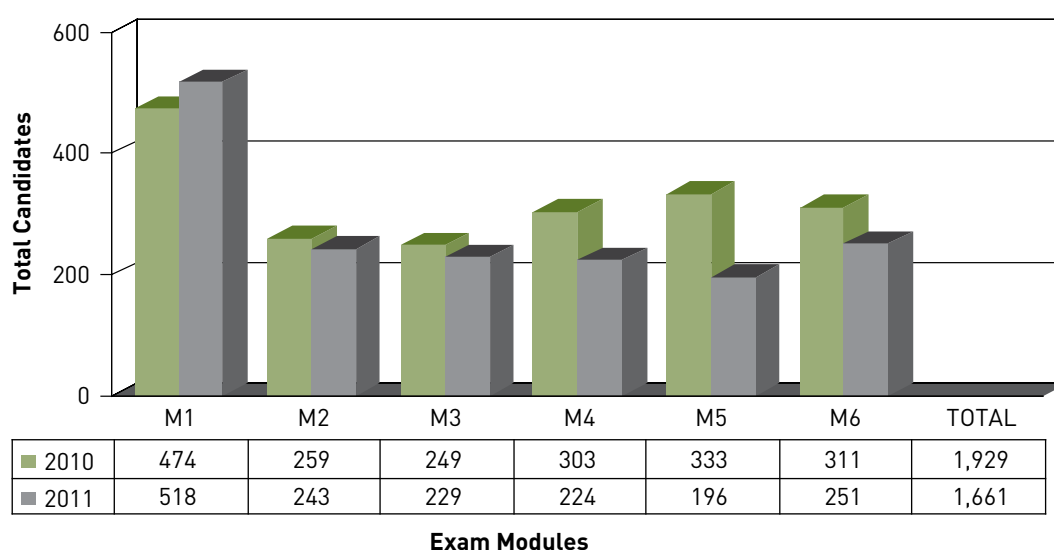
A total of 1,661 candidates registered for the certification examinations in 2011 compared to 1,929 in 2010, recording a decrease of 14%. Registrations for all modules declined except for Module 1.

The decline in registrations for the examinations is due to Charter companies being more stringent in sponsoring employees for the programme. Companies which sponsor independent agents for the course have also increased their threshold requirement for sponsorship and this has affected the enrolment of independent agents.

The more stringent policy is reflected in the ratio of exam registrations. Of late, the ratio of students from Charter member companies against members of the public has changed. In 2010, 74% of exam registrations were employees of Charter members. In 2011, the percentage decreased to 65%. On the other hand, registrations by members of the public increased from 24% in 2010 to 33% in 2011. Registrations from Corporate member companies remain steady at 2%.

While registrations from Charter Members have declined, members of the public have shown greater interest in the certification programme indicating increased awareness of the importance of financial planning and the relevance of the CFP<sub>CERT</sub><sup>TM</sup> certification programme.

**Comparison of Candidates by Exam Modules 2011 vs 2010**



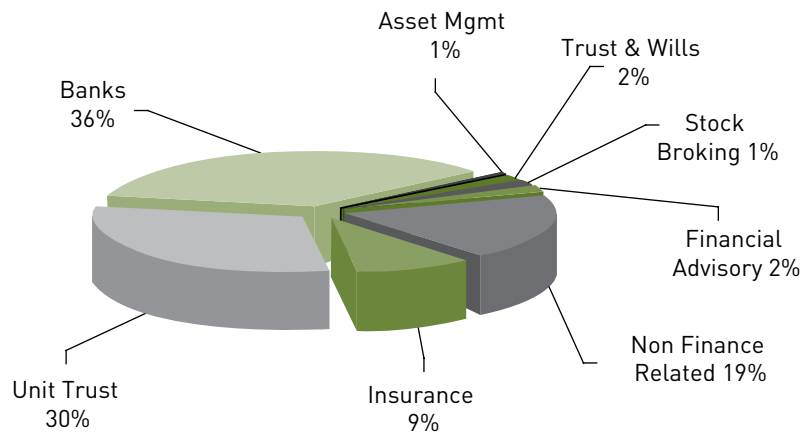
An analysis of registrations by industry for 2011 indicates a further decline in registrations from the unit trust industry and increased registrations from the banking and insurance sectors.

In 2010 registrations from the unit trust sector totaled 41%, in 2011 it declined to 30%. Registrations from those in the banking and insurance industry increased respectively from 25% and 5% in 2010 to 36% and 9% in 2011.

# Report of the Board of Governors (cont'd)

## for the Year Ended 31 December 2011

**Analysis of Exam Candidates by Industry 2011**



### 3.0 Membership

#### 3.1 Individual Members

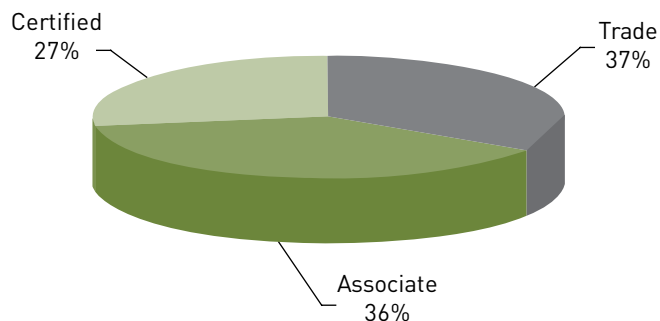
##### 3.1.1 Membership by Category

The total number of members who have completed or are undergoing the CFP<sub>CERT</sub>™ certification programme as at 31 December 2011 stands at 9,516 against 8,857 last year. For the year ended 2011 as for 2010, only Certified members who paid their dues in 2011 were recognized as current members.

The slight increase in members is attributed to the increase in Trade members as registrations for Module 1 picked up in 2011. Any increase in Trade members augurs well as it is the pipeline to more Associate members and registrations in other modules in subsequent years.

The increase in renewal rates of Certified members for 2011 also contributed to the increase in membership. The increase in membership renewals is due to more concerted efforts in encouraging members to renew their memberships and also increased awareness of the importance of the qualification especially for members employed in the financial services industry.

**Membership as at 31 December 2011 (Total Member 9,516)**



# Report of the Board of Governors (cont'd)

## for the Year Ended 31 December 2011



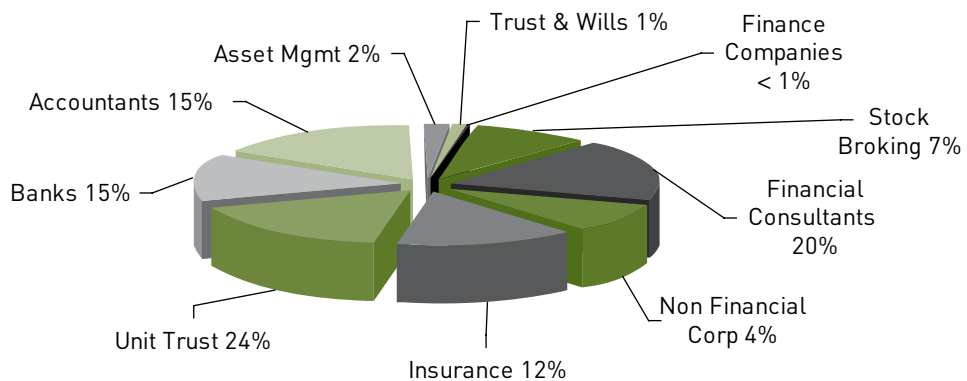
### 3.1.2 CFP Professionals by Industry

An analysis of the 2,580 Certified members as at 31 December 2011 by industry indicates that the largest groups of Certified members continue to be those working in the unit trust and financial advisory sector. Members working in the unit trust industry and as financial consultants form the largest groups, each accounting for 24% and 20% respectively.

The next largest groups of Certified members by industry do not deviate from previous years. These members are mainly employed as Accountants or working in the banking and insurance sectors. These members due to the nature of their work or the industries they are in are often required to provide advice to their clients. Their advice needs to be credible, timely and relevant and to ensure that they meet those criterion, they need to have a recognized qualification which provides them with the knowledge required to do their job.

This is also the reason why Charter members continue to encourage and sponsor their employees to obtain the qualification, especially front liners and those who interact with and advise clients.

**CFP Professionals By Industry as at 31 December 2011**

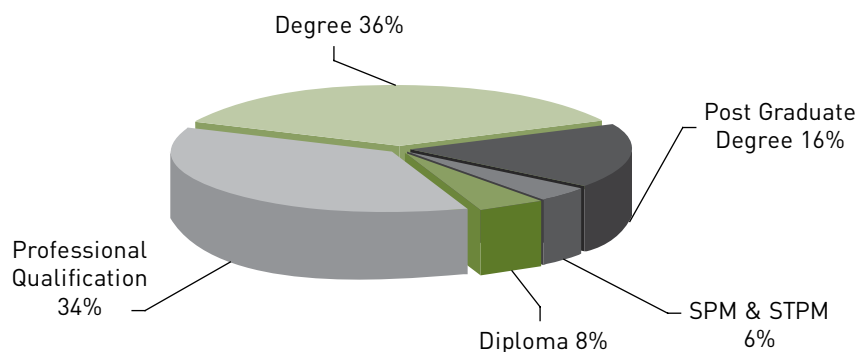


### 3.1.3 CFP Professionals by Qualification

The CFP<sub>CERT</sub><sup>TM</sup> designation continues to be sought after by professionals who have at least a Bachelor's degree. This is due to the recognition accorded to it worldwide and by the local regulatory bodies.

Over 86% of Certified members are graduates and for those working in the financial services industry, the qualification is the one which is relevant to their career and able to provide opportunities for career enhancement and growth.

**CFP Professionals By Qualifications as at 31 December 2011**

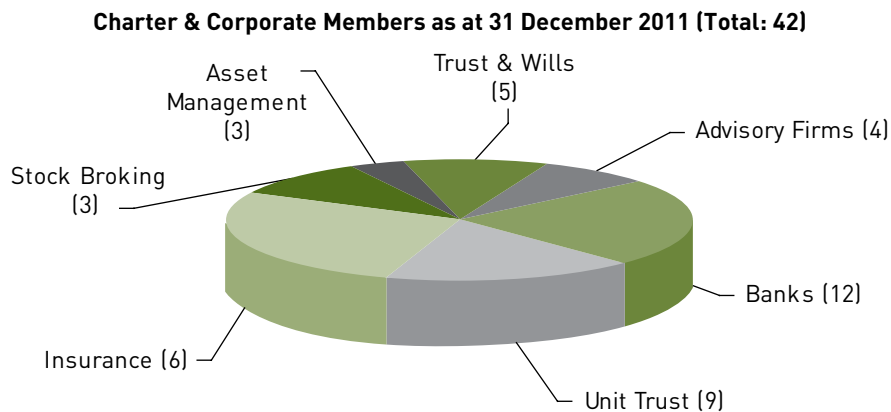


# Report of the Board of Governors (cont'd)

## for the Year Ended 31 December 2011

### 3.2 Charter and Corporate Members

FPAM now has a total of 42 Charter and Corporate members drawn from a wide cross section of the financial sector with almost all of the major sectors being represented.



### 4. CE COURSE

A total of 31 courses were organised nationwide including Sabah and Sarawak. Of these, 27 were organised directly by FPAM and the rest were in collaboration with other training providers. All courses were accredited by SIDC with the exception of two. All courses were conducted on a weekend with the exception of a few in the Klang Valley.

Some 20 courses were conducted in Klang Valley and 11 were at Chapter levels. Many thanks to all the Chapters for volunteering their time and support. Response from members and public had been very encouraging with over 400 participants attending the courses in the Klang Valley, of which 40% were non-members.

FPAM also wishes to record its thanks to all the speakers, both local and foreign, some of whom are also FPAM members.



# Report of the Board of Governors (cont'd)

## for the Year Ended 31 December 2011

### 5.0 The 4E Journal and Financial Planning Connection

The Association issues the 4E Journal and the Financial Planning Connections to members to keep them informed of developments in the industry both in Malaysia and internationally. While the 4E Journal is an in-house publication of FPAM, the Financial Planning Connection is an international collaborative initiative led by the Financial Planning Association of the United States. Both are provided on a complimentary basis as part of the benefit of FPAM membership. The Financial Planning Connections is issued electronically and the Association will explore the wider usage of this mode of transmission as it is both efficient as well as becoming the preferred means for accessing information.



# Report of the Board of Governors (cont'd)

## for the Year Ended 31 December 2011

### 6.0 Chapters

#### PERAK

##### Activities in 2011

###### No Activity

- 1 March 26**  
Seminar: **Smart Property Investment Strategies**  
Speakers: *Mr. Ho Chin Soon & Mr. Michael Geh Thuan Peng*  
venue: Tower Regency Hotel, Ipoh
- 2 March 30-31**  
Event: **UTAR Career Fair**  
Venue: UTAR Campus, Kampar
- 3 May 28**  
Seminar: **Business Model & Business Opportunities for CFP Profession**  
Venue: Tower Regency Hotel, Ipoh  
Speakers: *Mr. Javern C H Lim, Mr. Alvin Tan, Mr. Dennis Tan*
- 4 July 9**  
Seminar: **Foreign Exchange and Derivatives Strategies: Instruments & Practical Solution for Private Clients**  
Speaker: *Ding Lai Hong*  
Venue: Tower Regency Hotel, Ipoh
- 5 October 29**  
Event: **Ipoh Chapter Networking Nite**  
Venue: Folie Folie Café and Grill, Ipoh Perak



#### PENANG

##### Activities in 2011

###### No Activity

- 1 March 5**  
Seminar: **Smart Property Investment Strategies**  
Instructors: *Mr. Ho Chin Soon & Mr. Michael Geh Thuan Peng*  
Venue: Eastin Hotel, Penang
- 2 April 15**  
Seminar: **How to Invest Sensibly with Options**  
Instructor: *Wai Yee Chen*  
Venue: Gurney Hotel, Penang
- 3 April 15**  
Event: **Chapter AGM / Networking Nite**  
Venue: Gurney Hotel, Penang



# Report of the Board of Governors (cont'd)

## for the Year Ended 31 December 2011

- 4 **May 21**  
Seminar: **Practical Tips for Buy-Sell Arrangements and Business Succession**  
Instructor: *Azhar Iskandar Hew*  
Venue: Eastin Hotel, Penang
- 5 **Aug 13**  
Workshop: **Master Smart Techniques in the Client Engagement Process To KICKSTART Your Practice Immediately**  
Instructor: *Carol Yip*  
Venue: Evergreen Laurel Hotel, Penang



## SABAH

### Activities in 2011

- |  |  |
|--|--|
| <p>No Activity</p> <p>1 <b>February 28</b><br/><b>FPAM Sabah Chapter Courtesy Call to Kota Kinabalu AKPK &amp; BNM Offices</b></p> <p>2 <b>March 26</b><br/>Seminar: <b>Mortgage Reduction Planning – Issues &amp; Strategies</b><br/>Instructor: <i>Mr Franciss Chin</i><br/>Venue: Promenade Hotel, Kota Kinabalu</p> <p>3 <b>May 7</b><br/>Seminar: <b>Smart Property Investment Strategies</b><br/>Instructors: <i>Mr. Ho Chin Soon &amp; Mr. Michael Geh Thuan Peng</i><br/>Venue: Sandakan</p> | <p>4 <b>May 14</b><br/>Seminar: <b>Smart Property Investment Strategies</b><br/>Instructors: <i>Mr. Ho Chin Soon &amp; Mr. Michael Geh Thuan Peng</i></p> <p>5 <b>October 29</b><br/>Seminar: <b>Foreign Exchange and Derivatives Strategies: Instruments &amp; Practical Solution for Private Clients</b><br/>Instructor: <i>Ding Lai Hong</i><br/>Venue: The Magellan Sutera Resort, Kota Kinabalu</p> <p>6 <b>October 29</b><br/>Event: <b>Sabah Chapter AGM</b><br/>Venue: The Magellan Sutera Resort, Kota Kinabalu</p> |
|--|--|



# Report of the Board of Governors (cont'd)

for the Year Ended 31 December 2011

## SARAWAK

### Activities in 2011

#### No Activity

- 1 **March 19**  
**Bintulu Membership Nite**  
Venue: New World Suites, Bintulu  
BOG in Attendance: Mr Bose Dasan  
Guest Speaker: *Mr. Oh Kwong Foi, Branch Manager, Kuching, Amanah Raya Berhad*  
Topic: **Estate Planning & Legacy Management**
- 2 **April 2**  
Seminar: **Smart Property Investment Strategies**  
Instructors: *Mr. Ho Chin Soon & Mr. Michael Geh Thuan Peng*  
Venue: Harbour View Hotel, Kuching
- 3 **August 8**  
Event: **Business Model & Business Opportunities Talk**  
Venue: Harbour View Hotel, Kuching
- 4 **September 10**  
Seminar: **Foreign Exchange and Derivatives Strategies: Instruments & Practical Solution for Private Clients**  
Instructor: *Ding Lai Hong*  
Venue: Harbour View Hotel, Kuching
- 5 **December 11**  
Event: **Networking Nite**  
Venue: Harbour View Hotel, Kuching



## MELAKA

### Activities in 2011

#### No Activity

- 1 **July 29**  
Event: **Melaka Chapter General Meeting / Networking Nite**  
Venue: Emperor Hotel, Melaka
- 2 **December 16**  
Event: **Melaka Chapter Installation Nite**  
Venue: Avillion Legacy Hotel, Melaka



# Statement by The Board of Governors



We, the undersigned, on behalf of the Board of Governors of the Financial Planning Association of Malaysia (“the Association”), state that, in our opinion, the financial statements set out on pages 25 to 35 are drawn up so as to give a true and fair view of the statement of financial position of the Association as at 31 December 2011 and of its statement of comprehensive income and cash flows for the financial year then ended in accordance with the MASB Approved Accounting Standards in Malaysia for Private Entities.

Signed on behalf of the Board of Governors in accordance with their resolution dated 6 June 2012.

**WONG BOON CHOY**  
President

**SHARIFATUL HANIZAH SAID ALI**  
Treasurer

**Kuala Lumpur**



# Independent Auditor's Report

## To The Members of Financial Planning Association of Malaysia

### Report on the financial statements

We have audited the financial statements of Financial Planning Association of Malaysia which comprise the statement of financial position as at 31 December 2011, and the statement of comprehensive income, and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 25 to 35.

### Board of Governors' Responsibility for the Financial Statements

The Board of Governors of the Association is responsible for the preparation and fair presentation of these financial statements in accordance with MASB Approved Accounting Standards in Malaysia for Private Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Association's preparation and fair presentation of the financial statements 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 Association's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board of Governors of the Association, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Private Entities so as to give a true and fair view of the financial position of the Association as at 31 December 2011 and of its financial performance and cash flows for the financial year then ended.

### Other matters

This report is made solely to the members of the Association, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

#### Ernst & Young

AF: 0039

Chartered Accountants

Kuala Lumpur, Malaysia

#### Gloria Goh Ewe Gim

No. 1685/04/13[J]

Chartered Accountants

# Statement of Comprehensive Income

For the Financial Year ended 31 December 2011

	Note	2011 RM	2010 RM
<b>Income</b>			
Membership fees		1,280,927	1,430,674
Sponsorship income		32,500	80,509
Surplus from conference	3	70,813	(28,617)
Surplus from continuing education courses	4	122,563	105,077
Surplus from examination	5	320,737	455,766
Interest income		48,550	41,270
Other income		34,135	23,225
		<u>1,910,225</u>	<u>2,107,904</u>
<b>Less: Expenditure</b>			
Staff costs			
- salaries and bonus		840,202	850,407
- defined contribution plan		126,230	127,598
Rental expenses		114,274	218,155
Depreciation of property and equipment		53,319	37,895
Fixed Asset Written off		739	-
Financial Planning Standard Board and Board meeting expenses		35,747	42,408
Chapter development expenses		41,324	33,852
Marketing and promotional expenses		1,000	38,306
Membership Development Expenses		12,255	13,195
Auditors' remuneration		9,900	9,900
License fee		273,814	323,295
Other expenses	7	358,840	397,280
		<u>1,867,644</u>	<u>2,092,291</u>
Surplus of income over expenditure before taxation		42,581	15,613
Taxation	8	-	-
Surplus of income over expenditure after taxation		<u>42,581</u>	<u>15,613</u>

The accompanying notes form an integral part of the financial statements.

# Statement of Financial Position

as at 31 December 2011

	Note	2011 RM	2010 RM
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	9	87,968	133,489
<b>Current assets</b>			
Receivables, deposits and prepayments		242,745	338,713
Tax recoverable		10,627	10,627
Deposits, cash and bank balances	10	2,722,279	2,573,327
<b>Total assets</b>		<b>3,063,619</b>	<b>3,056,156</b>
<b>Current liabilities</b>			
Deferred income	11	668,946	821,931
Advanced membership fees	12	480,523	436,193
Payables	13	832,191	726,154
		1,981,660	1,984,278
<b>Non-current liability</b>			
Sponsorship deposits received from charter members		84,000	116,500
<b>Total liabilities</b>		<b>2,065,660</b>	<b>2,100,778</b>
<b>Net assets</b>		<b>997,959</b>	<b>955,378</b>
<b>Represented by:</b>			
Surplus brought forward		955,378	939,765
Surplus of income over expenditure after taxation		42,581	15,613
<b>Surplus carried forward</b>		<b>997,959</b>	<b>955,378</b>

The accompanying notes form an integral part of the financial statements.

# Statement of Cash Flow

For the Financial Year ended 31 December 2011



	2011 RM	2010 RM
<b>Cash flows from operating activities</b>		
Surplus of income over expenditure before taxation	42,581	15,613
Adjustments for:		
Depreciation of property and equipment	53,319	37,894
Fixed Asset Written Off	739	
Interest income	(48,550)	(41,270)
	48,089	12,237
Increase in payables	106,038	(39,503)
Decrease in receivables	95,967	(15,285)
Utilisation of grant	(152,985)	(5,000)
Decrease in advanced membership fees	44,331	(123,900)
Decrease in sponsorship deposits received from charter members	(32,500)	(80,509)
	108,940	(251,960)
Cash generated from operations	108,940	(251,960)
Income taxes paid	-	-
	108,940	(251,960)
<b>Cash flows from investing activity</b>		
Proceed from Disposal of Property, Plant and Equipment	(739)	
Purchase of property and equipment, representing net cash outflow from investing activity	(7,797)	(90,288)
	(8,536)	(90,288)
Net cash used in investment activities	(8,536)	(90,288)
<b>Cash flows from financing activity</b>		
Interest received, representing net cash inflow from financing activity	48,550	41,270
	48,550	41,270
<b>Net Increase/(decrease) in cash and cash equivalents</b>	148,952	(300,978)
<b>Cash and cash equivalents at beginning of financial year</b>	2,573,327	2,874,305
	2,722,279	2,573,327
<b>Cash and cash equivalents at end of financial year (Note 9)</b>	2,722,279	2,573,327

The accompanying notes form an integral part of the financial statements.

# Notes to the Financial Statements

- 31 December 2011

## 1. Corporate information

The Financial Planning Association of Malaysia ("the Association") was established pursuant to the Societies Act, 1966 on 13 December 1999.

The Association is a non-profitable organisation with a mission to educate the public on the process and benefits of financial planning and to raise the standards of competency and ethical practice of qualified financial planners in Malaysia.

The address of the registered office and principal place of business of the Association is at Unit 1109, Block A Pusat Dagangan Phileo Damansara II, No15, Jln 16/11 Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Governors of the Association in accordance with their resolution dated 6 June 2012.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and comply with the MASB Approved Accounting Standards in Malaysia for Private Entities.

The financial statements are presented in Ringgit Malaysia ("RM").

### 2.2 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measure reliably. The carrying amount of the replaced part is derecognised.

Property and equipment are depreciated on a straight line basis to write off the cost of the assets to their residual values over their estimated useful lives, summarised as below:

Office Equipment	5 years
Renovation	5 years
Furniture and fittings	5 years
Computer equipment & software	3 years
Motor vehicle	5 years

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the statement of income and expenditure.

At each reporting date, the Association assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Repairs and maintenance are charged to the statement of income and expenditure during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Association. Major renovations are depreciated over the remaining useful life of the related asset.



## 2. Summary of significant accounting policies (cont'd)

### 2.3 Impairment of assets

The Association assesses at each reporting date whether there is objective evidence that an asset is impaired. An asset is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event(s) has an impact on the estimated future cash flows of the asset that can be reliably estimated.

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flow (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the statement of income and expenditure. Any subsequent increase in recoverable amount is recognised in the statement of income and expenditure.

### 2.4 Receivables

Receivables are carried at anticipated realised value. An estimate is made for doubtful debts based on a review of all outstanding amounts as at financial year end. Bad debts are written off during the financial year in which they are identified.

### 2.5 Asset held under hire purchase agreement

Asset acquired under the hire purchase agreement is capitalised and depreciated in accordance with the depreciation policy set out in Note 2.2 above.

Outstanding obligation due under the hire purchase agreement after deducting finance charges is recognised as liability. The finance charges on the instalments are recognised as expense in the statement of income and expenditure over the period of the agreement.

### 2.6 Revenue recognition

Annual membership fees are recognised as income over the membership period when no uncertainty as to its collectibility exists.

Sponsorship deposits received from charter members are recognised as income evenly over a period of ten years upon commencement of the CERTIFIED FINANCIAL PLANNERTM Education Programme.

Other income such as surplus from conference, examination and continuing education courses are recognised on an accrual basis.

Interest income is recognised on time proportion basis that reflects the effective yield of the asset.

### 2.7 Income Tax

Current tax expense is determined according to the tax laws of the jurisdiction in which the Association operates and include all taxes based upon the taxable surplus.

# Notes to the Financial Statements (cont'd)

- 31 December 2011

## 2. Summary of significant accounting policies (cont'd)

### 2.7 Income Tax (cont'd)

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amount attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit and loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

### 2.8 Employee benefits

#### Short-term employee benefits

Wages, salaries, bonuses, paid annual leave and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Association.

#### Defined contribution plans

A defined contribution plan is a pension plan under which the Association pays fixed contributions to the national pension scheme, Employees' Provident Fund ('EPF'). The Association's contributions to defined contribution plans are charged to the statement of income and expenditure in the financial year to which they relate. Once the contributions have been paid, the Association has no further payment obligations.

### 2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash, bank balances and deposits held with licensed banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 2.10 Grants

Grants from the government are recognised at their fair values where there is a reasonable assurance that the grants will be received and the Association will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of income and expenditure over the period necessary to match them with the costs they are intended to compensate.

### 2.11 Foreign currency conversion and translation

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

The principal closing exchange rates for every unit of foreign currency to Ringgit Malaysia used in the translation of foreign currency amounts are as follows:

Foreign currencies	2011 RM	2010 RM
US Dollar	3.18	3.08



# Notes to the Financial Statements (cont'd)

- 31 December 2011



## 3. (Deficit)/surplus from conference

	2011 RM	2010 RM
Rental income	-	58,000
Sponsorship income	-	240,000
Conference fees	-	102,150
Recovery from the Grant	73,313	-
	<hr/> 73,313	<hr/> 400,150
Other Expenses	(2,500)	(428,767)
	<hr/> 70,813	<hr/> (28,617)

## 4. Surplus from continuing education courses

	2011 RM	2010 RM
Continuing education course income	179,215	174,660
Seminar package expenses	(32,641)	(34,276)
Other expenses	(24,011)	(35,307)
	<hr/> 122,563	<hr/> 105,077

## 5. Surplus from examination

	2011 RM	2010 RM
Examination fee income	422,253	534,908
Expenses incurred in relation to examination	(101,516)	(84,142)
	<hr/> 320,737	<hr/> 450,766
Recovery from grant	-	5,000
Surplus from examination	<hr/> 320,737	<hr/> 455,766

## 6. Allowance for Board of Governors and Committee Members

	2011 RM	2010 RM
Board of Governors	3,700	6,300
Committee Members	1,200	5,600
	<hr/> 4,900	<hr/> 11,900

# Notes to the Financial Statements (cont'd)

- 31 December 2011

## 7. Other expenses

	<b>2011</b>	<b>2010</b>
	<b>RM</b>	<b>RM</b>
4E Journal Expenses	67,223	8,066
Annual General Meeting expenses	28,759	24,373
Bank and credit card charges	21,392	21,884
Electricity and utilities	26,565	11,066
General expenses	15,690	63,612
Insurance	12,284	12,347
Maintenance of premises and computers	26,709	50,817
Maintenance of website	8,806	10,831
Postage and courier	13,893	21,542
Printing and stationeries	19,872	22,843
Professional fees	3,760	6,315
Rental of photocopier	7,025	7,500
Staff training, recruitment and welfare	8,051	14,569
Telecommunication	20,322	24,984
Travelling	37,633	41,728
Unrealised foreign exchange loss	4,547	-
Manual Project expenses	8,928	19,957
Withholding tax	27,381	34,846
	<hr/>	<hr/>
	358,840	397,280

# Notes to the Financial Statements (cont'd)

- 31 December 2011



## 8. Taxation

	2011 RM	2010 RM
Income tax:		
Current year	-	-

The chargeable income of the Association is taxed at a scaled rate under Schedule 1 of the Income Tax Act, 1967 and current taxation for the current financial year is provided based on the Income Tax (Exemption) (No. 19) Order 2005, whereby statutory income derived from members' subscription fees is exempted.

The explanation of the relationship between taxation and surplus of income over expenditure before taxation is as follows:

	2011 RM	2010 RM
Surplus of income over expenditure before taxation	42,581	15,613
Expenses not deductible for tax expense	116,636	123,343
Net exempt income	(64,974)	(112,707)
Unrecognised tax losses	-	-
Utilisation of previously unrecognised tax losses	(94,243)	(26,249)
Chargeable income	-	-

## 9. Property and Equipment

	Office Equipment RM	Renovation RM	Furniture and fittings RM	Computer equipment & software RM	Motor vehicles RM	Total RM
<b>Cost</b>						
At 1 January 2011	44,556	76,512	50,188	313,865	148,986	634,107
Additions	1,848	-	-	6,688	-	8,536
Written Off	(1,564)			(500)		(2,064)
At 31 December 2011	44,840	76,512	50,188	320,053	148,986	640,579
<b>Accumulated depreciation</b>						
At 1 January 2011	42,178	5,210	49,127	255,118	148,985	500,618
Charge for the financial year	1,741	14,742	362	36,473	-	53,318
Written Off	(1,075)			(250)		(1,325)
At 31 December 2011	42,844	19,952	49,489	291,341	148,985	552,611
<b>Net Book Value</b>						
At 31 December 2011	1,996	56,560	699	28,712	1	87,968

# Notes to the Financial Statements (cont'd)

- 31 December 2011

## 9. Property and Equipment (cont'd)

	Office Equipment RM	Renovation RM	Furniture and fittings RM	Computer equipment & software RM	Motor vehicles RM	Total RM
<b>Cost</b>						
At 1 January 2010	44,556	2,800	50,188	297,289	148,986	543,819
Additions	-	73,712	-	16,576	-	90,288
At 31 December 2010	44,556	76,512	50,188	313,865	148,986	634,107
<b>Accumulated depreciation</b>						
At 1 January 2010	40,334	2,800	48,765	221,840	148,985	462,724
Charge for the financial year	1,844	2,410	362	33,278	-	37,894
At 31 December 2010	42,178	5,210	49,127	255,118	148,985	500,618
<b>Net Book Value</b>						
At 31 December 2010	2,378	71,302	1,061	58,747	1	133,489

## 10. Cash and cash equivalents

	2011 RM	2010 RM
Deposits held with licensed banks	2,423,746	1,389,177
Cash and bank balances	298,533	1,184,150
	<u>2,722,279</u>	<u>2,573,327</u>

Included in the cash and bank balances is the grant received from CMDP (net off expenses claimed) to date amounting to RM668,946 (2010: RM816,931).

## 11. Deferred income

This is the grant awarded by CMDP to the Association and IBFIM in relation to development and implementation of the certification programme for Islamic Financial Planners (Note 5). The balance represents the total amount received from CMDP for the Association and IBFIM to date, less accumulated eligible expenses claimed by the Association and IBFIM. The amount drawn down was based on milestones achieved based on the broad guidelines agreed with CMDP.

	2011 RM	2010 RM
At 1 January	821,931	826,931
Utilisation of grant	(152,985)	(5,000)
At 31 December	<u>668,946</u>	<u>821,931</u>

# Notes to the Financial Statements (cont'd)

- 31 December 2011



## 12. Advance membership fees

	<b>2011</b>	<b>2010</b>
	<b>RM</b>	<b>RM</b>
Trade membership fees	3,916	5,595
Associate membership fees	42,883	52,082
Certified membership fees	433,724	378,516
	<hr/>	<hr/>
	480,523	436,193
	<hr/>	<hr/>

Advanced membership fees represent annual fees paid by members that relate to the unexpired periods of the membership.

## 13. Payables

	<b>2011</b>	<b>2010</b>
	<b>RM</b>	<b>RM</b>
Trade and other payables	299,618	250,073
Accruals	532,573	476,081
	<hr/>	<hr/>
	832,191	726,154
	<hr/>	<hr/>

Included in other accruals are allowances payable to the Board of Governors of the Association of RM5,500.00 (2010: RM11,900.00).

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