



2019 AGM MINUTES

Date: Wednesday, 4th December 2019
Location: Malta Stock Exchange
Time: 18:15hrs
Qty: Number of Members Present – circa 25, 2 proxies

Agenda:

The agenda for this meeting was the following: -

- Call to order of AGM
- Approval of prior minutes
- Presentation of proposed motions
- Vote on motions
- Financial statements
- Appointment of auditors
- Presentation by CTO and Secretary
- Overview of year – Presentations by Chairpersons: Direct Tax Committee, Indirect Tax Committee and Education Committee
- Council elections
- Presentation of certificates
- President's concluding address

Approval of prior minutes

The Chairperson proposed the minutes of the prior AGM to be taken as read. Mr. Christian Vella seconded the motion and the minutes were unanimously approved.

Presentation of proposed motions

The proposed motions related to changes to:

- Clause 3.08 in the Statute;
- The Code of Conduct and Ethics; and,
- The Disciplinary Procedures.

Clause 3.08 in the Statute - The proposed changes to this clause are to give discretion to the Council to determine the annual fee and if need be also determining different categories of membership.



There was a countermotion by Dr. Edward Attard to remove the limitations and leave only the first paragraph. He stated that it is at Council's discretion to retain the other limits or not and there is no need to include such limits in the statute. Mr. Patrick Muscat proposed to put a cap on membership fee in the statute, but other members present argued that this is not needed so as to leave the fee flexible. Dr. Attard proposed to change the period instead of calendar year (annually). Mrs. Ritianne Camilleri Galea stated that it would be better to keep it like that for accounting purposes.

It was unanimously resolved to make the following changes to clause 3.08 of the Statute:

- At the end of the first sentence, to insert the wording 'entitled to be present and voting at the meeting', after the last word 'Council'.
- To insert word 'annual' before 'membership' in the first sentence.
- To insert 'and waivers' after the word 'discounts' in the second sentence
- To remove 3 paragraphs at the end and retain only the first paragraph.

The Code of Conduct and Ethics – Dr. Sarah Cassar Torregiani explained that the changes proposed to the Code mainly are:

- more detail on the four fundamental principles, these being: integrity, independence and objectivity, competence and confidentiality; and,
- recommendations for members.

The proposed changes are more detail on what is being expected from members of MIT (the obligations) and more detailed recommendations for practice governance such as the structure, the manner in which to carry on business and business continuing arrangements.

Dr. Sarah Cassar Torregiani also mentioned that a revision was made to the process of *disciplinary procedures* where there is misconduct of a member that is brought to the attention of the MIT and she briefly described the proposed disciplinary procedures.

A motion before the AGM was presented to approve the substitution of the version of The Code of Ethics and the Disciplinary Procedures with the ones as tabled. Dr. John Ellul Sullivan seconded the motion and the proposed changes were unanimously approved.



Dr. Edward Attard queried about whether MIT can publish the names of persons against who a disciplinary action would have been taken by MIT. The President stated that the Institute did not insert any wording that it can publish names and in such circumstances the Institute would have to consider whether it would be value relevant. The Institute still has to consider this issue.

Moreover, it was queried whether to make the list of members public on the MIT website. The President argued that the Council is to consider this matter as well. Dr. Ramona Azzopardi argued that GDPR must be taken into consideration when deciding about these issues.

Financial Statements for the year ended 31st December 2018

Mr. Christian Vella read out the Financial Statements for the year ended 31st December 2018, including the Auditors' report.

He continued by thanking Mr. Shawn Agius for his contribution as ex-treasurer and ex-council member of the MIT. Mr. Vella continued by saying that it has been quite a challenging year. The revenues have gone down, and expenses have increased, and this resulted in a deficit. Despite that, the liquidity position was stronger when compared to prior year. The subscription base increased by 6%. He argued also that there is stifle competition on the market and the topics that can be offered in educational courses and seminars are limited to taxation only. Even though MIT is not a business entity, it faces strong competition. It was argued that it cannot extend its portfolios of topics to other subjects that are not tax related. However, he insisted that MIT can back that up from other aspects and measures. In 2017, the Institute launched a rebranding process and in 2018, it started reducing the rebranding process. Mr. Vella continued by saying that Masterclasses enrich the Institute's educational abilities and the Institute shares the knowledge obtained with members.

The Institute employed a part-time CTO and a full-time CEO this year as an investment in the future technical capacities of MIT. Dr. John Ellul Sullivan argued that the Institute was making a profit year after year and it was time to invest in a technical officer.

Mr. Christian Vella continued that decisions are taken wisely as it is very important not to deplete the resources. Forecasts for 2019 are showing a different picture. Also, it was pointed out that MIT invests in Government Bonds and it keeps watch on these bonds and the Institute must see whether to crystallise the gain now or in the future.



MIT always seeks to add educational value to members, and it is always identifying niche areas. The Institute must compete through quality and high-level educational activities. There was also the launch of the new website during 2019.

Mr. Vella stated that the Institute is to consolidate all measures through financial sustainability to secure long-term financial stability. On behalf of Mr. Shawn Agius, Mr. Christian Vella also thanked Mr. Patrick Muscat and members of the Finance Committee and made reference to the auditor as well.

On another note, Mr. George Portanier complemented Dr. Sarah Cassar Torregiani on the fact that the website of the Institute on which she worked on, would rank as the best should MIT show to CFE the resources accessible for members on the website.

The President mentioned that Council members and members on the different committees of the Institute are giving their time against no remuneration and it is a pity that it cannot be quantified. He thanked everyone for their time and commitment as this was one of the main reasons leading to the major success of the MIT. He also thanked Mrs. Geraldine Schembri who took a pivotal role in the finance committee as well.

The financial statements were seconded by Dr. John Ellul Sullivan and then were unanimously approved.

Appointment of Auditors

A motion to retain the present auditor for 2019 was presented. It was pointed out that the auditor proposed a slight increase in the audit fee from €800 to €1,000 excluding VAT. The resolution relating to the reappointment of the auditor was unanimously approved.

Report by the Secretary

Mrs. Ritianne Camilleri Galea read out the secretary's report for the past twelve months, which provided a brief summary of the work carried out by the Institute during the year 2019.



Presentation by the CTO

Dr. Sarah Cassar Torregiani described that her role was mainly that of coordinating initiatives of MIT and mainly assist in the implementation of projects assumed by the different committees. She stated that the different committees are very active and that the technical committees contribute on the consultation to Revenue. Her role is also to keep the news page updated and ensure that notices from Revenue are communicated to members and subscribers on time. Also, she ensures that weekly news are circulated and over and above that, takes care of the social media. There is also a project for 2020 called MiTax which is an online newsletter replacing The Tax Law Update newsletter and which will be having more technical resources to members.

Overview of the Year: Presentations by Chairpersons

The Indirect Tax Committee

As Mr. Chris Borg, the Chairperson of the committee could not be present during the AGM, Dr. Sarah Cassar Torregiani gave an overview for the year 2019 in relation to the work done by the committee on behalf of the Chairperson of this Committee. She stated that the committee has met a number of times throughout the year. The main role of this committee is to create technical input to members. Pending there is the approval from the Revenue in relation to additional guidance in respect of completing the VAT return which will be published once it is accepted by the Revenue. The committee worked on several papers during the year.

The Direct Tax Committee

Dr. John Ellul Sullivan, the Chairperson of the committee, explained how the committee works with other associations and has various requests for feedback from Revenue and coordinates to go to Revenue with one position from all of the associations and he hopes that it continues like this in the coming years. He stated that there were two Masterclasses during the year: Hybrids and CFC Rules. The paper relating to the CFC Rules was published and the one relating to the Hybrids Masterclass is going to be published. The Chief Technical Officer confirmed this. Such papers would be summaries of the discussions held during the Masterclasses. The Chairperson mentioned that one of the professors of one of the Masterclasses was surprised by the level of discussion held during the Masterclass.

Dr. Ellul Sullivan emphasized the importance of these Masterclasses as these continue to enhance the reputation of MIT within the industry. He also mentioned that



it is not possible to issue detailed guidance on various tax matters like for example, the guidance that the Irish have on CFC, but over the years, guidance will increase. Moreover, he argued that one has to bear in mind that there is the issue of updating like for example the position paper issued together with the IFSP on taxation of digital economy, is outdated as few weeks ago there were changes.

Dr. Ellul Sullivan stated that every member on the committee is active and each has an area on which to focus on. The committee is currently working on TRA110 and the guidance about residence. He insisted that members are to keep an eye on the technical section of the website as this is updated continuously.

On this note, the President emphasized that the technical committees work hard and ensure that their work result in benefits to the members. He also mentioned that position papers are very time consuming.

Professional Affairs Committee

Dr. Robert Taylor East, the Chairperson of the committee, stated that the role of this committee is to assist Council to develop positions in relation to new legislations, to work on raising awareness to members and also represents the MIT during quarterly meetings held by the FIAU.

The Education Committee

The President stated that education is the beating heart of everything that MIT does.

Dr. Rachel Zarb Cousin, the Chairperson of the committee, stated that one of the projects of the committee was revamping the MIT course on taxation; it reduced the number of lectures in modules and introduced another module. The committee also introduced two advanced courses and organized various seminars and workshops throughout the year besides the annual tax conference. The committee has a plan for next year which will be more industry focused.

The President mentioned how the work of the education committee is impressive and he looks forward on another year of MIT activities. He stated that education will always remain key and crucial to MIT.

Council Elections

Dr. Rachel Zarb Cousin and Mr. George Portanier contested the election for the Council together with four other contestants that were the longest serving Council



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members. The President announced that Mr. Shawn Agius was not contesting the election for a seat on the Council and at this stage thanked him for his sterling contribution towards the Council. Members elected for Council were: Dr. Jeanette Calleja Borg, Mrs. Ritianne Camilleri Galea, Dr. John Ellul Sullivan, Ms. Geraldine Schembri and Dr. Rachel Zarb Cousin. These are to serve on the Council together with Dr. Conrad Cassar Torregiani, Dr. Edward Attard, Dr. Ramona Azzopardi, Dr. Robert Taylor East and Mr. Christian Vella.

Presentation of Certificates

Membership certificates were presented to fellow and new members.

President's Concluding Address

The President commenced his address by mentioning that 2019 was an important year for the Institute. He stated that the investments that MIT made were coming to fruition, but MIT still needs to work on innovative systems. In the past years, MIT was more focused on the external but now the Institute needs to focus more on the internal aspect. He thanked Mr. George Portanier for his work done at MIT in the position of Chief Executive Officer and mentioned that now MIT has an interim CEO helping the Institute in a transition from where it currently is to where MIT wants to be. He continued by saying that MIT should be implementing online payment portals and reduce labour intensive work. All these goals are manageable. He concluded his address by thanking everyone.

There being no further business to discuss the meeting was brought to a close.

Mrs. Ritianne Camilleri Galea
General Secretary