Revised on 11 November 2026

SURUHANJAYA SYARIKAT MALAYSIA
COMPANIES COMMISSION OF MALAYSIA

GUIDELINES ON COMPANIES LIMITED BY GUARANTEE

This Guidelines is issued pursuant to section 20C of the Companies Commission of Malaysia Act 2001 [Act 614] to provide guidance on the incorporation, governance and operations of companies limited by guarantee under section 45 of the Companies Act 2016 [Act 777] ("CA 2016").

A. INTRODUCTION

1. A company limited by guarantee ("CLBG") is a public company incorporated with the principal liability of its members limited by the constitution to such amount as the members undertake to contribute to the assets of the company, in the event the company is wound up.

2. Activities of a CLBG must be in line with the objects as specified in paragraph 5 of this Guidelines. There are two types of CLBG under the CA 2016:

(a) a CLBG without the word "*Berhad*" or "*Bhd.*"; or

(b) a CLBG with the word "*Berhad*" or "*Bhd*.".

B. INCORPORATION UNDER SECTION 45 OF THE CA 2016

3. A CLBG may be incorporated by lodging an application to the Registrar together with a constitution.

4. A CLBG shall be incorporated as a public company with the word "*Berhad*" or the abbreviation *"Bhd."* at the end of its name pursuant to section 11(2) and section 25(1)(a) of the CA 2016.

5. A CLBG can only be formed for the following objects:

(a) providing recreation or amusement;

(b) promoting commerce and industry;

(c) promoting art;

(d) promoting science;

(e) promoting religion;

(f) promoting charity;

(g) promoting pension or superannuation schemes; or

(h) promoting any other objects useful for the community or country, such as:

(i) environment;

(ii) health;

(iii) education;

(iv) research;

(v) social; or

(vi) sports.

6. For avoidance of doubt, no other company can be formed for the purposes specified under paragraph 5 as stated above.

7. A foreign CLBG or any foreign company carrying out the objects under paragraph 5 must be incorporated as a new CLBG under the CA 2016. This is to ensure that all entities carrying out the objects under paragraph 5 are subjected to the same requirements and procedures

which are set out under this Guidelines. This is also in view of the vulnerability faced by such sector relating to the potential risks of money laundering and terrorism financing activities.

8. If any Ministry, Government Agency or authority intends to incorporate a CLBG, an approval letter from the Ministry, Government Agency or the authority is required to be submitted together with the application to incorporate a CLBG.

9. It is advisable that the incorporation of a CLBG is carried out through a company secretary.

C. TRAINING REQUIREMENT FOR CLBG SECRETARY

10. A company secretary acting as a secretary for a CLBG must successfully complete a training or course focused on CLBG under the CA 2016 organized by Suruhanjaya Syarikat Malaysia (SSM) within three (3) years from the issuance of this Guidelines. Those who have attended the training within the two (2) years preceding the issuance of this Guidelines are exempted from this requirement.

D. REQUIREMENT OF PROMOTER OR DIRECTOR

11. A promoter or director of a CLBG must be a person who is fit and proper and is not disqualified under the CA 2016.

12. Without limiting to the following, for the purposes of determining whether a person is fit and proper, the Registrar may:

(a) assess the experience, qualification and competency of the promoter or director which would assist him in carrying out his duties as director of the CLBG;

(b) assess the reputation, character and integrity of the promoter or director; or

(c) assess the result of security vetting on the promoter or proposed director, conducted by the relevant authorities.

E. APPOINTMENT OF DIRECTOR

13. The Registrar may, if he is satisfied that a person is fit and proper and competent to perform the duties of a director under the CA 2016, approve the person as a director of a CLBG.

F. REQUIREMENT AS TO CONSTITUTION

14. Unlike any other company, a CLBG is required to have a constitution with, among others, the following requirements:

(i) the name of the company;

(ii) the objects of the company;

(iii) the capacity, rights, powers and privileges of the company;

(iv) the amount up to which the member undertakes to contribute to the assets of the company in the event of it being wound up;

(v) the full names, addresses and occupations of the promoter;

(vi) the number of members with which the company proposed to be incorporated; and

(vii) any other matters as the company wishes to include in its constitution.

15. A CLBG shall submit its constitution to the Registrar upon an application for incorporation. The CLBG is advised to refer to the model constitution provided by the Registrar on SSM website at www.ssm.com.my. For the purposes of incorporation, the CLBG must adopt Part A of the model constitution. Notwithstanding, the CLBG may insert additional clauses which does not supersede the CA 2016.

16. A CLBG must ensure that its financial resources are utilised solely for the purposes of carrying its objects. In conducting its activities, it must ensure that it does not depart from the objects for which it was established for.

17. A CLBG is required to comply at all times with all the provisions set forth in its constitution.

18. In cases where the constitution requires amendment, upon the approval of the Registrar, the CLBG shall lodge the amended constitution within thirty days from such approval.

G. SEGMENTAL REPORTING

19. From time to time, the Registrar may require CLBG to submit a segmental reporting (SR) for CLBG. The SR may include, amongst others, the CLBG's financial information, source of funds and list of activities.

20. For the purposes of paragraph 19, if a CLBG gives to or receives from any organization any fund, donation or contribution, the CLBG is required:

(a) to make appropriate disclosure on the funds, donations, contributions in the notes to the financial statements; and
(b) to make appropriate disclosure on the operational expenses in the notes to the financial statements.

21. A CLBG must keep a list of the funds, donations or contribution at all times as follows:

(a) Details of fund, donation or contribution given to the respective party:
    (i) the name of individual, company, associate, counterpart, etc.;
    (ii) the correspondence address of the respective party;
    (iii) the amount of fund, donation or contribution to each party. Please specify whether in Ringgit Malaysia or foreign currency;
    (iv) the date of transaction; and
    (v) the accounting records and supporting documents relevant to that particular transaction.

(b) Details of fund, donation or contribution received from the respective party:
    (i) the name of individual/company/associate/counterpart/ etc.;

(ii) the correspondence address of the respective party;

(iii) the amount of fund, donation or contribution by each party. Please specify whether in Ringgit Malaysia or foreign currency;

(iv) the date of transaction; and

(v) the accounting records and supporting documents relevant to that particular transaction.

22. A CLBG shall keep bank statements as evidence in relation to the transactions of the fund, donations or contributions as specified in paragraph 21(a) and (b) of the Guidelines.

23. At any time during a year, the Registrar may issue a notice and require a CLBG to submit the Financial Information Form (*Borang Maklumat Kewangan – BMK*) to SSM.

H. GENERAL CONDITIONS OF CLBG

24. (1) A CLBG shall comply with all conditions as follows:

(a) shall ensure that the financial resources are used in accordance with the constitution of the company at all times.

(b) unless approved by the Registrar—

(i) a CLBG shall not amend its constitution;

(ii) a CLBG shall not appoint any new director;

(iii) a CLBG shall not allow the payment of any fee, salary or fixed allowance to its directors;

(iv) a CLBG shall not solicit any contribution or donation from the public; and

(v) a CLBG shall not establish or hold any subsidiary.

(c) where a CLBG intends to pay any fee, salary and fixed allowance to its director, the total amount payable shall not exceed thirty (30) percent of the current assets of the CLBG before the payment is made on the conditions that—

(i) a CLBG shall have been incorporated for not less than two (2) years; and

(ii) a CLBG shall be able to pay debts when the debts become due and payable within twelve months immediately after the payment is made.

(2) Notwithstanding subparagraph 24(1)(c)(i), the Registrar may vary the period referred to in that subparagraph upon satisfaction of the grounds for such application and the Registrar shall have the power to impose any further conditions as the Registrar thinks fit.

I. LICENCE TO OMIT THE WORD "BERHAD" OR THE ABBREVIATION "BHD." UNDER SECTION 45(3) CA 2016

25. A CLBG may apply to the Minister for a licence to omit the word "*Berhad*" or the abbreviation "*Bhd.*" from its name. An application shall be made under section 45(3) of the CA 2016 in accordance with requirements of Companies Regulations (Licence for Omission of "*Berhad*" or "*Bhd.*") 2025 [P.U.(A) 213/2025] (Regulations) which came into force on 15 July 2025.

26. The Minister may issue a licence for the omission of the word "*Berhad*" or the abbreviation "*Bhd.*" from the name of CLBG if the Minister is satisfied that all requirements under the Regulations are complied with.

J. REVOCATION OF LICENCE UNDER SECTION 45(3) CA 2016

27. In the event a CLBG fails to comply with any of such terms and conditions, the licence issued may be revoked by the Minister. Upon revocation, the Registrar shall re-insert the word "*Berhad*" or the abbreviation "*Bhd.*" at the end of the name of the company in the register.

28. A CLBG shall not be eligible to apply for licence to omit the word "*Berhad*" or the abbreviation *"Bhd."* within twenty-four months after the revocation of its licence.

K. RE-APPLICATION TO OMIT THE WORD "BERHAD" OR THE ABBREVIATION THE ABBREVIATION "BHD."

29. A CLBG may apply to the Minister, through the Registrar, to omit the word "*Berhad*" or the abbreviation "Bhd." from its name after its licence has been revoked after twenty-four months pursuant to the Regulations. The Registrar shall omit the word "*Berhad*" or the abbreviation *"Bhd."* as part of the CLBG's name upon the issuance of a licence by the Minister under section 45(3) of the CA 2016.

L. LICENCE TO HOLD LAND OR PROPERTY UNDER SECTION 45(4) OF THE CA 2016

30. A CLBG shall not acquire and/or hold land unless a licence has been obtained from the Minister. For the purpose of this paragraph, the word "land" is as defined in the National Land Code (Revised 2020) [Act 828].

31. (1) An application shall be made under section 45(4) of the CA 2016 in accordance with requirements of Companies Regulations (Licence for Land Holding) 2025 [P.U.(A) 211/2025] which came into force on 15 July 2025.

(2) Any failure by a CLBG to comply with this paragraph would constitute a breach of the licence.

M. OTHER DEALINGS RELATED TO LAND FOR CLBG

32. A CLBG shall not charge, mortgage, lease, subdivide, partition, dispose or transfer land of the CLBG without prior approval of the Registrar. Any failure by a CLBG to comply with this paragraph would constitute a breach of this Guidelines.

N. SUBMISSION OF APPLICATIONS TO SSM

33. Checklists (1) to (8) shall form part of the application documents to be submitted when lodging such application pursuant to this Guidelines.

34. An applicant shall submit an application through the electronic services in such form and manner as may be determined by SSM from time to time.

35. Notwithstanding that the application is submitted through the electronic services, a company shall keep and maintain at its registered office all original supporting documents required for the application and shall produce such documents to SSM upon request.

36. The following are checklists for each application:

Checklist	Type of Application
1	Application Pre-Incorporation of CLBG
2	i. Application to omit the word "Berhad" or the abbreviation "Bhd." from a CLBG's name ii. Re-application to omit the word "Berhad" or the abbreviation "Bhd." from a CLBG's name
3	Application of appointment of new director of CLBG
4	Application of amendment of constitution for CLBG
5A	Application to hold land by CLBG
5B	Application to charge, mortgage, lease, subdivide, partition, vested in, dispose or transfer the land by CLBG
6	Application to solicit donations or make any money contribution from the public by CLBG
7	Application to pay any fees, salaries, fixed allowances and other benefits to each director of CLBG
8	Application to establish or hold any subsidiary by CLBG

37. In addition, the checklists include the following Annexures:

Type of Document	Annexure
Sample of constitution	1
Template on proposed amendment of constitution	2
Template on biodata of promoter/director	3
Template on estimated/forecasted income and expenditure for 2 years	4
Template on statutory declaration by a director of CLBG pertaining to conditions of solicitation of donation or contribution	5
Conditions of solicitation of donation or contribution	6

38. An application shall be rejected for failure to meet the requirements in checklists 1 to 8, whichever is applicable.

O. WINDING UP

39. In the event of the winding up and dissolution of a CLBG, any remaining assets after settling all its debts and liabilities shall not be paid to or distributed among the members of the CLBG but shall be given or transferred to a CLBG (transferee) according to section 45(2) of the CA 2016. The transferee shall have:

(i) objects similar to the transferor; or
(ii) objects of promoting charity and anything incidental or conducive to such objects.

P. EFFECTIVE DATE OF THIS GUIDELINES

40. This Guidelines takes effect on 11 November 2026 and replaces the Guidelines on Companies Limited by Guarantee issued on 14 July 2026.

REGISTRAR OF COMPANIES
COMPANIES COMMISSION OF MALAYSIA
11 NOVEMBER 2026