



FREQUENTLY ASKED QUESTIONS (FAQ)

COMPOUND EXEMPTION FOR FAILURE TO LODGE STATUTORY DOCUMENTS UNDER THE COMPANIES ACT 2016 FOR THE PERIOD UNTIL 31 DECEMBER 2020

NO.	QUESTION	ANSWER
1.	What does this initiative refer to?	<p>This initiative means no compounds will be offered by the Companies Commission of Malaysia (SSM) to the related company for failure to lodge the statutory documents according to the time period prescribed under the Companies Act 2016 for the period up to 31 December 2020.</p> <p><u>Example:</u> The due date for ABC Sdn Bhd to lodge its Annual Return (AR) for the calendar year 2020 is 15/11/2020. If AR fails to be lodged to SSM on 15/11/2020, the company will not be compounded on that date. The compound will only be offered if the company still fails to lodge the AR on 31/12/2020.</p>
2.	When is the effective date of compound exemption for failure to lodge statutory documents?	The effective date is from 9 November 2020 until 31 December 2020.
3.	What types of offences are eligible for compound exemption?	The only offence eligible for compound exemption is <u>FAILURE TO LODGE THE STATUTORY DOCUMENTS FOR THE CALENDAR YEAR 2020.</u>
4.	What are the types of offences that are not eligible for compound exemption?	The offences that do not qualify for compound exemption are: (i) Failure to lodge the statutory documents for the calendar year

NO.	QUESTION	ANSWER
		<p>2019 as well as previous years except for the lodgement of the Financial Statements for financial year ended 1/9/2019 to 31/3/2020 that are subject to Practice Directive No. 6/2020 issued by SSM on 22/10/2020.</p> <p>(ii) Offences not related to the lodgement of statutory documents.</p>
5.	<p>What should be done if the company has been offered a compound for failure to submit statutory documents for the calendar year 2020?</p>	<p>(i) Only compounds issued starting 14/10/2020 and still unpaid can be waived once the company lodges the statutory documents before or on 31/12/2020.</p> <p>(ii) There is no refund for the compound that has been paid.</p>
6.	<p>Is a letter of appeal required for the company to appeal for cancellation of the compound after submitting the relevant statutory documents before or on 31/12/2020?</p>	<p>No, the company only needs to inform SSM via:</p> <p>(i) Email _____ to ar_compliance@ssm.com.my; or</p> <p>(ii) Visit any SSM offices throughout Malaysia.</p>