

GUIDELINES FOR INCORPORATION OF A LOCAL COMPANY

A company having a share capital may be incorporated as a private company or public company. The requirements to form a company are:

- i. A minimum of two subscribers to the shares of the company (Section 4 CA);
- ii. A minimum of two directors (Section 22 CA); and
- iii. A company secretary who can be either:
 - a. an individual who is a member of a professional body prescribed by the Minister of Domestic Trade and Consumer Affairs; or
 - b. an individual licensed by the Companies Commission of Malaysia ("SSM").

Both the director and company secretary shall have their principal or only place of residence within Malaysia.

INCORPORATION PROCEDURES

1. Name Search and Application for Name

A name search must be conducted to determine whether the proposed name of the company is available. The steps involved are:

- i. Completion and submission of Form 13A CA (Request for Availability of Name) to SSM; and
- ii. Payment of a RM 30.00 fee for each name applied.

When the proposed company's name is approved by SSM, it shall be valid for three months from the date of approval.

2. Lodgement of Incorporation Documents

Incorporation documents must be submitted to SSM within three months from the date of approval of the company's name by SSM, failing which a fresh application for a name search must be done.

Incorporation documents to be lodged with SSM

i. Memorandum and Articles of Association

- a. An original copy of the Memorandum and Articles of Association shall each be stamped at RM100.00. Stamps are affixed at the Inland Revenue Board's stamp office.
- b. The first directors and secretaries shall be named in the Memorandum and Articles of Association.
- c. The subscribers to the company's shares shall sign the Memorandum and Articles of Association in front of a witness.
- d. Table A of the Fourth Schedule in the CA can be adopted as the Articles of Association of the company (Section 30 CA).

NOTE:

For incorporation of a private company, the Articles of Association shall contain the following stipulations:

- a. Restriction on the right to transfer the company's shares;
- b. Limitation on the number of members to not exceed fifty;
- c. Prohibition on any invitation to the public to subscribe the shares/debentures of the company; and
- d. Prohibition on public invitation to the public to deposit money with the company.

ii. Form 48A - Statutory Declaration by a Person before Appointment as Director, Or by a Promoter before Incorporation of Corporation.

The director or promoter declares under oath that:

- a. he/she is not a bankrupt; and
- b. he/she has not been convicted and imprisoned for the prescribed offences.

This declaration should be signed in front of the following persons of authority:

- a. Commissioner of Oaths
- b. President of the Sessions Court
- c. Magistrate; or

- d. Those empowered under the Statutory Declaration Act 1960

iii. Form 6 - Declaration of Compliance

This declaration states that all the requirements of the CA have been complied with. It must be signed by the company secretary who handles the registration and is named in the Memorandum and Articles of Association.

iv. Additional documents:

- a. Original Form 13A.
- b. A copy of the letter from SSM approving the name of the company.
- c. A copy of the identity card of each director and company secretary.

Registration Fees

Each application for the incorporation of a company shall be accompanied with payment as per the schedule below:

AUTHORISED SHARE CAPITAL (RM)	FEES (RM)
0- 100,000	1,000
100,001 – 500,000	3,000
500,001 – 1 Million	5,000
1,000,001 – 5 Million	8,000
5,000,001 – 10 Million	10,000
10,000,001 – 25 Million	20,000
25,000,001 – 50 Million	40,000
50,000,001 – 100 Million	50,000
100,000,001 and above	70,000

Certificate of Incorporation

Certificates of incorporation will be issued by SSM upon compliance with the incorporation procedures and submission of duly completed incorporation documents:

- a. Form 8 – Certificate of Incorporation for a public company
- b. Form 9 – Certificate of Incorporation for a private company

A company is advised to obtain the required license /permit /approval from other relevant authorities before carrying on any business outlined in the Memorandum of Association.