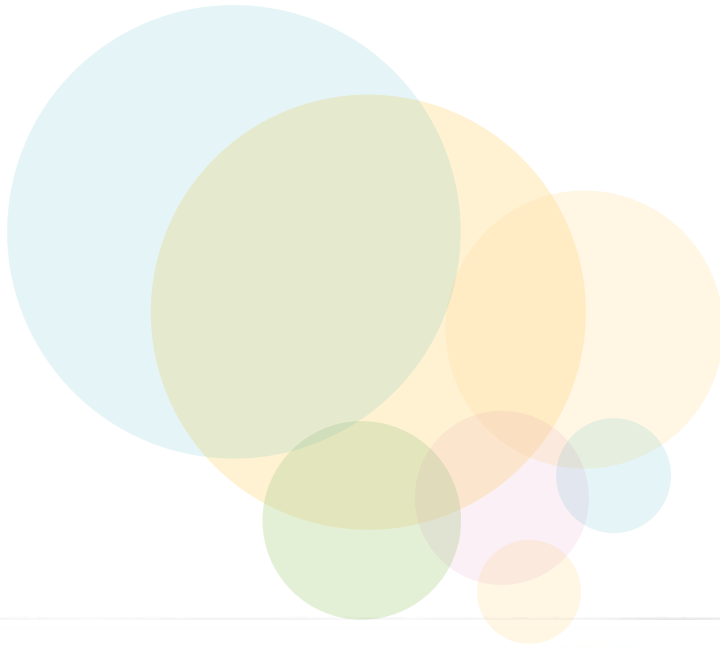


CFM

Communications and Multimedia
Consumer Forum of Malaysia





WE ARE MOVING ON.

To remain relevant, we must continuously evolve to keep pace with the ever-changing needs of the consumer and industry. The circle signifies our evolution for the year. They form graceful ripples that signify our coming to a full scale organisation, moving from strength-to-strength as an organisation that values growth and outreach.

The overlapping circles represent a multi-faceted organization, its stakeholders and the multiple value chains in the service delivery to the consumers.

Thus our goal is to achieve deeper insights and create more value for the consumer and the industry.

In 2009, our mission is to rebuild and to strengthen our organisation. We identified our weaknesses and strived to mitigate all possible factors that posed a challenge to us taking a full flight.

Fade to strong colours represents our journey, our struggles and undying determination to keep growing into an organization that is recognised as an institution advocating consumer rights in the communications and multimedia sector. This fade treatment also embodies a sense of depth and perspective, personifying the organisation as an agile and focused expert in the field.

The colour fuchsia was chosen because of its vibrant character that represents the organisational verve and the work that we do. At the same time, fuchsia represents our quest for non-conservative solutions.

2009 has been a year of aggressive and active rebuilding, reinforcing our position and building relevance in the protection of consumer as well as in pushing for self-regulation of the industry. This is done at every level and at every action that we take and is symbolised by the space between each rings.

COMMUNICATIONS AND MULTIMEDIA CONSUMER FORUM OF MALAYSIA



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Message from the Chairman



Hj Khairuddin Yunus
Council Chairman

On behalf of the Board of Councillors, I am pleased to share with you the Communications and Multimedia Consumer Forum of Malaysia (CFM) Annual Report for the financial year ended 31 December 2009.

As a consumer forum tasked with the protection of consumer rights and promotion of the improvement of services in the communications and multimedia industry, our immediate focus for 2009 was to strengthen CFM and its role in the communications and multimedia sector, as well as to enhance CFM's relevance to stakeholders and the community. This is part of our long term strategy to transform CFM into an institution recognised as the advocator of communications and multimedia consumer rights and a vital cornerstone in the mechanism for industry self-regulation.

In doing so, we had reviewed and enhanced internal procedures, in particular our complaints management processes, to ensure timely resolution of complaints, increased productivity and consistent accuracy. We focused on strengthening the CFM Secretariat through manpower review and recruitment. Relevance to the public was promoted through our involvement in various consumer education and awareness programs / roadshows. In tandem with all of the above, CFM also sought to achieve a good balance in terms of participation of the Board of Councillors in CFM's activities.

I strongly believe the progress made by CFM in 2009 bodes well for the organization, consumers and the industry as these developments in CFM have further demonstrated our commitment in responding to consumers' needs and making protection of consumers' right our priority.

MOVING FORWARD

2009 has been a year of active rebuilding and reinforcing. For 2010 and beyond, we will strive to continue this focus and move forward with other equally vital self-regulatory initiatives such as compliance monitoring, consumer empowerment programs and alternative dispute resolution mechanisms. We aim to spearhead coordination of proactive complaint resolution as well as to provide value added insights through all our communication channels and periodical reporting for the benefit of both consumers and service providers.

I hope that with this direction and the progress that we have made in 2009, we will be able to set our sights on a fully matured self-regulatory regime in the near future.

Thank you.

Yours sincerely,

Hj Khairuddin Yunus
CFM Chairman (2009 - 2011)

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Members of the Council



Hj Khairuddin Yunus
Council Chairman

Commenced 20 October 2009

Hj Khairuddin Yunus is the Yang Di Pertua Persatuan Pengguna Negeri Sembilan and also co-chairs the Gerakan Pengguna Negeri Sembilan under Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan. He is also the Chairman of the Association of Negeri Sembilan Auctioneers. Formerly a Police Officer and Human Resource Manager, his extensive experience in managing people has made him a tireless consumer right advocate. Hj Khairuddin himself is very passionate and active in consumers' rights protection and an acute thinker in mobilising operational strategies.



Nor Esah Mohd Said
Council Deputy Chairman

Commenced 2004 as Ordinary Member

Puan Nor Esah is presently the Manager for Government Relations in Maxis. She specialises in the Library Management and has 17 years of experience managing information in various government agencies namely BERNAMA, National Library of Malaysia and Filem Negara Malaysia before joining Maxis. Through her work, she has built strong links with the Communications Commission at the regional and national level. Puan Nor Esah heads the Alternate Dispute Resolution, Compliance and Codes Drafting Committee at CFM.



Mr Muhammad Adnan Abdullah
Supply Side Council Member

Mr. Adnan is presently the Senior Manager for Regulatory Expert Group in Celcom (Axiata) Malaysia Bhd. He is a chartered accountant with wide industry and regional expertise in O&G and construction before joining the telecommunications industry in 1994. His much sought after expertise has had him headhunted through DiGi, TM and Celcom. He is an Associate Member of Chartered Institute of Management Accountants and a Member of the Malaysian Institute of Accountants.



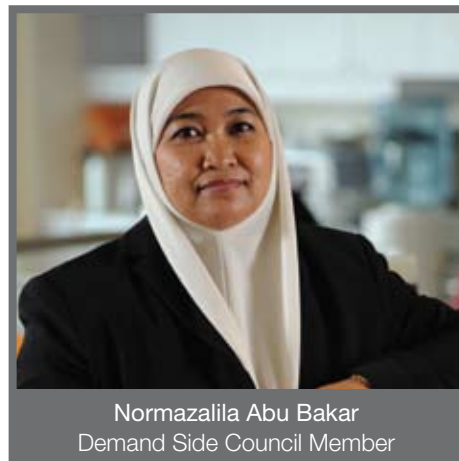
Lim Kim Seng
Treasurer

Mr. Lim is currently the Secretary cum Chairman of Publicity and Complaints Bureau for the Malaysian Mobile Content Providers Association (MMCP). He is also the Group General Manager for Nextnation Network Sdn Bhd. He manages a broad range of function in management and corporate affairs in Nextnation Network Sdn Bhd. He was previously the confidential secretary to Deputy Minister of Youth and Sports and Press Secretary to Minister of Human Resources before moving on to the corporate sector.

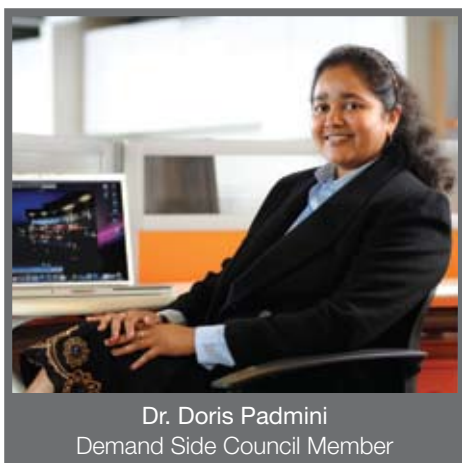
Members of the Council



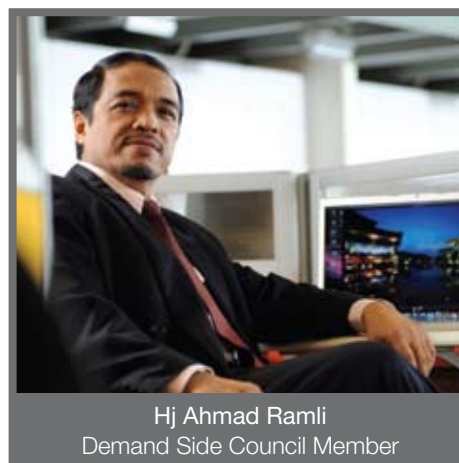
Hj Ahmad Ismail is currently the VP for Customer Service Management in Telekom Malaysia. He is also a member to the National Consumer Advisory Council. He has been with TM for 27 years and was entrusted with various strategic leadership positions including one being the Chief Strategy Officer. He consults, trains and speaks publicly in various platforms among others, to Asia Pacific Telecommunication (APT) Communities and International Symposium on Quality. He holds an MBA with merit from Multimedia University and graduated with a Degree in Electrical & Electronic Engineering from Aston University in Birmingham, UK.



Normazalila Abu Bakar currently serves as a Senior Lecturer and Head of Department at the Marketing Unit, Faculty of Management, Multimedia University, Cyberjaya. She had champion consumerism issues throughout her 15 years career. She is also the Exco Member in the Malaysian Consumer and Family Economics Association (MACFEA). She strongly believes that universities can play major roles in supporting the Malaysian government to formulate policies for a powerful consumer generation. She is also the Chairperson for the Centre of Consumer Research and Education (CECORE), Multimedia University. She reckons that consumers should empower themselves with the ability to make informed decisions and protect themselves against unethical producers. On the other end, producers should innovate and provide value co-creations for the consumer.



Dr. Doris is the Vice President of Malaysian Consumer and Family Economics Association (MACFEA). MACFEA plays an active role in researching and providing insightful opinions that add value and drive improvement changes to the constitution to the economy of the family and the consumer. Dr. Doris is also the senior lecturer at the Faculty of Economics and Business for Universiti Kebangsaan Malaysia. She is also Advisor to the Red Crescent Society Malaysia, member of Yayasan Sultan Yusuf and member of the Gerontological Association of Malaysia.

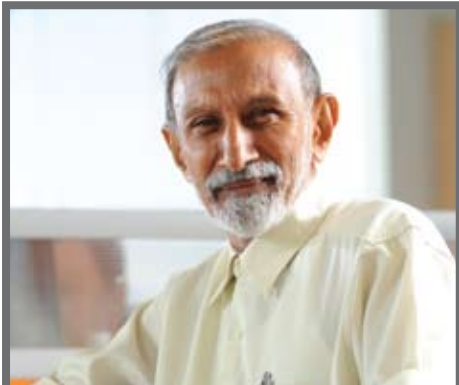


Hj Ahmad Ramli currently heads the Administration Division for a broad range of functions including Administration, Finance, ICT, Marketing, Publication and Learning Resource Centre and Information & Documentation at SEAMEO RECSAM which stands for Southeast Asian Ministers of Education Organisation - Regional Centre for Education in Science and Mathematics, is a Regional Centre that conducts training for in-service teachers throughout Southeast Asia in the subject of Science and Mathematics Education. It is also an active research centre that conducts research for the development of science and mathematics education in the SEAMEO region.

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Members of the Council



Ravinder Singh
Demand Side Council Member

Ravinder Singh heads the Complaints Department for Consumer Association of Penang. The Association has a sterling track record for assisting consumers in various consumer concerns and it has been established since 1969. This 41-year-old association handles complaints from all over Malaysia on environmental matters, consumer legislation, product safety and standards as well as consumer education. Mr. Ravinder was a teacher and previously lectured at the Maktab Perguruan Sultan Abdul Halim Sungai Petani, Kedah.



Sharmitha Visvalingam
Supply Side Council Member

Sharmitha represents Measat Broadcast Network or ASTRO in the council. She provides insightful advice in the forum.



Laili Hanim Mahmood
Supply Side Council Member

Miss Laili holds an eMBA, ICSA, BBA and DPA. She joined Sistem Televisyen Malaysia Berhad or "TV3" in August 1988. Currently, she is the Group General Manager, Regulatory Affairs of Media Prima Berhad (MPB), the parent company of tv and radio networks namely TV3, 8TV, ntv7, TV9, HotFM and OneFM. Miss Laili has vast experience in regulatory related functions and she has also established huge networking, especially among the industry players of the broadcasting industry in Malaysia.



Saffura Chinniah
Secretary & Supply Side Council Member

As a communications expert, Mrs. Saffura has been in the telecommunications industry since 2001 managing public relations and external communications in specific for some of Malaysia's best regarded companies. She leads the Corporate Communications Department for DiGi since 2004.

Noor Nirwandy
Demand Side Council Member

Nirwandy represents Persatuan Pengguna Islam Malaysia (PPIM) in the council. Nirwandy actively advocates consumer rights to the media to educate an informed consumer, especially to Muslim consumers.

Members of the Council

OUR COUNCIL BOARD

Our Council

Hj Khairuddin Yunus
Chairman
- Persatuan Pengguna
Negeri Sembilan (PPNS)

Industry Representation
Nor Esah Mohd Said
Deputy Chairman
- Maxis Mobile Services

Saffura Chinniah
Secretary
- Digi Telecommunications
Sdn Bhd

Muhammad Adnan Abdullah
- Celcom (Malaysia) Berhad

Sharmitha Visvalingam
- Measat Broadcast Network
Systems Sdn Bhd

Hj Ahmad Ismail
- TM

Consumer, Education
Institutions & Public Interest
Groups Representation

Lim Kim Seng
Treasurer
- Malaysian Mobile Content
Providers Association
(MMCP)

Noor Nirwandy
- Persatuan Pengguna Islam
Malaysia (PPIM)

Dr. Doris Padmini
- Malaysian Consumer
and Family Economics
Association (MACFEA)

Ravinder Singh
- Consumer Association of
Penang

Hj Ahmad Ramli
- Seameo Recsam

Normazalila Abu Bakar
- Multimedia University
(MMU)

Office Bearers

Hj Khairuddin Yunus
Chairman
- Persatuan Pengguna
Negeri Sembilan (PPNS)

Nor Esah Mohd Said
Deputy Chairman
- Maxis Mobile Services

Saffura Chinniah
Secretary
- Digi Telecommunications
Sdn Bhd

Lim Kim Seng
Treasurer
- Malaysian Mobile Content
Provider Association (MMCP)

Secretariat

**Muhamad Tahir Muhamad
Noor**
Executive Director

Complaints Management
Wan Nazreenman Shah
Manager

Compliance &
Codes Drafting
Jafri Abdullah
Manager

Management Support
Sheila Prakash
Executive

Education & Awareness
Aerin Gabor
Senior Executive

OUR ORGANISATION

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Corporate Information

OFFICE BEARERS

Hj Khairuddin Yunus
Chairman

Nor Esah Mohd Said
Deputy Chairman
Lim Kim Seng
Treasurer

Saffura Chinniah
Secretary

Muhamad Tahir Muhamad Noor
Executive Director

MEMBERSHIP & MANAGEMENT COMMITTEE

Headed by
Hj Khairuddin Yunus
Muhamad Tahir Muhamad Noor
Sheila Prakash

AWARENESS & EDUCATION COMMITTEE

Headed by
Saffura Chinniah
Muhamad Tahir Muhamad Noor
Aerin Gabor

CODES DRAFTING , COMPLIANCE & ADR COMMITTEE

Headed by
Nor Esah Mohd Said
Muhamad Tahir Muhamad Noor
Jafri Abdullah

Persatuan Pengguna Negeri Sembilan (NESCA)
Malaysian Consumer and Family Economics Association (MACFEA)
Multimedia University (MMU)
Persatuan Pengguna Pulau Pinang (CAP)
Persatuan Pengguna Islam Malaysia (PPIM)
Measat Broadcast Network Systems Sdn Bhd (ASTRO)
Celcom (Malaysia) Berhad
DiGi Telecommunications Sdn Bhd
Packet One Networks (M) Sdn Bhd (Green Packet Berhad)
Pernec Paypoint Sdn Bhd
Time DotCom Sdn Bhd
TM Net Sdn Bhd

COMPLAINTS MANAGEMENT COMMITTEE

Headed by
Lim Kim Seng
Muhamad Tahir Muhamad Noor
Wan Nazreenman Shah

SECRETARIAT

Muhamad Tahir Muhamad Noor
Wan Nazreenman Shah
Jafri Abdullah
Sheila Prakash
Aerin Gabor

AUDITORS

Shanker & Co Chartered
Accountants (AF1881)
Unit K-1-3, Block K
Dataran Ara Damansara
47300 Petaling Jaya
Tel : 603-7845 9418
Fax : 603-7845 8418

REGISTRAR

Pendaftar Pertubuhan Malaysia
Registered on 13 February 2001
Registration No : 170

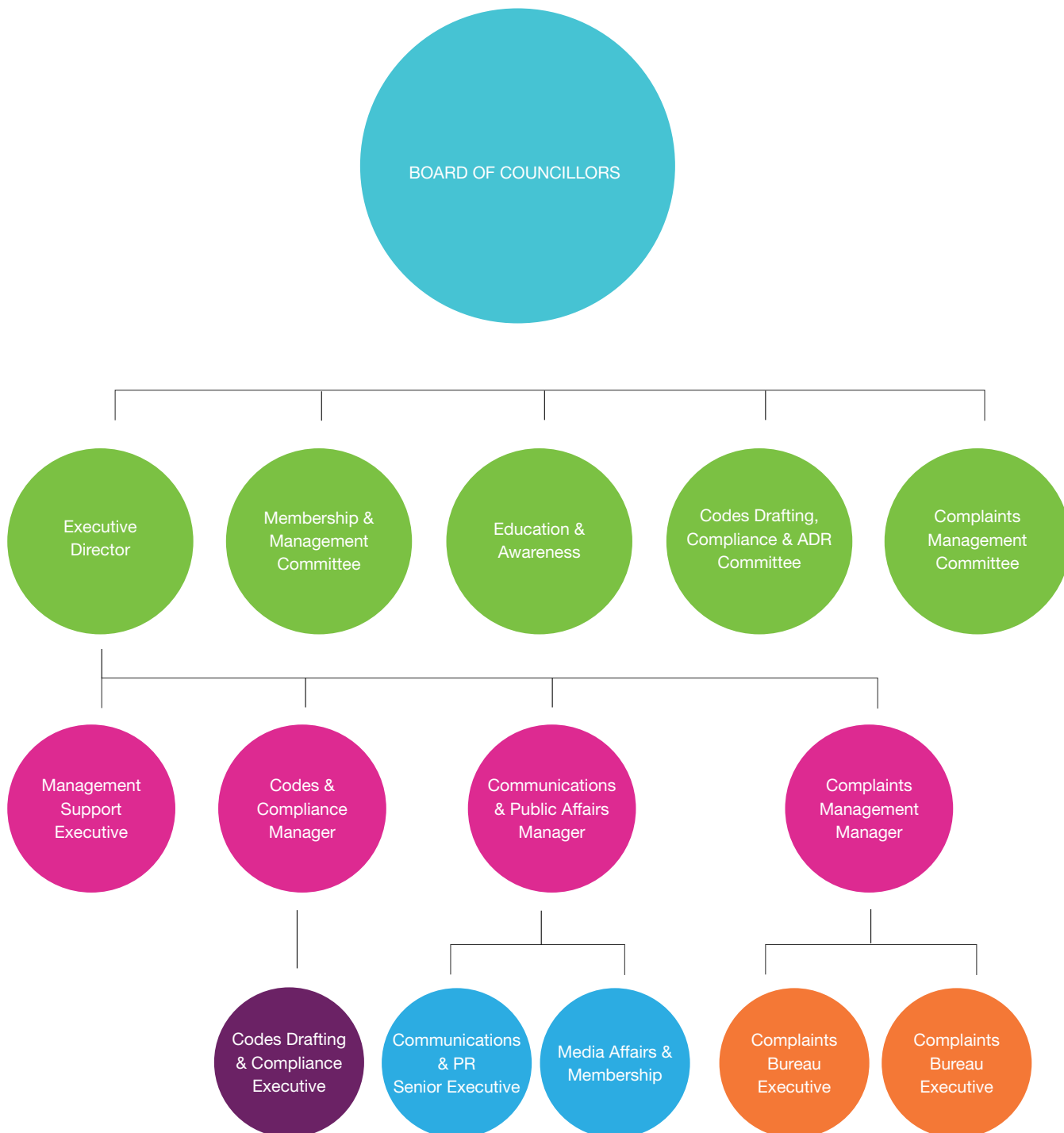
REGISTERED OFFICE

Forum Pengguna Komunikasi Dan Multimedia Malaysia
(Communications and Multimedia Consumer Forum of Malaysia)
6-02, 6th Floor, Straits Trading Building
No. 2 Lebuhr Pasar Besar
50050 Kuala Lumpur
Malaysia

BANKERS

Public Bank Berhad
Bank Muamalat Malaysia Berhad

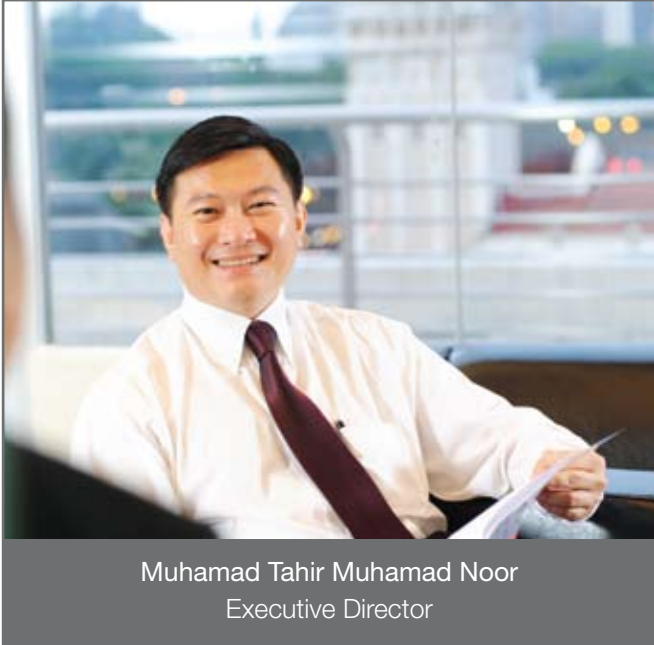
Organisation Structure



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Executive Director's Review of Operations



Muhamad Tahir Muhamad Noor
Executive Director

2009 has been both a challenging and transformational year for the team in CFM. The key focus for 2009 was to rebuild, strengthen and reinforce CFM's foundation for growth.

We had adopted a 3-pronged approach to achieve our goals through:

1. Enhancing complaints management efficiency through the adoption of automation and process re-engineering.
2. Maximising and increasing manpower capacity and capability through various human resource initiatives.
3. Improving CFM's visibility and relevance to stakeholders via proactive engagements and proliferation of information via multiple communication channels.

This report serves to highlight the activities and initiatives undertaken by CFM during the year and the key results it had achieved. The summary is as stated in the paragraphs below.

FINANCE

In 2009, CFM started with surplus funds from 2008 amounting to RM268,000. SKMM then distributed RM1million of the RM1.045million approved for 2009 via two installments in March and December 2009. As of 31 December 2009, CFM had spent only RM836,000 or 84% of the budget approved for the year. This was largely due to the fact that the second installment of the grant was only available in December 2009.

The three main expense items were:

1. Education and Awareness (RM305,000 or 36% from total expenditure);
2. Administration (RM247,000 or 30% from total expenditure); and
3. Staffing (RM229,000 or 27% from total expenditure);

SECRETARIAT

CFM needed a larger space to accommodate additional staff, to get better visibility and accessibility. Therefore the Secretariat moved from Wisma Glomac in Kelana Jaya to the Straits Trading Building in Kuala Lumpur.

We began 2009 with four (4) staff and ended the year with a total staff headcount of six (6). CFM had recruited an Executive Director, a Manager for Complaints Management and an Awareness & Promotions Junior Executive (who resigned in October 2009 after receiving a full scholarship grant to continue his studies). This was done to strengthen the management and operational capability and capacity.

In order to streamline employment terms and conditions for staff, a review was done. The new terms and conditions for employment were approved by the Council and will be implemented within Q1 2010.

Executive Director's Review of Operations

COMPLAINTS MANAGEMENT

CFM introduced its own online Complaints Portal (CoP) which became operational in July 2009. CoP was designed as an ever-present avenue for the public to lodge complaints to CFM and to get progress updates regarding their cases. It was also to help CFM manage complaints through the automation of database management, progress tracking and follow-up.

In 2009, CFM had received a total of 1,324 cases. This is a huge leap by 8 times from 2008 when we recorded only 141 total cases. Despite this increase, 98% of complaints have been resolved. This feat has been achieved through close rapport with the service providers and CFM doing periodic checks and issuing weekly notifications to all service providers in an effort to hasten the processing of the complaints.

However, there is room for further improvements. CFM will continue to strive for enhancements and will work together with the service providers and consumers in ensuring that issues are dealt with proactively.

DEMAND FOR INFORMATION

Collective feedback from public surveys done throughout the year shows that consumers are still unaware of their rights and the issues impacting them. The surveys also indicate that there is demand for information updates from the public and more collaborative efforts to curb issues.

In line with our goal of enhancing CFM's public profile, we strived to reach out to specific focus groups and adopt an interactive approach to engage consumers. This included activities such as:

1. 20 media engagement activities via formal events, informal sessions, advertisements, as well as issuance of relevant press releases and comments;
2. 3 TV and 7 radio appearances nationwide;
3. 31 roadshows / events through tie-ins with SKMM Regional Offices, PIKOM and Go Mobile. Participation in roadshows were also an important part where brand audits were carried out to determine the level of awareness of CFM and key roles;
4. 2 consumer awareness campaigns, which was AWAS (online fraud) and JERIT (lodge complaints);
5. The Consumer Info education series which aims to help consumers to better understand their rights, better equip themselves to make informed decisions and practice self-protection; and
6. Continuous online engagement via CFM's website, Facebook and grouping.

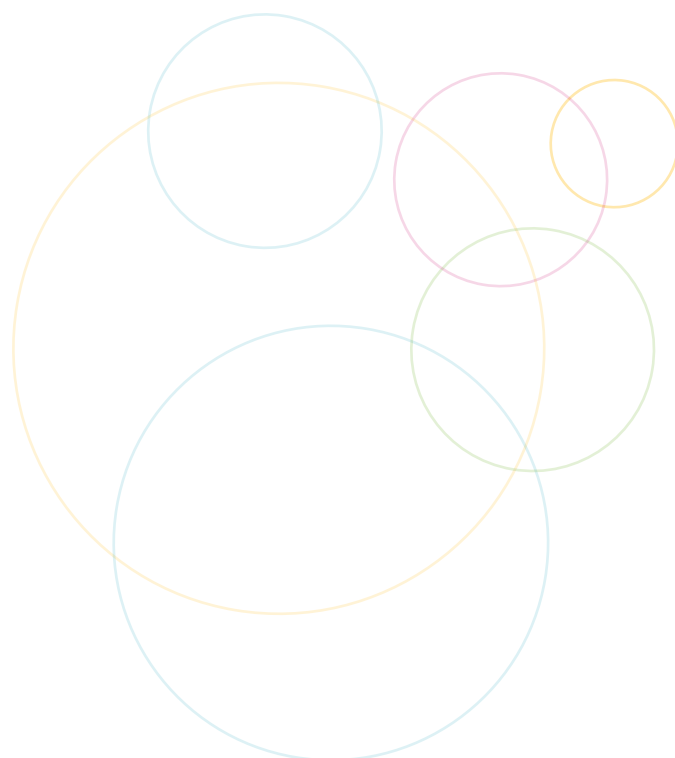
All the above had directly caused the increased influx of cases filed in CoP as well as the jump in referrals from other agencies, consumer associations and other complaint centres. The CFM website also recorded more page views from a low of 24 daily page views to 80 daily page views with 75% being new visitors.

THE WAY FORWARD

We believe we have laid out a strong basic foundation in 2009 but are looking at further strengthening CFM. Expansion of current awareness programs to cover more consumer issues through Consumer Info and other media will continue to be the focus of our awareness programs. To achieve greater impact, we will focus more on the rural population for 2010. We will enhance the Online Complaints Portal (CoP) to handle increased capacity and analytical requirements for Complaints Management and compliance monitoring.

A review of the General Consumer Code of Practice for the Communications and Multimedia Industry (GCC) will also be carried out in 2010. We aim to publish the revised GCC, the Public Cellular Services Sub Code and Fixed Services Sub Code in 2010. In addition, CFM is also looking into providing an inexpensive alternative dispute resolution mechanism for consumers and the formalization of compliance activities to be executed by CFM.

By continuously solidifying our foundation and reaching out to advocate consumer protection, we believe CFM will continue to play a pivotal role in the promotion of a self-regulatory regime.



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How CFM Works

WHO WE ARE

The Communications and Multimedia Consumer Forum of Malaysia (CFM) was established in February 2001, in line with the requirements of the Communications and Multimedia Act, 1998 or CMA. We are funded with by way of grants from the Malaysian Communications and Multimedia Commission (MCMC).

WHAT WE DO

One of our main roles is to produce voluntary industry codes or other relevant consumer codes as the need may arise which serves as a guideline or best practice benchmark for the Communications and Multimedia Service providers. The Codes are developed to protect the rights of the consumer, recommend procedures for compensation and any other course of action that may be available to the customer in case of a breach of the Consumer Code.

The first General Consumer Code (GCC) of Practice was submitted and accepted by MCMC as a voluntary industry code by 2003. The GCC is to be reviewed every 3 years. The next review of the GCC will take place in 2010. Apart from that, CFM had published a subcode on Internet Access Service Provider and is in the process of finalising subcodes on Public Cellular and Fixed Line services.

CFM is also a channel for lodging complaints on unresolved telephone, internet access, radio and television services. We take complaints from consumers that have not been able to find a solution to their complaint with their respective service providers.

We aim to settle disputes quickly, in a fair, non-bureaucratic and reasonable way, taking into account the law, consumer rights and industry good practices.

CFM is also an independent organisation which provides an alternative dispute resolution to the public who have failed to resolve their complaints with the respective service providers. An alternative dispute resolution is an avenue and means to settling dispute without resorting to formal proceedings such as court actions. It usually involves a third party helping two disputing parties come together and resolving the dispute.

CFM has since formed committees to look into Complaints and code compliance that will address grievances from consumers, as well as deal with breaches of the GCC by industry players.

CFM also endeavors to promote higher consumer confidence levels and to encourage improvement of service deliveries by the Communications and Multimedia industry.

OUR PEOPLE

CFM is managed by a Council of 13 elected Council Members, a board of Office Bearers lead by a Chairman and a Secretariat headed by an Executive Director.

Our staff are very committed about what we do and are ready to communicate and assist the consumer at all times. Plans are being made to increase the workforce in 2010 to improve manpower capabilities and enhance facilities in order to cope with the increased cases received by CFM.

OUR STAKEHOLDERS

Consumers

We play an active role in the Malaysian communications and multimedia consumer protection framework. In particular, we are working towards increasing our accessibility and awareness to all levels and types of consumers, specifically for people in the rural areas. We are also working towards inviting more consumer groups and public interest groups to join as members in purview of their important input.

Industry Members

These include telecommunications and internet access service providers, content service providers and broadcasters. We cooperate closely with our industry members, other key industries, consumers and other user groups to develop self-regulatory industry codes.

Regulators and government agencies

We work very closely with the Malaysian Communications and Multimedia Commission (MCMC) to develop self-regulatory industry codes.

THE CO-REGULATORY REGIME

The Malaysian Communications and Multimedia Commission (MCMC) is the sole regulatory authority for the Communications and Multimedia Industry. It issues licenses for services providers and is responsible for the drafting and implementation of policies governing the industry.

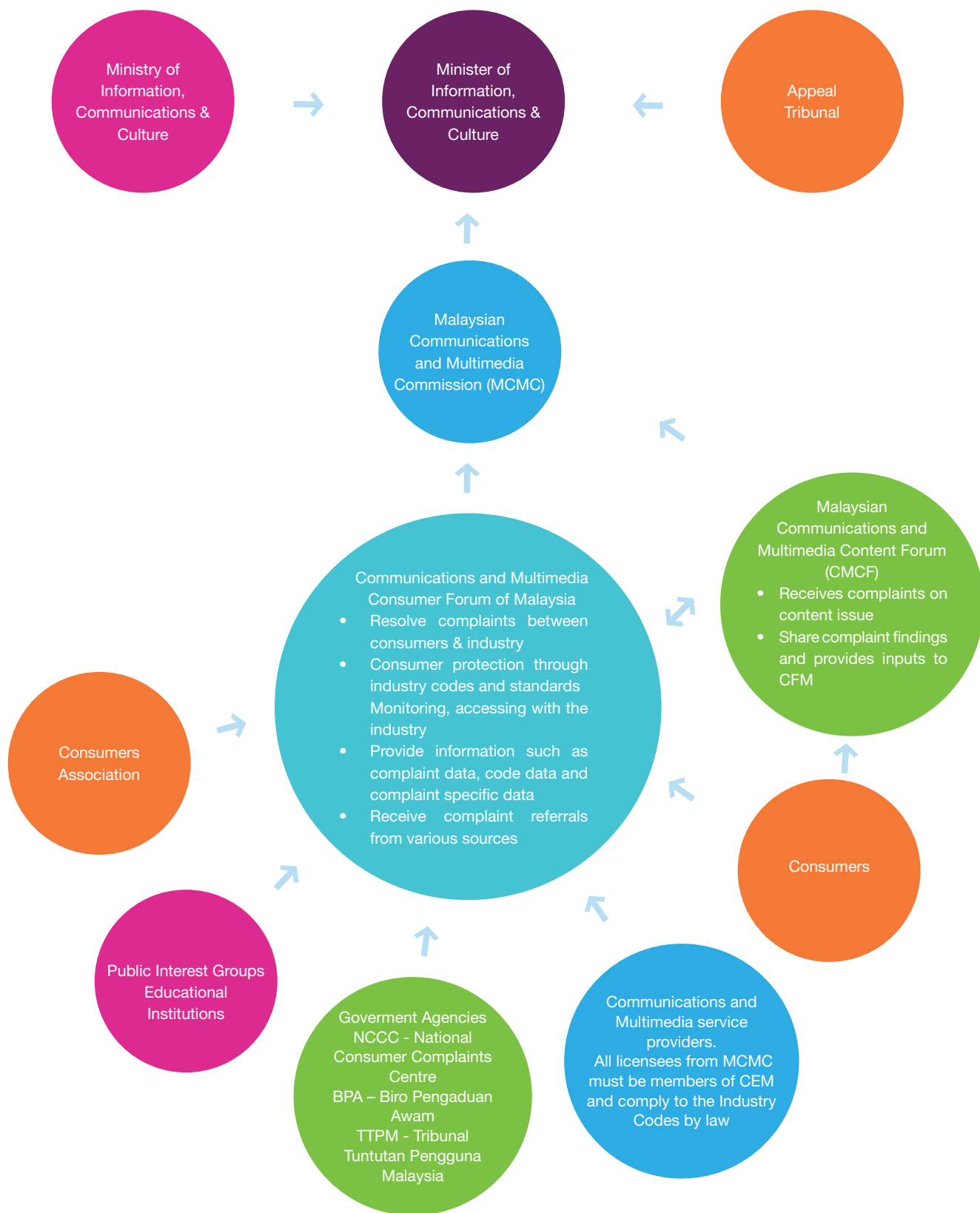
CFM, along with 3 other industry forums covering content, technical standards and access issues, is instrumental in promoting industry self-regulation. It has been given the responsibility for drafting voluntary industry codes, monitoring and promoting compliance to these codes. CFM's role also includes enhancing the consumer experience through the promotion of competition and fair trade practices and by providing information. CFM is also obligated to refer a service provider to MCMC where the service provider appears to have failed to comply with the Industry Codes. The diagram on page 15 gives an overview of the co-regulatory regime between CFM, MCMC, government agencies and their differing roles.

WHERE WE ARE

Our registered office is at 6-02, 6th Floor, Straits Trading Building, No. 2 Lebuhr Pasar Besar, 50050 Kuala Lumpur, Malaysia.

How CFM Works

Figure 1 - The Co-Regulatory Regime



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Calendar of Events

JANUARY

	Location
Training Visit	TM Call Centre, Kuala Lumpur
Sehari Bersama Pelanggan	Dewan Tunku Ismail, Kluang, Johor

FEBRUARY

Pendidikan Pengguna	SMK Dato Abdullah, Rembau, Negeri Sembilan
Pendidikan Pengguna	Surau, Taman Seremban Jaya, Negeri Sembilan

MARCH

Selangkah ke UiTM	Stadium Melawati, Shah Alam
Handphone Fair	Dewan Sri Pinang, Penang

APRIL

Handphone Fair	SACC Mall, Shah Alam
PIKOM PC Fair	PISA Penang
Media Appreciation Night	Saloma Bistro, Ampang
Pesta Air & Gegaria Blogstarz	Batu 4, Port Dickson
PIKOM PC Fair	Muar, Johor

MAY

Handphone Fair	Village Mall, Sg Petani, Kedah
Handphone Fair	Central Market, KL
Konvo UiTM	Shah Alam, Selangor
WTISD	Pantai Batu Burok, Terangganu

JUNE

Festival Sains, Teknologi, Inovasi Selangor	PKNS, Shah Alam
Games & Gadget	Mid Valley, Kuala Lumpur
Program Membudayakan Bahasa	Serdang, Selangor

JULY

	Location
Mobile 2U Fair	Dataran Pahlawan, Melaka
Consumer Seminar PPN	Seremban, Negeri Sembilan
SKMM Braodband Fair	Kuching, Sarawak
Pikom-UUM ICT Day	UMM Sintok, Kedah
MSC Launch	Kuantan, Pahang
Sepakat Bestari & 1Malaysia	Putatan, Sabah

AUGUST

Pikom ICT UUM	Sintok, Kedah
Sabah Broadband Symposium	Sabah
Kelantan Science and Technology	Kelantan

SEPTEMBER

Kempen Kesedaran Pengguna UniKL	Gombak, Kuala Lumpur
---------------------------------	----------------------

OCTOBER

Broadband Fair	Kota Kinabalu, Sabah
Go Mobile Expo KLCC	Kuala Lumpur

DECEMBER

Telecommunication Fair	Sandakan, Sabah
PC Fair	Miri, Sabah

AT A GLANCE

Our Scorecard
Our Year - A Snapshot

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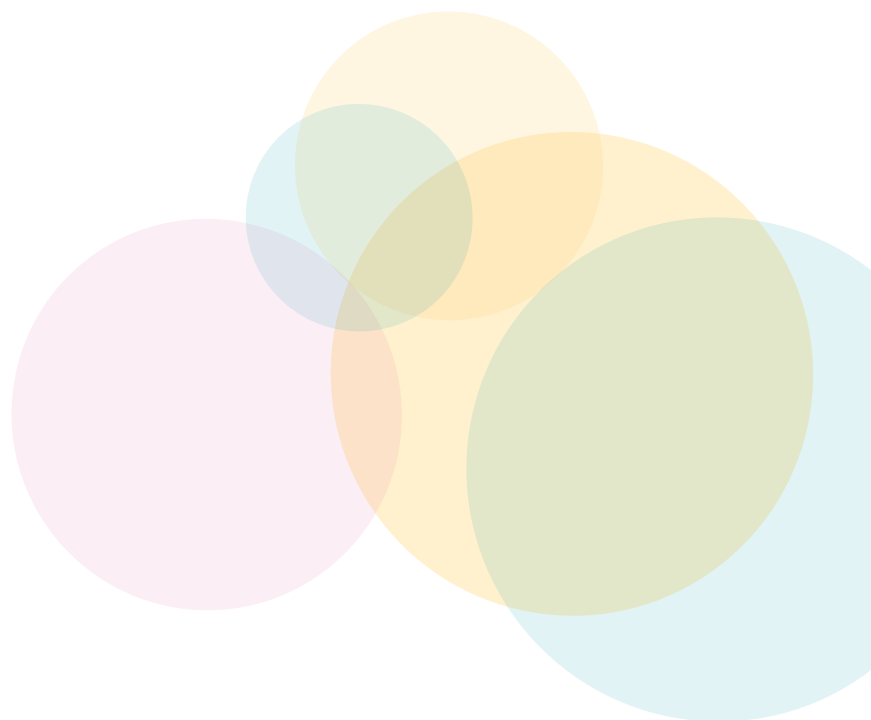
Our Scorecard

GOALS	STRATEGIES 2009
<p>RESYNERGISE To rebuild the Secretariat's capacity and capabilities</p>	<p>Reviewing and rationalising manpower and job-skill matches.</p> <p>Reviewing and standardising staff terms and conditions.</p> <p>Implementing the Complaints portal to ensure a more structured complaints management system is in place.</p> <p>Appointment of a new web agency to design and implement an online Complaints Portal for CFM.</p>
<p>REINFORCE To reinforce image and positioning</p>	<p>It also had to create a strategic platform for all plans to ride on to ensure focus and maximum gain/resource utilisation. That platform is in the shape of the mission to turn CFM into an institution that will be recognised as the advocator of communications and multimedia consumer rights as well as a vital mechanism for industry self-regulation. Basically, the platform serves to get everyone focused on contributing to this goal.</p> <p>This includes promoting CFM via various traditional and new media mediums as well as improving CFM's communication tools and performance as such.</p> <p>Relocation of CFM office from Kelana Jaya to Kuala Lumpur.</p>
<p>RELEVANCE To enhance CFM's relevance to stakeholders</p>	<p>In order to execute this transformation plan, we will need more than a year. So, the plan was stretched to run from 2010 through 2012 with the following strategies and deliverables for 2010:</p> <ul style="list-style-type: none"> • Stakeholder's engagement through repositioning of image, joint activities, transparent and consistent messaging to Consumers, Demand and Supply Side, SKMM, KPKK, KPDNKK. • Getting greater participation in CFM's activities - membership drive, codes drafting focus groups.



Our Scorecard

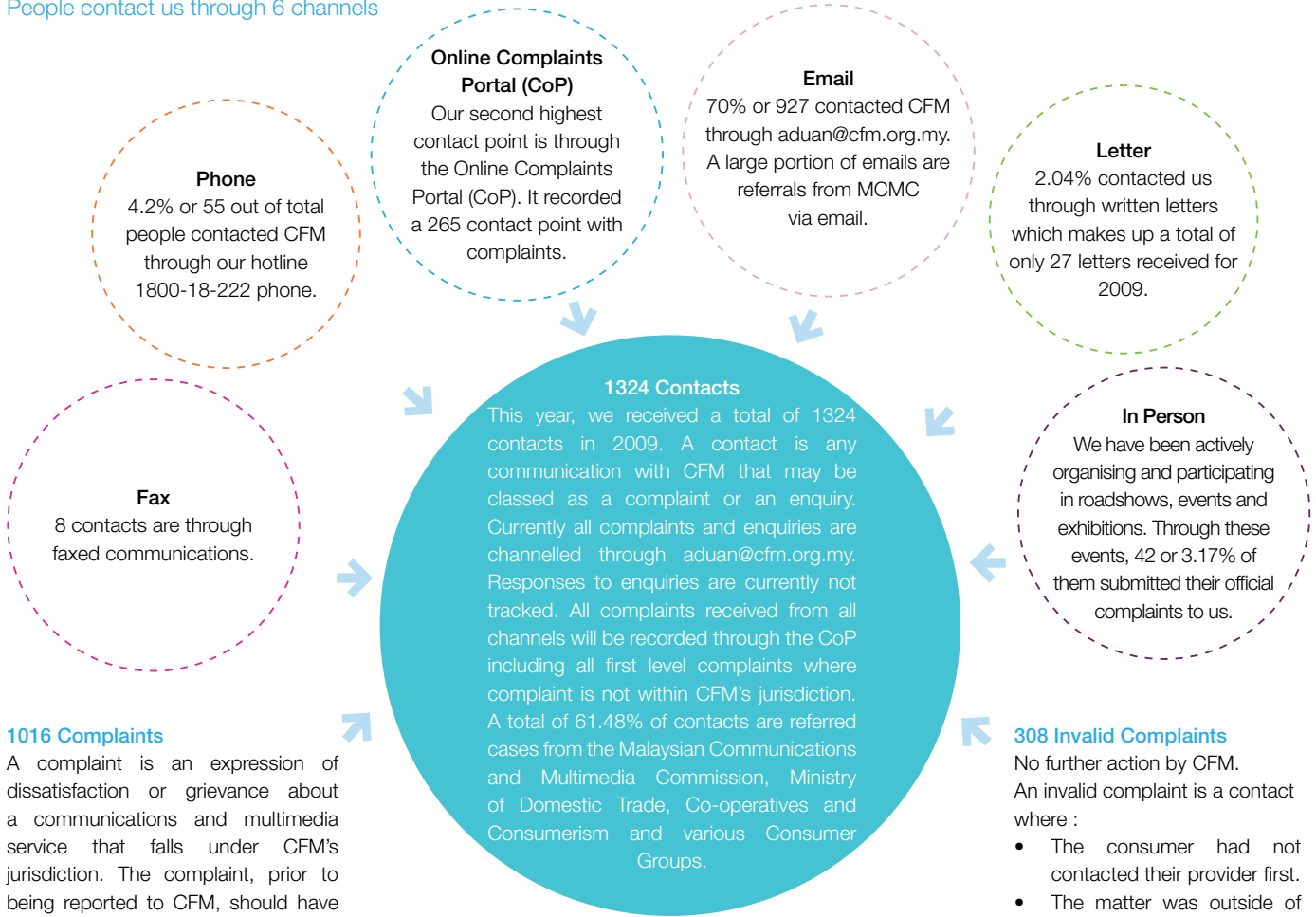
	ACHIEVED 2009	STRATEGIES 2009/ 2010
	Ongoing	Reviewed and rationalised manpower, matched job skills (this was started in November 2009 and completed with recruitments in February 2010. Further review is in the pipeline).
	√	Amendment to Employee Terms and Conditions 2009 done on 20th August 2009 (this was started in July 2009 and completed in February 2010).
	Ongoing	Continue to seek opportunity to automate key internal activities and processes.
	Ongoing	Bringing back account management and tracking in-house and implementing the MYOB (completed 1 March 2010 - further training in the pipeline to expose staff to the operations of the system in order to create and enhance capabilities).
	√	Reviewing and implementing upgrades to the Complaints portal to ensure a more comprehensive analysis and report can be generated.
	Ongoing	
	Ongoing	Getting greater participation in CFM's activities - membership drive, regional / rural seminars, codes drafting and complaints resolution focus groups and other joint activities such as publications and capacity building workshops.
	√	Upkeep of social media presence, constant social media activity, social media audience engagements, production of impressive collaterals to increase visual and online presence.
	Ongoing	Stakeholders engagement through repositioning of image, joint activities, transparent and consistent messaging to Consumers, Demand and Supply Side, SKMM, KPKK, KPDNKK.
	Ongoing	Getting greater participation in CFM's activities - membership drive, codes drafting focus groups.



Our Year - A Snapshot

SOURCE OF COMPLAINTS

People contact us through 6 channels



1016 Complaints

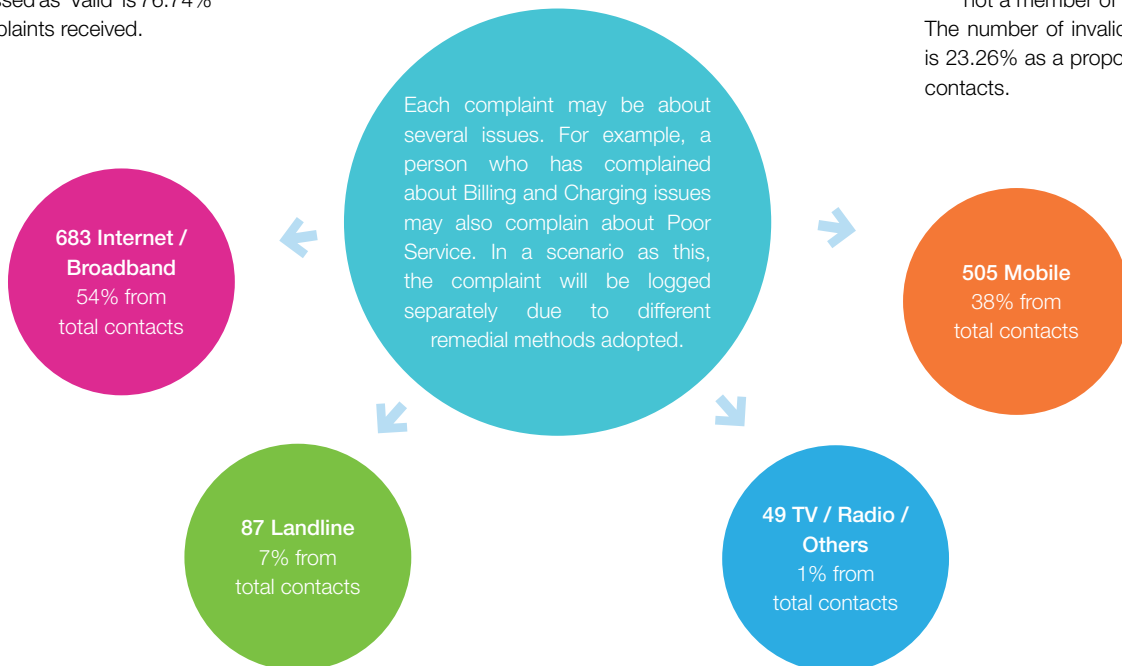
A complaint is an expression of dissatisfaction or grievance about a communications and multimedia service that falls under CFM's jurisdiction. The complaint, prior to being reported to CFM, should have given the Service Provider concerned an opportunity to resolve. The total complaints classed as 'Valid' is 76.74% from total complaints received.

308 Invalid Complaints

No further action by CFM. An invalid complaint is a contact where :

- The consumer had not contacted their provider first.
- The matter was outside of CFM's jurisdiction.
- The company complained is not a member of CFM.

The number of invalid complaints is 23.26% as a proportion to total contacts.



Our Year - A Snapshot

SUMMARY OF COMPLAINTS

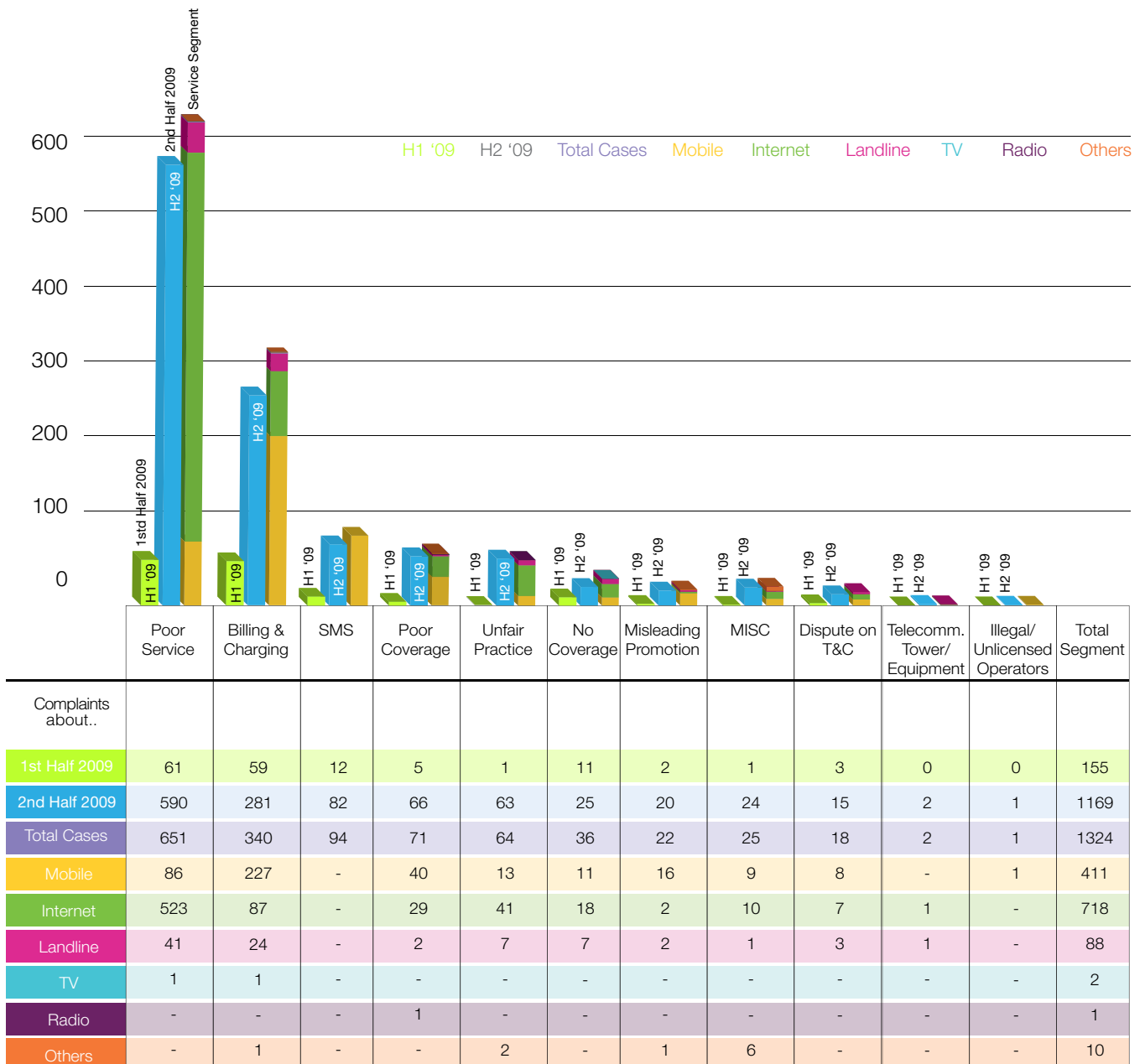
In 2009, we logged a total of 1324* contacts. Complaints on Broadband services is the leading complaint issue and sum up to 683 cases or 52% from total complaints received. 505 cases or 38% from total comprise of complaints on mobile issues. 87 complaints filed are on fixed line and lines third in our log and make up of 7% off total complaints received. In 2009, there were also complaints on TV mostly on pay TV and we received 38 cases or 3% from total cases logged.

Measured by Top Categories of Complaint, Poor Service recorded the most number of cases with 651 cases or 49% from total cases received.

A complete breakdown of our Major Complaint Category is available on page 28 onwards. A breakdown on statistics by providers is listed on the back page of our report.

* Total numbers have been rectified due to technical glitch in the Online Complaints Portal (CoP) as opposed to previously published total of 1331.

Figure 2 - Complaints Issues By Category And Segment



OUR PERFORMANCE

Rebuilding - Communications & Public Relations	23
Rebuilding - Education & Awareness and Roadshow	24
Resolution - Level Chart & Graphical Performance	25



Rebuilding - Communications & Public Relations

Our vision is to be perceived as the advocate of consumer rights and our mission is to position CFM as the reference point in protecting consumer rights in the Communications and Multimedia Industry. In 2009, Communications & PR reached out to the mass public through 3 main channels i.e. the media, on the ground events and advertising campaigns. The objective for 2009 was to increase awareness of CFM. Communications was executed on a regional, state and ground level. Focus for the year was to main cities and suburban mass public.

The Awareness & Education Department is the central liason for all non-complaint related matters and takes up the role to manage, lead and execute the following portfolios:

- Corporate Communications & Public Relations
- Education & Awareness
- Advertising & Promotions
- Events Management
- Membership Engagement

A summary of activities executed for 2009:

- Initiated 2 A&P Campaigns
 - Unresolved Complaint Campaign (Jan 09)
 - GCC Awareness Campaign (Jan 09)
 - CFM Complaint Portal (CoP) campaign (July 09)
- Participated in 32 exhibitions and seminars
- Organised 8 Seminars and Workshops
- Organised 6 Radio & TV appearances
- Released 11 Press Releases
- Revamped CFM Website
- Recruited 4 New Members

A breakdown of activities for the year 2009:

WEBSITE

1 July	CFM Website www.cfm.org.my revamped
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PRESS PUBLICITY

9 April	Berita Harian Usah terpengaruh SMS
23 April	Harian Metro Ketahui hak pengguna telekomunikasi
22 May	CFM appoints Executive Director
3 June	HM Klassifieds Ketahui hak pengguna telekomunikasi
24 June	Utusan Melayu Waspada e-mel palsu janji hadiah
25 June	Malay Mail CFM - Beware hoax email Malay Mail
10 September	Harian Metro Awasi Maklumat Peribadi
7 October	Harian Metro Memahami Fungsi CFM
21 October	Malay Mail CFM CoP & Consumer Info Launching
23 October	StarTech Consumers must help themselves too
21 October	StarTech Consumers must help themselves too
7 October	Harian Metro Interview with Nirwandy

ADVERTISING & PROMOTIONS

Above The Line

6 April	Harian Metro Complaint Print Ad Campaign
7 June	Harian Metro Complaint Print Ad Campaign (Remote)
14 June	Berita Harian Complaint Print Ad Campaign (Handphone)
29 June	New Straits Times Complaint Print Ad Campaign
9 September	NST Front Page Complaint Print Ad (Handphone)
14 September	NST Front Page Complaint Print Ad (Remote)
8 December	NST Front Page CoP Print Ad Campaign (Jerit)

Below The Line

1 November	RapidKL Bus Wrap
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OUR PERFORMANCE

Rebuilding - Communications & Public Relations | **Rebuilding - Education & Awareness and Roadshow** | Resolution - Level Chart & Graphical Performance

Rebuilding - Education & Awareness and Roadshow

PR CALENDAR

RADIO & TV APPEARANCES

21 February	CFM @ RADIO 24 BERNAMA Noor Nirwandy
20 April	CFM @ BERNAMA TV E-Commerce Noor Nirwandy
14 May	CFM @ TV3 MHI Muhamad Tahir Muhamad Noor
31 July	ISU @ 1 Muhamad Tahir Muhamad Noor
7 August	RTM Radio Sabah Muhamad Tahir Muhamad Noor
8 August	RTM VFM Muhamad Tahir Muhamad Noor
5 November	RTM Miri FM Muhamad Tahir Muhamad Noor

MEDIA ENGAGEMENTS OR PRESS RELEASES

6 April	Harian Metro Complaint Print Ad Campaign
9 April	Berita Harian Usah terpengaruh SMS
23 April	Harian Metro Ketahui hak pengguna telekomunikasi
22 May	CFM appoints Executive Director
3 June	HM Klassifieds Ketahui hak pengguna telekomunikasi
07 June	Harian Metro Complaint Print Ad Campaign (Remote)
14 June	Berita Harian Complaint Print Ad Campaign (Handphone)
24 June	Utusan Waspada e-mel palsu janji hadiah
29 June	NST Complaint Print Ad Campaign (Handphone)
7 October	Harian Metro Interview with Nirwandy
1 November	RapidKL Bus Wrap

WEBSITE

1 July	New version up and running www.cfm.org.my
--------	---



CFM | Communications and Multimedia Consumer Forum of Malaysia

Masalah berkaitan perkhidmatan
talian tetap, telefon bimbit, internet, televisyen atau radio anda?
Adukan di Portal Aduan CFM (CoP), layari:

www.cfm.org.my

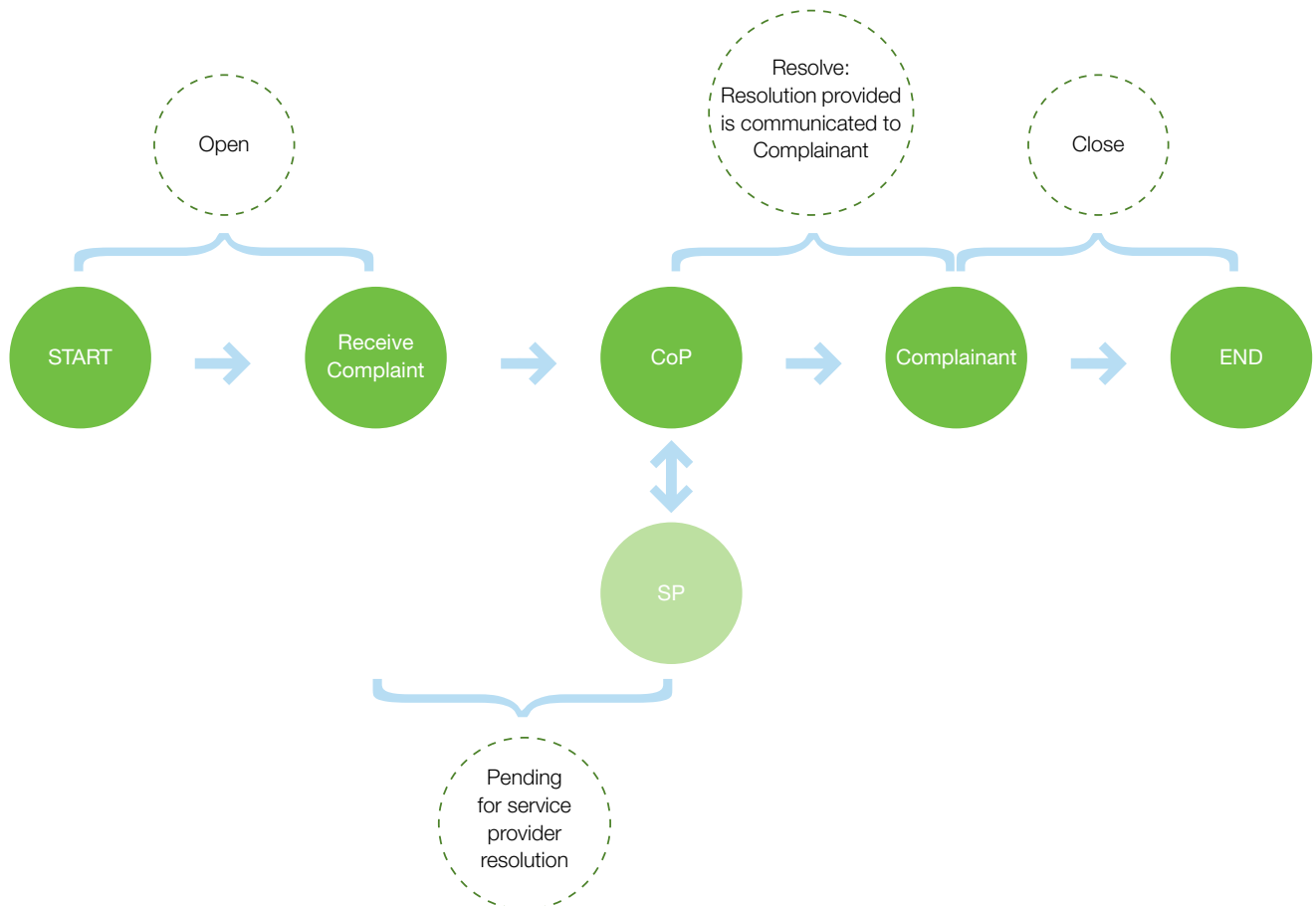
CFM adalah oleh Suruhanjaya Komunikasi dan Multimedia Malaysia (SKMM) sebagai Forum Pengguna Komunikasi & Multimedia Malaysia pada tahun 2002, selaras dengan keperluan Akta Komunikasi dan Multimedia 1998 yang menggantikan penyediaan kementerian industri.

Antara tugas CFM adalah merangka dan menyediakan Rujukan Pengguna yang dijadikan sebagai panduan bagi pengguna untuk melaporkan oleh semua penyedia perkhidmatan komunikasi & multimedia. Pematuhan kepada Rujukan Am Pengguna (GCI) yang diterbitkan oleh CFM adalah merupakan kepatuhan wajib bagi semua penyedia perkhidmatan tersebut.

402, Tingkat 6, Bangunan South Trading, No. 2, Jalan Pudu Lama, 50000 Kuala Lumpur
Tel: +603 2602 2602 / Fax: +603 2602 2288 / Website: www.cfm.org.my / 1 800 18 1222 | **hak anda, keutamaan kami**

Resolution - Level Chart & Graphical Performance

Figure 3 - Complaints Management Process Flow



COMPLAINT PROCESS DEFINITIONS

A complaint case goes through a few steps during the mediation process within resolution time frame as defined below :

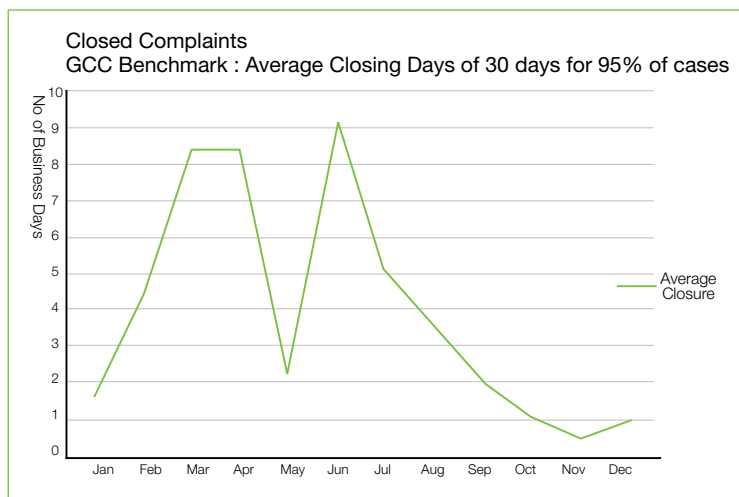
- Open : CFM opens a case upon receiving complaint from Complainant.
- Pending : CFM mediates a complaint case between Complainant and Service Provider.
- Resolved : Service Provider has recommended solution to Complainant through CoP and logged as Resolved.
- Closed : CFM confirmed with Complainant's acceptance of solution recommended by Service Provider.

OUR PERFORMANCE

Rebuilding - Communications & Public Relations | Rebuilding - Education & Awareness and Roadshow | Resolution - Level Chart & Graphical Performance

Resolution - Level Chart & Graphical Performance

CFM aims to set a series of performance measures to gauge effectiveness of complaints management. In 2009, there has been a significant improvement in average case closure for closed cases after installation of the Online Complaints Portal (CoP) as detailed in the figure below.



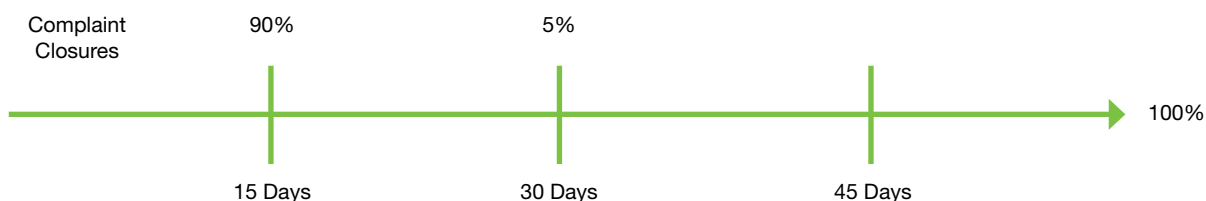
Month	Average Closing Days
Jan	2
Feb	4
Mar	8
April	8
May	2
June	9
July	5
Aug	4
Sep	2
Oct	1
Nov	1
Dec	1

TARGET CLOSURE TIMELINE

Target case closure timeline was set based on requirements in the GCC under Part 3: Complaints Handling point 4.4 which states :-

The timeframe for resolution of the complaint should in 90% be complaints resolved within a timeframe not exceeding 15 business days and in 95% of the complaints be resolved within a timeframe not exceeding 30 business days from the time of submission of all relevant supporting information or documents as requested by the Service Provider having regard to the nature of the complaint.

Figure 4 - GCC Case Resolution Timeliness



COMPLAINT CLASSIFICATION

CFM classifies complaints by process levels. Complaint resolution involves facilitated resolution at Level 1 while Level 2 needs formal investigation within the time frame in accordance to the codes.

COMPLAINT CLASSIFICATION	DEFINITION / ACTION	NO. OF COMPLAINTS IN 2009	% OF TOTAL COMPLAINTS
Invalid	Complaints received are verified for validity and checked against scope jurisdiction before accepted as a Valid Complaint on Level 1. Cases that have not attempted resolution with Service Provide is referred back to the provider, giving both parties another chance at informal resolution. In the event that it is not possible to resolve the complaint within 7 working days from the day of receipt, the Service Provider must inform the Customer that he has the right to refer the complaint to Consumer Forum.	297	23%
Level 1	Level 1 complaints require a formal CFM investigation although providers and complainants can still liaise with each other to reach at a fair and reasonable outcome within the time frame in accordance to the Codes.	1027	77%
Recommendations	In addition to binding decisions, where in the case of continued breaches of registered Codes, The Forum will use its discretion as to whether to refer a matter to the MCMC for its consideration.	2	0.15%

MAJOR COMPLAINT CATEGORIES

Complaint Issue Categories	28
Industry Codes	35
Member Complaint Statistics	37



MAJOR COMPLAINT CATEGORIES

Complaint Issue Categories | Industry Codes | Member Complaint Statistics

Complaint Issue Categories

POOR SERVICE

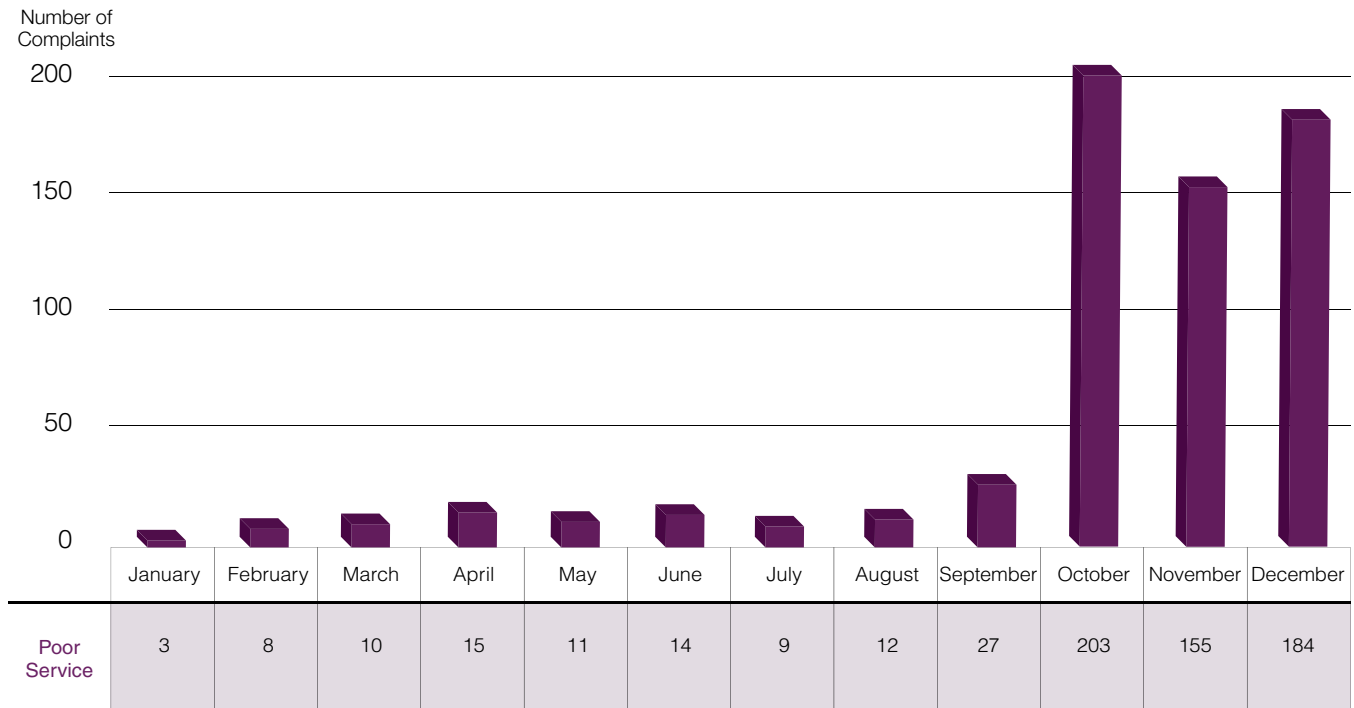


Figure 5 - Poor Service Issue

Poor service focuses on the complaint for quality of service provided. Under this complaint category, 61.1% of the complaint received came from internet connection/speed issues.

- Internet Connection/Speed**
 Complaint about unsatisfactory speed or intermittent broadband connection.
- Service Downtime**
 For example, the internet service or telephony was fully out of service due to equipment or technical failure.
- Installation/Activation**
 Late service activation or installation beyond the promised service agreement.
- Service Termination Failed**
 Request for service termination was not entertained/late.
- Poor Customer Service**
 Is a factor arising after experiencing a service failure. Normally involved several calls to the contact centre where it was not seriously entertained or it is a complaint about dissatisfaction on resolution provided.

Poor Service	651
Internet Connection/Speed	398
Service Downtime	65
Installation/Activation	59
Service Termination Failed	48
Poor Customer Service	38
Service Restoration	14
Others	13
False Registration	9
Mobile Number Portability	6
Speed Capping	1

Complaint Issue Categories

CASE STUDY - Poor Service

Internet Connection/Speed

The complaint (CFM/09/10/00010)

Mr. Leong reported to the Forum that he was experiencing slow uploading and downloading speed. He needs to constantly re-fresh the page and reconnect to get full web page view. He also provided proof of speed test which he did to the service provider to show slow downloading. According to him, the problem started from 30th September 2009 around midnight. He requested for technical rectification immediately.

CFM Response

We acknowledged the complaint and forwarded it to the service provider for them to rectify.

The Outcome

Service provider managed to resolve its technical issue within 8 business days. The complainant was able to enjoy good internet speed and was happy with the resolution provided.

Lesson Learnt

Service providers are expected to act proactively when dealing with internet connection. There should be a signal monitoring in place to trigger any speed or connection problem. Being able to rectify the problem in a short period can lead to increase in quality of service and contribute to customer retention.

Service Downtime

The complaint (CFM/09/11/00124)

Ms. Siti Aida has been experiencing a recurring problem with her telephone line. The line had no dialing tone, noisy connections and poor reception.

CFM Response

We requested the service provider to rectify the problem soonest as the service is for business purpose and had affected the complainant's operation.

The Outcome

The service provider had sent a technician to check and rectify the problem.

Lesson Learnt

It is important to rectify the issue at its source to avoid recurrence. Sending a qualified technician directly to inspect and rectify would be able to minimise a recurring complaint.

CASE STUDY - Billing and Charging

Billing Problem/Dispute

The complaint (CFM/09/12/00143)

En. Shaffarizan signed a 2-year subscription contract with his service provider. His subscription was terminated without his knowledge and consent prior to the contract expiry. The service provider had charged an early termination penalty of RM799 to his account. According to the complainant, no communication was made to him on the termination and he continued to make prompt bill payment although he was not able to enjoy the service. Despite the termination action, his service provider requested the complainant to continue make bill payment up to April 2010.

CFM Response

Ministry of Domestic Trade, Cooperatives and Consumerism (KPDNKK) referred this complaint to the Forum. We have requested the service provider to verify the complaint and provide resolution to the complainant.

The Outcome

Service provider agreed to waive the penalty charges and refund the remaining access payment to the complainant. The service provider also provided explanation on the termination reason to the complainant.

Lesson Learnt

Service provider must inform the complainant about any action taken involving his subscription and any charges that will arise due to the action. Although the action taken was to the complainant's benefit due to no coverage but it should be clearly informed and communicated.

Unreasonable Charges

The complaint (CFM/09/07/00043)

En. Mohd Affendi disputed the charges involving GPRS service which was billed to his account for repeated connection on 1st and 2nd July 2009. He said during his subscription period he had never used any GPRS service and he had been requested to make bill payment for the usage that was not correct.

CFM Response

MCMC referred the complaint to the Forum as it is within the Forum's purview. The Forum had suggested the service provider to provide resolution and recommendation to the complainant how to avoid recurrence.

The Outcome

Service provider provides a onetime rebate to the complainant as it was his first complaint about GPRS connection and charges. The service provider also provides guidance to the complainant on how to avoid recurrence connection by removing the GPRS setting from his mobile phone.

Complaint Issue Categories

BILLING AND CHARGING

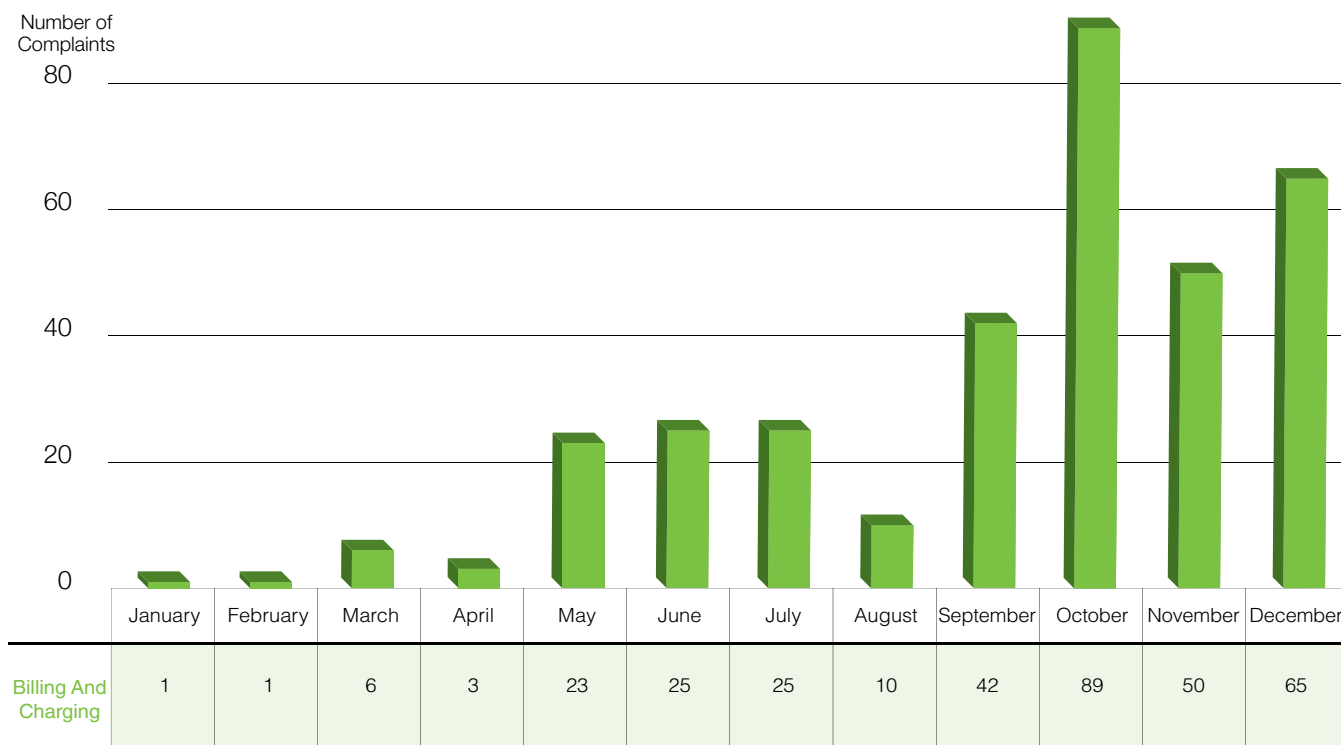


Figure 6 - Billing and Charging Issue

This category includes disputes about rates, charges and bill discrepancies. It also includes any enquiries and request for rebates and refunds due to unsatisfactory services provided by the service providers.

- Billing Problem/Dispute**
 Overcharged call, SMS and/or broadband rates which were wrongly charged or were charged where the complainant was not able to access the service.

It also includes dispute on promotional call tariff on IDD and/or roaming services.

- Unreasonable Charges**
 Charges are invalid or exorbitant. The rates or tariffs were not clearly informed directly to the customer. It includes dispute on promotional tariff or rates on IDD and/or international roaming services.
- Rebate/Refund**
 A request for bill waiver or deposit refund after subscription terminated.
- Poor Billing System**
 Customers had not or late receiving bill statement after subscription despite several requests made. Customer being billed late and payment arrangement was not updated according to customer request.

- Fraud Registration**
 It is a complaint about misleading registration and promotional information about account subscription.
- Credit Limit**
 Complaint about account credit limit not functioning and led to customer exceeding their pre-set account limit.

Billing and Charging	340
Billing Problem/ Dispute	131
Unreasonable Charges	76
Rebate/ Refund	53
Poor Billing System	34
Fraud Registration	14
Credit Limit	13
No/ Late Delivery Of Bill	8
Others	7
Late Payment Charges/ Reconnection Fee	4

Complaint Issue Categories

SMS

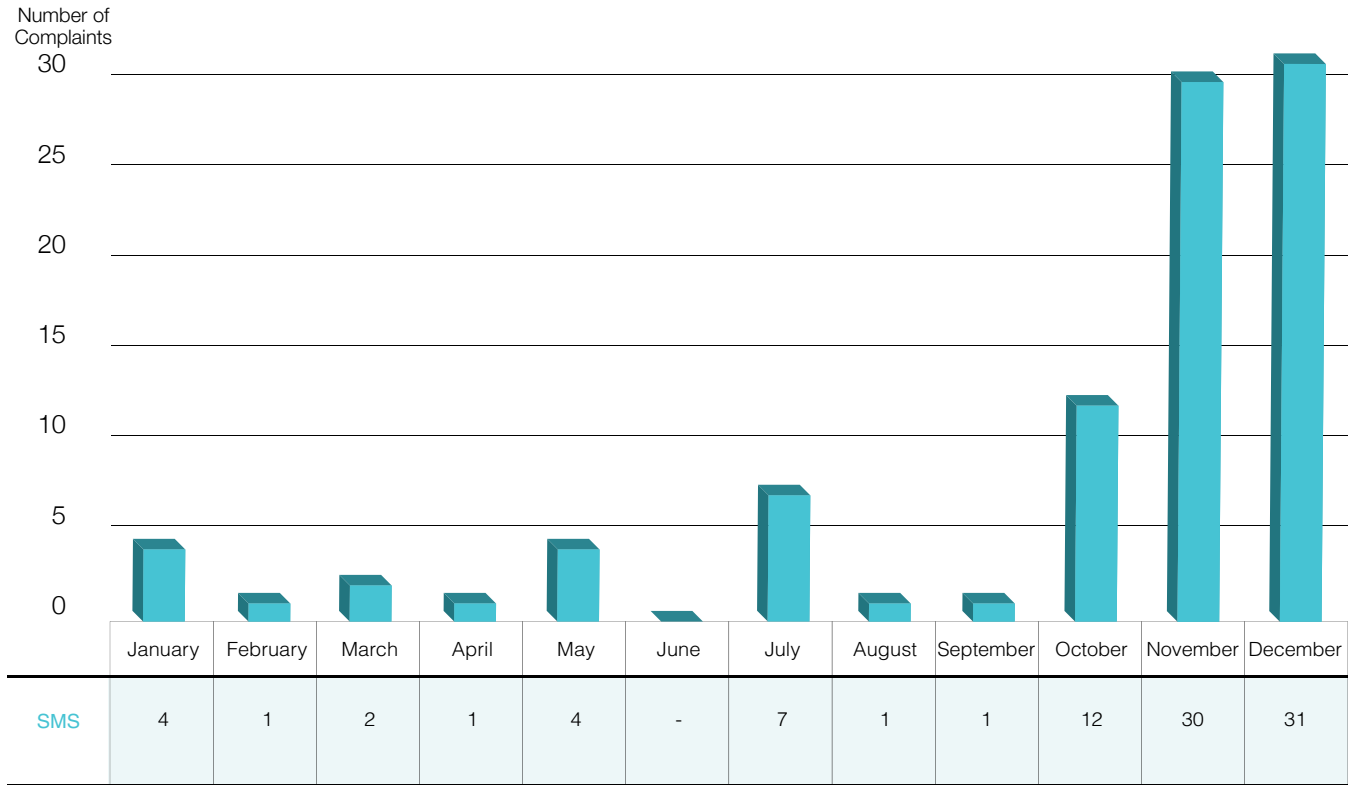


Figure 7 - SMS Issue

As SMS is concerned, the issues circulated about receiving SMS from unsubscribed short code and receiving promotional SMS at improper time.

- Unsolicited/Unsubscribed SMS**
 It refers to complaints about receiving and being charged for unsubscribed SMS from third party service providers such as online games, ringtones or 4D results.
- Scam**
 Although this category is beyond the Forum's purview but we do record this category as part of our complaints. The complaints were about receiving fraud or scam messages about contest winnings or requests for personal particulars from unidentified sources.

SMS	94
Unsolicited/ Unsubscribed SMS	65
Scam	13
Promotional SMS	7
Service Termination Failed	5
Others	4

MAJOR COMPLAINT CATEGORIES

Complaint Issue Categories | Industry Codes | Member Complaint Statistics

CASE STUDY - SMS

Unsolicited/Unsubscribed SMS

The complaint (CFM/09/11/00192)

En. Abdul Rahman from Kuala Terengganu reported that he had been charged for subscribing SMS from Belgium that had cost him RM4.00 per SMS received. He claimed that the total charges of the SMS received sum up to almost 50% of his monthly bill charges. He had contacted the service provider to report on the SMS charges and was informed that the charges were valid.

CFM Response

We requested the service provider to provide proof on the subscription to support its claim on the charges.

The Outcome

From the investigation, we found out that there was an activity of SMS command requesting for the service initiated from the complainant mobile account. The charges for SMS request was reflected in his monthly bill prior to the complaint. Hence we had agreed with the service provider resolution that the charges were valid as per billed.

Lesson Learnt

Consumer should be aware of their mobile phone usage and monitor for any misuse by others. As in this case, the complainant should immediately report when he noticed any irregularities pertaining to the charges immediately to the service provider.

CASE STUDY - Poor Coverage

3G

The complaint (CFM/09/12/00265)

Mohammad Azral lodged a complaint via the Forum CoP about experiencing low HSDPA/3G coverage at his house despite paying RM99/per month. He only managed to enjoy a GPRS speed when connected to his mobile internet. According to him, the signal strength fluctuated from 3 to no signal for both call and video call. As his subscription was tied up with 2 years contract, he felt cheated and misled by the advertisement during signing up for subscription.

CFM Response

CFM requested the service provider to verify the claim and provide estimation time on the network enhancement or expansion.

The Outcome

Service provider responded to the complainant and acknowledged the situation. According to the service provider, a network expansion plan has been proposed and as a gesture of goodwill, they credited RM100 to the complainant account in light of the complainant's experiences.

Lesson Learnt

It is important for customer to obtain clear information about the coverage condition before entering of pursuing any service subscription. This will minimise any service dissatisfaction or service expectation after entering into any subscription with contract of stay.

Internet broadband

The complaint (CFM/09/12/00316)

Ms. Norzalina reported that she had experienced intermittent network connection and dropped calls despite numerous complaints were made directly to the service provider. She claimed that prior to this period she was able to enjoy good service and stable connection for her mobile internet. She was also disputing the fixed monthly charges billed, as she was not able to get a satisfactory service.

CFM Response

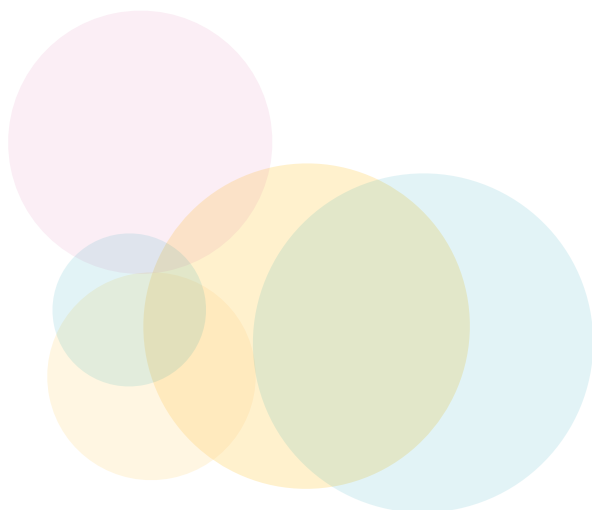
It was a referral complaint from KPDNKK to the Forum. We asked the service provider to investigate and present its resolution.

The Outcome

Immediate remedial action was taken to restore the network condition and apology email was sent to complainant about the delay in resolving her complaint.

Lesson Learnt

Immediate remedial action should be taken when service provider received any complaint pertaining to its network condition and any delay may lead to bad impression to the quality of service.



Complaint Issue Categories

POOR COVERAGE

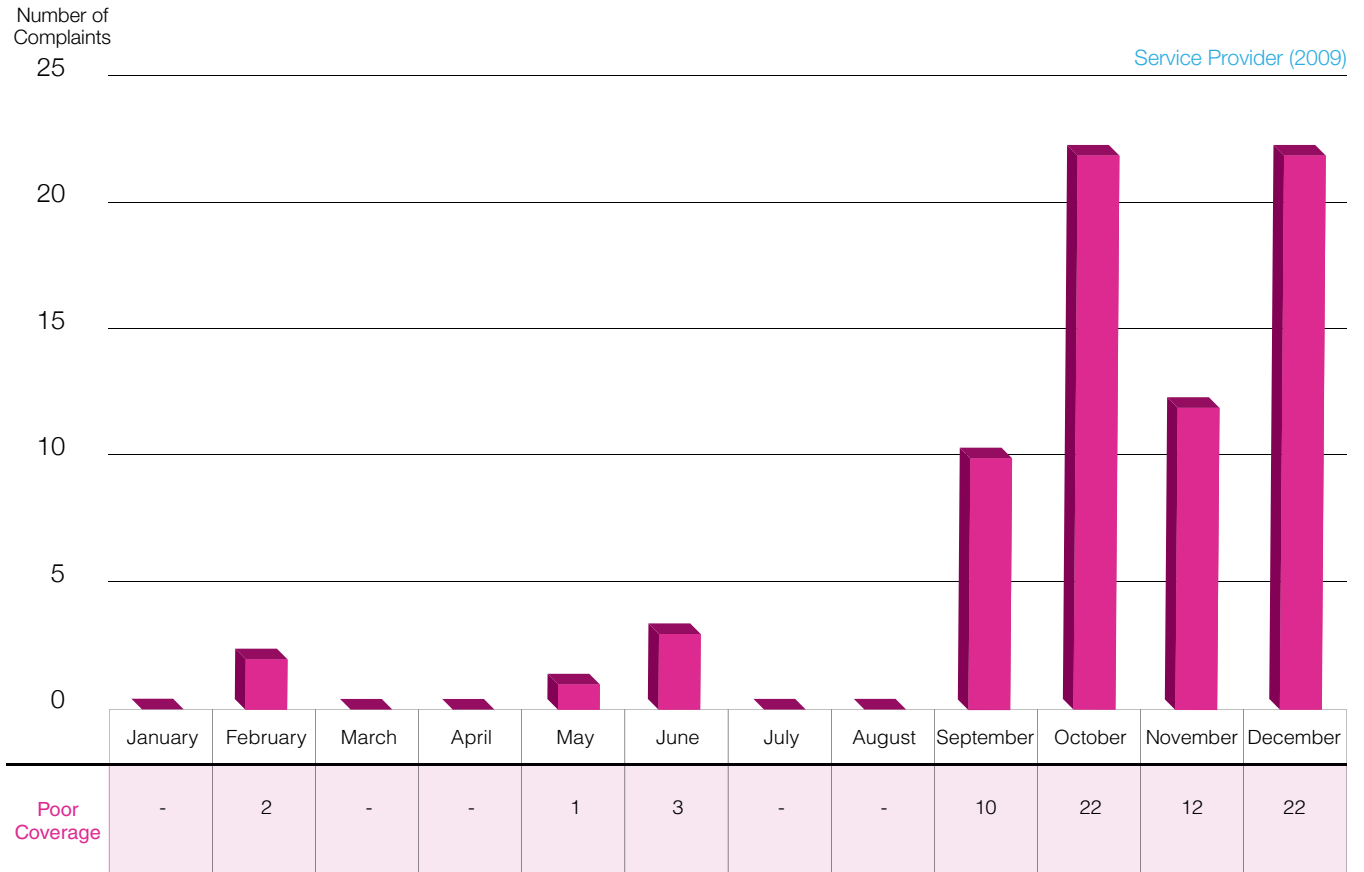


Figure 8 - Poor Coverage Issue

Complaints received under this category stem from unavailability of services due to no coverage or low network signals. It also includes a request or improvement feedback for network enhancement or expansion.

- Mobile/Cellular**
 This complaint refers to all complaints for normal 2G up to 2.5G call service; experienced dropped calls and intermitted call connection at coverage area due to network congestion. It also includes late receiving and sending SMS either through peer or intra network operator.
- Internet Broadband**
 Customer complaint about the service failure that leads to broadband connection is not available.
- 3G**
 No 3G service such as video call or mobile broadband.

Poor Coverage	340
Mobile/ Cellular	33
Internet Broadband	28
3G	7
Fixed Line	1
Others	1
Radio Transmission	1
TV Transmission	1

Complaint Issue Categories

UNFAIR PRACTICE

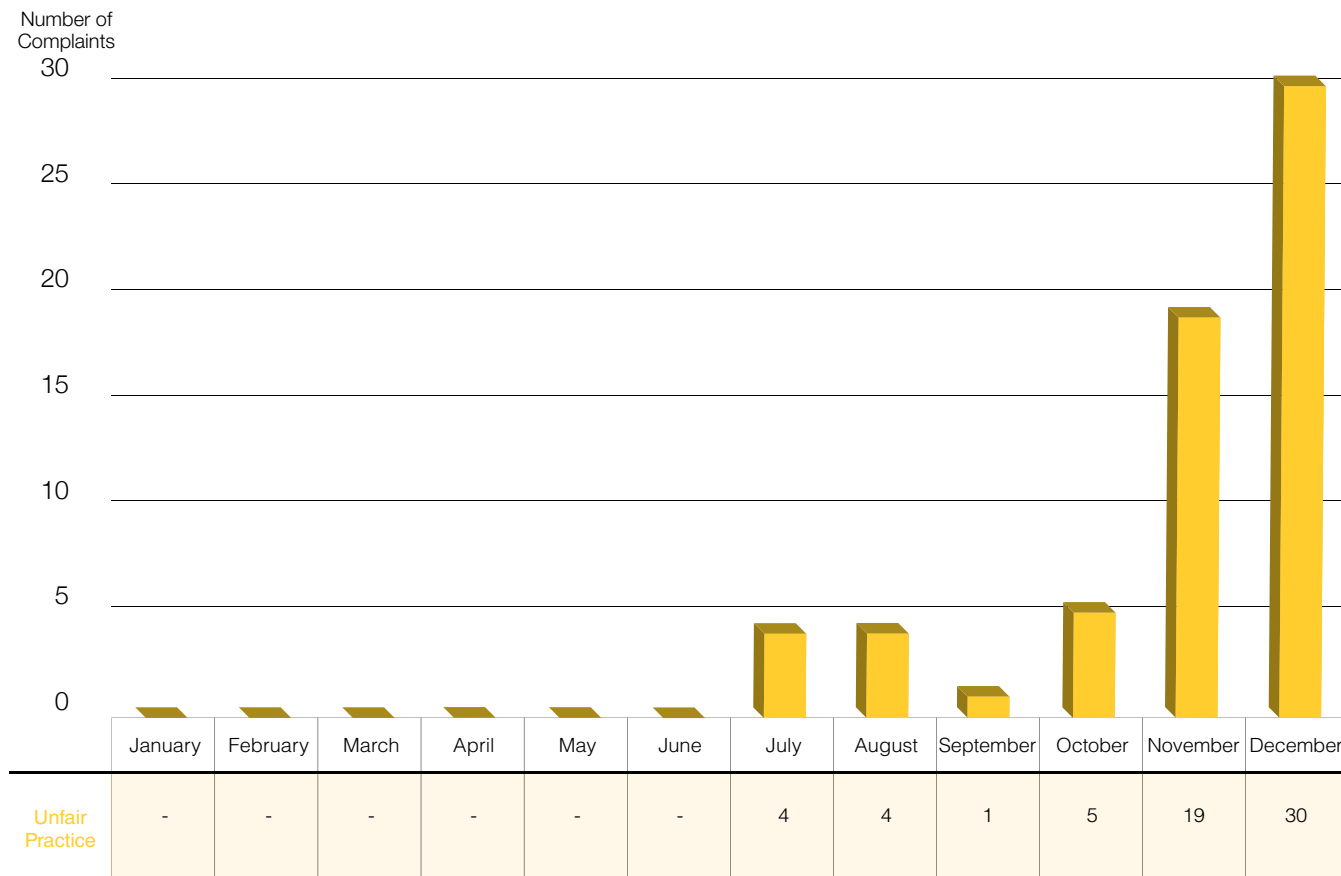


Figure 9 - Unfair Practice Issue

Unfair practices refer to complaints about dissatisfaction and unfair treatment towards the complainant’s request or the complaint.

Unfair Practices

For example, a new promotion on a new subscription plan with more offering would cause old and existing customers to feel unfairly treated.

Customers were not provided with enough information about the subscription or related charges involved during registration.

Customers were not aware of the contract terms that bind them from early termination or penalty.

He had contacted the service provider requested for explanation but due to insufficient information, the explanation given is not able to solve his problem.

CFM Response

We forwarded the complaint for further investigation to the service provider.

The Outcome

From the investigation, it unveiled that the complainant employer made the request after consulting the service provider. It was done in order to enjoy better savings and more offering with the new promotion. The service provider was supposed to notify the complainant but several attempts made were unsuccessful. Service provider had acted according to employer request and no violation was found.

Lesson Learnt

Service provider had acted within its operational standards and also made sure that the customer enjoyed bigger savings with their new offering. Nevertheless, they must also ensure that sufficient communication was made to all affected user when making any change as to avoid confusion.

CASE STUDY - Unfair Practices

The complaint (CFM/09/12/00035)
 Mr. Menjit Singh claimed that his subscription package had been changed to another plan without his consent. His account was registered under his company’s name and paid by the company. His concern is on unnecessary increment in call tariff and billing charges incurred due to the changed plan.

Industry Codes

WHAT IS GCC

The General Consumer Code of Practice (GCC), a first in Malaysian law, sets out the rights of the consumers for services offered by the communications and multimedia industry. Compliance of the Code is a license condition for all companies licensed to operate under the Communications and Multimedia Act 1998.

The GCC, which was drafted along the guidelines and broad directions as, provided in the Communications and Multimedia Act 1998; is aimed at setting service delivery benchmarks and provides model procedures for the handling of consumer complaints, expeditious consumer dispute resolution and the protection of consumer information.

The GCC acts as an umbrella code, where other sub-codes addressing specific services of the Industry will reside. The GCC is the first industry voluntary code drafted by the Consumer Forum (CFM). The Consumer Forum is made up of members representing industry and consumer interest. The communications and multimedia industry is represented on the industry, including telecommunications companies and broadcasting stations. The consumer interest is represented by non-governmental organizations and public interest groups.

The GCC is the first voluntary code registered with the SKMM under the Communications and Multimedia Act 1998. It was registered with the Malaysian Communications and Multimedia Commission (SKMM) on 17 October 2003.

The objectives of the Code, among others, are to provide:

- reasonably meeting Consumer requirements;
- the handling of customer complaints and disputes;
- the creation of an inexpensive mediation or process other than the court and procedures for compensation of the customers in case of a breach of the consumer code;
- the protection of consumer information;
- to endeavour to achieve the relevant national policy objectives of the CMA 1998;
- to provide benchmarks for the communications and multimedia Service Providers for the benefit of consumers;
- to promote a high level of consumer confidence in service delivery from the industry; and
- to provide guidelines for self-regulation among the industry.

This Code and any Sub-codes developed pursuant to Clause 6 (Part 1 of the GCC) will upon registration by the SKMM, bind the following as provided under the CMA 1998:

- All licensed Service Providers, as far as their licensed activities are concerned.
- All non-licensed Service Providers who are members of the Consumer Forum.

LEGAL EFFECTS OF GCC

- Compliance with GCC is mandatory (this is a standard license condition applicable to all licensees).
- For serious offence and/or failure to comply, the Minister on the Commission's recommendation can suspend or cancel the license.
- The Commission may also direct a person or class of persons to comply with a registered voluntary industry code.
- Non-compliance with a direction is an offence and is subject to a fine of up to RM300,000 or jail term of 3 years or both.

Industry Codes

SUMMARY

In 2007, SKMM had requested CFM to look into recommending an inexpensive and practical alternative dispute resolution (ADR) procedures for its Consumer Protection as stated in Clause 190 of the CMA.

A grant of RM60,000 from SKMM was dispersed on 25 February 2008. Subsequently, Tommy Thomas was appointed as the Consultant into the study on Arbitration. The study includes:

- To conduct a thorough study on the legal implications on all the stakeholders of the setting up of Arbitration.
- To provide the best practices on the setting up of Arbitration.
- To recommend solutions for the implementation.

Tommy Thomas had submitted their preliminary report on the study into the setting up of Arbitration on 24th December 2008. Thereafter, a presentation to the Council was done.

There were requests for further study into the ADR by Service Providers, and Mediation was recommended as the alternative. CFM will need to come with recommendations for the methodology or type of ADR to incorporate into its consumer protection process.

What is Alternative Dispute Resolution?

“Alternative dispute resolution” (ADR) is a term generally used to refer to informal dispute resolution processes in which the parties meet with a third party who helps them resolve their dispute in a way that is less formal and often more consensual than is done in the courts. The most common forms of ADR are mediation and arbitration.

TYPES OF ADR

Mediation

Mediation involves an independent third party helping disputing parties to resolve their dispute. The disputants, not the mediator, decide the terms of the agreement.

Mediation is widely recognised as the most popular form of alternative dispute resolution as it offers a low cost solution.

Arbitration

In arbitration, an independent, impartial third party hears both sides in a dispute and makes a decision to resolve it. In most cases, the arbitrator’s decision is legally binding on both sides, so it is not possible to go to court if a party is unhappy with the decision.

Arbitration is in many ways an alternative form of court with procedural rules which govern issues such as disclosure of documents and evidence. But arbitration is private rather than public. Hearings are less formal than court hearings, and some forms of arbitration do not involve hearings but are decided on the basis of documents only.

OBJECTIVE

To recommend inexpensive and practical alternative dispute resolution (ADR) procedures for CFM.

In considering a solution for its ADR, there were three factors that were assessed; cost, time and skills.

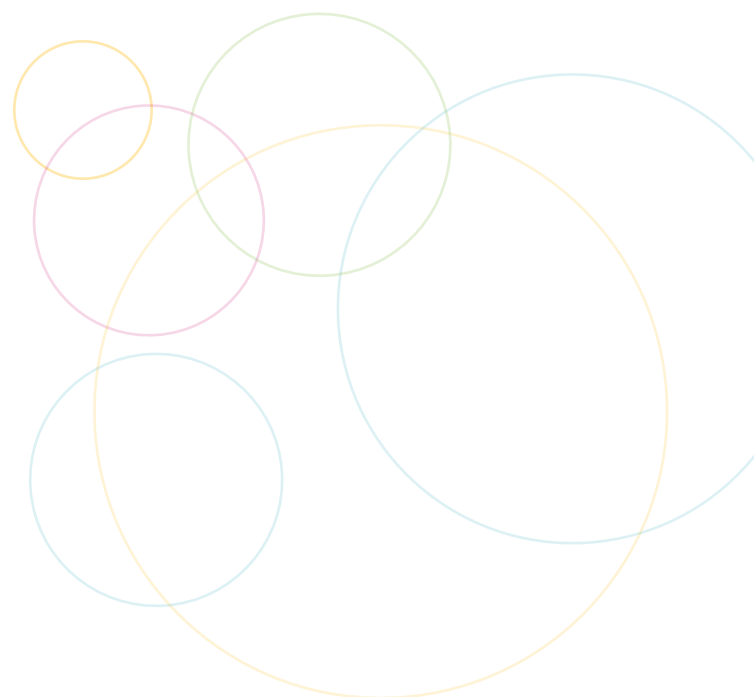
OUR ROLE

While we take time to consult, learn and consider which methods to adopt for ADR, and work for implementation, we will also focus on providing information on GCC and help the consumer understand the impacts of GCC and how it is relevant to the consumer and industry.

Member Complaint Statistics

Table 1 - Complaints Against Members by Number of Complaint Received 1 January 2009 - 31 December 2009 (including total members)

No	Service Providers	Number of Complaints (2009)
1	TM (Broadband)	414
2	Celcom Axiata Berhad	292
3	Maxis Communications Berhad	181
4	P1	141
5	Digi Telecommunications Sdn Bhd	89
6	TM (Voice & Telephony)	86
7	MEASAT Broadcast Network Systems Sdn Bhd	37
8	U Mobile Sdn Bhd	28
9	Others	18
10	iZZinet Sdn Bhd	10
11	Jaring Communications Sdn Bhd	7
12	Optical Communication Engineering Sdn. Bhd	2
13	WI-NET TECHNOLOGY SDN. BHD	2
14	Infolient Broadband	1
15	Media Prima	1
16	REDtone Telecommunications Sdn Bhd	1
17	Time	1
18	TIME dotCom Berhad	1



MAJOR COMPLAINT CATEGORIES

Complaint Issue Categories | Industry Codes | **Member Complaint Statistics**

Member Complaint Statistics

Table 2 - Complaints Against Members by Type of Complaint Received 1 January 2009 - 31 December 2009 (including members that received 5 or more complaints logged)

No	Members	Billing And Charging	Dispute On T&C	Illegal/ Unlicensed Operators	Miscellaneous	Misleading Promotion	No Coverage	Poor Coverage	Poor Service	SMS	Telecommunication Tower/ Equip	Unfair Practice	Total by Member
1	Celcom Axiata Berhad	292	4		6	6	7	26	93	32		9	292
2	Digi Telecommunications Sdn Bhd	35	2	1	2	1	2	9	12	22		3	89
3	iZZinet Sdn Bhd	2							8				10
4	Jaring Communications Sdn Bhd	2							4			1	7
5	Malaysian Mobile Content Providers Association									12			12
6	Maxis Communications Berhad	65	1		1	8	4	22	54	25		1	181
7	MEASAT Broadcast Network Systems Sdn Bhd	21	1		2				12			1	37
8	Others	1			6	1	1	1	3	3		2	18
9	P1	25	2			3		4	100		1	6	141
10	Telekom Malaysia Berhad	23	3		1	2	7	2	40		1	7	86
11	TMNet	36	4		5	2	14	7	313			33	414
12	U Mobile Sdn Bhd	18	1			1	1		7				28
13	Total by Category	340	18	1	23	24	36	72	651	94	2	63	1315



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Complaints Management Committee

1. EXECUTIVE SUMMARY

1.1 The Complaints Management annual report focuses on complaints management during the period January 2009 until December 2009. The report is produced to provide statistical data and analysis of the complaints received by the Forum over the past year.

1.2 The vital objective of Forum's Complaints Management Working Committee is to ensure that all complaints forwarded by the Forum are attended and resolved in accordance to GCC's requirements and ensure effectiveness of the complaint procedure.

2. COMPLAINT PROCEDURE

2.1 During February 2009, the Forum and Complaints Management Department undertook a complete review of its operational effectiveness and efficiency in complaint handling which resulted in development and implementation of web processing via Online Complaint Portal known as CoP.

2.2 The portal was officially launched in October 2009 and with the system in place, it managed to reduce processing time and enhance complaint monitoring effectiveness.

3. FACT AND FIGURES (STATISTICAL ANALYSIS)

3.1 The total number of complaints received for the year 2009 was 1,324 and increase of 939% from the previous year. The main contributing factor for the increment came from MCMC's direction to re-route all complaints involving communication and multimedia as per GCC to the Forum. It also caused by an increasing trend in consumer awareness about the Forum's role as another mean for communication and multimedia complaints.

3.2 The Complaints Management Department had attended all the complaints received and managed to close up to 70% of the complaint received within 30 business days.

3.3 The Complaints Management Department has taken an initiative to implement a periodic review and monitoring of the remaining balances of the complaints via auto generated notifications from CoP to alert the respective service provider on pending complaints.

3.4 The number of complaints received by quarter over last year are indicated in the table below:

Quarter	Total complaint per quarter
Quarter 1 (Jan-Mar)	44
Quarter 2 (Apr-Jun)	111
Quarter 3 (July-Sep)	173
Quarter 4 (Oct-Dec)	996

3.5 The Forum received its complaints via several identified channels which can be broken down as follows:

Source of Complaint	Total complaint received
Malaysian Communications And Multimedia Commission	718
CoP	265
Email	134
KPDNKK	75
Phone	55
Road Show	32
Consumer Group	21
In Person	10
Fax	8
Letter	6

4. BREAKDOWN OF COMPLAINT BY COMPLAINT CATEGORY

Complaint Category	Total complaint	% Total
Poor Service	651	49.2
Billing & Charging	340	25.7
SMS	94	7.1
Poor Coverage	72	5.4
Unfair Practice	63	4.8
No Coverage	36	2.7
Misleading Promotion	24	1.8
Miscellaneous	23	1.7
Dispute on T&C	18	1.4
Telecommunication Tower/ Equipment	2	0.2
Illegal/ Unlicensed Operators	1	0.1

Complaints Management Committee

5. BREAKDOWN OF COMPLAINTS BY SERVICE PROVIDERS

Service Provider	Total complaint	% Total
TMNet	414	31.3
Celcom (Malaysia) Berhad	292	22.1
Maxis Communications Berhad	181	13.7
P1	141	10.6
Digi Telecommunications Sdn Bhd	89	6.7
Telekom Malaysia Berhad	86	6.5
MEASAT Broadcast		
Network Systems Sdn Bhd	37	2.8
U Mobile Sdn Bhd	28	2.1
Others	18	1.4
Malaysian Mobile Content Providers Association	12	0.9
iZZinet Sdn Bhd	10	0.8
Jaring Communication Sdn Bhd	7	0.5
Optical Communication Engineering Sdn Bhd	2	0.2
WI-NET TECHNOLOGY SDN BHD	2	0.2
Infolient Broadband	1	0.1
Media Prima	1	0.1
REDtone Telecommunications Sdn Bhd	1	0.1
TIME dotCom Berhad	2	0.2

6. FINANCIAL HIGHLIGHT

- 6.1 The Complaints Management has been awarded with approved budget allocation of RM40,000.00 for the year 2009.
- 6.2 The biggest budget consumptions were for the Forum's complaint portal development and system, which cost RM25,000.00 and RM10,833.50 respectively.
- 6.3 As part of the of the learning and growth activities, the secretariat has spent RM1,300.00 for its training and skill development.
- 6.4 The closing balance of allocated budget for year 2009 that was brought forward to the next year is RM2,866.50.

7. STRATEGY AND DIRECTION FOR 2010

Factor	Strategy	2010 Target
Internal Process	Align internal operational sandard and procedure to achieve congruence with the GCC. Establish Complaints Management Working Committee.	<ul style="list-style-type: none"> Review and enhance existing guidelines and procedure to improve operational effectiveness and efficiency. Implement strategy to improve timeliness of complaint resolution to achieve GCC requirement.
Learning and Growth	<ul style="list-style-type: none"> Prepare and implement a centralised database record keeping for all relevant reference and guidelines affected the Forum. Yearly review on resources requirement as to support operational capacity. Periodic review on manpower skill and knowledge to ensure continuous staff development. 	<ul style="list-style-type: none"> Sourcing for available method to implement the centralised database by quarter 3. Implement twice annually review on operational capacity and performance. Provide channel for feedback and comment for staff improvement. Attend training on complaint handling and management at least once a year for a staff.
Stakeholder	<ul style="list-style-type: none"> Proactively involved in awareness programs. Proactively inform and educate the stakeholder. 	<ul style="list-style-type: none"> Implement stakeholder engagement strategy in line with operational requirements.
Financial	Align the allocated budget to operational priorities.	<ul style="list-style-type: none"> Manage financial consumption within approved operational budget.

Codes and Compliance Committee

1. ACTIVITIES LISTING AND SUMMARY

1.1 Compliance & ADR Working Committee

Initially, the Working Committee was known Research & Knowledge Management. Chairperson of this Working Committee was chaired by Nor Esah Mohd Said from Maxis Mobile Services Sdn. Bhd. Subsequently, the Working Committee was restructured to "Codes Drafting, Compliance & ADR Working Committee".

The activities revolved around the formulation of sub codes and the review of the GCC, including compliance awareness. There were two committee in action, while the ADR is an ad-hoc committee to look into the setting up of Alternate Dispute Resolution in CFM. The ADR Ad-hoc Committee was formed to look into the legal and legislative aspect of the setting up of Alternate Dispute Resolution in CFM.

1.2 Head of Working Committee

Chairperson : Nor Esah Mohd Said,
Maxis
Deputy Chairman : Sharmitha Visvalingam,
ASTRO – Codes Drafting
Deputy Chairman : Normazaila Abu Bakar,
MMU – ADR

1.3 Codes Drafting Activities

The Codes Drafting Working Committee had continued to carry out its responsibility to draft, develop and review Codes for the industry.

It had conducted more than 9 codes drafting sessions for 2009; and does not include smaller group sessions. In January 2009, the Working Committee had conducted a 3-day Codes Drafting Workshop in Port Dickson, Negeri Sembilan with members of the Working Committee from demand and supply-side. The Workshop was productive and had good response and results.

1.4 Compliance Activities

There were 8 'GCC Awareness' seminars conducted to our CFM members. These seminars were mainly conducted with assistance from CFM's legal counsel, Messrs Raja, Darryl & Loh. The dates and places were as follows:

- i) 24 February 2009 - SKMM, Cyberjaya
- ii) 16 March 2009 - DiGi, Shah Alam
- iii) 23 April 2009 - Maxis, Menara MAXIS
- iv) 13 May 2009 - TimeDotcom, Glenmarie
- v) 14 May 2009 - Jaring, TPM
- vi) 02 June 2009 - TM, KL
- vii) 24 July 2009 - Celcom, KL
- viii) 02 November 2009 - Packet 1

1.5 ADR Activities

A special grant of RM60,000 was given for the study into setting up of Arbitration. CFM had managed to appoint a Consultant to conduct this study, and Tommy Thomas was appointed last year.

Tommy Thomas had submitted their preliminary report on the study into the setting up of Arbitration on 24th December 2008 and subsequently presented a presentation to the Council on 25 May 2009. So far, a total sum of RM26,834.10 was paid vide Cheque Number, BM503188 (dated 02 March 2009) to Tommy Thomas for this purpose.

Codes and Compliance Committee

2. DEVELOPMENTS AND ACHIEVEMENTS IN THE YEAR 3. CONCLUSION AND PLANS FOR 2010

2.1 Codes Drafting

For the year 2009, the Working Committee had submitted the following for SKMM review. The Codes submitted to SKMM for review are:

- Premium Services Sub Code - submitted on November 2007
- GCC - submitted on 27 April 2009
- Public Cellular Services Sub Code - submitted on 11 August 2009
- Fixed Services Sub Code - submitted on 11 September 2009

2.2 Compliance

The Compliance Working Committee had worked closely with service providers for the Compliance Awareness campaign for 2009. Service Provider such as DiGi has found the seminar to be very informative to its employees and was seeking for another seminar to be conducted at their venue.

The Working Committee will continue its effort to educate service providers on a regular basis.

2.3 ADR

CFM was examining Mediation as part of the ADR process. Recommendations on the methodology of ADR had been circulated to the Council, and were being studied before approval.

3.1 Codes Drafting

There may be a need to review the Premium Services Sub Code further as SKMM will be coming out with its mandatory standard. In view of this, CFM is expected at least to re-publish the GCC in 2010; upon approval from SKMM.

The Working Committee had contemplated to acquire a software tools for Codes Drafting planning and drafting; including tracking of comments and inputs from its stakeholders. By having a software tools, it will allow the Working Committee to work more efficient and effective for its codes drafting.

2.2

Compliance

For 2010, CFM will collaborate with SKMM to include the GCC briefing as part of SKMM Academy's Compliance Seminars, which will be held nationwide.

ADR

ADR Working Committee was to be formalised with a structure and operational plan and to come up with a proposal by early 2010. The Working

2.3

Committee also expects to launch the ADR in 2010 as part of our Consumer Protection mechanism.

The Working Committee will recruit Executive to beef up its support and operations for Codes Drafting and ADR. These recruitments exercise will help to improve the operational effectiveness of the Working Committee, as well as to undertake and develop new programmes or initiatives for the Working Committee.

Awareness and Education Committee

In line with the goal of enhancing CFM's public profile, CFM had a myriad of activities in this area. 20 media engagement activities were conducted via formal events, informal sessions, advertisements, as well as issuance of relevant press releases and comments. In addition, CFM made 3 TV and 7 Radio appearances nationwide. CFM also made its presence nationwide by participating in 31 roadshows / events through tie-ins with SKMM Regional Offices, PIKOM and Go Mobile. Participation in roadshows were also an important part where brand audits were carried out to determine the level of awareness of CFM and key roles. There were 2 consumer awareness campaigns in AWAS (online fraud) and JERIT (lodge complaints).

Overall, the level of awareness of CFM and its roles has improved as there has been an increase in the number of complaints received and website hits compared to 2008.

2009 DEVELOPMENT MILESTONES

Increased awareness and collaborative efforts has directly caused an influx of contacts in the CoP with a total of 1324 and by 8 folds compared to 2008. CFM have also been receiving increased referrals from other agencies, consumer associations and other complaint centres. The CFM website was launched in October 2009 and went from daily lowest visit of 24 page views to 80 page views with 75% being new visitors as at 31 December 2009.

PLANS FOR 2010

Our strategy for 2010 – 2011 is to continue positioning CFM as a reference point in protecting Consumer Rights in the communications and multimedia industry. We aim to increase awareness, drive usage for CoP, engage in consistent media publicity and improve CFM's public profile.

We aim to deliver consumer value through recognition and education of consumer issues and through sharing of knowledge on lessons learned from resolving complaints.

We shall continue our values of being responsive, proactive and easy approach with consumers at all times.

Please refer to page 16 on Calendar of Events, Communications & Public Relations & Education & Awareness and Roadshows for details of activities.

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Independent Audit Report

COUNCIL MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The council members present their report and the audited financial statements of the Society for the year ended 31 December, 2009.

PRINCIPAL ACTIVITY

The principal activity of the Society is to promote the national policy objectives for the communication and multimedia industry as enshrined in the Communications and Multimedia Act 1998. There has been no significant change in the nature of this activity during the year.

RESULTS

	RM
Surplus of income over expenditure	282,760

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Society were made out, the council members took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and are satisfied that there were no bad and doubtful debts.

At the date of this report, the council members are not aware of any circumstances that would render it necessary to write off bad debts or to provide for doubtful debts in the financial statements of the Society.

CURRENT ASSETS

Before the financial statements of the Society were made out, the council members took reasonable steps to ascertain whether any current assets, other than debts, which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Society and to the extent so ascertained were written down to an amount that they might be expected so to realise.

At the date of this report, the council members are not aware of any circumstances that would render the values attributed to current assets in the financial statements of the Society misleading.

VALUATION METHODS

At the date of this report, the council members are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities in the financial statements of the Society misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report there does not exist:-

- (i) any charge on the assets of the Society that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Society that has arisen since the end of the financial year.

No contingent liability or other liability of the Society has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the council members, will or may substantially affect the ability of the Society to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the council members are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Society, that would render any amount stated in the financial statements misleading.

Independent Audit Report

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Society for the financial year were not, in the opinion of the council members substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the council members, to affect substantially the results of the operations of the Society for the financial year in which this report is made.

COUNCIL MEMBERS

The Council Members who served since the date of the last report are:-

1	HJ KHAIRUDDIN YUNUS	Chairman
2	NOR ESAH MOHD SAID HO YIK LENG	Deputy Chairman Alternate
3	LIM KIM SENG	Treasurer
4	SAFFURA CHINNIAH SENTHIL KUMARAN S/O NARAYANAN DEVAN	Secretary Alternate
5	MUHAMMAD ADNAN ABDULLAH HAIRUNNISA NASIR	Councillor Alternate
6	NOOR NIRWANDY	Councillor
7	LAILI HANIM MAHMOOD ZULKIFLI HAJI MOHD SALLEH	Councillor Alternate
8	SHARMITHA VISVALINGAM	Councillor
9	HJ AHMAD ISMAIL MOHD RUZLAN CHE YUSOF	Councillor Alternate
10	DR. DORIS PADMINI	Councillor
11	RAVINDER SINGH JOSEPH RAJ A/L ANTHONY	Councillor Alternate
12	HJ AHMAD RAMLI	Councillor
13	NORMAZALILA ABU BAKAR	Councillor

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Independent Audit Report

COUNCIL MEMBERS' BENEFITS

Since the end of the previous financial year, no council member has received or become entitled to receive any benefit by reason of a contract made by the Society with the council member or with a firm of which the council member is a member, or with a company in which the council member has a substantial financial interest.

AUDITORS

The auditors, Messrs Shanker & Co., have indicated their willingness to continue in office.

On behalf of the Council Members



.....
HJ KHAIRUDDIN YUNUS
(Chairman)



.....
LIM KIM SENG
(Treasurer)

Kuala Lumpur
Dated: **30 April 2010**

Auditor's Independence Declaration

FINANCIAL STATEMENTS - 31 DECEMBER 2009

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements of Forum Pengguna Komunikasi dan Multimedia Malaysia as set out on pages 46 to 58. These financial statements are the responsibility of the council members. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

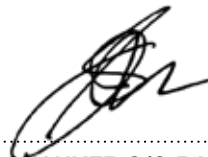
We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the council members, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion :

- a. the financial statements have been properly drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Society as at 31 December 2009 and of the income and expenditure account and statement of receipts and payments of the Society for the year then ended; and
- b. the accounting and other records have been properly kept in accordance with the rules and regulations of the Society.



.....
SHANKER & CO
AF: 1881
Chartered Accountants



.....
JAYASHANKER S/O RAJAGOPAL (MIA 18769)
No: 2778/12/10 (J)
Partner

Dated : 30 April 2010

AUDIT FINANCIAL REPORT

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Statement of Assets & Liabilities

AS AT 31 DECEMBER 2009

	Note	2009 RM	2008 RM
PROPERTY, PLANT AND EQUIPMENT	6	65,243	34,803
CURRENT ASSETS			
Deposits		522	6,480
Cash and bank balances		522,385	268,044
		<u>522,907</u>	<u>274,524</u>
Less :			
CURRENT LIABILITIES			
Accruals		5,868	9,805
NET CURRENT ASSETS		<u>517,039</u>	<u>264,719</u>
		<u>582,282</u>	<u>299,522</u>
FINANCED BY :-			
ACCUMULATED FUND		299,522	112,241
SURPLUS ON INCOME		282,760	187,281
		<u>582,282</u>	<u>299,522</u>

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

Statement of Income and Expenditure

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 RM	2008 RM
INCOME		
Grant from Suruhanjaya Komunikasi dan Multimedia Malaysia	1,000,000	470,414
Annual subscription fees	36,330	61,700
Miscellaneous income	-	-
Interest received	965	192
	1,037,295	532,306
EXPENDITURE		
Accounting fees	4,200	4,200
Advertisement and promotion expenses	280,817	20,826
Allowances	9,194	11,410
Auditors' remuneration	3,000	2,400
Bank charges	120	63
Broadband charges	6,541	3,944
Cleaning service charges	2,030	2,200
Courier and postage charges	1,440	1,090
Depreciation of property, plant and equipment	16,418	10,574
Electricity and water charges	3,281	4,850
Entertainment	-	214
EPF contributions	22,705	16,818
Gifts and donations	1,164	2,095
Medical expenses	3,602	5,415
Meeting expenses and office refreshments	5,952	7,862
Newspapers and periodicals	2,578	1,462
Penalties	25	252
PPE written off	9,482	6,926
Printing and stationery	23,558	8,933
Professional fees	28,740	-
Balance carried forward	424,847	111,534

AUDIT FINANCIAL REPORTIndependent Audit Report | Auditor's Independence Declaration | Statement of Assets & Liabilities | **Statement of Income and Expenditure** | Statement of Receipts & Payment | Notes to the Financial Statements | Councillors' Declaration

Statement of Income and Expenditure

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 RM	2008 RM
Balance brought forward	424,847	111,534
Registration and license fees	1,660	100
Relocation expenses	4,780	-
Rental of office equipment	2,466	-
Rental of premises	14,200	24,000
Salaries	191,598	139,877
Seminar expenses and staff training	7,300	250
Service tax charges	8,195	380
SOCISO contributions	2,525	1,815
Staff welfare expenses	1,421	1,015
Telephone and fax charges	15,783	11,517
Translation expenses	3,520	-
Travelling expenses	71,526	52,579
Upkeep of office	4,714	1,958
	754,535	345,025
SURPLUS OF INCOME OVER EXPENDITURE	282,760	187,281

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

Statement of Receipts & Payment

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 RM	2008 RM
INCOME		
Grant from Suruhanjaya Komunikasi dan Multimedia Malaysia	1,000,000	470,414
Annual subscription fees	36,330	61,700
Proceeds from sale of property, plant and equipment	2,800	-
Miscellaneous income	1,050	
Interest income	965	192
	1,041,145	532,306
EXPENDITURE		
Accounting fees	4,900	5,950
Advertisement and promotion expenses	280,817	20,826
Allowances	9,194	11,410
Auditors' remuneration	2,400	2,400
Bank charges	120	63
Broadband charges	6,541	3,944
Cleaning service charges	2,030	2,200
Courier and postage charges	1,440	1,090
Deposit - photocopier	522	-
Electricity and water charges	3,281	4,850
Entertainment	-	214
EPF contributions	24,421	15,102
Gifts and donations	1,164	2,095
Medical expenses	3,602	5,415
Meeting expenses and office refreshment	5,952	7,862
Newspapers and periodicals	2,578	1,462
Penalties	25	252
Balance carried forward	348,987	85,135

AUDIT FINANCIAL REPORT

Independent Audit Report | Auditor's Independence Declaration | Statement of Assets & Liabilities | Statement of Income and Expenditure | **Statement of Receipts & Payment** | Notes to the Financial Statements | Councillors' Declaration

Statement of Receipts & Payment

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 RM	2008 RM
Balance brought forward	348,987	85,135
Printing and stationery	22,758	8,933
Professional fees	28,740	-
Purchase of property, plant and equipment	59,141	13,559
Registration and license fees	1,660	100
Relocation expenses	4,780	-
Rental of office equipment	2,466	-
Rental of premises	12,000	20,000
Salaries	192,492	138,040
Seminar expenses and staff training	7,300	250
Service tax charges	8,195	380
SOCSSO contribution	2,751	1,363
Staff welfare expenses	1,421	1,015
Streamyx deposit	-	300
Taxation fees	-	1,260
Telephone and fax charges	14,353	11,517
Translation expenses	3,520	-
Travelling expenses	71,526	52,474
Upkeep of office	4,714	1,958
	786,804	336,284
Surplus of receipt over payments	254,341	196,022
Cash and bank balance brought forward	268,044	72,022
Cash and bank balance carried forward	522,385	268,044
Note :		
Cash and cash equivalents		
Cash at bank	520,720	267,839
Cash in hand	1,665	205
	522,385	268,044

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

Notes to the Financial Statements

1. GENERAL INFORMATION

The Society is registered under the Societies Act, 1966.

The Society's principal place of activity is at 6-02, 6th Floor, Straits Trading Building, No. 2 Lebuhr Pasar Besar, 50050 Kuala Lumpur.

The financial statements are presented in Ringgit Malaysia.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Society's financial risk management policy seeks to ensure that adequate financial resources are available for the operation of the Society whilst managing its interest rate, foreign currency, liquidity and credit risks which are in the normal course of the Society's business.

The Society's overall strategies, tolerance of risks and general management philosophy are determined by the management and it operates within clearly defined guidelines that are approved by the Council in accordance with prevailing economic and operating conditions.

2.1 Foreign Currency Risk

The Society does not have any significant exposure to foreign currency risk as its transactions and balances are substantially denominated in Ringgit Malaysia.

The Society does not engage in derivative financial instruments.

2.2 Liquidity Risk

The liquidity risk of the Society is minimal as it maintains adequate working capital to meet its obligations as and when they fall due.

2.3 Interest Rate Risk

The interest rate risk of the Society is minimal as it does not have any interest bearing liabilities and maintains limited cash balance.

2.4 Credit Risk

The Society has no significant concentration of credit risk.

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Society have been approved by the council members for issuance on.

The financial statements of the Society have been prepared in accordance with applicable approved accounting standards in Malaysia and the provisions of the Societies Act, 1966. This requires the council members to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Accounting Convention

The financial statements of the Society have been prepared under the historical cost convention and other measurement basis otherwise indicated in the respective accounting policies as set out below.

4.2 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated to write off the cost of the property, plant and equipment on a straight line basis over the estimated useful lives of the assets concerned. The principal annual rates used for this purpose are as follows :-

AUDIT FINANCIAL REPORT

Independent Audit Report | Auditor's Independence Declaration | Statement of Assets & Liabilities | Statement of Income and Expenditure | Statement of Receipts & Payment | **Notes to the Financial Statements** | Councillors' Declaration

Notes to the Financial Statements

	%
Furniture and fittings	10
Computer and software	20
Office equipment	10
Renovation	15
Signage	10
Air conditioner	10
Website	20

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

4.3 Income Recognition

Income of the Society is recognised on the following basis :

- a) Grant from Suruhanjaya Komunikasi dan Multimedia Malaysia is recognised on a receipts basis.
- b) Membership subscriptions are recognised on a receipts basis.
- c) Interest income is recognised on a receipts basis.

The Society does not engage in derivative financial instruments.

4.4 Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances and highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

4.5 Impairment of Assets

The carrying amounts of the Society's assets other than financial assets are reviewed for impairment where there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts and the impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset.

The impairment loss is charged to the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation surplus account to the extent of the surplus credited from the previous revaluation for the same assets with the excess of the impairment loss charged to the income statement. Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the assets that would have been determined had no impairment loss been recognised. The reversal is recognised in the income statement immediately except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation surplus account of the same asset.

4.6 Provision for Liabilities

Provision for liabilities are recognised when the Society has present obligations as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

4.7 Financial Instruments

4.7.1 Financial instruments recognised on the balance sheet

Financial instruments are recognised in the balance sheet when the Society has become a party to the contractual provisions of the instrument.

Notes to the Financial Statements

4.7.2 Disclosure of fair values

The Society's financial instruments are accounted for under the historical cost convention. Fair value represents the amount at which an asset could be exchanged, or a liability settled, between willing parties in an arm's length transaction.

Methodologies

The methodologies and assumptions used in ascertaining fair values depend on the terms and risk characteristics of the instruments and are briefly set out below.

Financial assets and liabilities

The fair values of financial assets and liabilities maturing within 12 months are stated at approximate their carrying values as at the balance sheet date.

5. PRINCIPAL ACTIVITY

The principal activity of the Society is to promote the national policy objectives for the Communication and Multimedia industry as enshrined in the Communications and Multimedia Act 1998.

6. PROPERTY, PLANT AND EQUIPMENT

	Balance as at 1.1.09 (RM)	Additions (RM)	Written off (RM)	Balance as at 31.12.09 (RM)
Cost				
Furniture and fittings	5,691	10,100	(5,553)	10,238
Office equipments	28,920	1,470	(5,341)	25,049
Computer and software	14,699	35,671	-	50,370
Renovation	2,490	1,550	(4,040)	-
Signage	2,748	-	-	2,748
Air conditioner	14,245	1,350	(15,595)	-
Website	10,500	9,000	-	19,500
	79,293	59,141	(30,529)	107,905

	Balance as at 1.1.09 (RM)	Charge for the year (RM)	Writeback on write off (RM)	Balance as at 31.12.09 (RM)
Accumulated Depreciation				
Furniture and fittings	3,625	1,024	(3,528)	1,121
Office equipments	10,561	2,505	(1,917)	11,149
Computer and software	9,580	8,414	-	17,994
Renovation	1,867	232	(2,099)	-
Signage	1,923	275	-	2,198
Air conditioner	10,634	68	(10,702)	-
Website	6,300	3,900	-	10,200
	44,490	16,418	(18,246)	42,662

AUDIT FINANCIAL REPORT

Independent Audit Report | Auditor's Independence Declaration | Statement of Assets & Liabilities | Statement of Income and Expenditure | Statement of Receipts & Payment | **Notes to the Financial Statements** | Councillors' Declaration

Notes to the Financial Statements

	Net Book Value		Depreciation Charge	
	2009 (RM)	2008 (RM)	2009 (RM)	2008 (RM)
Furniture and fittings	9,117	2,066	1,024	569
Office equipments	13,900	18,359	2,505	2,892
Computer and software	32,376	5,119	8,414	2,940
Renovation	-	623	232	374
Signage	550	825	275	275
Air conditioner	-	3,611	68	1,424
Website	9,300	4,200	3,900	2,100
	65,243	34,803	16,418	10,574

7. TAXATION

The Society's income are exempt from income tax as follows :-

- a) Grant from Suruhanjaya Komunikasi dan Multimedia Malaysia is exempted from income tax based on the Income Tax Order (Exemption) (No 22) 2006.
- b) Statutory income derived from members' subscriptions are exempted from the payment of income tax based on the Income tax (Exemption) (No.19) Order 2005.

8. FINANCIAL INSTRUMENTS

Credit Risk

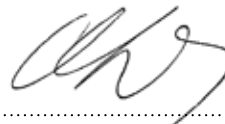
As at 31 December 2009, the Society has no significant concentration of credit risk and places its cash with creditworthy financial institutions.

Councillors' Declaration

We, HJ KHAIRUDDIN YUNUS and LIM KIM SENG, being two of the council members of FORUM PENGGUNA KOMUNIKASI DAN MULTIMEDIA MALAYSIA, do hereby state on behalf of the council members that, in our opinion the financial statements set out on pages 46 to 58 are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Society as at 31ST DECEMBER 2009 and of the income and expenditure account and statement of receipts and payments of the Society for the year ended on that date.

Signed at Kuala Lumpur this
day **30 APRIL 2010**

On behalf of the Council



.....
HJ KHAIRUDDIN YUNUS
(Chairman)



.....
LIM KIM SENG
(Treasurer)

STATUTORY DECLARATION

I, LIM KIM SENG, being the council member primarily responsible for the accounting records and financial management of FORUM PENGGUNA KOMUNIKASI DAN MULTIMEDIA MALAYSIA, do solemnly and sincerely declare that the financial statements set out on pages 46 to 58 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared at Kuala Lumpur
this **30 APRIL 2010**

Before me,



.....
LIM KIM SENG
(Treasurer)

APPENDICES

CFM's Members List
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CFM's Members List

MEMBER CATEGORY	TOTAL
Demand Side Ordinary Membership	12
Supply Side Ordinary membership	17
Associate Membership	3
Total	32

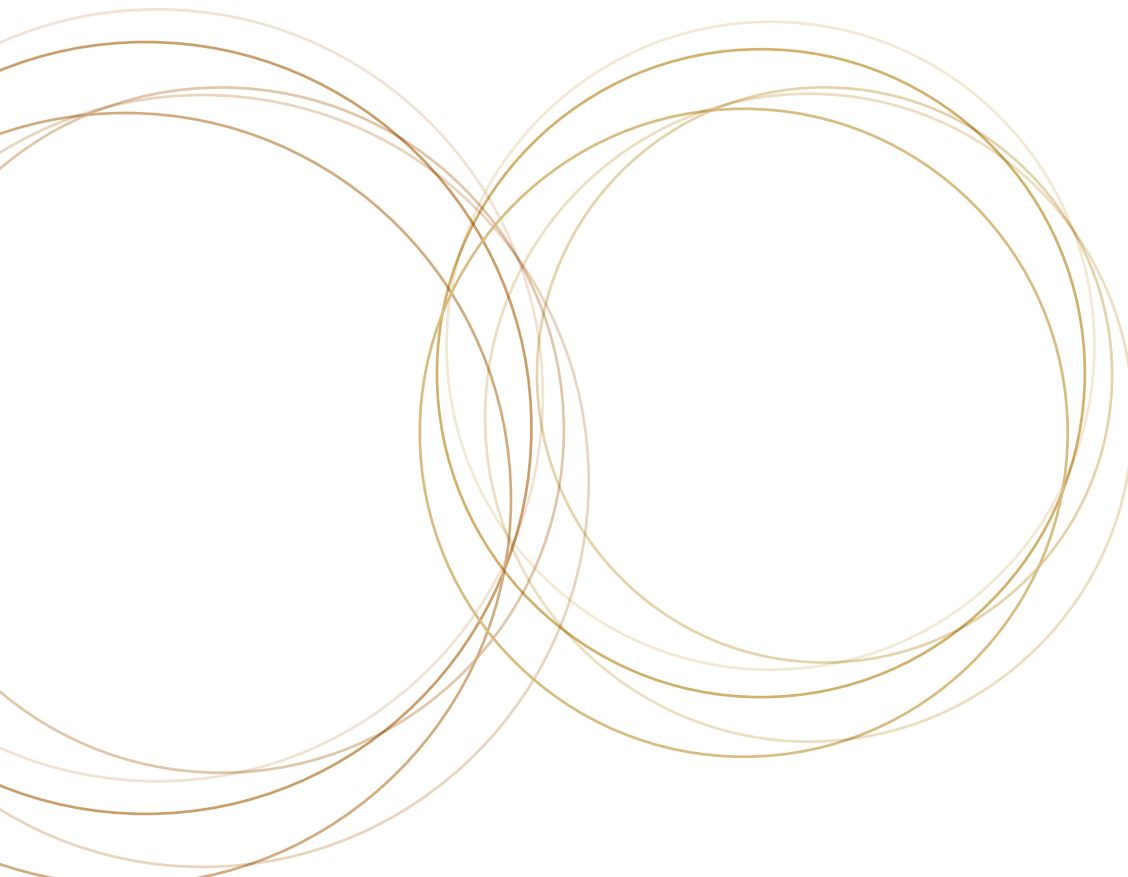
DEMAND SIDE ORDINARY MEMBERSHIP	SUPPLY SIDE ORDINARY MEMBERSHIP
CONSUMER ASSOCIATIONS	Celcom (Malaysia) Berhad
Malaysian Mobile Content Provider Association (MMCP)	Celcom Mobile Sdn Bhd
Persatuan Pengguna Negeri Sembilan (NESCA)	DiGi Telecommunications Sdn Bhd
Consumer Association of Miri (CAM)	Fiberail Sdn Bhd
Persatuan Pengguna Islam Malaysia (PPIM)	Jaring Communications Sdn Bhd
Persatuan Pengguna Pulau Pinang (CAP)	Malaysian Mobile Services Sdn Bhd
	Maxis Broadband Sdn Bhd
PUBLIC INTEREST GROUPS	Measat Broadcast Network Systems Sdn Bhd (ASTRO)
Cahayasuara Communications Centre Sdn Bhd	Measat Radio Communications Sdn Bhd
Kesatuan Perkhidmatan Perguruan Kebangsaan (NUTP)	Packet One Networks (M) Sdn Bhd (Green Packet Berhad)
Multimedia Development Corporation Sdn Bhd (MDeC)	Pernec Paypoint Sdn Bhd
National Council Women's Organization Malaysia (NCWO)	Sistem Televisyen (M) Bhd (TV3)
Malaysian Consumer and Family Economics Association (MACFEA)	Telekom Malaysia Berhad
	Time DotCom Sdn Bhd
EDUCATIONAL INSTITUTIONS	TM Net Sdn Bhd
Multimedia University (MMU)	U Mobile Sdn Bhd
Southeast Asian Ministers of Education Organization - Research Centre for Science and Mathematics (SEAMEO-RECSAM)	Nextration Network Sdn Bhd
ASSOCIATE MEMBERSHIP	
Encik Irwan Dahnil	
Encik Muhammad Arifin Bin Abdul Ghani	
Messrs Raja, Darryl & Loh	

APPENDICES

CFM's Members List | Table and Figure Index

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