



# Annual Report 2012





# Vision

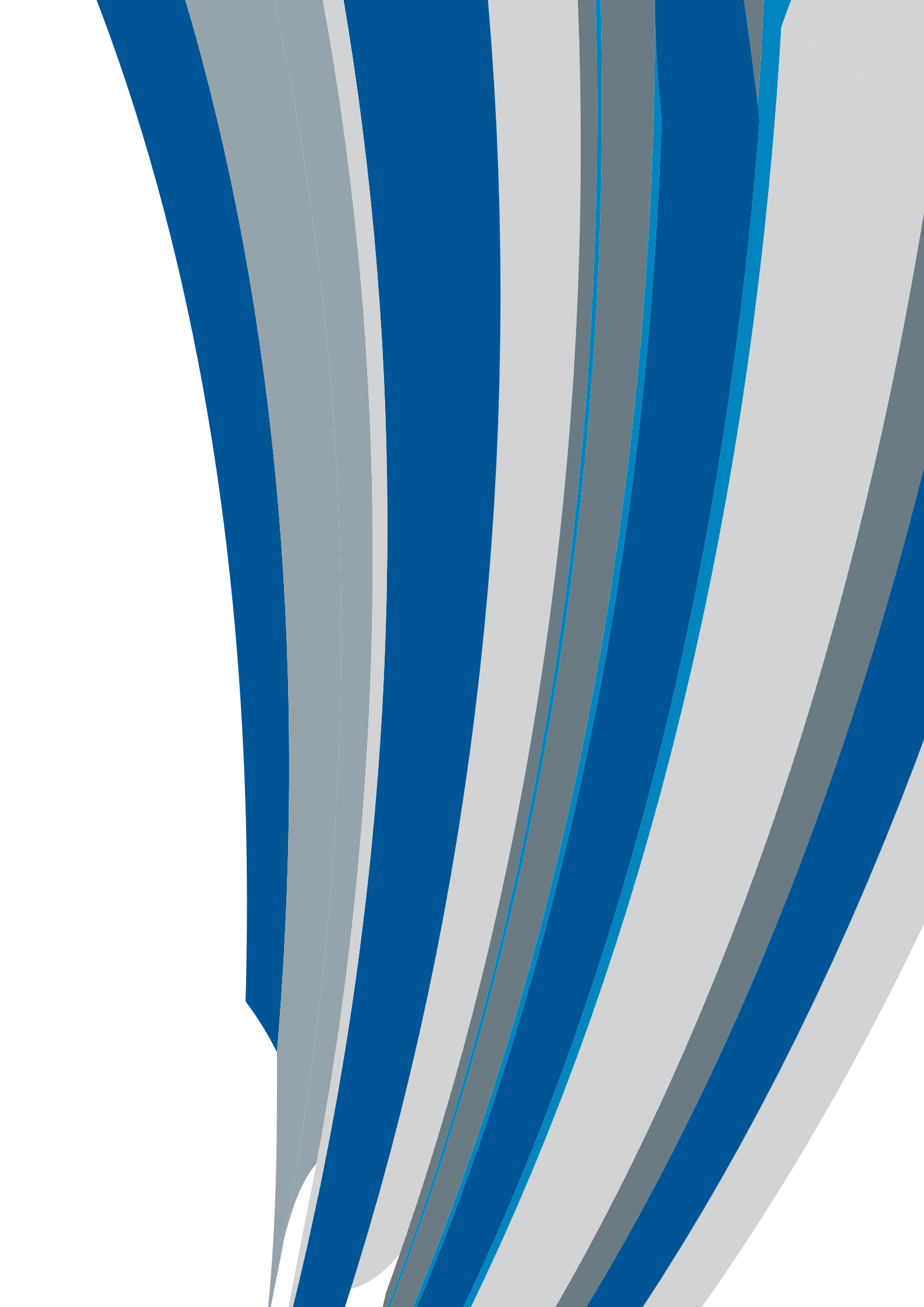
To establish financial planning as a recognized profession through the promotion of excellence in financial planning for the benefit of all Malaysians.

# Mission

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

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**NOTICE IS HEREBY GIVEN** that the 13th 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, 15 June 2013 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 2012
2. To receive the audited accounts of the Association for the year ended 31 December 2012
3. To elect members of the Board of Governors
  - 3.1 To elect the following Charter Member Representatives to the Board of Governors:
    - 3.1.1 Dato' Sulaiman Mohd Tahir (representing CIMB Bank Berhad)
    - 3.1.2 Mr. Choong Wai Hong (representing Malayan Banking Berhad)
  - 3.2 To elect the following Certified Members to the Board of Governors
    - 3.2.1 Mr. Steve Teoh Loon Heng
    - 3.2.2 Puan Aida Md Daud
    - 3.2.3 Mr. Paul Khoo Chuin Yuen
4. To re-appoint Ernst & Young as the auditors and to authorize the Board to determine their remuneration
5. 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 : 24 May 2013

**Notes:**

Only Certified Members of the Association who have fully paid all fees payable in respect of their membership 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) Sharifatul Hanizah Said Ali (Honorary Treasurer)
- 2) Datuk Ibrahim Muhammad (Vice President)
- 3) Wong Boon Choy (President)
- 4) Wong Loke Lim (Deputy President)
- 5) Ong Eu Jin (Honorary Secretary)

## STANDING LEFT TO RIGHT:

- 6) Dato' Sulaiman Mohd Tahir
- 7) Chia Siew Chin
- 8) Patricia Chow (Chief Executive Officer)
- 9) Steve Teoh Loon Heng
- 10) Edmond Cheah Swee Leng
- 11) Tang Wee Hen
- 12) Mikhail Raj Abdullah

## NOT IN PHOTOGRAPH:

- |                                        |                        |
|----------------------------------------|------------------------|
| 1) U Chen Hock                         | 4) Lor Ai Siew         |
| 2) Say Sok Kwan                        | 5) Dennis Tan Yik Kuan |
| 3) Alex Sito Kok Chau (Vice President) | 6) Aida Md Daud        |

# Board Attendance In Year 2012-2013

Board of Governors - Responsible for all policy matters affecting the Association and the profession		20 June 2012	12 September 2012	13 December 2012	9 March 2013	Total
1	Wong Boon Choy	●	●	●	●	4/4
2	Wong Loke Lim	●	●	●	●	4/4
3	Datuk Ibrahim bin Muhammad	■	■	■	●	1/4
4	Alex Sito Kok Chau	■	●	■	■	1/4
5	Ong Eu Jin	●	●	●	●	4/4
6	Sharifatul Hanizah Said Ali	■	●	●	●	3/4
7	Chia Siew Chin	●	●	●	■	3/4
8	Edmond Cheah Swee Leng	●	●	●	●	4/4
9	Steve Teoh Loon Heng	●	●	●	●	4/4
10	Aida Md Daud	●	●	■	■	2/4
11	Dennis Tan Yik Kuan	●	●	●	■	3/4
12	U Chen Hock	●	●	■	●	3/4
13	Lor Ai Siew	■	●	■	■	1/4
14	Tang Wee Hen	●	■	■	●	2/4
15	Dato' Sulaiman Mohd Tahir	●	●	■	■	2/4
16	Say Sok Kwan	■	■	●	●	2/4
17	Mikhail Raj Abdullah	●	●	●	●	4/4

● Present ■ Absent

# 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 <i>"Financial Freedom – Your Guide To Lifetime Financial Planning"</i> and a second book entitled <i>"Financial Freedom – Through Malaysian Equities and Unit Trusts"</i>. In June 2008, Mr Wong co-authored a third book which revolves around the themes of health and wealth entitled <i>"CHOICES – Live Well and Don't Die Broke"</i>.</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) and sits on the Board of Amanah Mutual Berhad Ethical Advisory Committee - PNB.</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 certificant. He also holds a Master degree in Marketing from University of Newcastle, Australia. 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: <i>"Financial Freedom – Your Guide To Lifetime Financial Planning"</i>, 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 organized 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 Muamalat Invest Sdn Bhd (MISB) in October 2012 as its Chief Executive Officer. She was appointed as Executive Director of MISB on 17 December 2012 upon obtaining approval from the Securities Commission.

Puan Hanizah has 24 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. She held several senior positions in PNB with roles and responsibilities in the Investment, Corporate Services and CEO's office. Her vast experience has spanned both the local institution and brief experiences through various work attachments overseas during her tenure at PNB. She has extensive and diverse experience encompassing the field of investment analysis, portfolio management, equity trading and unit trust business. She is currently a holder of the Securities Commission's Capital Markets Services Representative Licence for fund management, a Fellow of the Financial Services Institute of Australasia and a Certified Financial Planner certificant.

Puan Hanizah also helmed RHB Asset Management Sdn Bhd in 2007 and subsequently as Managing Director of RHB Investment Management Sdn Bhd from January 2008 to July 2012. Assets under management grew from strength, starting at RM4 billion and until July 2012, saw it at RM16 billion.

During her tenure at PNB and RHB, she also served on the boards of both exchange listed and private companies as a nominee for both organisations.

Puan Hanizah has been a member of the Board of Governors of the FPAM since 2010 and is currently the Honorary Treasurer.



## MR. EDMOND CHEAH SWEE LENG

**Mr Cheah** is a founder member and Past President of the 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 certificant. 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.



## MDM CHIA SIEW CHIN (MRS SUE YONG)

**Mrs Sue Yong** is a pioneer in the offshore industry in Malaysia, having first set up a trust company in Labuan in 1992, and subsequently gained extensive experience in offshore jurisdictions servicing both Malaysian and international clients within TMF Group.

A qualified Chartered Accountant in England and Wales, Mrs Yong is a member of the Malaysian Institute of Accountants and the Chartered Tax Institute of Malaysia and the Society of Trust and Estate Practitioners. She is also an Approved Trust Officer, registered with the Labuan Financial Services Authority.

Mrs Yong is a Certified Financial Planner (CFP) certificant and is a Board Member of FPAM.



## MR. STEVE TEOH LOON HENG

A political science graduate, **Mr. Steve Teoh**, CFP, BA (Hons) UK, MMIM, is a Past President and Founding Board Member of FPAM. Until 2011, he was a practicing Financial Planner licensed by the Securities Commission of Malaysia.

He currently serves as Chair of the Appeals Committee/Disciplinary Board and was Editor/Adviser to the Editorial Panel of the 4E Journal for the past 12 years. He is a member the Financial Planning Standards Board Communications Advisory Panel (CAP) that supports the CFP brand development activities amongst the 24 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 represented FPAM 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.

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



### PUAN AIDA DAUD

**Puan Aida Daud** is currently the head of Human Capital Planning and Development (HCPD) Department and Officer-in-Charge of Human Resource Operations & Administration Department, responsible for the management and development of human capital of 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.

Puan Aida joined PNB in 1981 as an analyst and held various positions in Research and Corporate Services. She was the head of Corporate Service before moving to lead the training and development function in HR Division 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.



### MR. DENNIS TAN YIK KUAN

As Managing Director of iFAST Capital Sdn Bhd, Mr Dennis Tan has over 10 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 a wholly owned subsidiary of 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, investment advice and dealing in private retirement scheme. 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 and Institutional PRS Advisers (IPRA) to market and distribute PRS.

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 to 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 Malaysia and a Certified Financial Planner (CFP) certificant.

He is a Board Member of FPAM.



### 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 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)



### MS TANG WEE HEN

**Ms Tang Wee Hen** is active in promoting financial planning practice in the local, region and international scene. 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, one of the pioneer licensed financial planning companies providing comprehensive financial planning services in Malaysia. As a Manager Coach for the Financial Planners, she conducted Sales Performance Coaching Clinics to support the planners and she also provided financial planning tools 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 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 Board Member of FPAM and leads the Practitioner Development Work Group, a member of the Financial Planning Association (FPA USA) Global Committee and Asia Pacific Geographic Focus Group.



### 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 Head of Consumer Sales and Distribution Division, a position he held since July 2005. On 1 October 2009, Dato' Sulaiman was appointed Executive Director of CIMB Bank. With over 25 years of experience in consumer and commercial banking, he held various positions in the Bank including Group Head of the Japanese Business Unit, Branch Manager Shah Alam, Area Business Manager for Shah Alam and Petaling Jaya and Regional Manager for Business Credit for Selangor and Wilayah Persekutuan. In 2002, he was appointed to head the Credit Card Centre before being entrusted to the position of Head of Retail Sales. This was followed by appointment as Head of Retail Sales and Distribution Division in January 2005.

Presently, Dato' Sulaiman is responsible for the performance, management and development of the sales and distribution channels for CIMB Bank which encompass 324 branches, 37 mobile sales centres and contact centre to service the Bank's 6.4 million customers. A graduate of RMIT University, Australia with a degree in Accounting, Dato' Sulaiman served Price Waterhouse before joining Bank of Commerce (M) Berhad (now known as CIMB Bank) in 1987.

Dato' Sulaiman is a Board Member of FPAM



### MR. MIKHAIL RAJ ABDULLAH

**Mr Mikhail Raj** obtained his Tertiary Education, Bachelor of Arts (UKM) in 1982.

He was a Lecturer with Cyma College of Science and Arts from 1982 and joined Bernama in 1984 as a journalist. He has been the 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.

# President's Statement

On behalf of the Board of Governors, I have the pleasure to present to you the 13th Annual Report and Financial Statements of the Financial Planning Association of Malaysia for the year ended 31 December 2012.

## Financial Performance

For the year ended 31 December 2012, the Association achieved a surplus of **RM156,879**. This represents more than **268 percent increase** over the surplus for 2011.

During this period, income increased by **RM81,130 or 4.3%**. Concurrently, total expenditure decreased by **RM33,695 or 2%**.

For 2013, we will continue to strive to increase revenue from membership and examinations which are the Association's main sources of income. Continuing education is fast becoming an important source of income for the Association and going forward we will continue to work towards increasing the quality of the courses offered. This will be done by increasing the pool of speakers and ensuring that the topics offered are relevant to the members.

The Association will continue to be more vigilant in terms of managing its expenditure. We will look to more industry collaboration as a means to optimize resources available to undertake programs to promote the industry and the importance of financial planning. Resources will also be allocated towards marketing and branding activities to promote the CFP mark and the Association.

## Membership

The number of current Certified members has increased from **2,580** to **2,657** individuals, by **77 or 3%**. The increase to 2,657 CFP professionals means that Malaysia now ranks 9th among the 24 affiliates in terms of total CFP professionals worldwide. This is ahead of many other developed countries.

One of the challenges of growing and retaining individual membership for FPAM is that financial planning is a relatively young industry in Malaysia and the total number of members licensed to practise remains relatively small. Many members are actually involved in the distribution of financial products or employed in the financial services sector.

These members usually acquire the qualification either through sponsorship by their company or through their own interest in acquiring knowledge in financial planning. They are eager to obtain the qualification but the issue of retention often arises a few years down the road. Due to the nature of their job which deals with financial products and not strictly in financial planning as defined by the legislation, they question whether they should maintain their status as CFP professionals.



The Association continues to make its stand that the CFP designation is relevant for all professionals in the retail segment of the financial industry. It is in demand by consumers who value ethical professionals able to provide knowledgeable sound advice and who place their interests first. FPAM will increasingly focus resources on how the CFP designation can improve members' competency and add to their prestige and recognition, irrespective of the industry segment they are in.

FPAM has also embarked on efforts to grow membership by introducing the certification program to professionals about to enter the employment market. Previously, those who register for the program would be those already employed in the industry and looking to equip themselves with knowledge with a view to develop their career further. We believe that the program provides opportunities to those about to enter the work place with more employment options and the advantage of added knowledge in fields related to the financial services sector. To this end, we have signed Memorandum of Understanding with selected institutions of higher learning in Malaysia to promote the certification program.

## Future entry qualifications

The Financial Planning Standards Board recommends that a Bachelor's or equivalent degree be required for CFP certification and has allowed each affiliate to develop a program to gradually conform to this requirement. Malaysia will introduce a new entry requirement from 2014 onwards whereby anyone who wishes to enroll in the certification program will be required to possess a Bachelor's or equivalent degree.

Members who are already enrolled in the program are allowed to complete it without having to conform to the new requirement. Members whose memberships have lapsed will have to meet the new requirement if they wish to reinstate their membership with the Association.

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.

## Practitioners and Professional Development Workgroup

This Workgroup which was formed in 2011 is to provide members with the additional skills required to apply the technical knowledge gained 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 workshops are meant to develop members' skills in engaging and communicating with clients and to better understand their clients' needs and expectations. The series of workshops have been well received and are also available at the Chapter level.

## CE Courses

Continuing education is an integral aspect of a professional certification program. This is especially so for the CFP certification program where members who carry the CFP mark are expected to keep themselves constantly updated on the latest developments in the industry.

For the year ended 31 December 2012, FPAM organized a total of 28 courses for its members encompassing a range of topics which are relevant and beneficial to its members employed in all sectors of the financial services industry. These courses were conducted in the Klang Valley and in the Chapter areas. Almost all of these courses are recognized by SIDC for CPE points and by FiMM for CPD points.

FPAM also jointly organized a forum with the Malaysian Financial Planning Council on the Private Retirement Scheme (PRS) to educate its members on its attributes and benefits.

## FPSB Affiliate Assessment

We are pleased to note that FPAM achieved Tier 1 ranking in the 2012 CFP Certification Assessment Program conducted by Financial Planning Standards Board (FPSB).

FPSB noted that FPAM has put a solid certification program in place over the past 12 years and has attracted strong and capable volunteers and industry support for its efforts.

The Tier 1 ranking is an indication of FPAM's commitment to standards and professionalism as well as its rigorous implementation of its certification program. The Association has also made strides in positioning the CFP certification program in Malaysia as the premier financial planning credential.

## Chapters

FPAM's Chapters have been active organizing various programs for their members in 2012. We also support the Chapters by subsidizing their CE courses and networking activities.

The success of our Chapters is due in large part to their committee members who are committed to organizing activities for their members so that they are able to keep abreast of the latest developments in their industry as well as provide opportunities for networking. We thank them for their passion and volunteer spirit.

The Perak Chapter held their General Meeting in 2012 and elected their Chapter Committee for the new term of 2012/2014. Mr. Brandon Ng remains the Chairman and we thank him for his continuing service and contribution to the Chapter.

We are pleased to note the Chapters' efforts in organizing activities for their members. We will continue to fund their activities based on objectives met. Ultimately, Chapters should also work towards being financially sustainable.

## Acknowledgement

I am honoured to have been entrusted with the responsibility of being the President of FPAM for the second term. My being able to carry out my responsibilities has been due to the support of my fellow Board members. I would like to thank each and every one of them for contributing their valuable time, knowledge and expertise.

The Board of Governors has strategized plans on the Association's direction and operations as well as put in place a series of targets and action plans. Going forward, these plans would serve as the road map to ensure that the Association remains on course to serve the industry and its members.

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 all of our members, be they individuals, Charter and Corporate, for their unstinting support of FPAM and its activities.

Thank you.

**Wong Boon Choy**  
President

# Calendar of Events

for the Year 2012

## January

### January 14

Seminar: **Foreign Exchange and Derivatives Strategies: Instruments and Practical Solution for Private Clients**

Instructor: *Mr. Ding Lai Hong*  
Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

## February

### February 11

Seminar: **What to Invest Now? Portfolio Management in Trying Time**

Instructor: *Mr. Phua Lee Kerk*  
Venue: Eastin Hotel, Queensbay Penang

### February 18

Seminar: **Master Smart Techniques in the Client Engagement Process To Kick-start Your Practice Immediately**

Instructor: *Ms. Carol Yip*  
Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

### February 25

Seminar: **Wealth Maximization Through Tax Planning**

Instructor: *Mr. KP Bose Dasan*  
Venue: Harbour View Hotel, Kuching

### February 25

Seminar: **A Corporate Social Responsibility Project - FPAM Penang Chapter & Rockwills: Divorce and Estate Planning**

Instructor: *Mr. Kow Kok Leong*  
Venue: Wisma Rockwills, Penang

## March

### March 3

Seminar: **What to Invest Now? Portfolio Management in Trying Time**

Instructor: *Mr. Phua Lee Kerk*  
Venue: Tower Regency Hotel, Ipoh Perak

### March 17

Seminar: **What to Invest Now? Portfolio Management in Trying Time**

Instructor: *Mr. Phua Lee Kerk*  
Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

### March 17

Seminar: **PIP Property Summit 2012 & FPAM Penang Chapter: "I'm Stuck, My Property Investment Partner Died"**

Instructor: *Mr. Azhar Iskandar Hew*  
Venue: Penang International Sports Arena (PISA), Penang

### March 24

Seminar: **A Corporate Social Responsibility Project - FPAM Penang Chapter & Rockwills: Guardianship of Children**

Instructor: *Mr. Kow Kok Leong*  
Venue: Wisma Rockwills, Penang

### March 31

Seminar: **FPAM Penang Chapter - 1st Financial Planning Practice Clinic (FPPC)**

Instructor: *Practitioners Development Work Group (PDWG)*  
Venue: Penang

## April



### April 7

Seminar: **3rd Financial Planning Practice Clinic (FPPC)**

Instructor: *Practitioners Development Work Group (PDWG)*  
Venue: FPAM Office, Kuala Lumpur

### April 7

Seminar: **What to Invest Now? Portfolio Management in Trying Time**

Instructor: *Mr. Phua Lee Kerk*  
Venue: Angsana Hotel, Melaka

### April 14

Seminar: **REAL PROFITS - Exploiting Mass Market & Elitist Strategies to Rise YOUR Financial Planning Practice Profits**

Instructor: *Mr. Rajen Devadason*  
Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur



### April 28

Seminar: **A Corporate Social Responsibility Project - FPAM Penang Chapter & Rockwills - Celebrity's Will: Where did it go wrong?**

Instructor: *Ms. Tan Mei Yin*  
Venue: Wisma Rockwills, Penang

## May

### May 1

Seminar: **Wealth Maximization Through Tax Planning**

Instructor: *Mr. KP Bose Dasan*  
Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, KL

### May 19

Seminar: **A Corporate Social Responsibility Project - FPAM Penang Chapter & Rockwills: Estate Administration & Will Workshop**

Instructor: *Ms. Lee Shet Mei*  
Venue: Wisma Rockwills, Penang

# Calendar of Events (cont'd)

## for the Year 2012



### May 19

Seminar: **Family Wealth Planning – Leaving Legacy**  
 Instructor: *Ms. Florence Koh Lee Kheng*  
 Venue: Tower Regency Hotel, Ipoh Perak

### May 19

Seminar: **Private Trust – Wealth Preservation, Distribution, Creditors Protection & Succession Planning**  
 Instructor: *Ms. Sabrina Soon*  
 Venue: Shangri-La Hotel, Kota Kinabalu, Sabah

### May 22

Conference: **2nd Islamic Financial Planning and Wealth Management Conference**  
 Venue: Istana Hotel, Kuala Lumpur



### May 26

Seminar: **I-Max Financial Seminar: The New Independent Financial Planner – Only a Matter of Time**  
 Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

### May 29

Seminar: **Devising a Winning Investment Plan**  
 Instructor: *Dr. Ch'ng Huck Khoon*  
 Venue: Dewan Perdana, Bukit Kiara Equestrian Resort, Kuala Lumpur

## June

### June 16

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



### June 20

Seminar: **How To Select A Winning Stock?**  
 Instructor: *Dr. Ch'ng Huck Khoon*  
 Venue: Dewan Perdana, Bukit Kiara Equestrian Resort, Kuala Lumpur

### June 23

Seminar: **A Corporate Social Responsibility Project – FPAM Penang Chapter & Rockwills – Estate Administration & Will Workshop: Protecting Your Business with a Trust**  
 Instructor: *Mr. Azhar Iskandar Hew*  
 Venue: Wisma Rockwills Penang

### June 30

Event: **12th Annual General Meeting**  
 Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur



## July

### July 7

Seminar: **4th Financial Planning Practice Clinic (FPPC)**  
 Instructor: *Practitioners Development Work Group (PDWG)*  
 Venue: FPAM Office, Kuala Lumpur



### July 7

Seminar: **Understanding & Interpreting Financial Statements**  
 Instructor: *Mr. Thye Foot Leong*  
 Venue: Tower Regency Hotel, Ipoh Perak

# Calendar of Events (cont'd)

## for the Year 2012

**July 14**

Seminar: **Private Trust – Wealth Preservation, Distribution, Creditors Protection & Succession Planning**

Instructor: *Ms. Sabrina Soon*

Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur



**July 25**

Seminar: **Family Wealth Planning – Leaving Legacy**

Instructor: *Ms. Florence Koh Lee Kheng*

Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur



**July 28**

Seminar: **A Corporate Social Responsibility Project – FPAM Penang Chapter & Rockwills: Insurance Trust vs. Section 166 Nomination**

Instructor: *Mr. Azhar Iskandar Hew*

Venue: Wisma Rockwills, Penang

**September 12**

Seminar: **Understanding & Interpreting Financial Statements**

Instructor: *Mr. Thye Foot Leong*

Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

**September 22**

Seminar: **Understanding Upstream Oil and Gas Economics Evaluation**

Instructor: *Mr. Elias Abllah*

Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

**August**

**17 August**

Event: **MOU Signing Between FPAM/UTAR**

Venue: UTAR Campus



**October**

**October 06**

Seminar: **What to Invest Now? Portfolio Management in Trying Time**

Instructor: *Mr. Phua Lee Kerk*

Venue: Harbour View Hotel, Kuching, Sarawak

**October 13**

Seminar: **Shariah Perspectives of Financial Planning and Wealth Management**

Instructor: *Mr. Mahadzir Ahmad*

Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

**September**

**September 6**

Seminar: **MFPC & FPAM Financial Planning Seminar 2012: "Forum on Private Retirement Scheme in Malaysia"**

Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

**November**

**November 3**

Seminar: **Technical Analysis From Conceptual To Practical**

Instructor: *Mr. Tang Yue Shiang*

Venue: Marvelux Hotel, Melaka

**November 17**

Seminar: **Formulating Effective Portfolio Management Strategies**

Instructor: *Dr. Ch'ng Huck Khoon*

Venue: The Pavilion Hotel, Sandakan, Sabah

**November 17**

Seminar: **Investment Planning in the Current Economic Climate**

Instructor: *Mr. Wee Hun Been & Mr. Yeo Chee Wei*

Venue: Regent Hotel, Bintulu, Sarawak

**November 27**

Seminar: **Behavioural Finance & Its Impact on Corporate Decision Making**

Instructor: *Dr. Ch'ng Huck Khoon*

Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

**December**

**December 1**

Seminar: **Wealth Destruction and Rehabilitation – Helping Malaysia Retirement Clients Thrive**

Instructor: *Mr. Rajen Devadason*

Venue: Zara's Boutique Hotel, Kota Kinabalu, Sabah

**December 15**

Seminar: **Formulating Effective Portfolio Management Strategies**

Instructor: *Dr. Ch'ng Huck Khoon*

Venue: Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur



# Report of the Board of Governors

## for the Year Ended 31 December 2012



The Board of Governors have pleasure in submitting their report and audited financial statement of the Association for the financial year ended 31 December 2012

### 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

**RM156,879**

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 Updates for 2012

#### Academic Collaboration

The success of the academic collaboration with Kolej Tunku Abdul Rahman (TARC) in 2011 has encouraged Universiti Tunku Abdul Rahman (UTAR) to also sign a Memorandum of Understanding (MOU) on academic collaboration with FPAM.

The MOU exempt UTAR's students from the Faculty of Business and Finance from certain modules of the CFPCERT TM certification programme. Modules which are not exempted would be taught by UTAR's faculty from the Faculty of Business and Finance.

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 designation among UTAR students.

The registration for the first batch of students from UTAR will commence in 2013.

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

#### Exemption from Private Retirement Scheme (PRS) Examination

The CFP credential and IFP qualification continues to be recognized by regulators and industry bodies. The latest is that members who possess either the CFP designation or the IFP qualification are exempted from the PRS Examination.

Anyone who wishes to market and distribute PRS is required to be registered as a PRS Consultant with the Federation of Investment Managers Malaysia (FIMM). One of the prerequisite prior to registration is passing the PRS Examination.

Members who are exempted from the PRS Examination are only required to attend the PRS Familiarization program which aims to equip qualified persons with the basic understanding of PRS. Failure to do so will require them to sit for and pass the PRS Examinations.

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

## for the Year Ended 31 December 2012

### 2.2 Enrollment Trend

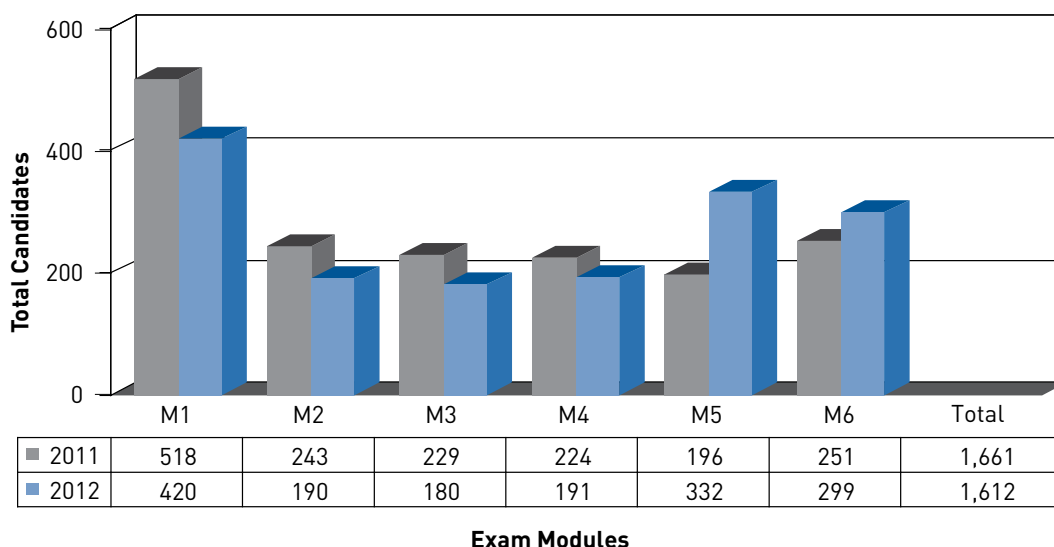
A total of 1,612 candidates registered for the certification examinations in 2012 compared to 1,661 in 2011, recording a decrease of 3%.

An analysis of registrations reveals that where previously, registrations tend to be skewed towards employees of Charter members, the trend now is that more members of the public are enrolling in the CFP certification program. This shows increased awareness of the CFP mark and the importance of financial planning in Malaysia.

In 2011, 65% of exam registrations were employees of Charter members. In 2012, the percentage decreased to 58%. On the other hand, registrations by members of the public increased from 33% in 2011 to 40% in 2012. Registrations from Corporate member companies remain steady at 2%.

The decline in registrations from Charter members is a result of more stringent sponsorship programs implemented previously. Companies which sponsor independent agents for the course had increased their threshold requirement for sponsorship in prior years and this has continued to affect the enrolment of independent agents.

**Comparison of Candidates by Exam Modules 2012 vs 2011**



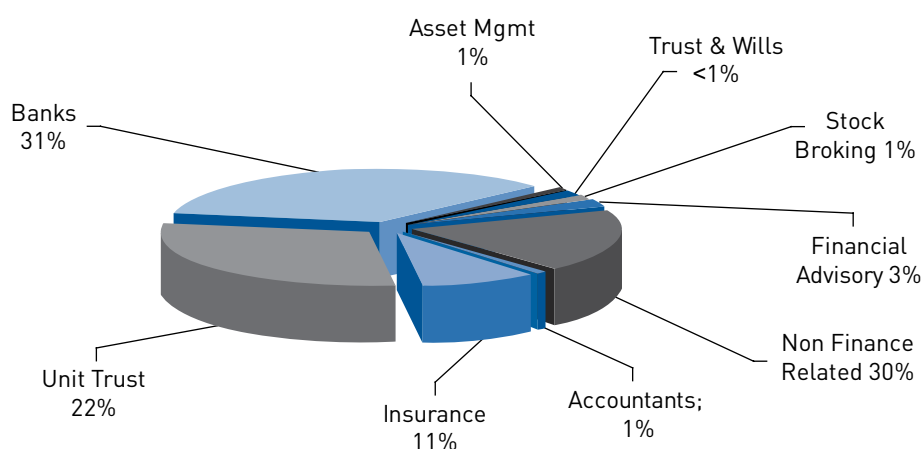
An analysis of registrations by industry for 2012 indicates a further decline in registrations from the unit trust industry and increased registrations from the banking and insurance sectors. The increased in registrations from the banking sector is due to a more competitive market place which has created a demand for employees who are professional, ethical and able to serve the needs of more sophisticated consumers.

In 2011 registrations from the unit trust sector totaled 33%, in 2012 it declined to 22%. Registrations from those in the banking and insurance industry increased respectively from 27% and 7% in 2011 to 31% and 11% in 2012.

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

## for the Year Ended 31 December 2012

### Analysis of Exam Candidates by Industry 2012



## 3.0 Membership

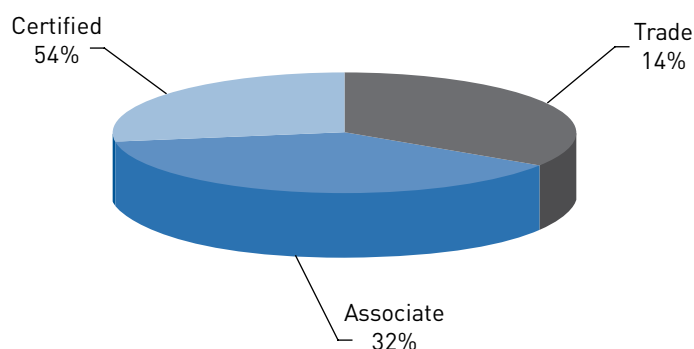
### 3.1 Individual Members

#### 3.1.1 Membership by Category

The total number of members who have completed or are undergoing CFP certification programme as at 31 December 2012 stands at 4,916. For the year ended 2012 only members who paid their dues in 2012 are recognized as current members.

The increase in renewal rates of Certified members for 2012 contributed mainly 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 2012



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

## for the Year Ended 31 December 2012

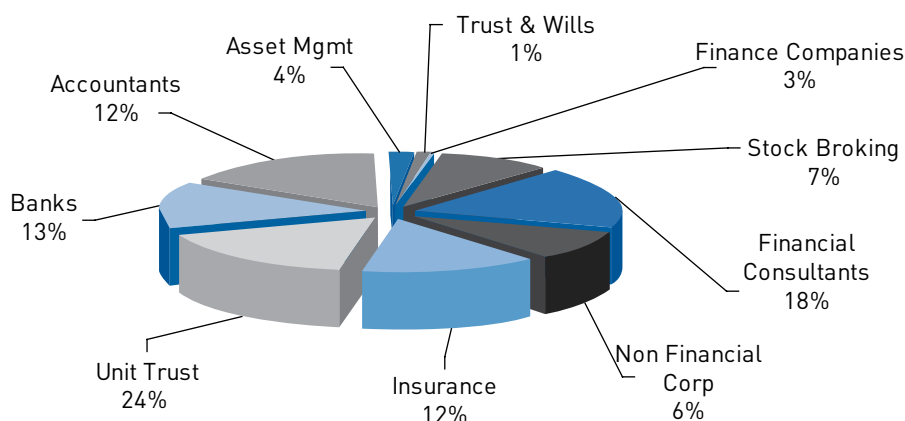
### 3.1.2 CFP Professionals by Industry

An analysis of the 2,657 Certified members as at 31 December 2012 by industry indicates that similar to previous years 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 18% respectively.

The next largest groups of Certified members by industry are those employed in the financial services sector like banking and insurance and those working as Accountants. Members working in these sectors 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 the main reason why Charter members continue to sponsor their employees to obtain the qualification, especially front liners and those who interact with and advise clients.

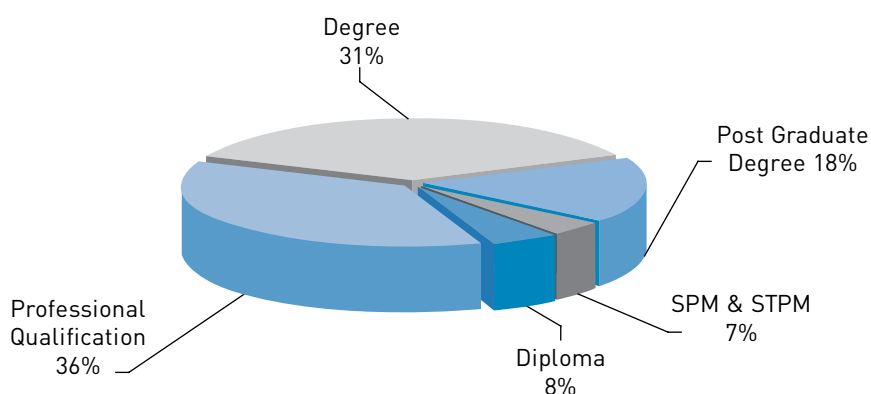
**CFP Professionals By Industry as at 31 December 2012**



The CFP 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 85% of Certified members possess at least a degree 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 2012**



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

## for the Year Ended 31 December 2012

### 4. CE COURSE

A record number of 28 full day continuing education courses were organized directly by FPAM and its Chapters. The courses were conducted nationwide, of which 16 were in Kuala Lumpur, 3 each in Perak, Sabah and Sarawak, 2 in Melaka and 1 in Penang.

In Sabah, 2 courses were held in Kota Kinabalu and 1 in Sandakan whereas in Sarawak, 2 courses were held in Kuching and 1 in Bintulu. Many thanks to all the Chapters for contributing their services and making the courses available as well as nearer to FPAM members and the public in their respective regions.

All the courses were accredited with SIDC as well as FiMM for 10 CPE and 10 CPD points respectively. Courses were still conducted mainly on Saturdays with some exceptions in the Klang Valley. More than 800 participants registered for the courses in Klang Valley, of which 51% were non-members.

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



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

## for the Year Ended 31 December 2012

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

The 4E Journal, the official publication of FPAM continued to remain an important journal for financial planning practitioners, professionals, fund managers and anyone wishing to keep abreast of news and views on industry

The half yearly features industry news and trends, insight into prominent personalities, global updates.



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

## for the Year Ended 31 December 2012



### 6.0 Chapters

#### PENANG

##### Activities in 2012

###### February 11

Seminar: **What to Invest Now? Portfolio Management in Trying Time**

Instructor: *Mr. Phua Lee Kerk*

Venue: Eastin Hotel, Queensbay Penang

###### February 25

Seminar: **A Corporate Social Responsibility Project - FPAM Penang Chapter & Rockwills: Divorce and Estate Planning**

Instructor: *Mr. Kow Kok Leong*

Venue: Wisma Rockwills, Penang

###### March 17

Seminar: **PIP Property Summit 2012 & FPAM Penang Chapter: "I'm Stuck, My Property Investment Partner Died"**

Instructor: *Mr. Azhar Iskandar Hew*

Venue: Penang International Sports Arena (PISA), Penang

###### March 24

Seminar: **A Corporate Social Responsibility Project - FPAM Penang Chapter & Rockwills: Guardianship of Children**

Instructor: *Mr. Kow Kok Leong*

Venue: Wisma Rockwills, Penang

###### March 31

Seminar: **FPAM Penang Chapter - 1st Financial Planning Practice Clinic (FPPC)**

Instructor: *Practitioners Development Work Group (PDWG)*

Venue: Penang

###### April 28

Seminar: **A Corporate Social Responsibility Project - FPAM Penang Chapter & Rockwills - Celebrity's Will: Where did it go wrong?**

Instructor: *Ms. Tan Mei Yin*

Venue: Wisma Rockwills, Penang

###### May 19

Seminar: **A Corporate Social Responsibility Project - FPAM Penang Chapter & Rockwills: Estate Administration & Will Workshop**

Instructor: *Ms. Lee Shet Mei*

Venue: Wisma Rockwills, Penang



###### June 23

Seminar: **A Corporate Social Responsibility Project - FPAM Penang Chapter & Rockwills - Estate Administration & Will Workshop: Protecting Your Business with a Trust**

Instructor: *Mr. Azhar Iskandar Hew*

Venue: Wisma Rockwills Penang

###### July 28

Seminar: **A Corporate Social Responsibility Project - FPAM Penang Chapter & Rockwills: Insurance Trust vs. Section 166 Nomination**

Instructor: *Mr. Azhar Iskandar Hew*

Venue: Wisma Rockwills, Penang

#### MELAKA

##### Activities in 2012

###### April 7

Seminar: **What to Invest Now? Portfolio Management in Trying Time**

Instructor: *Mr. Phua Lee Kerk*

Venue: Angsana Hotel, Melaka

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

## for the Year Ended 31 December 2012

### November 3

Seminar: **Technical Analysis From Conceptual To Practical**

Instructor: *Mr. Tang Yue Shiang*

Venue: Marvelux Hotel, Melaka



### PERAK

#### Activities in 2012

##### March 3

Seminar: **What to Invest Now? Portfolio Management in Trying Time**

Instructor: *Mr. Phua Lee Kerk*

Venue: Tower Regency Hotel, Ipoh Perak

##### May 19

Seminar: **Family Wealth Planning – Leaving Legacy**

Instructor: *Ms. Florence Koh Lee Kheng*

Venue: Tower Regency Hotel, Ipoh Perak



##### July 7

Seminar: **Understanding & Interpreting Financial Statements**

Instructor: *Mr. Thye Foot Leong*

Venue: Tower Regency Hotel, Ipoh Perak

### SABAH

#### Activities in 2012

##### May 19

Seminar: **Private Trust – Wealth Preservation, Distribution, Creditors Protection & Succession Planning**

Instructor: *Ms. Sabrina Soon*

Venue: Shangri-La Hotel, Kota Kinabalu, Sabah



##### November 17

Seminar: **Formulating Effective Portfolio Management Strategies**

Instructor: *Dr. Ch'ng Huck Khoon*

Venue: The Pavilion Hotel, Sandakan, Sabah

##### December 1

Seminar: **Wealth Destruction and Rehabilitation – Helping Malaysia Retirement Clients Thrive**

Instructor: *Mr. Rajen Devadason*

Venue: Zara's Boutique Hotel, Kota Kinabalu, Sabah

### Sarawak

#### Activities in 2012

##### February 25

Seminar: **Wealth Maximization Through Tax Planning**

Instructor: *Mr. KP Bose Dasan*

Venue: Harbour View Hotel, Kuching

##### October 06

Seminar: **What to Invest Now? Portfolio Management in Trying Time**

Instructor: *Mr. Phua Lee Kerk*

Venue: Harbour View Hotel, Kuching, Sarawak

##### November 17

Seminar: **Investment Planning in the Current Economic Climate**

Instructor: *Mr. Wee Hun Been & Mr. Yeo Chee Wei*

Venue: Regent Hotel, Bintulu, Sarawak

# 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 24 to 34 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 2012 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 24 May 2013.

**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 2012, 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 24 to 34.

### 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 2012 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 2012

	Note	2012 RM	2011 RM
<b>Income</b>			
Membership fees		1,333,190	1,280,927
Sponsorship income		25,500	32,500
Surplus from conference	3	50,195	70,813
Surplus from continuing education courses	4	189,986	122,563
Surplus from examination	5	292,227	320,737
Surplus from Manual Project		30,652	-
Interest income		63,659	48,550
Other income		5,946	34,135
		<hr/>	<hr/>
		1,991,355	1,910,225
<b>Less: Expenditure</b>			
Staff costs			
- salaries and bonus		772,988	840,202
- defined contribution plan		120,449	126,230
Rental expenses		114,274	114,274
Depreciation of property and equipment		39,644	53,319
Fixed Asset Written off		41,817	739
Financial Planning Standard Board and Board meeting expenses		32,123	35,747
Chapter development expenses		31,017	41,324
Marketing and promotional expenses		500	1,000
Membership Development Expenses		20,693	12,255
Auditors' remuneration		9,900	9,900
License fee		284,114	273,814
Other expenses	7	366,430	358,840
		<hr/>	<hr/>
		1,833,949	1,867,644
Surplus of income over expenditure before taxation		<hr/>	<hr/>
		157,406	42,581
Taxation	8	527	-
		<hr/>	<hr/>
Surplus of income over expenditure after taxation		156,879	42,581

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

# Statement of financial position

as at 31 December 2012

	Note	2012 RM	2011 RM
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	9	29,113	87,968
<b>Current assets</b>			
Receivables, deposits and prepayments		158,392	242,745
Tax recoverable		-	10,627
Deposits, cash and bank balances	10	2,991,945	2,722,279
Total assets		3,179,450	3,063,619
<b>Current liabilities</b>			
Deferred income	11	654,928	668,946
Advanced membership fees	12	415,625	480,523
Payables	13	895,559	832,191
		1,966,112	1,981,660
<b>Non-current liability</b>			
Sponsorship deposits received from charter members		58,500	84,000
Total liabilities		2,024,612	2,065,660
Net assets		1,154,838	997,959
<b>Represented by:</b>			
Surplus brought forward		997,959	955,378
Surplus of income over expenditure after taxation		156,879	42,581
Surplus carried forward		1,154,838	997,959

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

# Statement of cash flows

For the financial year ended 31 December 2012

	2012 RM	2011 RM
<b>Cash flows from operating activities</b>		
Surplus of income over expenditure before taxation	157,406	42,581
Adjustments for:		
Depreciation of property and equipment	39,645	53,319
Fixed asset written off	41,817	739
Interest income	(63,659)	(48,550)
	175,209	48,089
Increase in payables	63,368	106,038
Decrease in receivables	84,353	95,967
Utilisation of grant	(14,018)	(152,985)
Decrease/Increase in advanced membership fees	(64,898)	44,331
Decrease in sponsorship deposits received from charter members	(25,500)	(32,500)
	<hr/>	<hr/>
Cash generated from operations	218,514	108,940
Income taxes refund	10,100	-
	<hr/>	<hr/>
Net cash generated in operating activities	228,614	108,940
	<hr/>	<hr/>
<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	(22,607)	(7,797)
	<hr/>	<hr/>
Net cash used in investment activities	(22,607)	(8,536)
	<hr/>	<hr/>
<b>Cash flows from financing activity</b>		
Interest received, representing net cash inflow from financing activity	63,659	48,550
	<hr/>	<hr/>
<b>Net Increase in cash and cash equivalents</b>	269,666	148,952
<b>Cash and cash equivalents at beginning of financial year</b>	2,722,279	2,573,327
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of financial year (Note 10)</b>	2,991,945	2,722,279
	<hr/>	<hr/>

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



# Notes to the financial statements

- 31 December 2012

## 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

The address of the registered office and principal place of business of the Association is at Unit 305, Block A Pusat Dagangan Phileo Damansara I, 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 24 May 2013.

## 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 measured 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 statement of income and expenditure.

At each balance sheet 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. Refer accounting policy note 2.3 on impairment of assets.

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 taxes

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 2012

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

### 2.7 Income taxes (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.

# Notes to the financial statements (cont'd)

- 31 December 2012



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

### 2.11 Foreign currency coversion and translation

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:

<u>Foreign currencies</u>	<b>2012 RM</b>	<b>2011 RM</b>
US Dollar	3.06	3.18

## 3. Surplus from conference

	<b>2012 RM</b>	<b>2011 RM</b>
Sponsorship income	50,195	-
Recovery from the Grant	-	73,313
	<hr/>	<hr/>
	50,195	73,313
Other expenses	-	(2,500)
	<hr/>	<hr/>
	50,195	70,813
	<hr/>	<hr/>

## 4. Surplus from continuing education courses

	<b>2012 RM</b>	<b>2011 RM</b>
Continuing education course income	281,300	179,215
Seminar package expenses	(49,024)	(32,641)
Other expenses	(42,290)	(24,011)
	<hr/>	<hr/>
	189,986	122,563
	<hr/>	<hr/>

## 5. Surplus from examination

	<b>2012 RM</b>	<b>2011 RM</b>
Examination fee income	393,138	422,253
Expenses incurred in relation to examination	(100,911)	(101,516)
	<hr/>	<hr/>
	292,227	320,737
	<hr/>	<hr/>

# Notes to the financial statements (cont'd)

- 31 December 2012

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

	2012 RM	2011 RM
Board of Governors	5,600	3,700
Committee Members	-	1,200
	<hr/> 5,600	<hr/> 4,900

## 7. Other expenses

	2012 RM	2011 RM
4E Journal Expenses	60,404	67,223
Annual General Meeting expenses	10,454	28,759
Bank and credit card charges	21,270	21,392
Electricity and utilities	30,464	26,565
General expenses	39,002	15,690
Insurance	10,131	12,284
Maintenance of premises and computers	31,927	26,709
Maintenance of website	6,900	8,806
Postage and courier	9,239	13,893
Printing and stationeries	11,819	19,872
Professional fees	8,088	3,760
Rental of photocopier	7,500	7,025
Staff training, recruitment and welfare	32,973	8,051
Telecommunication	19,358	20,322
Travelling	29,884	37,633
Unrealised foreign exchange loss	177	4,547
FPSB Review & assessment expenses	8,429	-
Manual Project expenses	-	8,928
Withholding tax	28,411	27,381
	<hr/> 366,430	<hr/> 358,840

# Notes to the financial statements (cont'd)

- 31 December 2012

## 8. Taxation

	2012 RM	2011 RM
Income tax:		
Current year	527	-

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 2008, 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:

	2012 RM	2011 RM
Surplus of income over expenditure before taxation	156,879	42,581
Effect of net income not subject to tax	(282,881)	(64,974)
Expenses not deductible for tax expense	173,758	116,636
Utilisation of previously unrecognised tax losses	-	(94,243)
Chargeable income	47,756	-

## 9. Property and equipment

	Office equipment RM	Renovation RM	Furniture and fittings RM	Computer equipment and software RM	Motor vehicles RM	Total RM
<b>Cost</b>						
At 1 January 2012	44,840	76,512	50,188	320,053	148,986	640,579
Additions	4,827	12,790	3,690	1,300	-	22,607
Written off	-	(73,712)	-	-	-	(73,712)
At 31 December 2012	49,667	15,590	53,878	321,353	148,986	589,474
<b>Accumulated depreciation</b>						
At 1 January 2012	42,844	19,952	49,489	291,341	148,985	552,611
Charge for the financial year	1,183	14,956	351	23,155	-	39,644
Written off	-	(31,895)	-	-	-	(31,895)
At 31 December 2012	44,027	3,013	49,840	314,496	148,985	560,361
<b>Net book value</b>						
At 31 December 2012	5,640	12,577	4,038	6,857	1	29,113

# Notes to the financial statements (cont'd)

- 31 December 2012

## 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 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

## 10. Cash and cash equivalents

	2012 RM	2011 RM
Deposits held with licensed banks	2,423,727	2,423,746
Cash and bank balances	568,218	298,533
	<u>2,991,945</u>	<u>2,722,279</u>

Included in the cash and bank balances is the grant received from CMDP (net off expenses claimed) to date amounting to RM654,928 (2011: RM668,946).

# Notes to the financial statements (cont'd)

## - 31 December 2012



### 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.

	<b>2012 RM</b>	<b>2011 RM</b>
At 1 January	668,946	821,931
Utilisation of grant	(14,018)	(152,985)
At 31 December	<u>654,928</u>	<u>668,946</u>

### 12. Advance membership fees

	<b>2012 RM</b>	<b>2011 RM</b>
Trade membership fees	3,299	3,916
Associate membership fees	37,125	42,883
Certified membership fees	375,200	433,724
	<u>415,625</u>	<u>480,523</u>

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

### 13. Payables

	<b>2012 RM</b>	<b>2011 RM</b>
Trade and other payables	314,670	299,618
Accruals	580,889	532,573
	<u>895,559</u>	<u>832,191</u>

Included in other accruals are allowances payable to the Board of Governors of the Association of RM6,200 (2011: RM5,500).



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