



**GUIDELINES ON APPLICATION  
TO STRIKE OFF THE NAME OF A COMPANY UNDER  
SECTION 550 OF THE COMPANIES ACT 2016**

**1. Introduction**

Section 550 of the Companies Act 2016 (CA 2016) provides a procedure for a company to be dissolved without having to undertake the formal process of winding up. It may be effected when the Registrar exercises his power under Section 549 of CA 2016 to strike a company off the register

**2. Scope of Guidelines Under Section 549 of CA 2016**

2.1 Under this Section, the Registrar may exercise his discretionary power to strike the name of a company off the Register if he has reasonable cause to believe that the company is not carrying on business or the company is not in operation.

2.2 In determining whether a company is not carrying on business or is not in operation, the Registrar may form his opinion based on the following:-

- a) information in records of the company under the Registrar's custody; and
- b) through application made to him under section 550 of CA 2016 by a director, member requesting him to exercise his discretionary power.

### **3. Requirements for an application pursuant to Section 550 CA 2016**

In proceeding with the exercise and forming his opinion based on paragraph 2.2 above, the Registrar will have to be satisfied that the application fulfils the following requirements:

#### **3.1 The directors must obtain the resolution of the shareholders for the initiation of the application to strike off the name of the company from the register on the basis that the company is not carrying on business or not in operation.**

The resolution must be enclosed together with the application to reflect the consent of the majority shareholders in respect of the striking off application.

Where a director or shareholder is **untraceable** – the remaining director or the shareholder concerned may still submit an application for striking off provided the remaining director or shareholder concerned must have made attempts to trace the whereabouts of the other directors or shareholders by writing to him at the residential address as stated in the Registrar's records or any other records. These attempts must be made by way of registered post. Where the notification from the postal agency is being relied on as a proof, this should be submitted as an attachment to the application. Proof of any other modes of attempt (if any) must also be attached to the application.

#### **3.2 The company has no assets and liabilities at the time when the application is made**

The Registrar will examine the management accounts certified as true and correct by the director. However, the Registrar reserves the right to require the applicant to submit audited financial statements.

If the company has not commenced operation, the applicant must inform the Registrar of the following;

- a) The company was incorporated on (date) and there has no transaction since then; and

- b) The company has not opened a bank account or if there is an account, the latest bank statement is to be attached and to inform SSM about the closure of the account.

**3.3 The company has no outstanding charges in the Register of Charges**

In respect of charges, the applicant must ensure that the company has no outstanding charges in the Register of Charges kept with the Registrar of Companies.

**3.4 The company has no outstanding penalties or offer of compounds under the CA 2016**

The company must ensure that all such liabilities are settled before an application for striking off is made.

**3.5 The company has no outstanding tax or other liabilities with any Government Department or Agency**

Where a company has commenced operation, it must settle all outstanding tax and obtain a tax clearance prior to the filling of the application for striking off.

**3.6 The information of the company with the Registrar is up to date**

The particulars of directors of the company and any other information as the Registrar deems fit must be the same as in the Registrar's records. If there are any differences or changes in respect of the information of the directors of the company, the company must first ensure that the Registrar's records are updated before an application for striking off is made.

(Applicant may check the records by getting a print-out from the e-Info service)

**3.7 The company is not involved in any legal proceeding within or outside Malaysia**

The company should not make any application for striking off if it is aware that there is an impending court action against it so as not to deprive others, who have initiated court action against the company, from proceeding with the court action.

**3.8 The company has not made any return of capital to the shareholders**

The right procedure for any return of capital to the shareholders should be through the process of winding up or capital reduction exercise or any scheme of arrangement or reconstruction exercise.

**3.9 The company is not a holding company**

The holding company should commence a voluntary winding-up proceeding to dissolve the company.

**3.10 The company is not a "Guarantor Corporation"**

A "Guarantor Corporation" means a corporation that has guaranteed or has agreed to guarantee the repayment of any money received or to be received by any third party.

**4. Application by subsidiary companies**

The Registrar may also exercise his discretion to allow the names of dormant subsidiary companies to be struck off under Section 549 of CA 2016. Apart from complying with the requirements in paragraphs 3.1 to 3.10 above, the subsidiary companies must also fulfil the following requirements:-

- a) In the case of a wholly-owned subsidiary, a letter of consent from the holding company is required to be attached to the application. This letter of consent must be signed by all the directors of the holding company and be printed on the holding company's letterhead;

- b) In the case of a company other than a wholly owned subsidiary, letters of consent from all shareholders are required to be attached to the application. The letters of consent must be signed, dated and bear the signature of the shareholders. Where any of the shareholders is a company, the letter of consent must be signed by all the directors and printed on the company's letterhead; and
  
- c) The holding and subsidiary companies must declare that they are not subject to or involved in any investigation or any prosecution by any authority to the best knowledge of the director/shareholder signing the application for striking-off or the directors/shareholders signing the consent letter.

## **5. Application procedure**

For application under Section 550 of CA 2016, the applicant must ensure that all requirements as set out in the Checklist (as per Appendix 2) are complied with before submitting the application. Additionally, the applicant must also ensure that all boxes in the said Checklist are ticked and that all the necessary supporting documents are enclosed before submitting the application to the Registrar.

## **6. Application Fee**

The completed application shall be submitted to the Registrar together with an application fee of RMXX (refer to Item XX of the Schedule in the Companies Regulations 2017).

## **7. Withdrawal of application for striking off**

The applicant may withdraw the application for striking off at any time before dissolution takes effect by writing to the Registrar indicating the reasons for the withdrawal of the application with a fee of RMXX.

## **8. Objection to striking off application**

If the Registrar receives any objection from any person following the notification issued under section 551(1), the Registrar will not proceed with the application to strike off a company unless the Registrar is satisfied that:-

- (a) the objection has been withdrawn;
- (b) any facts on which the objection is based are not, or are no longer correct; or
- (c) the objection is frivolous and vexatious

## **9. Gazette Notification**

The striking off exercise is effected through the issuance of letters and notices to the relevant parties and the publication of the relevant gazette. On publication of the gazette pursuant to Section 551(3) of CA 2016, the company shall henceforth be dissolved.

## **10. Effect of this guideline**

This guideline is issued pursuant to section 20C of the Companies Commission of Malaysia Act 2001 for purposes of sections 549 and 550 of the CA 2016.

**Companies Commission of Malaysia  
XX XX 2017**

(APPENDIX 1)

**STATEMENT BY APPLICANT**  
**APPLICATION TO STRIKE OFF COMPANIES**  
**(Section 308(1) of the Companies Act 1965)**

I, ..... (I/C No.) ..... of ..... (Address) hereby state as follows ;

- a) I am a \*director/member of  
..... \*Sdn Bhd/Bhd  
(Company Number : .....);
- b) The company has not commenced business since incorporation/is not carrying on business or is not operation since .....
- c) The company has no intention to \*commence/carry on its business or operation in the future;
- d) The company has no assets and liabilities including outstanding charges in the Register of Charges;
- e) The company has insufficient funds to pay for winding up expenses;
- f) The company has no outstanding penalties of offer of compounds under the Companies Act 2016;
- g) The company has no outstanding tax or other liabilities and is not indebted to the government /government departments/government agencies in Malaysia;
- h) The company has not made any return of capital to the shareholders;
- i) The information of the company with the Registrar as shown in the 'Print Out' is up to date;

j) The company is not involved in any legal proceeding within or outside Malaysia;

k) The company is not a holding company;

l) The company is not a 'Guarantor Corporation';

m) The statutory record of the company is available for inspection at the registered office at .....

.....

.....

I, the undersigned hereby confirm that all the above statements are true and correct.

Date: .....

(Signature of applicant)

\*Strike out whichever is inapplicable

(APPENDIX 2)

**CHECKLIST FOR ENCLOSURES**

Company Name : .....

Company Number : .....

Please tick  to ensure items required are duly enclosed

- 1.  Application Fees of RM XX
- 2.  Covering Letter – Stating reasons to support application
- 3.  Statement by Applicant
- 4.  Resolution of majority shareholders OR if director/s OR shareholder/ is/are untraceable, proof of attempts to trace the whereabouts of such directors or shareholders
- 5.  Management Accounts or Audited Financial Statement (if so Requested)
- 6.  Waiver letters from creditors/tax clearance (if applicable)

APPLICANT'S SIGNATURE : .....

(Name)

DATE : .....