SURUHANJAYA SYARIKAT MALAYSIA
COMPANIES COMMISSION OF MALAYSIA

GUIDELINES ON APPLICATION BY DIRECTORS OR MEMBERS TO STRIKE OFF THE NAME OF A COMPANY UNDER SECTION 550 OF THE COMPANIES ACT 2016

1. The Guidelines is issued pursuant to section 20C of the Companies Commission of Malaysia Act 2001.

OBJECTIVES

2. The Guidelines serve as a guidance for directors or members of a company to apply for a striking off procedure pursuant to section 550 of the Companies Act 2016 (CA 2016).

3. The Guidelines are limited to the application to strike a company off the register under paragraph 549(a) of the CA 2016 when the company is not carrying on business or is not in operation.

BACKGROUND

4. Under paragraph 549(a) of the CA 2016, 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 is not in operation.

5. 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 by a director or shareholder/member of a company under section 550 of the CA 2016 requesting him to exercise his discretionary power.

REQUIREMENTS FOR AN APPLICATION PURSUANT TO SECTION 550 THE CA 2016

6. In proceeding with the exercise and forming his opinion based on paragraph 5, the Registrar must be satisfied that the application fulfils the following requirements:

(a) The resolution of the members has been passed 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 passed pursuant to section 290 of the CA 2016 must be enclosed together with the application to reflect the consent of the majority members in respect of the striking off application.

If the requisite majority cannot be obtained due to shareholder(s) who is **untraceable,** the application may still be submitted to the Registrar provided that attempts have been made to trace the whereabouts of the shareholder(s) 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.

(b) The company has no assets and liabilities at the time when the application is made

The management accounts of the company shall show that the company has no assets and liabilities. If the company's last audited financial statements lodged with the Registrar showed that the company has assets and liabilities, the applicant must submit documentary evidence to show that the assets have been disposed and that the liabilities have been settled or waived.

If the company has not commenced operation, the applicant must make the following declaration:

(i) That there has no transaction since the company was incorporated; and

(ii) That the company has not opened a bank account or if there is an account, that the account has been closed (the latest bank statement is to be attached).

(c) 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.

(d) 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.

(e) 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.

(f) The information of the company with the Registrar is up to date

The particulars of director(s) 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 obtaining the company's profile from SSM's Corporate Information Supply Portal).

(g) The company is not involved in any legal proceeding within or outside Malaysia

The applicant 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.

(h) The company has not made any return of capital to the shareholders

The company is prohibited for making any return of capital to the shareholders to enable it to apply for a striking off under section 550. If a company still have its capital, the company should proceed with the voluntary winding up process to formally cease its existence.

(i) The company is not a holding company

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

(j) 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.

(k) The company has not made any declaration or payment of dividends

A company that has previously declared or paid dividends, as reflected in its last preceding audited financial statements lodged with the Registrar, is prohibited from applying for striking off under section 550.

APPLICATION BY SUBSIDIARY COMPANIES

7. The Registrar may also exercise his discretion to allow the name of dormant subsidiary companies to be struck off under section 549 of the CA 2016. Apart from complying with the requirements in paragraph 6, 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 one of 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 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 subjected to or involved in any investigation or any prosecution by any authority to the best knowledge of the director/member signing the application for striking-off or the directors/shareholders signing the consent letter.

ADDITIONAL REQUIREMENTS FOR AN APPLICATION BY COMPANY LIMITED BY GUARANTEE

8. In the case of an application relating to a company limited by guarantee, in addition to the requirements set out in paragraph 6, the application must be accompanied with its latest audited financial statements.

APPLICATION PROCEDURE

9. For application under section 550 of the CA 2016, the applicant must complete and submit the prescribed declaration and application for striking off through the Corporate Registry System (CRS) and ensure that all applicable requirements are complied with prior to submission. The applicant must also ensure that all required information is duly provided and that all necessary supporting documents are uploaded at the point of application to the Registrar.

APPLICATION FEE

10. The completed application shall be submitted to the Registrar together with an application fee of RM100.00 (as per Item 27 Schedule of Fee (Regulation 8) in the Companies Regulations 2017).

WITHDRAWAL OF APPLICATION FOR STRIKING OFF

11. The applicant may withdraw the application for striking off within sixty days from the date specified in the notice under subsection 551(1), by lodging a notice of withdrawal to the Registrar, together with the prescribed fee of RM500.00 (as per Item 29 Schedule of Fee (Regulation 8) in the Companies Regulations 2017).

OBJECTION TO STRIKING OFF APPLICATION

12. Any person may object to the striking off in accordance with subsection 552(1) of the CA 2016 on any of the following grounds:

(a) The company is still carrying on business or has a valid reason to continue in existence;

(b) The company is a party to legal proceedings;

(c) The company is in receivership or liquidation, or both;

(d) The person is a creditor, member, or party with an undischarged claim against the company;

(e) That the person believes that there exists, and intends to pursue, a right of action on behalf of the company under Division 6 of Part III of the CA 2016. Examples for such grounds may include, but not limited to, the following:

(i) A shareholder intends to apply for a leave of the Court to initiate a derivative action against the board of directors, alleging misfeasance or misappropriation of company funds, with the objective of recovering losses suffered by the company;

(ii) A shareholder believes that the directors have manipulated the company's financial statements to conceal losses or mislead stakeholders and intends to seek leave of the Court to initiate proceedings for misrepresentation and breach of fiduciary duties;

or

(f) It would not be just and equitable to strike the company off the register for any other reason. Examples for such grounds may include, but not limited to, the following:

(i) A complaint has been lodged with the relevant authority concerning a transaction involving a director of the company and a related party, conducted at a value significantly below the market price. Striking the company off the register could frustrate or impede a proper investigation into the matter;

(ii) The company is currently engaged in negotiations for a potential merger or acquisition. Striking it off the register at this stage would disrupt the transaction and could result in unfairly prejudice the shareholders and other stakeholders involved.

(a) Procedures for Filing an Objection

13. A person seeking to object to the striking off of a company ('the Objector') shall, within sixty days from the date specified in the notice under subsection 551(1), lodge with the Registrar a notice of intention to object the striking off application through the CRS together with the prescribed fee of RM300.00 (as per Item 28 Schedule of Fee (Regulation 8) in the Companies Regulations 2017). The objection shall be made on any of the following grounds and be accompanied by supporting documents substantiating the grounds for objection:

(a) If the company is still carrying on business or has a valid reason to continue in existence, a statutory declaration by the Objector confirming this fact;

(b) If the company is a party to legal proceedings, a copy of the relevant court or tribunal documents, or the case number or reference indicating that proceedings have commenced;

(c) If the company is in receivership or liquidation, or both, a certified true copy of the company profile from SSM's Corporate Information Supply Portal showing its winding-up status, or a document evidencing the appointment of a receiver or liquidator;

(d) If the Objector has an undischarged claim against the company, a letter of demand, proof of debt, or a copy of the cause papers duly filed and endorsed by the court; or

(e) For cases fall under paragraph 552(1)(e) or (f) of the CA 2016, any relevant documents or information justifying the objection shall be provided. This could include a letter from a solicitor confirming the intention to apply for a leave of the court to initiate a derivative action, a resolution relating to an ongoing merger or acquisition, or a copy of complaints lodged with the relevant authority.

14. Where the relevant supporting document cannot be furnished due to justifiable reasons, the objection may be supported by a statutory declaration by the Objector affirming the grounds for objection.

15. Upon receipt of a duly filed objection, and if satisfied with the grounds of the objection, the Registrar may, in his discretion, suspend, continue, or discontinue the striking off process.

(b) Suspension Period of the Striking Off Process

16. Where the Registrar is of the view that the grounds of objection warrant a temporary suspension of the striking off process, he may suspend the process for a period of one year ('the Suspension Period'). A written notice of suspension will be issued to the company and the Objector, and the Suspension Period shall commence from the date of such notification.

17. Where the grounds for objection are resolved during the Suspension Period, the Objector shall notify the Registrar. Upon receipt of such notification or at the expiration of the Suspension Period where no such notification is received, the Registrar may

resume the striking off process and issue a notice of continuation to the company and the Objector.

(c) Discontinuation of the Striking Off Process

18. Where, upon the lapse of the Suspension Period and the cause of the objection has not been fully resolved, whether by way of court adjudication or mutual settlement between the parties, the Registrar may discontinue the striking off process. A written notice of the discontinuation will be issued to the company and the Objector, and the status of the company in the register will be updated from "Existing – Striking Off in Process" to "Existing".

19. The Registrar, however, reserves his right to re-initiate the striking off under section 549 of the CA 2016, either on his own motion or upon a fresh application by a director, member or liquidator of the company.

20. Notwithstanding any objection received, the Registrar will not proceed with the application to strike off a company unless he 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.

GAZETTE NOTIFICATION

21. The striking off exercise is effected through the issuance of notice to the relevant parties and the publication of notification and

gazette. On publication of the gazette pursuant to subsection 551(3) of the CA 2016, the company shall henceforth be dissolved.

22. Any person aggrieved by the decision of the Registrar to strike the company off the register may, within seven years from the date of dissolution pursuant to subsection 551(3), apply to the Court to reinstate the name of the company into the register in accordance with subsection 555(1) of the CA 2016.

RESPONSIBILITY TO RETAIN REGISTERS AND RECORDS OF THE COMPANY AFTER STRIKING OFF

23. The directors shall retain all registers, books, statutory records, accounting records and documents as required under the CA 2016 for a period of seven years after the company has been struck off from the register and shall be made available for inspection upon request by the Registrar.

24. The Guidelines supersede the Guidelines issued on 9 June 2017 (Revised 19 April 2019) and revoke Practice Note No. 5/2009 issued on 21 July 2009 under the Companies Act 1965 [Act 125] (Repealed).

REGISTRAR OF COMPANIES
COMPANIES COMMISSION OF MALAYSIA
14 JULY 2026