

# FPAM



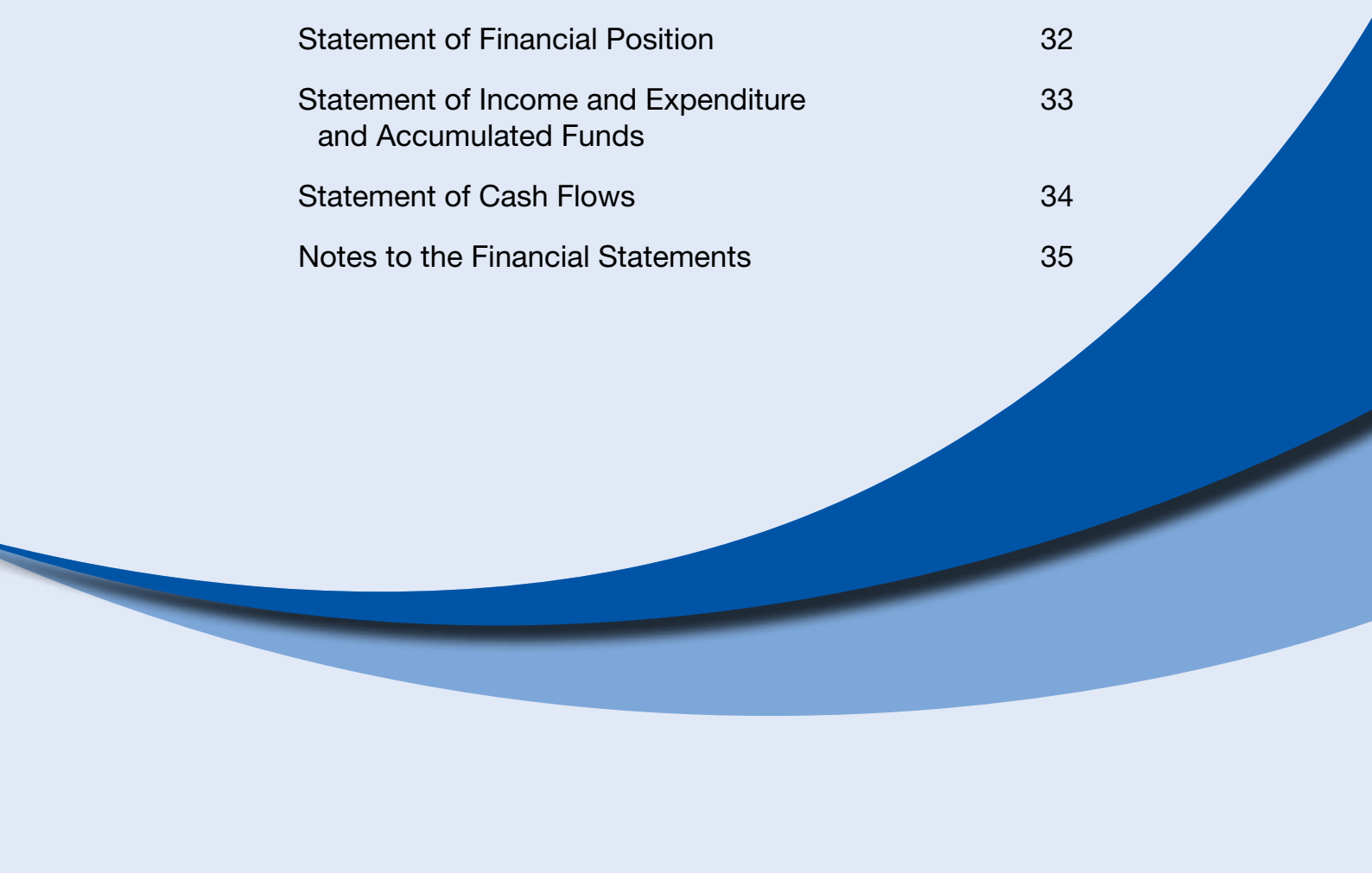
# 2019

## ANNUAL REPORT



# Contents

Notice of Annual General Meeting	2
Board of Governors	5
Board Attendance in Year 2018 – 2019	6
Fpam Board Of Governors Representatives 2019- 2020	7
Profiles of Board of Governors	8
President's Statement	14
Calendar of Events for the Year 2019	16
Report of the Board of Governors	22
Statement by the Board of Governors	29
Independent Auditor's Report	30
Statement of Financial Position	32
Statement of Income and Expenditure and Accumulated Funds	33
Statement of Cash Flows	34
Notes to the Financial Statements	35



# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 20th Annual General Meeting of the Financial Planning Association of Malaysia (FPAM) will be held virtually on **Saturday, 7 November 2020 at 9.30 am.** for the following purposes:

1. To receive the President's Statement and Board of Governor's report on the activities of the Association for the year ending 31 December 2019.
2. To receive the audited accounts of the Association for the year ending 31 December 2019.
3. To re-appoint Baker Tilly Monteiro Heng as the auditors and to authorize the Board to determine their remuneration.
4. To consider and if though fit, pass the following Resolutions:

## **Resolution 4.1:**

### **Rectification of ROS Records of FPAM Constitution**

ROS has written to inform FPAM that in their records of FPAM Constitution, these mandatory clauses are missing. These are existing clauses; they are not new.

Therefore, ROS has advised FPAM to table the said clauses for Certified Members' endorsement so that these clauses can be added back to the Constitution for them to rectify their records accordingly.

### **Appendix to the Said Clauses:**

Clause 6 General Meeting	Clauses 6.3 to 6.11
Clause 7 Voting and Holding Offices	Clauses 7.1 to 7.4
Clause 8 Officer of the Association	Clauses 8.1 to 8.22
Clause 9 Duties of Office Bearers	Clause 9.4 to 9.5
Clause 10 Secretariat	Clause 10.1
Clause 12 Chapters	Clauses 12.1 to 12.6
Clause 13 Disclosure of Interest	Clauses 13.1 to 13.3
Clause 14 Indemnity	Clauses 14.1
Clause 15 Financial Provision	Clauses 15.4 to 15.7

# Notice of Annual General Meeting (cont'd)

## Resolution 4.2:

### Enhancement of the Operations of BOG in FPAM Constitution Clauses 8.7-8.13

Clauses	New	Existing
Clause 8.7	<p>The operations of FPAM shall henceforth be apportioned under these 3 pillars for greater transparency, better governance and sustainability to serve and enhance the Member's interest.</p> <p>Pillar 1: Education, Exams &amp; Membership and related activities.</p> <p>Pillar 2: Industry Development and related activities.</p> <p>Pillar 3: Financial Literacy and related activities.</p> <p>Each chair of the Pillar will be appointed by the BOG from either the Board, Secretariat or a Subject Matter Expert.</p>	<p>The main operations of the BOG shall be conducted by two boards, namely: -</p> <ul style="list-style-type: none"> <li>(i) The Board of Certification and Standards; and</li> <li>(ii) The Board of Membership Affairs.</li> </ul>
Clause 8.8	<p>Sets out the functions of the Pillar 1: Certification &amp; Education</p> <ol style="list-style-type: none"> <li>1. Certification</li> <li>2. Exams</li> <li>3. Membership Standards &amp; Disciplinary Matters</li> <li>4. Continuing Education Workshop</li> <li>5. Marketing &amp; Communication</li> <li>6. Related Matters</li> </ol>	<p>A Board of Certification and Standards (hereinafter referred to as "BOCS") shall be formed comprising of a maximum of ten (10) members. The composition of the BOCS shall consist of a Chairman, two (2) Deputy Chairmen and up to a maximum of seven (7) members. The function of the BOCS will be supported by three (3) committees, which are:-</p> <ul style="list-style-type: none"> <li>(i) Standards and Professional Review Committee;</li> <li>(ii) Disciplinary Committee; and</li> <li>(iii) Education and Examination Committee</li> </ul> <p>The chairman of each of these committees shall be from a member of the BOG.</p>
Clause 8.9	<p>Set out the functions of the Pillar 2: Industry Development</p> <ol style="list-style-type: none"> <li>1. Professional Standards &amp; Disciplinary Matters</li> <li>2. Industry Collaboration</li> <li>3. Financial Planning Awards</li> <li>4. Chapter Oversight</li> <li>5. Charter &amp; Corporate Members Liaison</li> <li>6. Marketing &amp; Communication</li> <li>7. Related Matters</li> </ol>	<p>A Board of Membership Affairs (hereinafter referred to as "BOMA") shall be formed comprising of a maximum of ten (10) members. The composition of the BOMA shall consist of a Chairman, two (2) Deputy Chairmen and up to a maximum of seven (7) Board members. The function of the BOMA will be supported by three (3) committees, which are: -</p> <ul style="list-style-type: none"> <li>(i) Marketing and Public Relations Committee;</li> <li>(ii) Industry Service Committee; and</li> <li>(iii) Membership Development Committee.</li> </ul>

# Notice of Annual General Meeting (cont'd)

Clauses	New	Existing
Clause 8.10	Set out the functions of the Pillar 3: Financial Literacy Programmes 1. Collaborations 2. Education & Workshops 3. Outreach Talks 4. Print & online publication 5. Marketing & Communication 6. Related Matters	The Chairman and the two Deputy Chairmen of the BOCS and BOMA shall be elected by the BOG. The BOCS and the BOMA shall nominate candidates to fill any vacant seats on their respective boards. The BOG may either accept or reject the nomination. If the candidate is accepted, the appointment to the respective board will be effective.
Clause 8.11	Changes to Functions of the Pillars Any significant changes/ amendments to these Pillars is at the discretion of the BOG and shall be brought before the Certified Members.	All members on the BOCS and BOMA will serve for a term of two (2) years. Retiring BOCS and BOMA members may seek re-appointment.
Clause 8.12	Committee Members of Pillar 1, 2 & 3 Each Pillar shall have a minimum of 3 and maximum of 10 candidates. The Chairperson and the Deputy Chairperson(s) to be appointed by the BOG. The respective Pillar Chairperson shall nominate other committee members for BOG consideration. Any casual vacancies shall also require BOG approval. All committee members of the Pillars will serve for a maximum term of two (2) years. Retiring members may seek re-appointment, subject to BOG approval.	At least three (3) BOCS members must be present for its proceedings to be valid and to constitute a quorum.
Clause 8.13	Quorum for Pillar 1, 2 & 3 The required quorum shall be a minimum of 3 committee members including the Chairperson or the Deputy Chairperson.	At least three (3) BOMA members must be present for its proceedings to be valid and to constitute a quorum.

5. To transact any other ordinary business for which due notice shall have been given.

By Order of the Board  
Mr David Dinesh Mathew  
Honorary Secretary  
Kuala Lumpur  
Date: 17 October 2020

Notes:

Only Certified Members of the Association who have fully paid all fees payable in respect of their recertification 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



**Front Row Seated (L-R):**

- 1) Assoc Prof H K Wong
- 2) Elena Chuah
- 3) Ismitz Matthew De Alwis
- 4) Eunice Chan
- 5) Datuk Paul Khoo

**Standing (L-R)**

- 1) Nicholas Chu
- 2) Calvin Goon
- 3) Paul Low
- 4) Steve Teoh
- 5) David Mathew
- 6) Mohd Ridza
- 7) Alvin Tan

**Not in picture:**

Dato' Sri S Ramachandran a/l P Seevaratnam

# Board Attendance in Year 2019-2020

Board of Governors Responsible for all policy matters affecting the Association and the profession		29 July 2019	21 September 2019	20 November 2019	15 January 2020	19 March 2020	20 May 2020 (virtual)	Total
1	Ismitz Matthew De Alwis	•	•	•	•	Movement Control Order	•	5/5
2	Paul Low Hong Ceong				•		•	2/4
3	Elena Chuah Ai Ling	•	•					2/5
4	Datuk Paul Khoo Chuin Yuen	•	•	•	•		•	5/5
5	David D Mathew	•					•	2/5
6	Eunice Chan Chun Hei	•	•	•	•		•	5/5
7	Mohd Ridza bin Yahya	•	•	•	•			4/5
8	Calvin Goon Cheng Yu		•					1/2
9	Alvin Tan Chin Cherng	•	•	•	•		•	5/5
10	Steve Teoh Loon Heng	•	•	•	•		•	5/5
11	Nicholas Chu Chee Khiang	•	•	•	•		•	5/5
12	Dato' Sri S Ramachandran a/l P Seevaratnam			•	•		•	3/3
13	Assoc Prof Wong Hwa Kiong	•	•		•		•	4/5

Board of Certification & Standards Oversee the structure, content and standards for admission of CFP practitioner to ensure that certification standards are safeguarded, impartial and consistent with the requirements of the Financial Planning Standards Board (FPSB)		10 September 2019	11 November 2019	24 February 2020	Total
1	Datuk Paul Khoo Chuin Yuen	•	•	•	3/3
2	Elena Chuah Ai Ling		•	•	2/3
3	Eunice Chan Chun Hei		•		1/3
4	Assoc Prof Wong Hwa Kiong	•			1/3
5	Demi Chan	•	•		2/3
6	Steve Lau	•		•	2/3

Board of Membership Affairs Oversee the development and implementation of the Board strategy in all matters relating to FPAM Membership & Marketing		12 September 2019	18 October 2019	9 January 2020	9 March 2020	Total
1	Paul Low Hong Ceong		•	•	•	3/4
2	Nicholas Chu Chee Khiang	•	•	•	•	4/4
3	Steve Teoh Loon Heng	•	•	•	•	4/4
4	Mohd Ridza bin Yahya	•		•	•	3/4
5	Alvin Tan Chin Cherng		•	•	•	3/4
6	Catherine Khoo	•	•		•	3/4
7	Dato' Sri S Ramachandran a/l P Seevaratnam			•		1/2

• Present      Absent      Not Board Member



# FPAM BOARD OF GOVERNORS REPRESENTATIVES 2019- 2020

@ December 2019

Name	Charter Member Rep	Certified Member Rep
Mr Ismitz Matthew De Alwis, CFP CERT TM, IFP®	X	
Mr Paul Low Hong Ceong, CFP, IFP	X	
Ms Elena Chuah Ai Ling, CFP, IFP	X	
Datuk Paul Khoo Chuin Yuen, CFP		X
Ms Eunice Chan Chun Hei, CFP, IFP	X	
En Mohd Ridza bin Yahya	X	
Mr Nicholas Chu Chee Kiang, CFP, IFP		X
Mr Alvin Tan Chin Cherng, CFP		X
Mr Steve Teoh Loon Heng, CFP		X
Dato' Sri S Ramachandran a/I P Seevaratnam, CFP		X
Mr Calvin Goon Cheng Yu, CFP, IFP (Resigned 20 October 2019)		
<b>Total</b>	<b>5</b>	<b>5</b>

## Public Representatives

Mr David Dinesh Mathew

Ms Wong Hwa Kiong



# Board of Governors Profile



**Mr Ismitz Matthew,**  
**CFP CERT TM, IFP®**  
*President*

**Mr Ismitz Matthew De Alwis** is the Chief Executive Officer for Kenanga Investors Berhad (KIB) responsible for the overall asset and investment management business of KIB and its subsidiaries. He joined Kenanga Investors in June 2013 upon the acquisition of ING Funds Berhad where he was the Executive Director and country head for ING Investment Management business in Malaysia. He started as an Investment Analyst with a regional research & advisory firm, where he obtained vast regional exposure in Hong Kong, Philippines, Dubai and Singapore. He brings with him more than 25 years of experience, expertise and several leadership roles in the fields of financial and investment management both regionally and locally.

De Alwis is a member of University of Cambridge, Judge Business School – ABSEP alumni network and also attended the Advanced Business Management Program (ABMP) by International Institute for Management Development (IMD), Lausanne, Switzerland. He holds an MBA and professional qualifications from the Chartered Institute of Marketing UK (CIM UK). He is also a Certified

Financial Planner (CFP) and Islamic Financial Planner (IFP). He has a Capital Markets Services Representative's License (CMSRL) from the Securities Commission Malaysia for fund management, investment advice and financial planning.

He is currently the President of Financial Planning Association of Malaysia (FPAM) and also on the board of the Federation of Investment Managers Malaysia (FIMM), Committee Member of Malaysia Asset Management (MAAM), member of the Licensing Examinations Review Committee (LERC) for the Securities Commission Licensing Examination Module 10: Asset & Funds Management. He was also appointed to the Industry Competency Framework (ICF) Advisory Panel for the Malaysian Capital Market project undertaken by the Securities Industry Development Corporation (SIDC).



**Mr Paul Low Hong Ceong,**  
**CFP CERT TM, IFP®**  
*Deputy President*

**Mr Paul Low Hong Ceong**, is currently the Chief Executive Officer for Etiqa Life Insurance Berhad. Paul joined Etiqa Life Insurance Berhad in February 2019 to drive Etiqa's life insurance business.

Paul has been in the financial services industry for more than 30 years, namely insurance, mutual funds and wealth management locally and abroad, in USA, Malaysia and China.

From 1998 until 2005, Paul was the CEO of BHLB Pacific Trust/ SBB Mutual Berhad. Paul ventured into China in 2006 and held a few senior positions in CITIC Prudential, ING-Capital Life and Aeon Life Insurance Company Ltd. Paul returned to Malaysia in 2012 to join AmMetLife Insurance Berhad as the Managing Director/Chief Executive Officer.

From 2015 until January 2019 and prior to his appointment in Etiqa, Paul was the Chief Executive, Manulife Wealth Advisors and Chief Success Officer at Manulife Holding Berhad.

Paul holds a Masters Degree in Business Administration from McNeese State University, Louisiana, USA and a Bachelor of Science Degree from University of Louisiana, Louisiana, USA. Paul is a Certified Financial Planner and an Islamic Financial Planner. He is also a council member of the Management Committee of Life Insurance Association of Malaysia (LIAM) and the Deputy President and BOMA Chairman of the Financial Planning Association of Malaysia (FPAM) for 2019/2020.

## Board of Governors Profile (cont'd)



**Ms Elena Chuah Ai Ling,**  
CFP CERT TM, IFP®  
Vice-President

**Ms Elena Chuah** records her 17 years in CIMB. Last 2 years, she has been in Group Operations and in the recent 2020 reorganization now heads up the Operations Strategy & Regional Office unit.

On top of supporting the Group Chief Operations Officer on employee engagement matters, she is also managing the 3- Year Transformation Programme which is poised to change how CIMB operates in the backend in line with the IR4, the vigorous demands for cost efficiencies and regulatory compliance

Elena is currently the Vice-President and is a member of the FPAM Board of Governors since 2014. She is also the BOCS Deputy Chairperson.



**Datuk Paul Khoo Chuin Yuen,**  
CFP CERT TM, IFP®  
Vice-President

**Datuk Paul Khoo** is currently the Managing Director of Regov Technologies and was the Non-executive Chairman of StandardFA. He has a combined 20+ years of leadership roles in financial services and technology. A serial entrepreneur with interests in fintech, govtech, and financial advisory, he is passionate in using deep technologies to leapfrog financial market.

Datuk Paul graduated from University of New Orleans, USA with a Bachelor of Science in Finance. He is also a CFP Professional and a Licensed Financial Planner.

He is currently the Chairman of BOCS and the Vice-President of FPAM.



**Mr David Dinesh Mathew,**  
LLP  
Honorary Secretary

**Mr David Mathew** is a Partner at Messrs Steven Thiru & Sudhar Partnership. He was formerly a Partner at Messrs Shook Lin & Bok, one of the largest law firms and oldest of local origin in Malaysia. David graduated with a LL.B (Honours) from the University of London in 2002. He was called to the Bar of England and Wales as a member of the Honourable Society of Gray's Inn in 2003. He obtained a Masters-in-Law (LL.M) at the University of London in 2004 and holds a Graduate Diploma in Law from City University, London as well as credits in the subjects of US and EU Antitrust and Banking and Finance Law from Cornell University. His areas of practice are in Administrative law, Alternative Dispute Resolution, Company, Constitutional, Defamation, Energy, General Litigation, Industrial Relations, Land Acquisition as well as Media & Personal Data Protection.

Outside of legal practice, David taught the final year LL.B subject of Remedies at the University of Malaya from 2008 – 2010. He continues to lecture at the University of Malaya on an ad-hoc basis in practical legal areas such as opinion writing, drafting and trial preparation. He also conducts training workshops for various organisations in the areas of Anti-Money Laundering and Anti-Terrorism Financing, Competition Law, Personal Data Protection and Employment Law.

David is currently the Honorary Secretary of FPAM.

# Board of Governors Profile (cont'd)



**Ms Eunice Chan Chun Hei**  
CFP<sup>CERT</sup>™, IFP<sup>®</sup>  
Honorary Treasurer

**Ms Eunice Chan** is the Senior Executive Vice President, Head of Retail Wealth Management and Segments of the Group Wealth Management, Community Financial Services of Malayan Banking Berhad. She has more than 25 years experience in the financial services industry. Currently, she is responsible for the Retail Wealth Management of Maybank includes High Networth, Affluent and Emerging Affluent Segments of clients. She is also responsible for the Premier, and Privilege Banking franchise and Banca Assurance of Maybank in Malaysia. Eunice is the council member of Maybank Group Women Mentoring Women Council.

Prior to her current appointment, she was the Director of Global Securities Services and the Chief Executive Officer of Maybank Trustee Berhad, Transaction Banking, Global Banking of Maybank. She was also the Head of Custodial Services of Maybank in 2010.

Eunice joined Maybank Group in 1997 as the Head of Business Operations in Maybank Unit Trust Berhad. In 2007, she was appointed as the Head of Business Process management in the Service Level Management and Quality cum Strategic Planning and Performance Management in the Maybank Chief Operating Officer's Office. In 2009, she was seconded to the Transformation Office as the PMO Manager for the Group restructuring initiatives of the Bank. Prior to joining Maybank, she worked in the New Zealand Stock Exchange in Wellington, New Zealand. She holds a Bachelor of Commerce and Administration, major in Commercial Law from the Victoria University of Wellington, New Zealand.

Eunice is currently the Honorary Treasurer and BOCS Member of FPAM.



**En Mohd Ridza bin Yahya**  
Board Member

**Encik Mohd Ridza Yahya** holds a Bachelor of Economics Degree from Lamar University, Beaumont, Texas, USA. He joined PNB in 1993 as a Research Executive and was transferred to the Corporate Services Department in 1997. Subsequently in 2009, he was transferred to the Marketing and Branch Operations Department of ASNB. He held the position as Vice President for Branch Management & Supervision Department until December 2019.

He is a Shariah Registered Financial Planner (RFP) with the Malaysian Financial Planning Council (MFPC) and a registered unit trust consultant (UTC) with Federation of Investment Managers Malaysia (FIMM). He also sits on the Board of FIW Steel Sdn Bhd as a director. Currently he heads the Preferred Client & Agent Management of ASNB effective from January 2020.

Currently Encik Mohd Ridza is a BOMA Member of FPAM.

## Board of Governors Profile (cont'd)



**Mr Alvin Tan Chin Cherg,**  
CFP CERT TM,  
Board Member

**Mr Alvin Tan** was the Executive Director and Chief Executive Officer of StandardFA, the largest and award-winning financial adviser dealer group in Malaysia, before the company was 100% acquired by UOB KayHian Securities Malaysia.

During his leadership in StandardFA, he was instrumental in charting and managing the company strategic direction especially in expanding the advisers' network to a strong 400 wealth advisors nationwide. The company was also awarded, among others, the Best Financial Advisory Brand Malaysia from 2014 to 2018 consecutively by various publications such as Global Banking & Finance Review and APAC Insider, UK.

In addition to continuing his current roles, he is also being tasks to introduce wealth management and advisory concepts to UOBKH's remisiers and dealers' network to complement their stockbroking activities.

Alvin started his investment career with TA Unit Trusts Bhd as their Senior Agency Manager, where he is awarded as the Top Newcomer and Most Promising Consultant Year 2002.

He has over 18 years of financial services industry experience and is currently the President of the Association of Financial Advisers (AFA) Malaysia for the year 2019 to 2021. He is also currently the Board Member of Financial Planning of Malaysia (FPAM).

Graduated top from his class, he holds a first class honours degree in Finance from Universiti Tenaga Nasional Malaysia, majoring in investment and risk management.



**Mr Steve Teoh Loon Heng,**  
CFP CERT TM,  
Board Member

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

He was the Chair of the Appeals Committee/Disciplinary Board and was Editor and Editorial Panelist of the 4E Journal for the past 12 years and served as its Advisor. He was a member the Financial Planning Standards Board Communications Advisory Panel (CAP) that supports the CFP brand development and communications activities amongst the 25 global FPSB 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 Self-Regulatory Organization initiatives. The undertaking of the Taskforce is an initiative by both the Securities Commission and Bank Negara Malaysia to assist in the orderly development of the Malaysian financial planning industry. Mr Teoh also represented FPAM on the Working Group for financial planning at the Malaysian Institute of Accountants (MIA).

Until 2011, he was a Licensed Financial Planner under Securities Commission of Malaysia with a wealth management consultancy and 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 in 14 orphanages nationwide. The Foundation is under the distinguish Royal Patronage of Her Majesty, the Raja Permaisuri Agong.



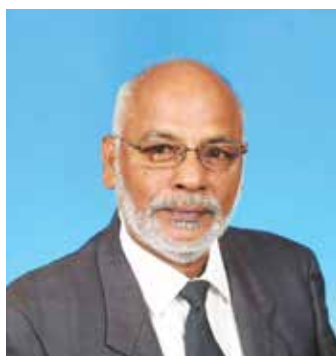
# Board of Governors Profile (cont'd)



**Mr Nicholas Chu  
Chee Khiang,**  
CFP CERT TM, IFP®  
Board Member

**Mr Nicholas Chu** is the Managing Director of Max Growth Wealth Education Sdn Bhd, a company providing financial education for the public. He is also attached to Phillip Wealth Planner Sdn Bhd as a Licensed Financial Planner and a Financial Adviser Representative. Nicholas has written 3 financial planning books entitled; "Learning Financial Planning –The Fundamental", "Retirement Chips" and "Big Life Financial Management". With his vast experience in financial planning, Nicholas was appointed as a columnist for the financial section in Nanyang Siang Pau, Sin Chew Jit Poh, China Press, Money Compass, Feminine magazine, etc. He is also a frequent guest speaker on local radio station (AiFM, OneFM) and TV Stations (NTV 7, Bernama TV, 8TV and Astro).

He was elected to the FPAM Board of Governors in 2015. Prior to this, he was Chairman of FPAM Melaka Chapter from 2011 to 2015.



**Dato' Sri S Ramachandran  
A/L P Seevaratnam,**  
CFP CERT TM, IFP®  
Board Member

**Dato Sri Ramachandran.SSAP** is the Chairman Mutual Invesmart Sdn Bhd. He has over 25 years of experience in wealth management, corporate finance, product design, and financial planning. He has advised and worked with various top tier corporates including MAA Group and Country Heights group. He is responsible for a large personal corporate asset under management. He has won the Corporate championship awards by Public Mutual Berhad consecutively from the year 2003 to 2008. He was also actively involved in the design and corporate marketing of pioneer financial products in the Malaysian market such as the CHIPPI and Country Heights Growers scheme, after which, he decided to focus on building personal equity and global exposure under the Mutual Invesmart Group.

Dato Sri is also a registered member of FIMM, Chairman of ATMAH Foundation, Chairman of FP Trainers Sdn Bhd, Chairman of Raeven Properties, Chairman of Laeyvinia Properties, Chairman of Shivainia Properties Sdn Bhd, Chairman of R&L Properties and Chairman of SRC Properties.

He is a CFP Professional and currently member of the Board of Governor and BOMA Member of FPAM.



**Ms Wong Hwa Kiong**  
Board Member

**Assoc. Prof Wong Hwa Kiong** joined Tunku Abdul Rahman University College (TAR UC), formerly known as Tunku Abdul Rahman College in 1991 as a lecturer. She is one of the key figures responsible for building solid foundation for TAR UC to nurture many Malaysia and world top prize winners in various international professional examination. In 2013, she was promoted as Deputy Dean of the Faculty of Accountancy, Finance and Business (FAFB). In January 2016, she took on the role as the Dean of the Faculty. Today, FAFB has very strong reputation in providing excellent professional and business education in Malaysia with student population over 14,000. She has over 29 years' experience in education industry.

Assoc. Prof Wong plays a pivotal role in designing many undergraduates and post graduate programmes which includes Bachelor of Business (Honours) in Business Analytics and PhD in Business. She was admitted as a member of the leading professional body for marketers, ie The Chartered Institute of Marketing since May 2017.

She is a member of the Board of Governor and BOCS member of FPAM.

## Board of Governors Profile (cont'd)



**Mr Calvin Goon Cheng Yu,**  
**CFP CERT TM, IFP®**  
*Board Member*

*Resigned 20 October 2019*

**Mr Calvin Goon** has over 18 years of working experience in sales and marketing in the asset and wealth management, private banking and the affluent segment business.

Calvin joined Affin Bank Berhad in October 2019 as Head of Wealth Management. His portfolio also includes the customer segmentation for the affluent and mass affluent business. His strength is in building profitable business model which involves skills in market intelligence, cost and revenue analysis, and sales and marketing campaign.

With his in-depth experience in wealth management product development and serving the needs of high net worth individuals, his team is responsible for driving the growth and profitability of the affluent and mass affluent customer base alongside the Wealth and Bancassurance products in the current role.

Calvin has a degree in Marketing and Mass Communications from Universiti Sains Malaysia. He also holds the following certifications: CFP mark, Capital Markets and Financial Advisory Services (Singapore) Module 1A & 1B and Pre-Contract Examination for Insurance Agents. He is also licensed under FiMM for unit trust.

# President's Statement



On behalf of the Board of Governors, I have the pleasure to present to you the 19th Annual Report and Financial Statements of the Financial Planning Association of Malaysia for the year ended 31 December 2019.

## Financial Performance

For the year ended 31 December 2019, the Association achieved a gross revenue of RM 2,919,842, 44% above to that of 2018.

The strong performance is due to the increased uptake of the CFP Certification Programme under CMDf which ended in 2019 and the increased demand for FPAM CE Workshops, both public and in-house.

Nevertheless, careful management continues to be exercised and we were able to record a surplus of RM77,932 144% increase from 2018. At the same time, we also continue to utilize part of the revenue in the year to promote the CFP and IFP certification programme to attract more talent into the industry and also more activities nationwide to increase visibility and awareness of our members.

## Membership, Exams and Education

A total of 1,082 candidates registered for the certification examinations in 2019 compared to 960 in 2018, recording an increase of 13%.

The increase in examination registrations for 2018 is a result of CMDf Sponsorship initiative for Model Group of Licensed Financial Planners which ended on 31 December 2019.

The number of current certified members saw a dip from 2,282 to 2,181 as we continue to coach members to adhere to their Code of Ethics by fulfilling their CE requirements annually. The Board would also like to acknowledge the 300 exemplary members who paid their recertification fees and fulfilled their CE requirements for 2020 between October 1 to 30 March 2019. These members enjoy an additional 2 CE points which contributes to their 2020 recertification.

Globally the growth of CFP professionals is at 188,104 for 2019, representing a 4% growth over 2018. Malaysia ranks 11th among the 26 affiliates in terms of total CFP professionals worldwide.

The Association has 47 charter and corporate members for 2019.

## Stakeholders Engagement

For 2019, the Association continues its engagement through the remainder of the following CMDf activities with ended on 31 December 2020:

- FPAM-ASCM Survey on Cross-Profession between Dealer/Reps and Licensed Financial Planners.
- 2019 CMDf-Funded Survey on Consumer Awareness of Financial Planning. This is a repeat of 2015 Survey conducted to see if there is improvement in financial literacy and personal finances.
- Roadshows on Professional Risk Management for financial planning firms.
- Model Group of Licensed Financial Planners Sponsorship for which the outcome is targeted in increasing the number of licensed financial planners.

## Membership Activities

To address questions from last Annual General Meeting on its programmes for members, FPAM has conducted 147 activities and events in 2019. These are regular activities that is being rolled out each year to:

1. create awareness of our certification programmes
2. increase FPAM visibility globally and locally
3. Engage relevant regulators
4. Support Members' growth
5. Showcase our Licensed Financial Planners Members
6. Increase awareness of the public on the importance of planning personal finances.



# President's Statement (cont'd)

In 2020, to commemorate our 20th-Year Anniversary, FPAMFLY Organising Committee, led by Organising Chairman, BOG Nicholas Chu, organised and rolled out a series of financial literacy initiatives for the public. It was supported by FEN.

On the global front, FPAM continues to chair the FPSB APAC Forum for 2020 and has been elected to continue for 2021 by APAC Forum members. The cross-border CFP Certification recognition initiative has been completed and online matrix set up. The APAC Team is now working on the cross-border CPD recognition to complete the matrix which is scheduled for 2021 due to the pandemic. We are also exploring an APAC Conference after the pandemic.

## Industry Updates

As FPAM's CMDF initiatives themed 'Raising the Bar of Financial Planning' come to an end in December 2019, the outcome saw the completion of the following surveys conducted to contribute to the growth of the financial planning industry:

1. Financial Planning Firms Survey
2. Repeat of the 2015 Consumer Awareness of Financial Planning and the CFP Mark Survey
3. ASCM-FPAM Cross Profession Survey
4. The behaviour of participants towards the Model Group of Licensed Financial Planners Sponsorship Programme.

These findings are aimed to help regulators in their supervision and licensing of financial planning in accordance to its scope of service and structure. We had previous members feedback that the current regulation was geared towards larger financial institutions.

## Chapters

Association is happy to report that our six chapters continue to be active in serving the local members and organizing the following activities:

1. Public financial literacy programmes both during and outside of WFPD
2. Networking events
3. CE Workshops
4. Engaging local stakeholders

The Board would like to register its appreciation to Chapter Committee Members for their spirit of volunteerism and strongly encourage our chapter members to continue participating in the innovative activities specially organized by its Committee Members for members' benefits.

## Moving Forward

For 2020, our focus remains in the 3 key areas, membership growth, self-sustainability and visibility. FPAM is involved in the Financial Planning Industry Working Groups and your Board members, consisting of Datuk Paul Khoo, Alvin Tan, Paul Low and myself are part of the group together with Linnet Lee. Our industry is certainly moving to the next level with regulators strongly supporting expansion of financial products and advisory services as an integral part of being client-centric which requires professional ethics and good governance.

It is natural that, at the 2020 Strategy Meeting your Board reviewed the Association operational structure in relation to the impending change to future proof FPAM and ensure that it is robust to remain the thought leadership in financial planning.

## Acknowledgement

I would like to, once again, thank every one of my fellow Board members for their support and contribution to the Association in terms of time, knowledge and expertise, which has helped me to continue carrying out my responsibilities.

The Board of Governors will continue to plan innovative strategies, guide and oversee implementation of existing ones for the Association's direction.

On behalf of the Board of Governors, I would also like to express my appreciation to the following:

- FPAM Secretariat for their contribution in the management of the Association.
- Individual, Charter and Corporate members for your unwavering commitment and support of FPAM and its activities.
- FPAM stakeholders for their valued collaboration with FPAM.

Let me close by wishing all members another productive and blessed year in their professional and personal life's journey ahead.

# Calendar of Events

for the Year 2019

## 2019 Summary of Events

NO	EVENT	YTD
1	CFP Excellence Awards Ceremony	1
2	CFP Promotion (booths/talks)	3
3	Advertisements	14
4	Financial Planning Symposium 2019	1
5	Award, Recognition & Networking Nite 2019	1
6	CE Workshop/E-Learning	54
7	Annual General Meeting & Annual Chapter Meeting	1
8	Chapter General Meeting	4
9	Focus Group / Roundtable Forum	1
10	World Financial Planning Day & #finplan4u by InvestSmart Fest	1
11	Media Engagement	60
12	MFPYA Competition	1
13	IFP Masterclass	0
14	IFP Promotion (booths/talks)	2
	Corporate/charter members dialogue sessions	
15	BOG decided to discontinue as topics from providers may be deemed as FPAM endorsement	3
<b>TOTAL</b>		<b>147</b>

Date	Event	Program Title Klang Valley	Facilitator Name
Saturday, January 12, 2019	Financial Literacy Program	Building a Professional Image as a Licensed Financial Planner	Linnet Lee
Saturday, January 12, 2019	CFP Promotion	2019 Genexian's Annual Conference	-
Thursday, January 24, 2019	Financial Literacy Program	Financial Literacy Talk	Noreen & Hairil
Thursday, 24 January, 2019	Dialogue Session	Stashaway Dialogue Session	Michele Ferrario
Saturday, January 26, 2019	CE Workshop	Creating A Financial Plan Masterpice	Gavin Teoh
Monday, February 18, 2019	Dialogue Session	ETF Dialogue Session	Chong Lee Choo
Tuesday, March 05, 2019	CE Workshop	Investment Strategy In The Dawn of Trump Era	Puah Lee Kerk
Wednesday, March 13, 2019	CE Workshop	Estate Planning and Benefits of Setting Up Hibah/Trust	Nur Sabrina



# Calendar of Events (cont'd)

for the Year 2019

Date	Event	Program Title	Facilitator Name
Wednesday, April 03, 2019	FPAM Annual Event	Financial Planning Symposium 2019: Secrets to Success in the Financial Industry	-
Monday, April 22, 2019	CE Workshop	MY Estate : Administration of an Estate/Trust and Planning for the Next Gen\$	Nur Sabrina
Tuesday, April 23, 2019	CE Workshop	GE14 Anniversary Market Updates for Investment Planners and Portfolio Managers	Phua Lee Kerk
Tuesday, April 23, 2019	CFP Promotion	KDU Executive Learning Series	Linnet Lee
Saturday, May 04, 2019	CE Workshop	Taxation Planning for Financial Services Professionals	Bose Dasan
Tuesday, May 14, 2019	CE Workshop	Investing For Life Goals : A Portfolio Perspective	Pauline Yong
Saturday, May 25, 2019	CE Workshop	GE14 Anniversary Market Updates for Investment Planners and Portfolio Managers	Phua Lee Kerk
Wednesday, June 26, 2019	CE Workshop	Estate Planning and Benefits of Setting Up Hibah/Trust	Nur Sabrina
Saturday, June 29, 2019	FPAM Annual Event	Annual General Meeting & Annual Chapter Meeting	-
Tuesday, July 09, 2019	CE Workshop	Practical Applications in Using REITs as Alternative Property Investment	Lieu Ching Foo
Monday, July 15, 2019	CE Workshop	Taxation Planning for Financial Services Professionals	Bose Dasan
Tuesday, July 16, 2019	CE Workshop	Evaluate Your Clients Insurance Policies	Irene Lee
Saturday, July 13, 2019	CE Workshop	Building a Successful & Ethical Mindset as a Financial Professional	Linnet Lee
Saturday, July 27, 2019	CE Workshop	Evaluate Your Clients Insurance Policies	Irene Lee
Wednesday, August 07, 2019	FPAM Annual Event	Awards & Networking Night 2019	-
Monday, August 19, 2019	CMDF Talk Series	Professional Risk Management for Licensed Financial Planners	Linnet Lee & Tan Chee Meng
Wednesday, August 21, 2019	CMDF Talk Series	Professional Risk Management for Licensed Financial Planners	Linnet Lee & Tan Chee Meng



Corporate Members Coreplus Advisory Sdn Bhd Visitation



WFPD 2019 - Setia Wellness Campaign 2019

# Calendar of Events (cont'd)

for the Year 2019

Date	Event	Program Title	Facilitator Name
Thursday, August 22, 2019	Others	Corporate Members Coreplus Advisory - Sdn Bhd Visitation	-
Wednesday, September 04, 2019	CE Workshop	Estate Planning and Benefits of Setting Up Hibah/Trust	Nur Sabrina
Wednesday, September 04, 2019	CMDF Talk Series	Professional Risk Management for Licensed Financial Planners	Linnet Lee & Tan Chee Meng
Wednesday, September 18, 2019	CE Workshop	Investing For Life Goals : A Portfolio Perspective	Pauline Yong
Thursday, September 19, 2019	CE Workshop	Managing Risk in Investing : A Revolutionary & Result Oriented Approach	Lieu Ching Foo
Saturday, September 28, 2019	CE Workshop	Managing Risk in Investing : A Revolutionary & Result Oriented Approach	Lieu Ching Foo
Wednesday, October 02, 2019	WFPD2019	WFPD 2019 - Bloggers Roundtable FB Live	-
Thursday, October 03, 2019	CMDF Talk Series	Professional Risk Management for Licensed Financial Planners	Linnet Lee & Tan Chee Meng
Thursday, October 03, 2019	WFPD2019	WFPD 2019 - Setia Wellness Campaign 2019	-
Thursday, October 10, 2019	CFP Promotion	FIMM Annual Convention 2019	-
18/10/2019- 19/10/2019	WFPD2019	WFPD 2019 - Invest Smart Fest 2019	-
Wednesday, October 23, 2019	CE Workshop	Estate Planning and Benefits of Setting Up Hibah/Trust	Nur Sabrina
Monday, November 04, 2019	CE Workshop	Financial Security through Financial Planning	Christopher Chiu
Tuesday, November 05, 2019	CE Workshop	Financial Planning for Millennials & Gen Z	Alvin Kwan
Saturday, November 16, 2019	CE Workshop	Investing For Life Goals : A Portfolio Perspective	Pauline Yong
Saturday, November 23, 2019	CE Workshop	Financial Planning for Millennials & Gen Z	Alvin Kwan
Wednesday, December 04, 2019	CE Workshop	Constructing Financial Plan - A Practical Approach	Kevin Neoh





# Calendar of Events (cont'd)

for the Year 2019

Date	Event	Program Title	Facilitator Name
Wednesday, December 18, 2019	CE Workshop	Financial Planning for Millennials & Gen Z	Alvin Kwan
Thursday, December 19, 2019	CE Workshop	MY Estate : Administration of an Estate/Trust and Planning for the Next Gen\$	Nur Sabrina
<b>Penang</b>			
Saturday, March 16, 2019	CE Workshop	Taxation Planning for Financial Services Professionals	Bose Dasan
Saturday, July 27, 2019	CE Workshop	GE14 Anniversary Market Updates for Investment Planners and Portfolio Managers	Phua Lee Kerk
Saturday, August 10, 2019	Chapter General Meeting	Penang Chapter General Meeting	-
Monday, August 19, 2019	CE Workshop	MY Estate : Administration of an Estate/Trust and Planning for the Next Gen\$	Nur Sabrina
Tuesday, August 20, 2019	CE Workshop	Managing Risk in Investing - A Revolutionary & Results Oriented Approach	Lieu Ching Foo
Tuesday, October 08, 2019	WFPD2019	WFPD 2019 - Setia Wellness Campaign 2019	-
<b>Perak</b>			
Saturday, March 09, 2019	CE Workshop	Investment Strategy In The Dawn of Trump Era	Puah Lee Kerk
Saturday, July 06, 2019	CE Workshop	Advisory Skills in Financial Planning	Gavin Teoh
Friday, July 19, 2019	CE Workshop	MY Estate : Administration of an Estate/Trust and Planning for the Next Gen\$	Nur Sabrina
Saturday, July 20, 2019	CE Workshop	Managing Risk in Investing : A Revolutionary & Result Oriented Approach	Lieu Ching Foo
Saturday, August 10, 2019	Chapter General Meeting	Perak Chapter General Meeting	-
Friday, November 01, 2019	WFPD2019	WFPD 2019 - Money Master Kids : FPAM Family Financial Education Day 2019	-



# Calendar of Events (cont'd)

for the Year 2019

Date	Event	Program Title	Facilitator Name
<b>Melaka</b>			
Saturday, April 27, 2019	CE Workshop	Taxation Planning for Financial Services Professionals	Bose Dasan
Friday, June 14, 2019	Chapter General Meeting	Melaka Chapter General Meeting	-
Wednesday, September 04, 2019	CMDF Talk Series	Professional Risk Management for Licensed Financial Planners	Linnet Lee & Tan Chee Meng
Thursday, October 10, 2019	Financial Literacy Program	CPA Australia : Introduction to Financial Planning	Linnet Lee
Saturday, October 05, 2019	CE Workshop	Impact of Technology on FP/FA Firm and Its Registered/Licensed Representative	Stephen Yong
<b>Johor</b>			
Saturday, February 23, 2019	CE Workshop	YES! The Feng Shui of Money- Managing Cash Flow to Build Wealth	Bose Dasan
Saturday, March 30, 2019	Chapter General Meeting	Johor Chapter General Meeting	-
Tuesday, April 23, 2019	Financial Literacy Program	Who is Financial Planner	Pauline Yong
Saturday, May 25, 2019	CE Workshop	Taxation Planning for Financial Services Professionals	Bose Dasan
Wednesday, August 07, 2019	Others	Education Visit & Talk to Perkeso	-
Saturday, August 24, 2019	CE Workshop	The Art of Constructing Investment Portfolio	Pauline Yong
Wednesday, September 11, 2019	Financial Literacy Program	Financial Planning & Who's Licensed Financial Planners	Kenney Khew & Pauline Yong
Monday, October 07, 2019	WFPD2019	WFPD 2019 - Setia Wellness Campaign 2019	-
Wednesday, October 09, 2019	CE Workshop	Investing For Life Goals : A Portfolio Perspective	Pauline Yong
Thursday, October 10, 2019	CE Workshop	MY Estate : Administration of an Estate/Trust and Planning for the Next Gen\$	Nur Sabrina
Saturday, October 19, 2019	CE Workshop	Impact of Technology on FP/FA Firm and Its Registered/Licensed Representative	Stephen Yong



WFPD 2019 - Bloggers Roundtable FB Live



Winners of MFPYA 2019

# Calendar of Events (cont'd)

for the Year 2019

Date	Event	Program Title	Facilitator Name
Wednesday, October 23, 2019	Financial Literacy Program	Financial Planning & Who's Licensed Financial Planners	Kenney Khew & Pauline Yong
Tuesday, November 19, 2019	WFPD2019	WFPD 2019 - Blood Donation Campaign & Financial Talks	-
Saturday, December 07, 2019	CE Workshop	How to Construct a Workable Financial Plan	Nicholas Chu
<b>Sabah</b>			
Saturday, March 09, 2019	CE Workshop	The Proven Effective Ways of Building Trust and Financial Data Collection	Alex Liew
Saturday, June 15, 2019	CE Workshop	Taxation Planning for Financial Services Professionals	Bose Dasan
29/6/2019 & 30/6/2019	WFPD2019	InvestSmart Fest 2019 @ Borneo	-
Friday, July 05, 2019	CE Workshop	Investing For Life Goals : A Portfolio Perspective	Pauline Yong
Saturday, July 06, 2019	CE Workshop	Managing Risk in Investing : A Revolutionary & Result Oriented Approach	Lieu Ching Foo
Saturday, September 07, 2019	CE Workshop	Building Effective Client Relationship	Allen Ang
Thursday, October 10, 2019	CMDF Talk Series	Professional Risk Management for Licensed Financial Planners	Linnet Lee & Tan Chee Meng
Thursday, October 10, 2019	Financial Literacy Program	CPA Australia : Introduction to Financial Planning	Linnet Lee
29 Nov 2019 - 1 Dec 2019	WFPD2019	WFPD 2019 - Invest Expo Sabah 2019	-
<b>Sarawak</b>			
Saturday, April 27, 2019	CE Workshop	Taxation Planning for Financial Services Professionals	Wee Hun Been
Friday, August 16, 2019	CMDF Talk Series	Professional Risk Management for Licensed Financial Planners	Linnet Lee & Tan Chee Meng
Friday, August 16, 2019	CE Workshop	Evaluate Your Client's Insurance Policies	Irene Lee
Saturday, August 17, 2019	CE Workshop	Investing for Life Goals : A Portfolio Perspective	Pauline Yong



InvestSmart Fest 2019 at Borneo



InvestSmart Fest 2019 at Borneo



# Report of the Board of Governors

for the Year ended 31 December 2019

The Board of Governors have pleasure in submitting their report and audited financial statement of the Association for the financial year ended 31 December 2019.

## 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.

## 1.0 Financial Results

Operating surplus for the year **RM77,932**

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 2019

#### Online Membership Recertification and Member Update System

FPAM continued with the automation of its membership and examination system in 2019. The second phase involved online membership recertification and members' detail update. The response from members to the online recertification and member detail update has been very encouraging to date. Members appreciated the convenience of being able to recertify their membership online at their convenience.

#### Prior Learning Recognition Assessment (PLRA) Update

Prior Learning Recognition Assessment (PLRA) was introduced in 2017 as a pathway for members of the public who want to register for the certification program but do not possess the minimum requirement of a Bachelor degree.

Under this program, interested candidates who have at least a Sijil Pelajaran Malaysia (SPM) certificate and 5 years of relevant working experience in the financial services industry, are eligible to register for the assessment.

A total of 179 candidates passed the assessment in 2019 compared to 30 in 2018 and went on to register for the CFP certification program. This was due to the Capital Market Development Fund (CMDF) which started in 2017 and was due to end July 2019 which attracted uptake for the CFP program.

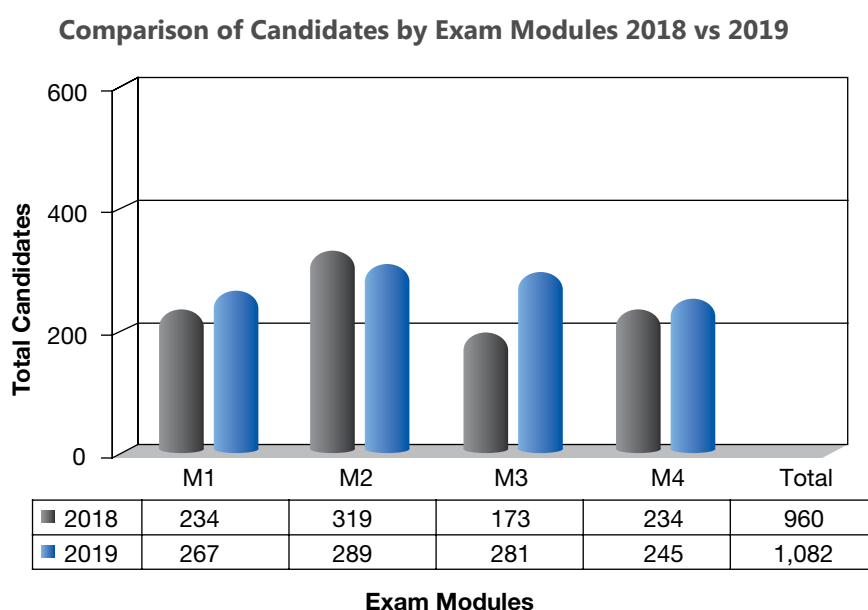
# Report of the Board of Governors (cont'd)

## for the Year ended 31 December 2019

### 2.2 Enrollment Trend

A total of 1,082 candidates registered for the certification examinations in 2019 compared to 960 in 2018, recording an increase of 13%.

The increase in examination registrations for 2019 is a result of awareness by Corporate & Charter members in the importance of CFP and proactive engagement by Secretariat to promote CFP certification program. This is also directly due to the increased uptake for the CMDF program.



An analysis of registrations by industry for 2019 shows an increase in registrations from the major sectors like unit trust and insurance. The increase in registrations were also due to the CMDF initiative, as more industries viewed the benefits of CFP and for their staff to take up the certification program.

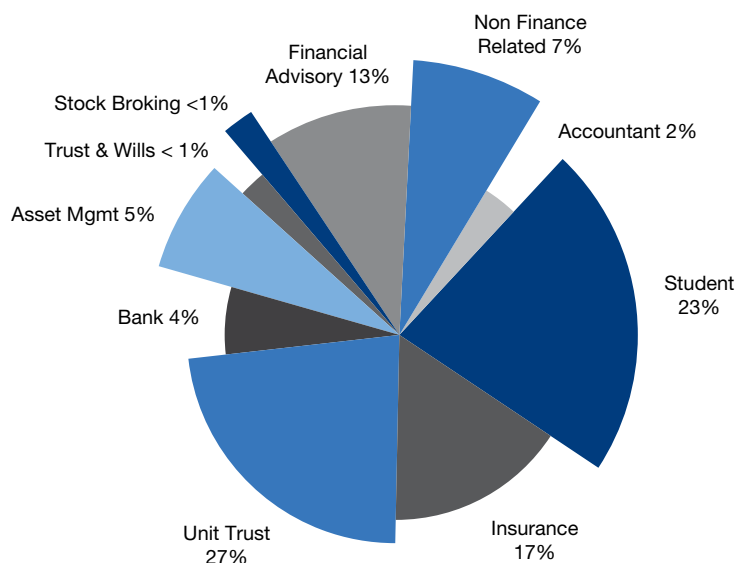
These pillars of the financial services continue to be the major contributors to examination revenue for 2019 accounting for 57 % of total registrations, which includes unit trust, insurance and financial advisory. Though cost compression exercises took place in 2018, the demand for professional, ethical and knowledgeable professionals grew in 2019 to serve the needs of more sophisticated consumers, hence the increase in registrations for the program.

Students continue to be the second-best contributor to examination registrations totaling 23% in 2019 highlighting the importance of a professional qualification in addition to a Bachelor degree in the current job market. The CMDF initiative also helped increase in the number of registrations.

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

## for the Year ended 31 December 2019

**Analysis of Exam Candidates by Industry for 2019**



### 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 program as at 31 December 2019 stands at 3,831. Members who have fulfilled their 20 CE points for the current year is eligible to renew their recertification for the following year, thus members who paid their dues are recognized as members in 2019.

Overall, there was an increase of 4% in total members for 2019 as compared to 2018, which had a 11% decrease in total memberships. This was due to the CMDF initiative which saw an increase in total memberships. The AFPM and trade membership saw an increase of 6% and 60% respectively in comparison to 2018, justifying the increased intake of the CMDF program.

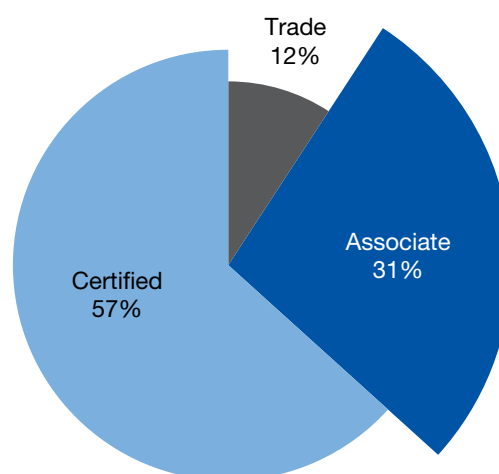
There was a decline of 5% in certified members for 2019, which is 2,181 compared to 2,282 in 2018. The stringent enforcement of CE points was the main reason for the decrease in membership recertification for 2019 as many individual members who are not licensed opted to defer their recertification. This is part of ongoing effort by FPAM to nurture and develop membership experience and to enforce code of ethics. FPAM has conducted many workshops to enable members to fulfill their points and conducted code of ethics talk and the usage of CFP mark during AGM 2018. FPAM also introduced third party recognition workshops by regulated bodies to expand areas of CE point's fulfilment.

Candidates enrolled in the CMDF initiatives in 2019 are only expected to complete their program in 2020, thus the certified membership showed a reduction as compared to total membership in comparison to 2018.

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

for the Year ended 31 December 2019

Membership as at 31 December 2019

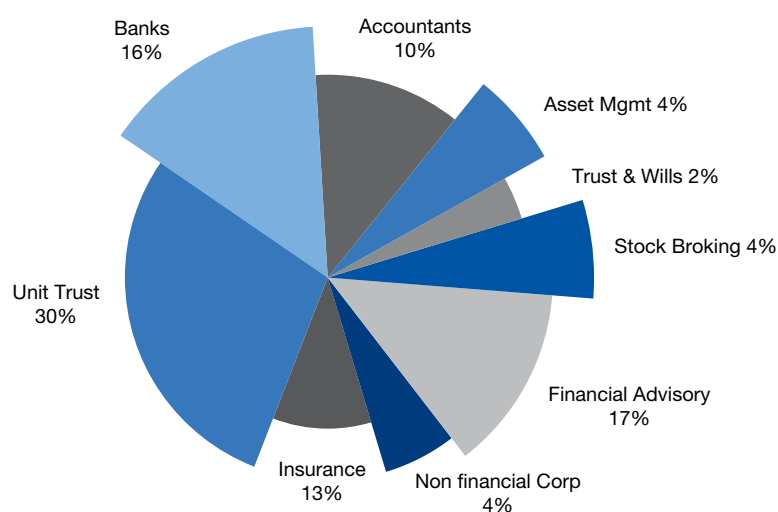


### 3.1.2 CFP Professionals by Industry

An analysis of the 2,181 Certified members as at 31 December 2019 by industry indicates that the majority of Certified members are in the unit trust, financial consultancy and advisory and banking sectors. Members working in the unit trust industry and financial advisory form the largest groups, each accounting for 30% and 17% respectively.

Members working in these sectors continue to form the largest groups of Certified members. Cutting close behind is banks with 16% and insurance at 13%. The CMDF initiative sparked interests in these two sectors and one of their strategies to be ahead of their competitors is to have the best professionals in their teams. As we see an uptake of the initiative by end of July 2019, the membership is expected to increase for 2020. Many companies are aware that they must be willing to invest in their team by equipping them with knowledge, ethical and professional standards to enhance the level of service provided to their clients. The CFP mark which stands for the best in its field is the qualification that many companies continue to invest in to stay ahead in the industry.

CFP Professionals By Industry as at 31 December 2019



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

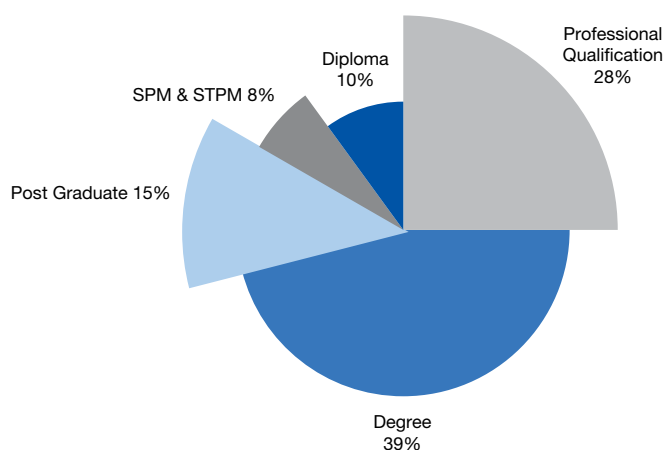
## for the Year ended 31 December 2019

### 3.1.3 CFP Professionals by Qualification

The CFP designation continues to be sought after by professionals in 2019. This is due to it being recognized globally in 27 territories and locally by the relevant regulatory bodies, with over 190,000 CFP professionals worldwide as of end of 2019.

39% of Certified members possess at least a degree and for those working in the financial services industry, the qualification is one which is relevant to their career and are able to provide opportunities for career enhancement and growth. The prerequisite of a Bachelor Degree has also added to the prestige of the program. The professional qualification consists of 28%, in which the Prior Learning Recognition Assessment (PLRA) came in useful for those wanting to take up CFP program.

**CFP Professionals By Qualifications as at 31 December 2019**

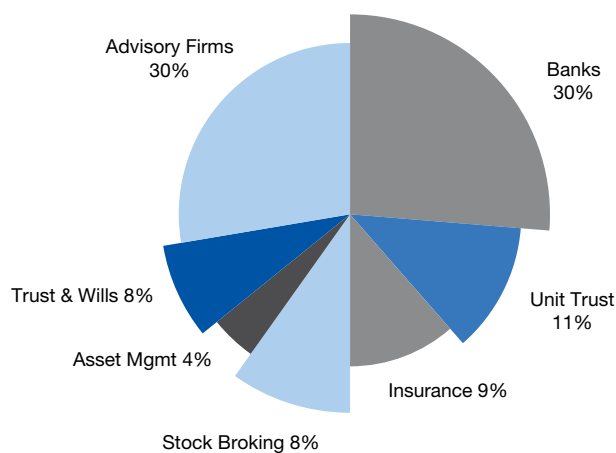


### 3.2 Charter and Corporate Members

FPAM now has a total of 47 Charter and Corporate members drawn from a wide cross section of the financial sector with almost all of the major sectors being represented.

The majority of Charter and Corporate members are in banking, financial advisory firms and unit trust as depicted in the diagram below.

**Charter & Corporate Members as at 31 December 2018**



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

for the Year ended 31 December 2019

## 4.0 The 4E Journal

The 4E Journal, the official publication by FPAM. It's a quarterly magazine published continues to remain as an important journal for financial planning practitioners, professionals and stakeholders wishing to keep abreast of news and views in the industry. The magazine features industry news and trends, insights into prominent personalities, global updates on CFP, and general market outlook.

The 4E Journal is also available online via FPAM's website.

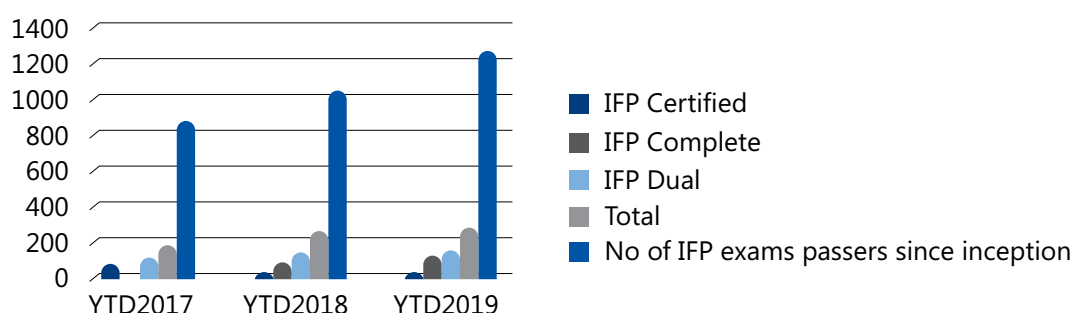


# Report of the Board of Governors (cont'd)

for the Year ended 31 December 2019

## 5.0 IFP Report

CATEGORIES	YTD 2017	YTD2018	YTD 2019
IFP Certified	62	28	23
IFP Complete		82	112
IFP Dual	107	139	143
<b>Total</b>	<b>169</b>	<b>249</b>	<b>278</b>
<b>No of IFP exams passers since inception</b>	<b>866</b>	<b>1,037</b>	<b>1,268</b>



### Notes:

1. Most IFP candidates sat for the exams for knowledge only. They chose not to take up the certification nor use the IFP credential.
2. Until 2016 there was only a list of candidates who passed the exams each year.
3. Categorisation of membership started in 2017 with two categories initially identified.
4. From 2018 onwards, with closer tracking, further breakdown was made between Certified and Complete.

### IFP Events



IFP Promotion, SDCC



IFP MTA MasterClass 2019



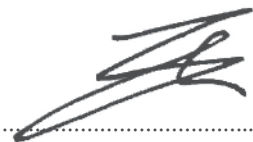
# Statement by the Board of Governors

We, **ISMITZ MATTHEW DE ALWIS** and **EUNICE CHAN CHUN HEI**, on behalf of the Board of Governors of Financial Planning Association of Malaysia, do hereby state that in the opinion of the Board of Governors, the accompanying financial statements are properly drawn up in accordance with Malaysian Private Entities Reporting Standard so as to give a true and fair view of the financial position of the Association as at 31 December 2019 and of its financial performance and cash flows for the financial year then ended.

On behalf of the Board of Governors,



.....  
**ISMITZ MATTHEW DE ALWIS**  
President



.....  
**EUNICE CHAN CHUN HEI**  
Treasurer

Kuala Lumpur

Date: 23 June 2020

# Independent Auditor's Report

To The Board of Governors of Financial Planning Association of Malaysia

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Financial Planning Association of Malaysia, which comprise the statement of financial position as at 31 December 2019, and the statement of income and expenditure and accumulated funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 19.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Association as at 31 December 2019, and of its financial performance and cash flows for the financial year then ended in accordance with the Malaysian Private Entities Reporting Standard.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Board of Governors for the Financial Statements

The Board of Governors of the Association are responsible for the preparation of financial statements of the Association that give a true and fair view in accordance with the Malaysian Private Entities Reporting Standard. The Board of Governors are also responsible for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements of the Association that are free from material misstatement, whether due to fraud or error.

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

The Board of Governors of the Association are responsible for overseeing the Association's financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

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

# Independent Auditor's Report (cont'd)

## To The Board of Governors of Financial Planning Association of Malaysia

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

### Other Matters

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



**Baker Tilly Monteiro Heng PLT**  
201906000600 (LLP0019411-LCA) & AF 0117  
Chartered Accountants



**Heng Fu Joe**  
No. 02966/11/2020 J  
Chartered Accountant

Kuala Lumpur

Date: 23 June 2020

# Statement of Financial Position

as at 31 December 2019

	Note	2019 RM	2018 RM
<b>ASSETS</b>			
<b>Non-current asset</b>			
Plant and equipment	5	20,029	51,852
<b>Total non-current asset</b>		20,029	51,852
<b>Current assets</b>			
Trade receivables	6	42,062	27,963
Other receivable, deposits and prepayments	7	860,779	25,215
Cash and cash equivalents	8	3,201,197	3,074,158
<b>Total current assets</b>		4,104,038	3,127,336
<b>TOTAL ASSETS</b>		4,124,067	3,179,188
<b>ACCUMULATED FUNDS AND LIABILITIES</b>			
Accumulated funds		1,798,020	1,720,088
<b>Non-current liability</b>			
Sponsorship deposits received from charter members		94,500	82,500
<b>Total non-current liability</b>		94,500	82,500
<b>Current liabilities</b>			
Other payables, deposits and accruals	9	1,385,924	893,574
Grants	10	465,899	159,957
Advance membership fees	11	379,724	323,069
Provision for taxation		-	-
<b>Total current liabilities</b>		2,231,547	1,376,600
<b>TOTAL LIABILITIES</b>		2,326,047	1,459,100
<b>TOTAL ACCUMULATED FUNDS AND LIABILITIES</b>		4,124,067	3,179,188

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

# Statement of Income and Expenditure and Accumulated Funds

for the Financial Year Ended 31 December 2019

	Note	2019 RM	2018 RM
<b>Income</b>			
Membership fees		1,238,424	1,198,782
Sponsorship income		20,000	32,500
Surplus from conference		18,438	50,501
Surplus from continuing education courses	12	68,640	45,328
Surplus from continuing professional education courses		137,548	63,295
Surplus from examination	13	445,445	448,920
Surplus from manual project		34,032	24,986
Grant income	14	869,901	71,033
Interest income		68,401	73,719
Other income		19,013	14,454
		<u>2,919,842</u>	<u>2,023,518</u>
<b>Less : Expenditure</b>			
Auditors' remuneration			
- current year		20,500	16,500
- prior year		1,500	990
Chapter development expenses		26,865	19,258
Depreciation of plant and equipment		37,323	49,294
Financial Planning Standard Board and Board meeting expenses		78,455	36,721
Licence fee		334,789	336,452
Marketing and promotional expenses		10,493	8,643
Membership development expenses		-	20,120
Other expenses	15	1,247,238	459,345
Rental expenses		63,517	63,031
Staff cost			
- salaries and bonus		879,218	854,779
- defined contribution plan		142,012	134,830
		<u>2,841,910</u>	<u>1,999,963</u>
<b>Surplus Before Taxation</b>		77,932	23,555
Income tax expense	16	<u>-</u>	<u>8,329</u>
<b>Surplus After Taxation</b>		<u>77,932</u>	<u>31,884</u>
Accumulated funds brought forward		<u>1,720,088</u>	<u>1,688,204</u>
Accumulated funds carried forward		<u>1,798,020</u>	<u>1,720,088</u>

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

# Statement of Cash Flows

for the Financial Year Ended 31 December 2019

	2019 RM	2018 RM
<b>Cash Flows From Operating Activities</b>		
Surplus before taxation	77,932	23,555
Adjustments for:		
Depreciation of plant and equipment	37,323	49,294
Interest income	(68,401)	(73,719)
Impairment loss on trade receivables	-	20,000
Operating surplus/(deficit) before working capital changes	46,854	19,130
Changes in working capital:		
Decrease in receivables	(849,663)	56,303
Increase in payables	492,350	55,914
Utilisation of grant	305,942	(71,033)
Increase in advance membership fees	56,655	24,269
Decrease in sponsorship deposits received from charter members	12,000	(16,500)
<b>Net cash flows from/(used in) operations</b>	64,138	68,083
Income tax paid	-	-
<b>Net cash flows from/(used in) operating activities</b>	64,138	68,083
<b>Cash Flows From Investing Activities</b>		
Purchase of plant and equipment	(5,500)	(8,282)
Interest received	68,401	73,719
<b>Net cash flows from investing activities</b>	62,901	65,437
<b>Net changes in cash and cash equivalents</b>	127,039	133,520
<b>Cash and cash equivalents at the beginning of the financial year</b>	3,074,158	2,940,638
<b>Cash and cash equivalents at the end of the financial year</b>	3,201,197	3,074,158
<b>Analysis of cash and cash equivalents:</b>		
Fixed deposits with licensed banks	2,363,394	2,376,043
Cash at bank and in hand	837,803	698,115
	3,201,197	3,074,158

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



# Notes to the Financial Statements

## 1. GENERAL 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 registered office and principal place of business of the Association is located at Unit 305, Block A Pusat Dagangan Phileo Damansara 1, Jalan 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 23 June 2020.

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

The financial statements of the Association have been prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS") issued by the Malaysian Accounting Standards Board ("MASB").

### 2.2 Functional and presentation currency

The financial statements of the Association are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Association's functional currency.

### 2.3 Basis of measurement

The financial statements of the Association have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

### 2.4 Use of estimates and judgement

The preparation of financial statements in conformity with the MPERS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires Board of Governors to exercise their judgement in the process of applying the Association's accounting policies. Although these estimates and judgement are based on the Board of Governors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements are disclosed in Note 4 to the financial statements.

# Notes to the Financial Statements (cont'd)

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Plant and equipment

Plant 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.

Plant 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:

Computer equipment and software	3 years
Furniture and fittings	5 years
Office equipment	5 years
Renovation	5 years

Gains or 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.

### (b) Financial instruments

Financial instruments are recognised in the statement of financial position when, and only when, the Association becomes a party to the contractual provisions of the financial instrument.

Financial instruments are recognised initially the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at present value of the future payments discounted at a market rate of interest for a similar debt instrument.

# Notes to the Financial Statements (cont'd)

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

#### (i) Subsequent measurement

The Association categorises the financial instruments as follows:

- Financial assets

For the purpose of subsequent measurement, the Association classifies financial assets into two categories, namely financial assets at fair value through profit or loss and financial assets at amortised costs.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 3(c) to the financial statements.

- Financial liabilities

After initial recognition, the Association measures all financial liabilities at amortised cost using the effective interest method, except for derivatives instruments that are liabilities, which are measured at fair value.

#### (ii) Derecognition

A financial asset, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled; or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset derecognised and the consideration received, including any newly created rights and obligations, is recognised in profit or loss.

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

### (c) Impairment of assets

#### (i) Impairment of financial assets

All financial assets (except for financial assets measured at fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment. If there is objective evidence of impairment, impairment loss is recognised in profit or loss immediately.

# Notes to the Financial Statements (cont'd)

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) Impairment of assets (cont'd)

#### (i) Impairment of financial assets (cont'd)

An impairment loss is measured as follows:

- for a financial asset measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.
- for a financial asset measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the Association shall reverse the previously recognised impairment loss either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The Association shall recognise the amount of the reversal in profit or loss immediately.

#### (ii) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Association makes an estimate of the asset's recoverable amount.

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

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

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss.

# Notes to the Financial Statements (cont'd)

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, 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.

### (e) Revenue recognition

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

Sponsorship deposits received from charter members are recognised as income evenly over a period of ten years.

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.

### (f) Taxes

Income tax expense in profit or loss comprises current and deferred tax.

#### (i) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous financial years.

#### (ii) Deferred tax

Deferred tax is recognised on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

# Notes to the Financial Statements (cont'd)

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (f) Taxes (cont'd)

#### (ii) Deferred tax (cont'd)

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to set off the amounts and the entity can demonstrate without undue cost or effort that it plans either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### (g) Employee benefits

#### (i) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Association.

#### (ii) Defined contribution plans

As required by law, the Association contributes to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

### (h) 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 the 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.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial statements include the following:

### (i) Impairment of financial assets

The Association recognises impairment losses for receivables using the incurred loss model. At the end of each reporting period, the Association assesses whether there is any objective evidence that receivables is impaired. Individually significant receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. The actual eventual losses may be different from the allowance made and this may affect the Association's financial position and results.

### (ii) Depreciation and useful lives of plant and equipment

The cost of an item of plant and equipment is depreciated on the straight-line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciated method, the useful lives and the residual values. The actual consumption of the economic benefits of the plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised.



# Notes to the Financial Statements (cont'd)

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

### (ii) Depreciation and useful lives of plant and equipment (cont'd)

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial statements include the following: (Continued)

### (iii) Measurement of income taxes

Significant judgement is required in determining the Association's provision for current and deferred taxes. When the final outcome of the taxes payable is determined with the tax authorities, the amount might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the period when such determination is made. The Association will make adjustment for current or deferred taxes in respect of prior years in the current period on those differences arise.

## 5. PLANT AND EQUIPMENT

	Office equipment RM	Renovation RM	Furniture and fittings RM	Computer equipment and software RM	Total RM
<b>2019</b>					
<b>Cost</b>					
At 1 January 2019	68,057	15,590	54,969	507,594	646,210
Additions	5,500	-	-	-	5,500
At 31 December 2019	73,557	15,590	54,969	507,594	651,710
<b>Accumulated depreciation</b>					
At 1 January 2019	59,078	15,590	54,532	465,158	594,358
Charge for the year	1,472	-	131	35,720	37,323
At 31 December 2019	60,550	15,590	54,663	500,878	631,681
<b>Carrying amount</b>					
At 31 December 2019	13,007	-	306	6,716	20,029

# Notes to the Financial Statements (cont'd)

## 5. PLANT AND EQUIPMENT

	Office equipment RM	Renovation RM	Furniture and fittings RM	Computer equipment and software RM	Total RM
<b>2018</b>					
<b>Cost</b>					
At 1 January 2018	61,732	15,590	54,312	506,294	637,928
Additions	6,325	-	657	1,300	8,282
At 31 December 2018	68,057	15,590	54,969	507,594	646,210
<b>Accumulated depreciation</b>					
At 1 January 2018	56,708	15,590	54,312	418,454	545,064
Charge for the year	2,370	-	220	46,704	49,294
At 31 December 2018	59,078	15,590	54,532	465,158	594,358
<b>Carrying amount</b>					
At 31 December 2018	8,979	-	437	42,436	51,852

## 6. TRADE RECEIVABLES

	2019 RM	2018 RM
Trade receivables	67,501	53,402
Less: Accumulated impairment losses	(25,439)	(25,439)
	42,062	27,963

The Association's normal credit term range from 60 to 90 days (2018: 60 to 90 days).

The Association's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables is as follow:

	Note	2019 RM	2018 RM
At 1 January		25,439	5,439
Charge for the financial year	15	-	20,000
At 31 December		25,439	25,439

# Notes to the Financial Statements (cont'd)

## 7. DEPOSITS AND PREPAYMENTS

	2019 RM	2018 RM
Other receivable	831,320	680.0
Deposits	6,050	18,500
Prepayments	23,409	6,035
	<u>860,779</u>	<u>25,215</u>

## 8. CASH AND CASH EQUIVALENTS

		2019 RM	2018 RM
Fixed deposits with licensed banks	(i)	2,363,394	2,376,043
Cash at bank and on hand	(ii)	837,803	698,115
		<u>3,201,197</u>	<u>3,074,158</u>

(i) The fixed deposits placed with a licensed bank bears interest at the rate of 3.00% to 3.15% (2018: 3.00% to 3.15%) per annum and have maturity period of 365 days (2018: 365 days).

(ii) Included in the cash and cash equivalents is the grant received (net of expenses claimed) from Capital Market Development Fund ("CMDf") to date amounting to RM465,899/- (2018: RM159,957/-).

## 9. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	2019 RM	2018 RM
Other payables	631,925	327,519
Deposits	25,000	14,000
Accruals	728,999	552,055
	<u>1,385,924</u>	<u>893,574</u>

# Notes to the Financial Statements (cont'd)

## 10. GRANTS

There are two grants granted by Capital Market Development Fund ("CMDF") as follows:

- (i) Grant awarded to the Association and Islamic Banking and Finance Institute Malaysia ("IBFIM") in relation to development and implementation of the certification programme for Islamic Financial Planners; and
- (ii) Grant awarded to the Association for its initiatives to boost the growth of Licensed Financial Planners with the intention to increase the number of the financial planner professionals and to enhance the investor awareness and understanding on the financial planning.

The balance represents the total amount received from CMDF 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 in accordance with the broad guidelines agreed with CMDF.

	Note	2019 RM	2018 RM
At 1 January		159,957	230,990
Reimbursement from CMDF	14	2,372,851	813,342
Utilisation of grants	14	(2,412,035)	(884,375)
Progress billing	14	345,126	-
At 31 December		<u>465,899</u>	<u>159,957</u>

## 11. ADVANCE MEMBERSHIP FEES

	2019 RM	2018 RM
Trade membership fees	99	99
Associate membership fees	25,167	4,317
Certified membership fees	336,353	312,368
Corporate membership fees	7,000	4,000
Charter membership fees	11,105	2,285
	<u>379,724</u>	<u>323,069</u>

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

# Notes to the Financial Statements (cont'd)

## 12. SURPLUS FROM CONTINUING EDUCATION COURSES

	2019 RM	2018 RM
Continuing education course income	216,125	174,715
Seminar package expenses	(36,742)	(21,939)
Other expenses	(110,743)	(107,448)
	<u>68,640</u>	<u>45,328</u>

## 13. SURPLUS FROM EXAMINATION

	2019 RM	2018 RM
Examination fee income	664,172	548,381
Expenses incurred in relation to examination	(218,727)	(99,461)
	<u>445,445</u>	<u>448,920</u>

## 14. GRANT INCOME

	Note	2019 RM	2018 RM
Grant income			
- Islamic Financial Planners		80,815	109,634
- Growth of Licensed Financial Planners		<u>789,086</u>	<u>(38,601)</u>
	10	<u>869,901</u>	<u>71,033</u>

The grant income relates to the eligible expenses claimed during the year by the Association and Islamic Banking and Finance Institute Malaysia ("IBFIM") for the Islamic Financial Planners certification programme and initiatives to boost the growth of Licensed Financial Planners as disclosed in Note 15.

# Notes to the Financial Statements (cont'd)

## 15. OTHER EXPENSES

	Note	2019 RM	2018 RM
4E Journal expenses		67,000	73,375
Annual General Meeting expenses		15,098	12,622
Bank and credit card charges		25,975	24,938
Electricity and utilities		12,118	13,662
Impairment loss on trade receivables	6	-	20,000
General expenses		34,018	29,363
Allowance for Board of Governors and Committee Members		5,300	6,400
Insurance		8,725	6,758
Maintenance of premises and computers		47,215	46,210
Maintenance of website		16,080	16,130
Postage and courier		11,727	9,404
Printing and stationeries		7,834	17,634
Professional fees		15,179	9,429
Rental of photocopier		2,700	2,475
Staff training, recruitment and welfare		32,950	22,270
Telecommunication		9,760	13,374
Travelling		31,337	30,423
Withholding tax		34,321	33,645
Islamic Financial Planners expenses	14	80,815	109,634
Growth of Licensed Financial Planners expenses	14	789,086	(38,601)
Donation		-	200
		<u>1,247,238</u>	<u>459,345</u>

## 16. TAXATION

	2019 RM	2018 RM
Income tax expense		
- current year	-	-
- prior year	-	(8,329)
	<u>-</u>	<u>(8,329)</u>
Deferred income tax		
- prior year	-	-
	<u>-</u>	<u>(8,329)</u>

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.



# Notes to the Financial Statements (cont'd)

## 16. TAXATION (CONT'D)

A reconciliation of income tax expense on surplus before taxation with the applicable statutory income tax rate is as follow:

	2019 RM	2018 RM
Surplus before taxation	77,932	23,555
Tax at applicable tax rate of 24% (2018: 24%)	18,703	5,653
Tax effects arising from:		
- non-deductible expenses	-	19,308
- non taxable income	-	(15,450)
- deferred tax assets not recognised in the financial statements	(18,703)	(9,511)
- over provision in prior year	-	(8,329)
Tax expense for the financial year	-	(8,329)

The deferred tax assets have not been recognised for the following item:

	2019 RM	2018 RM
Temporary differences	81,000	43,677
Unutilised tax losses	479,819	595,072
	560,819	638,749
Potential deferred tax assets not recognised at 24%	134,597	153,300

# Notes to the Financial Statements (cont'd)

## 17. FINANCIAL INSTRUMENTS

### Categories of financial instruments

The following table analyses the financial instruments in the statement of financial position by the classes of financial instruments to which they are assigned:

Financial assets and financial liabilities measured at amortised cost ("AC")

	Carrying amount RM	AC RM
<b>2019</b>		
<b>Financial assets</b>		
Trade receivables	42,062	42,062
Other receivable and deposits	837,370	837,370
Cash and cash equivalents	3,201,197	3,201,197
	<u>4,080,629</u>	<u>4,080,629</u>
<b>Financial liability</b>		
Other payables, deposits and accruals	1,385,924	1,385,924
	<u>1,385,924</u>	<u>1,385,924</u>
<b>2018</b>		
<b>Financial assets</b>		
Trade receivables	27,963	27,963
Deposits	19,180	19,180
Cash and cash equivalents	3,074,158	3,074,158
	<u>3,121,301</u>	<u>3,121,301</u>
<b>Financial liability</b>		
Other payables, deposits and accruals	893,574	893,574
	<u>893,574</u>	<u>893,574</u>

## 18. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

### Coronavirus outbreak

On 11 March 2020, the World Health Organisation declared the Coronavirus ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The Covid-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the Covid-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Company operate.

# Notes to the Financial Statements (cont'd)

## 18. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (CONT'D)

For the Company's financial statements for the financial year ended 31 December 2019, the Covid-19 outbreak and the related impacts are considered non-adjusting events in accordance with MFRS 110 Events after the Reporting Period. Consequently, there is no impact on the recognition and measurement of assets and liabilities as at 31 December 2019.

The Company are unable to reasonably estimate the financial impact of Covid-19 for the financial year ending 31 December 2020 to be disclosed in the financial statements as the situation is still evolving and the uncertainty of the outcome of the current events. It is however certain that the local and worldwide measures against the spread of the Covid-19 will have adverse effects on the Company's sales, operations and supply chains. The Company will continuously monitor the impact of Covid-19 on its operations and its financial performance. The Company will also be taking appropriate and timely measures to minimise the impact of the outbreak on the Company's operations.

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