

November 2020 – New business architecture structure for IChemE in Malaysia

Summary

IChemE is a registered charity incorporated by Royal Charter in the UK. Charity law stipulates that the Board of Trustees are responsible for all IChemE activity, wherever it takes place in the world. In 2018, the Board of Trustees undertook an audit of governance and accountability and found that there were accountability gaps in the current system that needed to be addressed. They therefore implemented a change programme to address this issue, and to ensure that a proper and transparent scheme of delegation could be instituted. One of the actions required by this approach is for a new corporate structure to be implemented in Malaysia, as technically, the existing structure did not satisfy the legal requirements. The new business architecture that has been agreed, will properly establish IChemE in Malaysia as a branch, thereby ensuring that qualified Chartered members are legally entitled to use the relevant titles. It also means that there is no requirement to operate an independent registered society and its registration may be withdrawn from the Registry of Societies Malaysia.

One of the requests made by the membership at the Extraordinary General Meeting in 2018 was for greater transparency, including around global subscriptions. Therefore, from 1 January 2021, the IChemE website will set out a table of subscriptions. The table will set out which countries receive discounts and the longer-term plan to harmonise rates over the coming years, so that we move to three rates for each member grade (full; discount; and hardship). Where global banking systems are unable to transact in a particular currency, then the default currency will be GBP.

These changes to the structure and systems mean that the 2021 subscription rates for members who reside in Malaysia will not be paid to the Malaysia Society in Ringgit, but instead be billed by IChemE Global in GBP. This ensures that members will be able to access the benefits of membership that is underpinned and regulated by a contractual relationship. Previously the relationship relied upon goodwill. All the existing activities of IChemE in Malaysia will continue as before, with the former Registered Society's Board becoming an IChemE National Board.

Background - Business Architecture Principles

In January 2019, the IChemE Board of Trustees approved five business architecture principles:

1. At every level IChemE will optimise operations for efficiency as required by charity law (activity will be primarily volunteer led or delivered - there will be an overriding presumption of members working together for 'self-service').
2. At every entity level the cost of activity will be covered by income. Global services and resources to members will be delivered by IChemE Global and funded by global overhead. Where local cross subsidy from global funds exists e.g. Malaysia, New Zealand and Australia, it will be supported by a business case which is reviewed annually by the global entity.
3. Every member will have equal opportunity to access (via virtual/digital offerings) products and services wherever they are in the world.
4. Every member will be supported in their professional development across their career.

This, along with compliance to UK charity principles which requires the IChemE Board of Trustees to have full responsibility, has led to this change in structure. The establishment of a new entity (IChemE Malaysia Sdn Bhd) wholly owned by IChemE Global, will ensure continuity of presence and activity levels in Malaysia.

This will bring the structure in Malaysia in line with IChemE in other countries, such as Australia and New Zealand.

IChemE Malaysia Sdn Bhd

The IChemE Malaysia Board will switch to a National Board on 1 January 2021. It will provide support and guidance for a continuation of the current activities in Malaysia. The existing IChemE Malaysia Board will go through a closing of registered society in 2021 in accordance with all the appropriate requirements.

IChemE Malaysia Sdn Bhd will have three Directors: a local member (Ir Dr Christina Phang); IChemE Chief Executive (Mr Jon Prichard) and the incoming IChemE President (Ms Jane Cutler).

With the change in subscription payments, the membership relationship will switch from the Malaysian Society to IChemE Global and the continued benefits this offers.

Membership fees for 2021 have increased by 1% in GBP terms so that the Institution can continue to develop products and services, particularly in the digital area. This is a lower increase than usual, recognising the challenges of COVID-19 and low oil prices members have experienced. Resources available to members have been increased with the introduction of two knowledge-related initiatives:

- **Loss Prevention Bulletin** – the online version, a subscription for which would have cost over RM500, will now be free to all members from January 2021
- **The Knowledge Hub** - making thousands of virtual resources accessible through a single searchable index.

If you have any further queries not answered by the Fact Checker please email communications@icheme.org

Peter Slane
Director, Regions

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