



#### Annual Report 2018



Digitalising the

Business Landscape...

# 2018 ANNUAL REPORT



#### Cover Rationale

The illustration of the cover depicts a QR code which symbolises the importance of the latest technology within the business landscape and delivery of SSM services. The use of QR codes are the latest trends in the fast-paced and competitive business landscape that will increase productivity and further encourage the industry to participate in the wave of the Industrial Revolution 4.0. SSM as the regulator of the business community has always embarked on the latest technology in delivering its services.

#### MENARA SSM@SENTRAL

NO. 7, JALAN STESEN SENTRAL 5 KUALA LUMPUR SENTRAL 50623 KUALA LUMPUR

**TEL:** 03 - 7721 4000

FAX: 03 - 2299 4411

EMAIL: enquiry@ssm.com.my

WEBSITE: www.ssm.com.my

**SOCIAL MEDIA:** 













### CONTENTS



06

Minister's Message

07-08

Chairman's Foreword

09-11

Chief Executive Officer's Review of the Year

12-17

Companies Commission of Malaysia (SSM) Commission Members

18-21

**Executive Management** 

25-105

#### **Management Report**

- Training Academy & Knowledge Management
- Regulatory Reform Initiatives
- Service Delivery
- Stakeholders' Engagement and Collaborations
- → Media Highlights
- → Enforcement Initiatives

106

Statement of Internal Control

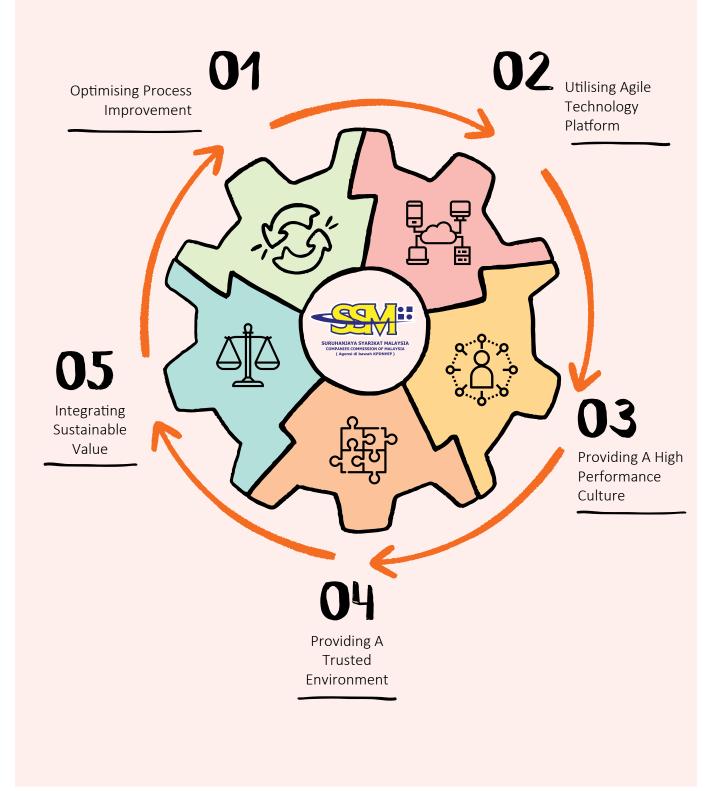
107-147

**Financial Statements** 

148-149

**SSM Directory** 

# STRATEGIC THRUSTS

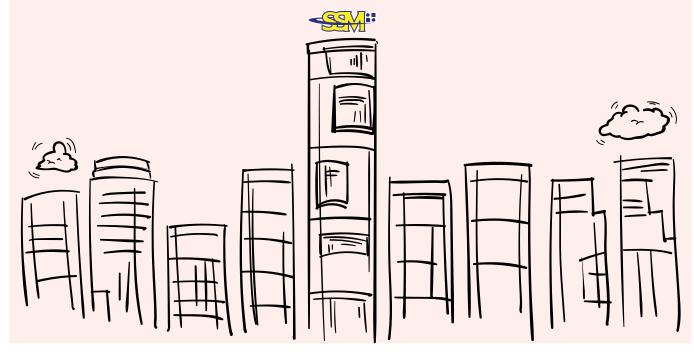


# VISION STATEMENT

66 \_\_\_\_\_

# TO BE A TOP TIER CORPORATE REGISTRY AND REGULATORY AUTHORITY

99





# CUSTOMER CENTRIC

We as leaders of good corporate governance strive to serve our customers with respect and provide quality advice.

#### CONTINUOUS KNOWLEDGE AND SKILL ENHANCEMENT

We encourage our employees to enhance their competencies, skills and knowledge with emphasis on the pursuit of continuous learning to promote creativity, quality and innovativeness.

# CULTURE EXCELLENCE

We set high standards and strive to exceed them. We are dedicated in enhancing the quality of efficiency and productivity within the organisation. We recognise and reward superior results.







Assalamualaikum WBT. and Salam Sejahtera.

### It gives me great pleasure to introduce the Companies Commission of Malaysia (SSM) 2018 Annual Report.

2018 has been an exceptionally busy and historic year. This marked my first year as the Minister of Domestic Trade and Consumer Affairs. The vision of the Ministry is **Domestic Trade as the Backbone to a High Income Economy** and one (1) of the missions of the Ministry is to accelerate main domestic sectors that are viable, competitive and sustainable. SSM being an agency of the Ministry plays its role in ensuring that the vision and mission of the Ministry is upheld. The registers under SSM's purview are more than a list of entities and corporate players, it is an important national asset. The information (dataset) which SSM maintains plays a big role in ensuring that the Government is able to formulate strategies and policies for domestic trade in Malaysia. The information is not only of importance to the Ministry but also to other Ministries and Agencies such as the Ministry of Economic Development, Ministry of Finance, Department of Statistics Malaysia and also financial institutions.

2018 also saw the mid-term review of the Eleventh Malaysia Plan where existing policies were reviewed and socio-economic targets revised. One of the aspects

reviewed is the issue regarding good governance to ensure that strong integrity and accountability results in strong institutions. SSM's role as a corporate regulator is seen here whereby strong corporate governance provisions under the laws it governs help assist the Government in the fight against corporate crime. Further, in ensuring that the Governments socioeconomic policies are achieved, SSM will continue to assist the Rakyat by continuing to provide assistance by continuing its initiatives such as the SSM BizGrant, the 1 Pelajar 1 Perniagaan Scheme.

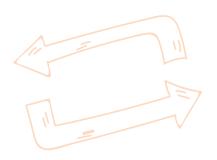
The Ministry and SSM will continue with greater urgency to carry out the policies of the Government such as by being more responsive, foster stronger relationships with stakeholders to create a vibrant business environment. I would also like to take this opportunity to thank the Commission, Management and Staff of SSM for their contribution and commitment.

YB DATUK SERI SAIFUDDIN NASUTION BIN ISMAIL Minister of Domestic Trade and Consumer Affairs



The Companies Commission of Malaysia (SSM) in 2018 continued with its strategies to enhance its service delivery and ensure that the stakeholders and public experience the latest technology and services available. One of the initiatives introduced by SSM which is in line with the Government's strategy of

providing for a digital economy was the introduction of the Malaysian Business Reporting System or MBRS which is a platform based on the XBRL or eXtensible Business Reporting Language concept.



With the introduction of MBRS, this will allow for the submission of Annual Return (AR), Financial Statements and Reports (FS) and the application for exemptions relating to the FS and AR to be submitted via this platform. The benefits from the introduction of the MBRS will be seen in terms of having an automated system, saving costs, providing for a faster, more reliable and more accurate way of handling of data and improved analysis with better quality of information and decision-making. Another milestone under SSM's technology upgrades is the Digital CTC which was introduced in 2017. In 2018, SSM was awarded many accolades regarding this service such as the IDC Digital Transformation Awards 2018 and the DX Awards 2018 Information Visionary Category.

As a Corporate Regulator, SSM is constantly reviewing the laws and regulations under its purview to ensure that the laws and regulations are up-to-date and relevant in this time and age. 2018 also saw the regulatory reform initiatives moving forward with the review of the Trust Companies Act 1949, the Companies Winding Up Rules 1972 and the introduction of the Companies (Corporate Rescue Mechanism) Rules 2018 under the CA 2016. SSM also issued various Practice Notes and Practice Directives throughout the year. SSM is also actively involved in the Ease of Doing Business Report issued by the World Bank, the Global Forum on Transparency and Exchange of Information for Tax Purposes, the Analytical Tactic Report and Malaysia's Follow Up Report (FUR) under the Bank Negara/ FATF initiatives. SSM will continue to ensure that the legal framework under its purview will continue to support

the Government's Ease of Doing Business initiatives and also promote economic growth and business opportunities for the business community.

As part of its organisational transformation programme, SSM has implemented various internal programmes and initiatives to enhance the technical skills of the employees and to provide new and better benefits. As a result of this, SSM was awarded Silver Award in the Employer of Choice (Public/ Social) Category at the 18<sup>th</sup> Malaysia – International HR Awards 2018.

2018 is poised to be a challenging yet exciting year for SSM with the introduction of the many new services and products. We will not rest on our laurels and I am confident that SSM will forge ahead and continue to serve our stakeholders with excellence. I would like to take this opportunity to convey my heartfelt thanks to all our partners, stakeholders, Members of the Commission, the Executive Management and staff of SSM for their continued support, dedication and contributions.

#### YBHG DATUK SERI JAMIL BIN HJ. SALLEH

Chairman Companies Commission of Malaysia

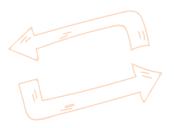




I am pleased to present the Annual Report of the Companies Commission of Malaysia (SSM) for 2018, which is a year of remarkable success in several areas. Chronologically, we celebrated SSM's 16<sup>th</sup> anniversary which has always shown an improvements in its service performance.

SSM held its 8th National Conference with the theme of 'Doing Business in the Age of Disruption' on 14 and 15 August 2018 at the Sunway Pyramid Convention Centre, Selangor and officiated by YB Datuk Seri Saifuddin Nasution bin Ismail, Minister of Domestic Trade and Consumer Affairs. The conference was attended by over 1,000 representatives from various backgrounds representing the public and private sectors.

SSM also carried out legal reform and revision initiatives such as the Draft Secretary of the Company. Draft (Certificate of Practice) of the Company refers to section 241 of the CA 2016 which sets out the parameters for the purpose of registering a company secretary. Through the enforcement of this rule, all qualified individuals who wish to act as a company secretary must register with the Registrar irrespective of their professional background. This is to ensure that the standard and professionalism of the secretary can be effectively monitored through a centralised database mechanism.



SSM enacted Part III, Section 8, Subsections 1 & 2 of the CA 2016 on Corporate Rescue Mechanism (CRM) consisting of Corporate Voluntary Establishment (CVA) and Judicial Management (JM) on 1 March 2018. The objective of the CRM is meant to help recover companies with financial problems and improve their company's profitability, enabling the company to prepare and implement rehabilitation plans without the intervention of creditors and the mechanism also provides for processes and procedures to recover the company from final actions to winding up the company.

SSM also continues to move forward especially in the delivery of services with the introduction of new services as well as new initiatives to assist small businesses in Malaysia such as:

- (a) Introduction of the Malaysian Business Reporting System (MBRS) – implemented in stages starting 1 September 2018, which provides the platform for submission for the annual return and financial statements online;
- (b) EzBiz Kiosk Services expansion of business registration renewal facilities, branches, supply of business information and business compound payments through an additional 18 units at various state offices and SSM service centres;
- (c) BizFair SSM Programme a grant of RM10 million to help people register their businesses and provide early capital assistance in the form of goods and hardware; and
- (d) Provide 50% to 80% compound reduction incentives under the CA 2016 with effect from 1 September 2018 to 31 December 2018.

Innovation and creativity is always encouraged among SSM employees. This is to allow for the enhancement of the SSM service efficiency. SSM participated in the MDTCA Innovative and Creative Conventions and the MDTCA Innovation Awards held on 29 to 30 October 2018 and 27 & 28 November 2018, being crowned the winner of the MDTCA Innovation Awards 2018. The SSM Innovation and Creative Convention 2018 was held for the first time on 28 June 2018. A total of 22 groups from the SSM offices across Malaysia participated in the convention by presenting their group's creativity.

The BizRun 2018 organised by SSM was held for the first time on 18 August 2018 and has been recognised by the Malaysian Book of Records (MBOR). The event broke the MBOR record in terms of total participation of companies participating in the 10KM and 5KM runs, with the participation of 740 companies registered with over 5,000 participants. SSM held its first Inspirational Project Night for the first time on 28 November 2018. The project aims to provide entrepreneurs with the opportunity to share their stories of challenges in business journey. Winners were nominated as the SSM Icon and participate in programmes organised by SSM to provide partnerships and motivation for entrepreneurs and potential entrepreneurs.

SSM continues to be active internationally by participating in several forums such as, the Corporate Registrar Forum 2018. The programme was held at Gaborone International the Convention Centre (GICC) Grand Palm Hotel Casino with the theme 'Corporate Registries, A Critical Vehicle for Global Economic Growth'. The programme was organised by Botswana's Companies and Intellectual Property Authority (CIPA) with the Corporate Registers Forum (CRF) for five (5) days from 21 to 25 May 2018.



SSM also attended the European Commerce Registers' Forum (ECRF). The forum was held at the University of Gibraltar, Gibraltar themed 'Moving with the Challenges of Digital Technologies' for three (3) days from 5 to 7 June 2018. The organisers of the ECRF 2018 are the Companies House of Gibraltar, the corporate registrar of Gibraltar with the European Commerce Registers 'Forum (ECRF). SSM represented Malaysia in the APEC Workshop on 'One-Stop Shops for Starting A Business (From Theory To Best Practice)' held on 11 August 2018 in Port Moresby, Papua New Guinea. This workshop organised by the Asia-Pacific Economic Cooperation (APEC) directly contributes to the ease of doing business (EoDB) initiative for starting a business with a focus on 'one-stop shops' (single windows). by APEC countries for the purpose of registering new businesses.

SSM has always taken a proactive approach to enforcement activities. Based on the results of the database inspection, SSM has taken various initiatives to encourage better compliance with the requirements for filing the Annual and Financial Statements. These initiatives contributed to a 93% compliance rate (2017: 92%). SSM also diversified its enforcement activities through organising the #ScamAlert2018 awareness campaign held throughout Malaysia. The campaign has successfully raised the public's awareness of the dangers and effects of illegal investment schemes.

Welfare of employees is also emphasised by the management of SSM which a key pillar in improving organisational performance. SSM introduced scholarship facilities to employees and children of employees beginning in 2018. This SSM scholarship facility is for undergraduate, master's and doctoral degrees in public or private higher education institutions in Malaysia. SSM also held the 2018

Service Excellence Awards Ceremony in honour of SSM employees who have performed well. SSM Management will continue to strive to provide the best facilities for its employees to increase productivity and make SSM more competitive.

On this occasion, I would like to thank the Honourable Minister, Chairman and Members of the Commission for all the guidance and advice provided and the continued support of the Executive Management of SSM. On behalf of the management, I would also like to thank all the employees of SSM for your efforts and efforts to honour the name of SSM. Without all of you, we would not have been as successful as we are today.

#### YBHG DATO' ZAHRAH ABD WAHAB FENNER

Chief Executive Officer Companies Commission of Malaysia



## COMPANIES COMMISSION OF

#### YBHG, DATUK SERI JAMIL BIN HJ, SALLEH

YBhg. Datuk Seri Jamil bin Hj. Salleh was appointed as Chairman of the Commission with effect from 15 March 2016.

He holds a Bachelor of Arts (Hons) in Anthropology and Sociology from University of Malaya. He also holds a Diploma in Public Administration from the National Institute of Public Administration (INTAN) and has attended management and leadership courses at the University of Oxford, United Kingdom and the Asian Institute of Technology, Thailand. Datuk Seri Jamil started his career in 1983. He served in various ministries and government bodies such as the Ministry of Culture, Youth and Sports, the Ministry of Home Affairs, the Ministry of Defense and the Malaysian Prison Department. He was appointed to several positions while in service, as Assistant Secretary of Finance and Procurement, Deputy Under Secretary (National Key Result Area) at the Ministry of Home Affairs, Deputy Secretary General (Management) at the Ministry of Youth and Sports before his appointment as the Secretary General of the Ministry of Youth and Sports on 12 June 2013.

He was the former Chairman of the National Athletes Welfare Foundation (YAKEB), Chairman of the International Youth Centre (IYC), Chairman of the Malaysian Stadium Corporation (PSM), Board Member of the Sepang International Circuit (SIC), and Board Member of the National Sports Council (MSN). Datuk Seri Jamil assumed the post of Secretary General of the Ministry of Domestic Trade and Consumer Affairs on 15 Mac 2016. He is currently the Chairman of the Companies Commission of Malaysia (SSM), Chairman of Rakyat Holdings Sdn. Bhd., Chairman of Rakyat Travel Sdn. Bhd., Board Member of Bank Rakyat, Board Member of Permuafakatan Badan Ilmiah Nasional (PEMBINA), Member of the National Innovation Council (NIC), Member of the Malaysia Design Council, Member of the Malaysian Institute of Integrity (INTEGRITI) and Member of the Economic Council of Melaka. He is also an Adjunct Professor at the Universiti Malaysia Perlis (UniMAP).

#### YBHG. PROF. DATO' DR. AISHAH BINTI BIDIN

YBhg. Prof. Dato' Dr. Aishah was appointed as a Commission Member, effective 1 January 2011.

She is a Professor of Corporate and Insolvency Law of the Law Faculty at Universiti Kebangsaan Malaysia (UKM). Her areas of specialisation include company and corporate finance law, securities regulation, bankruptcy and insolvency law. She has been lecturing on company and partnership law since 1989, and currently her areas of expertise also include energy law and corporate regulation. Prof. Dato' Dr. Aishah has written for various local Malaysian and British academic journals on company, securities and insolvency laws. Prof. Dato' Dr. Aishah obtained her LLB (Hons) from University of Malaya, Masters in Laws from the University of Kent and her Ph.D in Laws from University of London.

Prof. Dato' Dr. Aishah was a member of the Malaysian Corporate Law Reform Steering Committee (CLRC). She was the former Legal Advisor of UKM Holdings, the Corporate Arm of UKM as well as a former member



of the Board of Directors of Yayasan Bantuan Guaman Kebangsaan (YBGK). She is also the Executive Council Member of the International Centre for Law and Legal Studies (I-Cells) of the Attorney General's Chambers (AGC) of Malaysia, and a member of the Intellectual Property Advisory Board of UKM. Prof. Dato' Dr. Aishah also serves as a Commissioner for the Human Rights Commission of Malaysia (SUHAKAM). She is also an appointed Fellow of the Academy of Sciences Malaysia.

#### MALAYSIA COMMISSION MEMBERS



#### YBHG, DATO' ZAIDON BIN HJ, ASMUNI

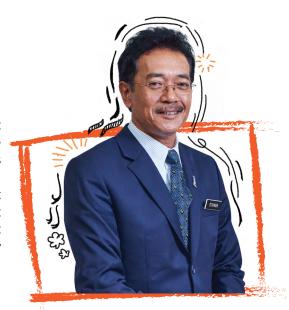
YBhg. Dato' Zaidon bin Hj. Asmuni holds a Bachelor Degree in Social Science (Hons) from Universiti Sains Malaysia (USM) and was appointed as a Commission Member, effective 1 July 2016.

He began his career as a Diplomatic Officer in 1981 at the Ministry of Home Affairs. He has served various divisions of the Ministry. Dato' Zaidon was the Director of the Administration Division of the Immigration Department of Malaysia and was later appointed as the Director General of the People's Volunteer Corps (RELA). He was then appointed as the Deputy Secretary General (Strategic) of the Ministry of Youth and Sports. Dato' Zaidon was the former Deputy Secretary General (Administration) of the Ministry of Domestic Trade and Consumer Affairs.

#### YBHG, DATO' OTHMAN BIN SEMAIL

YBhg. Dato' Othman bin Semail holds a Masters Degree in Business Administration (Finance) and was appointed a Commission Member, effective 2 January 2015.

He began his career in the public service in 1982 as an Assistant Agriculture Officer in RISDA. He had served as an Administrative and Diplomatic Officer of the Ministry of Primary Industries, and is currently serving the Ministry of Finance. Dato' Othman bin Semail is the Deputy Under Secretary of the Government Procurement Policy & Accreditation Sector of the Government Procurement Division, before assuming the post of Secretary of the Government Procurement Division. He is currently the Treasury Deputy Secretary General (Management).







#### YBRS. MR. PAWANCHEEK MARICAN

YBrs. Mr. Pawancheek Marican was appointed as a Commission Member, effective 1 November 2018.

He obtained his Bachelor of Law (Hons) (LL. B) and Master of Laws (LL. M) from University of Malaya. He is a legal practitioner and called to the Malaysia Bar in 1977. He is currently a partner in Messrs Wan Marican, Hamzah & Shaik.

YBrs. Mr. Pawancheek was the Former Vice-President of the Malaysia Muslim Lawyers Association and Adjunct (Guest) Professor from 2006-2009 at the Kuliyyah of Laws, International Islamic University Malaysia. He is the member of the Editorial Advisory

Board of a law journal and member of the Syariah Law Committee, Bar Council Malaysia. He also serves as a member of a joint research committee for University of Malaya as well as the member of Research Committee on Waqaf for YADIM to recommend legislative reforms and new products on waqf in the states of Malaysia.

He has conducted cases in succession and/ or inheritance laws for Muslims and non-Muslims, banking law, corporate, land and real property and Civil Law/ Syariah conflicts and disputes. Being an experienced legal practitioner, YBrs. Mr. Pawancheek has to date authored publications and books related to Islamic Law in Malaysia as well as thesis and journals locally and internationally.

#### YBRS, DR. ABDUL RAHMAN BIN ABDULLAH

YBrs. Dr. Abdul Rahman bin Abdullah was appointed as a Commission Member, effective 1 November 2018.

He holds a D.Phil in EE Engineering and Computer Science, University of Sussex, England; M.S. in Computer Science, Indiana University, Bloomington, U.S.A.; B.Sc. (Hons) Combined Studies: Mathematics & Computer Studies, Sunderland Polytechnic, England; and Social Network Analysis Certificate, University of Michigan. He was former Senior Member of the Society of Manufacturing Engineers USA, and former Member and Nation Asia Pacific Representative of the Institute of Electrical and Electronic Engineers (IEEE).

YBrs. Dr. Abdul Rahman served as a lecturer and Deputy Director of the Computer Center of University of Malaya at the beginning of his career. Prior to that he spent several years as a research assistant and research



fellow at Indiana University USA, University of Sussex England and Aberdeen University, Scotland. He also had served on the Research and Innovation Review Board of the National University of Malaysia (UKM) and on the curriculum development and review panel at the Universiti Selangor (UNISEL). He is currently on the advisory boards of the University of Nottingham Malaysia's Department of Electrical Engineering and UniKL-MFI's Masters in Industrial Automation programme.

YBrs. Dr. Abdul Rahman bin Abdullah is a hands-on practitioner, business executive and a consultant in various industries. He had gained experience throughout North America, Europe and Asia. He has also held various positions as President and CEO of high-tech and biotechnology companies in the U.S.A., Canada and Malaysia. Currently, he is the founder and President of Araken Sdn Bhd, a System Engineering, Consulting, Software and Technology Development and Integration Company.

He was engaged as a Subject Matter Expert and Advisor of Automotive OEM for the improvements in Procurement, Marketing, Sales, Services, Parts and Warranty as well as Human Capital Development. In the Public Sector, he is an Advisor and Subject Matter Expert for Improvement and Transformation of Zakat Management to two State Zakat Boards. He also served as a Project Director of Malaysia Automotive Institute (MAI) while serving as the interim Executive Director of the Ministry of Trade and Industry.

He has published over 20 research papers in academic journals as well as other writings and publications.





#### YBRS. MR. TAN KEE HENG

YBrs. Mr. Tan Kee Heng was appointed as a Commission Member, effective 1 November 2018.

He obtained a Bachelor of Law from the University of Wolverhampton, United Kingdom. YBrs. Mr. Tan Kee Heng has been in legal practice for more than 20 years and currently is the Managing Partner of S.K. Ling & Tan Advocates (Kuching). He has extensive experience in civil litigation and appeal cases. He has also authored and edited numerous legal publications including 'Civil and Criminal Appeals in Malaysia' and 'Borneo Law Reports'. He was appointed as Commissioner for Oath by the Chief Justice of the Federal Court since 2007 and is currently assigned as the Head Commissioner for Oath in Sarawak.

#### YBHG, DATO' ZAHRAH ABD WAHAB FENNER

YBhg. Dato' Zahrah Abd Wahab Fenner is the Chief Executive Officer (CEO) of the Companies Commission of Malaysia (SSM).

Prior to her appointment as CEO on 1 January 2015, she was the Deputy Chief Executive Officer (Services) (DCEO Services), a post she held since the establishment of SSM in 2002. While serving as the DCEO (Services), her portfolio comprised the Corporate Development and Policy Division, Corporate Resource Division, Information Communication and Technology, Compliance Division, the SSM Training Academy (COMTRAC) and Corporate Communications Section. Dato' Zahrah who graduated with a Bachelor of Accounting (Hons.) degree from Universiti Kebangsaan Malaysia (UKM) is a member of the Malaysian Institute of Accountants (MIA) and a Chartered Accountant (CA). She is also the Professor (Adjunct) at Universiti Tenaga Nasional (UNITEN).



Dato' Zahrah began her career as an Advisor Accountant with the Royal Malaysian Customs Department and served the department from 1984 to 1992 where she advised on matters relating to the valuation and standard international practices of the open market. Dato' Zahrah was attached to the Ministry of Foreign Affairs as the Principal Accountant from 1992 to 1995 and was responsible for the financial accounts and auditing of the Malaysian Embassies and High Commissions worldwide. Subsequent to that, she joined the Registrar of Companies in 1995 and served as the Chief Accountant until her appointment as DCEO (Services) in 2002.

Dato' Zahrah was elected as an Executive Committee member of the Corporate Registers Forum (CRF) which is an association of international corporate registries. She is also a member of the Approval and Implementation Committee of the Iskandar Regional Development Authority (IRDA). Dato' Zahrah was appointed as a board member for the Certification of Certified Integrity Officers and is also a member of the Financial Reporting Foundation (FRF). Further, Dato' Zahrah is a member of the Labuan Financial Services Authority (LFSA) and the Audit Oversight Board (AOB). She was also the chairperson of the SSM Co-operative between 2011 and 2014. She is currently a Board Member of LHDN. Dato' Zahrah is the board of extensible Business Reporting Language (XBLR), a global non-profit organisation in preparing standard of exchanging open data for business reporting.





YB Dato' Sri Ikmal Hisham bin Abdul Aziz was appointed as a Commission Member, effective 1 December 2015 until 31 August 2018.

He graduated from the University of Tennessee, USA with a Bachelor of Science in Civil Engineering. Dato' Sri Ikmal Hisham is currently the Chairman of MARA Incorporated Sdn. Bhd., a subsidiary of MARA. He is also the Managing Director of Noble Twin (M) Sdn. Bhd. and TJM Sdn. Bhd. He was also appointed as Chairman of Amanahraya Kenedix REIT Manager Sdn. Bhd. Previously, he acted as an independent Director of Taiping Super Berhad and OSK Property Holdings Berhad, and the Chairman of the Audit Committee of OSK Property Holdings Bhd. for more than four (4) years. YB Dato' Sri Ikmal Hisham is currently the Member of Parliament for Tanah Merah, Kelantan.

#### YB TUAN ABDULLAH HJ. SAIDOL

YB Tuan Abdullah Hj. Saidol was appointed a Commission Member effective 2 January 2015 until 1 September 2018.

He is a law graduate from ITM (UiTM) and has 20 years experience in the corporate sector. He was formerly attached with the Bursa Saham Kuala Lumpur and the Research Institute of Investment Analysis Malaysia (RIIAM). YB Abdullah is the State Assemblyman for Semop, Sarawak.

#### YBHG, DATUK SERI PROFESSOR DR. HAJI KHAIRIL ANNAS BIN JUSOH

YBhg. Datuk Seri Professor Dr. Haji Khairil Annas bin Jusoh was appointed as a Commission Member, effective 1 January 2017 until 1 June 2018.

He obtained his Ph.D in Business Administration (Leadership and Politics) from Asia e University (AeU), Masters in Business Administration (MBA) in Islamic Finance and Banking from the International Islamic University Malaysia, Masters in International Law (LL.M) from Cambridge University and Bachelor Degree in Law (LL.B – First Class Hons) from the International Islamic University Malaysia. He was admitted as an Advocate and Solicitor to the High Court of Malaya on 16 January 1996, and he is also a Justice of Peace (JP) since 2009.

YBhg. Datuk Seri Professor Dr. Haji Khairil Annas is the youngest figure appointed as an Emeritus Fellow of the Malaysian Institute of Management (EFMIM). Being an intellectual and with his behind the scene involvement in local politics, at present, YBhg. Datuk Seri Professor Dr. Haji Khairil Annas was appointed as Adjunct Professor, Senior Fellow, also Visiting Professor to various Academic and Higher Learning Institutions. As a prolific writer, he has to date edited and authored more than 17 publications.

#### YB DATO' HASBULLAH BIN OSMAN

YB Dato' Hasbullah bin Osman was appointed as a Commission Member effective 1 April 2017 until 31 March 2018.

He graduated from the Open University of Malaysia with a Bachelor Degree in Administration. YB Dato' Hasbullah is currently the Chairman of Malaysia Design Development Centre (DDEC), a subsidiary of MARA. He is also the Chairman of Perak ITC Sdn. Bhd., a subsidiary of Perbadanan Kemajuan Negeri Perak. YB Dato' Hasbullah is currently the Member of Parliament for Gerik, Perak since 2013.



#### **Details of Meetings and Attendance of the Commission for 2018**

Members	100 <sup>th</sup> Member Meeting	101 <sup>st</sup> Member Meeting	102 <sup>nd</sup> Member Meeting	103 <sup>rd</sup> Member Meeting	104 <sup>th</sup> Member Meeting	105 <sup>th</sup> Member Meeting	Total of Attendance
	19 February 2018	9 April 2018	30 August 2018	30 October 2018	29 November 2018	17 December 2018	
YBhg. Datuk Seri Jamil bin Salleh							6/6
YBhg. Prof. Dato' Dr. Aishah binti Bidin					-		5/6
YBhg. Dato' Othman bin Semail		-				-	4/6
YBhg. Dato' Zaidon Haji Asmuni							6/6
YBhg. Dato' Zahrah Abd Wahab Fenner							6/6
YB Tuan Abdullah Haji Saidol			Resigned as Commission Member on 1 September 2018			3/3	
YB Dato' Sri Ikmal Hisham Abdul Aziz	-		Resigned a	as Commission	Member on 1	July 2018	1/2
YBhg. Datuk Seri Prof. Dr. Khairil Annas Jusoh	-	-	Resigned as Commission Member on 1 June 2018			0/2	
YB Dato' Hasbullah Osman		End of service as Commission Member on 31 March 2018			1/1		
YBrs. Dr. Abdul Rahman Abdullah	Appoint	Appointed as Member on 1 November 2018			2/2		
YBrs. Encik Pawancheek Marican	Appoint	Appointed as Member on 1 November 2018			•	2/2	
YBrs. Encik Tan Kee Heng	Appoint	ed as Member on 1 November 2018			2/2		

#### Attended

Not present







# EXECUTIVE MANAGEMENT



#### YBHG. DATO' ZAHRAH ABD WAHAB FENNER

Chief Executive Officer Companies Commission of Malaysia

Dato' Zahrah Abd Wahab Fenner is the Chief Executive Officer (CEO) of the Companies Commission of Malaysia (SSM). Prior to her appointment as CEO on 1 January 2015, she was the Deputy Chief Executive Officer (Services) (DCEO Services) a post she held since the establishment of SSM in 2002. While serving as the DCEO (Services), her portfolio comprised Corporate Development and Policy Division, Corporate Resource Division, Information Communication and Technology, the Compliance Division, SSM Training

Academy (COMTRAC) and the Corporate Communications Section. Dato' Zahrah who graduated with a Bachelor of Accounting (Hons.) degree from Universiti Kebangsaan Malaysia (UKM) is a member of the Malaysian Institute of Accountants (MIA) and a Chartered Accountant (CA). She is also the Professor (Adjunct) at Universiti Tenaga Nasional (UNITEN).

Dato' Zahrah began her career as an Advisor Accountant with the Royal Malaysian Customs Department and served the department from 1984 to 1992 where she advised on matters relating to the valuation and standard international practices of the open market. Dato' Zahrah was attached to the Ministry of Foreign Affairs as the Principal Accountant from 1992 to 1995 and was responsible for the financial accounts and auditing of the Malaysian Embassies and High Commissions worldwide. Subsequent to that, she joined the Registrar of Companies in 1995 and served as the Chief Accountant until her appointment as DCEO (Services) in 2002.

Dato' Zahrah was elected as an Executive Committee member of the Corporate Registers Forum (CRF) which is an association of international corporate registries. She is also a member of the Approval and Implementation Committee of the Iskandar Regional Development Authority (IRDA). Dato' Zahrah was appointed as a board member for the Certification of Certified Integrity Officers and is also a member of the Financial Reporting Foundation (FRF). Further, Dato' Zahrah is a member of the Labuan Financial Services Authority (LFSA) and the Audit Oversight Board (AOB). She was also the chairperson of the SSM Co-operative between 2011 and 2014. She is currently a Board Member of LHDN. Dato' Zahrah is the board of extensible Business Reporting Language (XBRL), a global non-profit organisation in preparing standard of exchanging open data for business reporting.

#### HAJI ROSLI HAJI AHMAD

#### Deputy Chief Executive Officer (Corporate Services)

Haji Rosli Haji Ahmad was appointed as the Deputy Chief Executive Officer (Corporate Services) on 15 March 2015. He oversees the functions of the Human Capital Division, Finance & Administration Division, Training Academy and Knowledge Management Division and Branch Operations Section. He was first appointed as an Assistant Registrar of Companies in 1985, and in 1990, was the branch manager for Labuan. In 1992, he became the branch manager for Pahang and Melaka. He was then transferred to the ROC office as the Head of Unit for Administration and Finance. Haji Rosli Haji Ahmad was also involved in the SSM Set-Up Committee between 1999 and 2002. Thereafter, he was appointed as the State Director of SSM Melaka in 2004 and in 2006 as State Director of SSM Johor. In 2008, he was promoted to Director of Compliance Division and in 2014, he became the Director of the Registration Services Division. Haji Rosli Haji Ahmad holds a Bachelor of Economics (Hons) from Universiti Kebangsaan Malaysia (UKM).





#### KHUZAIRI YAHAYA

#### Deputy Chief Executive Officer (Registry & Business Services)

Khuzairi Yahaya started his career at the Information and Technology Division, Securities Commission Malaysia in 1994. In 2003, after nine (9) years, he moved on to be the General Manager of the Information and Communications Technology Department, SSM, and this was followed by his appointment as the Director of Internal Audit in 2007. In 2010, he was again appointed as the Director of Information and Communications Technology Division. On 15 March 2015, Khuzairi was appointed the Deputy Chief Executive Officer (Registry & Business Services) where he currently manages all the divisions under Operations in SSM. Khuzairi was instrumental in the initiative to transform the mainframed-based registry system to a web-based system in 2003, and he also implemented several initiatives to reduce operating cost, and increase efficiencies within SSM. Further, he was directly involved in the establishment of a system and new work processes that resulted in Malaysia's Ease of Doing Business World Bank Ranking improving to 6 for the 2014 assessment. Presently, he is overseeing the implementation of the SSM Transformation Plan with the aim of transforming SSM's business and operating models by leveraging digital capabilities.

#### NOR AZIMAH BINTI ABDUL AZIZ

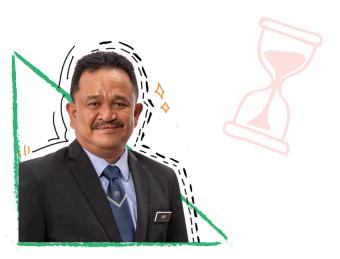
#### Deputy Chief Executive Officer (Regulatory & Enforcement)

Nor Azimah Abdul Aziz was appointed Deputy Chief Executive Officer (Regulatory and Enforcement) on 1 May 2016. Her portfolio at SSM includes overseeing the functions of the Regulatory Development & Services Division, Prosecution & Litigation Division, Compliance Division, Investigation Division and Complaints Section. She joined SSM as the General Manager of the Corporate Policy, Planning and Development Department in 2003. In April 2007, she was appointed as the Director of the Companies Commission of Malaysia Training Academy (COMTRAC). Effective from September 2010, she was appointed as Director of the Corporate Development and Policy Division of SSM. She started her career in 1992 as an Advocate and Solicitor, and thereafter, served as a Law Lecturer at the Accounting Department, Faculty of Business and Management, Universiti Kebangsaan Malaysia (UKM). During her tenure with UKM, in July 2000, she was seconded to the Regulatory and Standards



Department of the Malaysian Institute of Accountants (MIA). Nor Azimah Abdul Aziz graduated with Bachelor of Laws, from Institut Teknologi MARA (now UiTM) and obtained a Master of Laws (LLM in Business Law), from the University of Wales, Aberystwyth, United Kingdom.





AMIR AHMAD
Director
Training Academy &
Knowledge Management
Division



AZNORASHIQ MOHAMED ZIN
Director
Corporate Compliance Division



MUHAMAD FARIS OTHMAN Director Registration Services Division



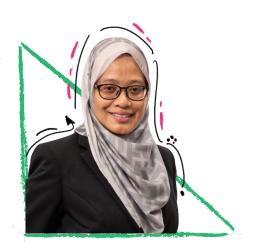
REZY IZWAN RAMLY

Director

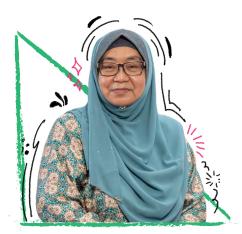
Investigation Division



ZARINA ABDUL SAMAD
Director
Finance & Accounts
Division



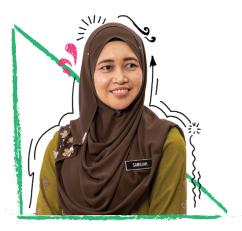
AIDA ADHHA ABU BAKAR
Director
Prosecution & Litigation
Services Division



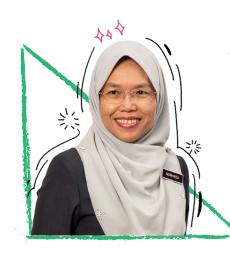
AZIZAH ROHANI
Director
Information &
Communication
Technology Division



FARID AHMAD
Director
Marketing & Business
Development Division



SAMSIAH IBRAHIM Director Human Capital Division



NORHAIZA JEMON
Director
Regulatory Development &
Services Division



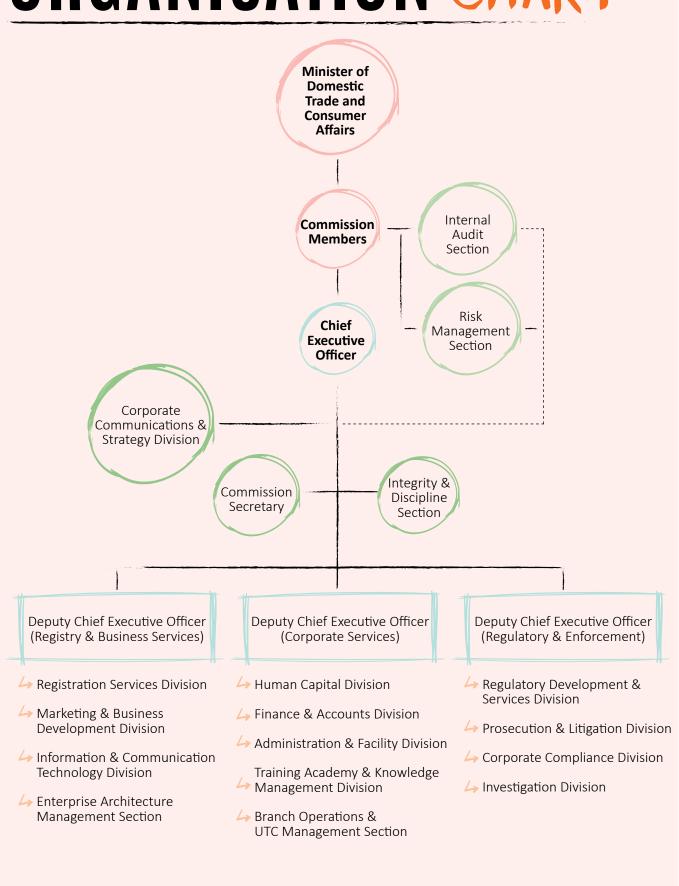
MOHAMAD SHAHREN MOHAMAD YUSRI Director

Director Corporate Communications & Strategy Division



MOHAMAD AWI IBRAHIM
Director
Administration &
Facility Division

# ORGANISATION CHART







#### **Companies**

Local

Foreign

**Total of Companies** Incorporated in 2018 Total of Companies as at 31 December 2018

47,292 +

36

47,328



1,298,518



#### **Businesses**

Sole Proprietorship

Partnership

Total of Businesses Registered in 2018

Total of Businesses as at 31 December 2018

380,102 + 40,454 = 420,556



7,279,636



#### **Limited Liability Partnerships (LLPs)**

Total of LLPs Registered in 2018

4,430

Total of LLPs as at 31 December 2018

18,621



#### **Compliance Rate 2018**



#### **Enforcement 2018**

Inspections of companies

Inspections of businesses

**Prosecution of** companies

**Prosecution of** businesses

788,093

574,210

7,535

156

# Clients Charter Performance for 2018





### KNOWLEDGE MANAGEMENT



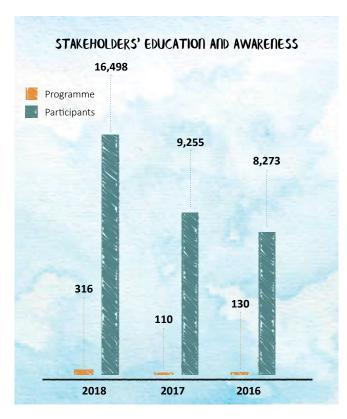
#### SSM National Confevence 2018

The 8<sup>th</sup> SSM National Conference themed, 'Doing Business in The Age of Disruption' was held on 14 and 15 August 2018 at Sunway Pyramid Convention Centre, Selangor. The Conference was officially launched by YB Datuk Seri Saifuddin Nasution bin Ismail, Minister of Domestic Trade and Consumer Affairs. The highly successful Conference was attended by 1,000 delegates comprised stakeholders with diverse background from both public and private sectors.

A total of 26 speakers, panelists and moderators from Malaysia, Singapore, Hong Kong, Thailand and Japan deliberated the following topics at the Conference:

- Drivers of business disruption. What's next?
- Ethic and governance in the age of disruption.
- Disruption that are reshaping the boardroom.
- How to keep your business going in the age of disruption?
- Personal pro perty securities registration framework. Emergence of international standards for access to financing and economic growth.
- Reporting in the age of disruption: XBRL adoption in Malaysia and around the world.
- Implementation of corporate rescue mechanism in Malaysia.
- Post Implementation CA 2016.

# EDUCATION AND TRAINING PROGRAMMES



#### Stakeholders' Participation in Education and Awareness Programmes from 2016 to 2018

Overall the corporate programmes conducted during the year were as follows:

Programme	Number of Session	Participants
Corporate Directors Training Programme Fundamental 2.0	5	198
Company Secretaries Training Programme Essential 1.0	15	1,003
Company Secretaries Training Programme Significant 2.0	9	372
Continuing Education Programmes	79	5,471
In-house Training Programmes	13	402
Collaboration Programmes	194	8,052
SSM National Conference 2018	1	1,000
Total	316	16,498

#### **Corporate Directors Training Programme Fundamental 2.0 (CDTPF 2.0)**

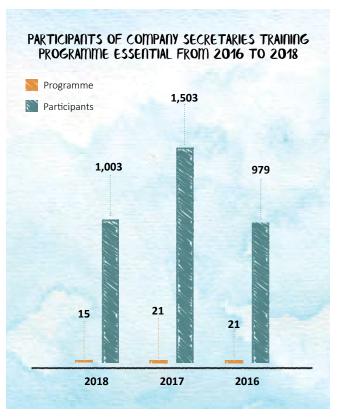
CDTPF 2.0 is specifically structured for company directors, company secretaries, chief executive officers, chief operating officers, chief financial officers, companies' top management, corporate employees, foreign investors, innovators and entrepreneurs, with the topics focusing on the roles and responsibilities of company directors and officers of the company.

	2018	2017	2016
CDTPF 2.0	5	5	11
Participants	198	185	236

#### Company Secretaries Training Programme Essential 1.0 (CSTPE 1.0)

CSTPE 1.0 is an updated programme from Company Secretaries Training Programme (CSTP) Essential. The CSTPE 1.0 is based on the new CA 2016. It is a mandatory training course under the SSM Continuing Professional Education (CPE) points scheme for licensed company secretaries who have been issued with licenses by the Registrar of Companies under Section 235(2)(b) of the CA 2016.

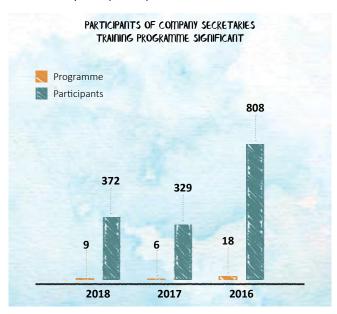
In 2018, a total of 15 CSTPE 1.0 were organised in Kuala Lumpur, Kota Kinabalu and Kuching and attended by 1,003 participants.



#### Company Secretaries Training Programme Significant 2.0 (CSTPS 2.0)

CSTPS 2.0 is designed as a follow-up programme from the CSTP Essential.

Nine (9) CSTPS 2.0 programmes (2017: 6) were organised in Kuala Lumpur and Kota Kinabalu, and attended by 372 participants.



#### **Continuing Education Programme (CEP)**

CEP was designed to deliberate in detail selected key strategic topics which are relevant to the CA 2016, corporate sector and key-economic role players.

In 2018, a total of 79 CEPs (2017: 56) were organised in Kuala Lumpur, Penang, Ipoh, Johor Bahru, Kuala Terengganu, Kota Bharu, Kuching, Sandakan and Kota Kinabalu. The programmes were attended by 5,471 participants (2017: 4,598).



#### Malaysian Business Reporting System (MBRS) Training Programmes

In 2018, seminars on MBRS were introduced. The two MBRS training programmes offered by SSM and its partners Training Service Providers were 'Introduction to MBRS' and 'MBRS for Preparers – Financial Statements'.

A total of 19 seminars on 'Introduction to MBRS' and 14 seminars on 'MBRS for Preparers – Financial Statements' in Kuala Lumpur, Penang, Kuala Terengganu, Johor Bahru, Kota Kinabalu, Kuching and Ipoh were conducted. Both seminars were well received with an attendance of 3,002 participants.

In January 2018, the first Corporate Tea Talk (CTT) on 'Malaysian Business Reporting System' was held in Kuala Lumpur. The purpose of this two-hour free awareness programme was to introduce XBRL and the scope of submission under MBRS. A total of 10 CTT were organised nationwide from January to July 2018 and were attended by more than 2,122 stakeholders.

In 2018, more than 174 CTT (State Levels) on 'Malaysian Business Reporting System' were also offered by SSM State Offices and Branches. These free talks were attended by more than 3,968 stakeholders.

#### **Collaboration with Professional Bodies/ Organisations**

SSM has initiated a strategic collaboration with Partners and Training Service Providers under the SSM Trainers Development Hub, in fulfilling SSM's aspiration to achieve the mass conveyance of MBRS knowledge to stakeholders in a consistent and uniformed manner.

#### SSM's MBRS Training Partners:

- (a) Malaysian Institute of Accountants (MIA)
- (b) Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
- (c) Malaysian Association of Company Secretaries (MACS)
- (d) Institute of Approved Company Secretaries (IACS)

#### SSM's MBRS Training Service Providers:

- (a) Ernst & Young Tax Consultants Sdn. Bhd.
- (b) Formis Network Sevices Sdn. Bhd.
- (c) Big Dataworks Sdn. Bhd.
- (d) KPMG Management & Risk Consulting Sdn. Bhd.
- (e) Baker Tilly MH Consulting Sdn. Bhd.

#### TRAINING ACADEMY AND KNOWLEDGE MANAGEMENT

#### Seminar on 'Introduction to MBRS'

In 2018, a total of 102 seminars on 'Introduction to MBRS' for 4,653 participants were organised jointly by SSM and the MBRS Training Partners and Training Service Providers.

Organiser	Sessions	Participants
Training Partners (MAICSA, MIA, MACS and IACS)	76	4,069
Training Service Providers (Baker Tilly MH Consulting, KPMG, Big Dataworks, Formis and Ernst & Young)	26	584
Total	102	4,653

#### Seminars on 'MBRS for Preparers – Financial Statements'

In 2018, a total of 92 seminars on 'MBRS for Preparers – Financial Statements' for 3,399 participants were organised jointly by SSM and the MBRS Training Partners and Training Service Providers.

Organiser	Sessions	Participants
Training Partners (MAICSA, MIA, MACS and IACS)	57	2,362
Training Service Providers (Baker Tilly MH Consulting, KPMG, Big Dataworks, Formis and Ernst & Young)	35	1,037
Total	92	3,399

#### **Customised External In-House Training Programmes**

Atotal of 13 (2017:16) customised in-house programmes were conducted for the following organisations with 402 (2017: 1,059) persons participating in these programmes:

Programmes	Organisation
Company Directors Training Programme Fundamental 2.0	Persatuan Peladang Negeri Johor
Companies Act 2016	Bank Muamalat Berhad
Incorporation and Winding Up under Companies Act 2016	Jabatan Insolvensi Malaysia
Limited Liability Partnerships & Corporate Rescue Mechanism: Corporate Voluntary Arrangement & Judicial Management	KLCC Property Sdn Bhd.
Incorporation and Winding Up of Company & Company Director: Roles & Responsibilities	Jabatan Insolvensi Malaysia
Company Secretaries Training Programme Essential 1.0 – Part A	PETRONAS
Company Secretaries Training Programme Essential 1.0 – Part B	PETRONAS

Programmes	Organisation
Company Secretaries Training Programme Essential 1.0 – Part C	PETRONAS
Company Director Training Programme Essential	PERHEBAT
Corporate Directors Leadership & Integrity	INTAN
Company Director Training Programme Essential	IIUM Holdings Berhad
Company Directors Training Programme Fundamental 2.0	Lembaga Juruukur Bahan Malaysia
Company Director Training Programme Essential	PERHEBAT

#### **Corporate Tea Talks**

The 'Corporate Tea Talk Series' programme is an initiative to provide free training, primarily to educate and create awareness among corporate professionals and entrepreneurs about the development of legal reforms. A total of ten (10) (2017: 3) programmes were held in 2018 and were attended by 2,135 (2017: 785) participants. Throughout 2018, four (4) sessions were held in Kuala Lumpur.

	2018	2017	2016
CTT	10	3	8
Participants	2,135	785	1,368

#### SSM Training Programmes on Starting A Business and CA 2016

As part of SSM's corporate responsibility, SSM has continued its efforts to provide free training to educate and create awareness among graduates, students of higher learning institutions and new entrepreneurs with the aim of encouraging their entrepreneurial spirit.

In 2018, COMTRAC was invited to hold a talk on 'Start Your Own Business: Registration of Business and Limited Liability Partnership and Incorporation of Companies' and other related topics of 47 programmes with 3,241 participants who attended the programme.

#### Strategic Collaborations with Institute of Higher Learning

#### Universiti Teknologi MARA

Melestari Setiausaĥa Syarikat Bumiputera programme is a special collaboration programme between the SSM and Negeri Sembilan's Universiti Teknologi Mara (UiTM) aimed at providing training and learning to UiTM alumni who are keen to pursue a career as a Company Secretary.

This 5-day programme is compacted with classes, knowledge sharing slot with practitioners and visiting a Company Secretary's premises for exposure purposes before taking a written test and passing an interview session to obtain a licence as a legitimate company secretary.

This programme was conducted in two separate training sessions by maintaining a classroom approach and lecture. Detailed information on the implementation of this programme is as follows:

	Programme 1 (Series 6)	Programme 2 (Series 7)
Date	23-27 April 2018	22-26 October 2018
Venue	Fakulti Sains Pentadbiran dan Pengajian Polisi, UiTM Seremban 3	Fakulti Sains Pentadbiran dan Pengajian Polisi, UiTM Seremban 3
Time	8.30 am-5.00 pm	8.30 am-5.00 pm

The programme conducted in 2018 was a continuation of the Melestari Setiausaha Syarikat Bumiputera programme carried out in 2015, 2016 and 2017 at UiTM Seremban 3. Summary of the series' achievements are as follows:

Series	Date	Number of Participants	Passed
1	20 April-25 April 2015	24	14
2	30 May-3 June 2016	32	28
3	28 November-2 December 2016	22	18
4	15 May-19 May 2017	27	23
5	23 October-27 October 2017	28	27
6	23 April-27 April 2018	19	16
7	22 October-26 October 2018	50	39
	Total	202	165

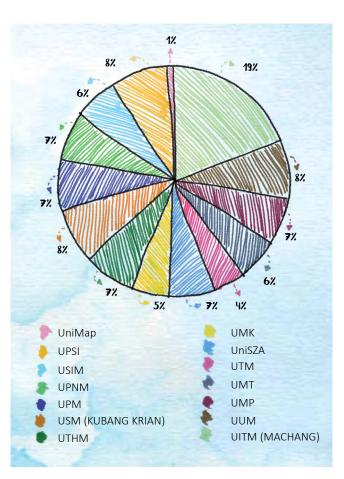
A total of 165 participants have been successfully licensed as a company secretary, and this has indirectly impacted the growing number of bumiputera company secretaries, and fulfilled the national agenda in strengthening the bumiputera economy.

#### **Universiti Malaysia Kelantan**

Corporate Directors Training Programme (CDTP) programme series 4 in 2018 was organised by the UMK Entrepreneurship Institute, Universiti Malaysia Kelantan in collaboration with SSM and Ministry of Higher Education. The programme was held on 29 October until 31 October 2018 at the Crown Garden Hotel, Kota Bharu, Kelantan. It was well attended by 109 students from various IPTA (Public University) in Malaysia. These students are directors of their own business at the University.

The programme aims to provide students with a clear picture and knowledge in business fields, especially directors of student companies from all public universities to ensure that companies run by them are in accordance with legal and regulatory requirements from time to time, at the same time focusing on in-depth aspects such as marketing, human resources and finance.









# "YOUR business starts at SSIVI



dedicated to providing efficient and top-quality services through continuous improvement to meet customer satisfaction























Regulatory reform and review completed/ currently undertaken by SSM:

	, , ,
Act/Regulation	Description
Drafting of the Registration of Businesses Bill	This initiative involves amendments to existing legislation on business registration that is currently regulated by SSM under the Registration of Businesses Act 1956. This initiative will ensure that business-related laws are relevant and up-to-date to regulate the business community as well as promote economic growth and business.
Drafting of the Companies (Practising Certificate) 2019	The regulations on the Companies (Practising Certificate) was drafted pursuant to section 241 of the CA 2016 to outline the parameters of the registration of practicing secretaries. With the enforcement of this regulation together with section 241 of the CA 2016, all qualified persons who wish to act as a secretary must register with the Registrar irrespective of their professional background.
	This is to ensure that the standard and professionalism of those acting as secretaries can be effectively monitored by SSM through a central database mechanism.
Review of the Trust Companies Act 1949	The review of the Trust Companies Act is intended to strengthen existing regulatory frameworks on trust companies. This initiative will ensure that more precise monitoring and enforcement actions can be taken on trust companies in Malaysia.
Amendments and review of the Companies Winding Up Rules 1972	The amendments and review of the Companies Winding Up Rules 1972 are to ensure that existing rules are harmonized with the CA 2016 which came into force on 31 January 2017 and also to be harmonized with the Rules of the Court 2012 which came into effect on 1 August 2012 to replace the Lower Court Rules 1980 and the High Court Rules 1980 which have been repealed.
Companies (Corporate Rescue Mechanism) Rules 2018 under the Companies Act 2016	The corporate rescue mechanism under Division 8 Part III of the CA 2016 has come into force on 1 March 2018. Accordingly, the Companies (Corporate Rescue Mechanism) Rules 2018 pertaining to Judicial Management (JM) and Corporate Voluntary Arrangement (CVA) was introduced so that the overall framework of the rescue mechanism under the CA 2016 regulated by SSM can be implemented comprehensively.
	CVA and JM is aimed to facilitate the rehabilitation of companies in the event of corporate insolvency to allow companies to restructure its debts, and at the same time able to continue with its business as opposed to the only way of winding up under the old rule, subject to some conditions.
Amendments to the Companies Act 2016	Proposed amendments to the CA 2016 are being drafted to improve and resolve the gaps that arise as a result of the implementation of the CA 2016, which will be more relevant to the current requirements.

Apart from the regulatory initiatives taken in year 2018, SSM also issued the following Practice Notes and Practice Directive throughout year 2018:

#### **Practice Notes**

- (i) Practice Note No. 2/2018: Circumstances and Procedures for Rectification of Documents Lodged and Registered with the Companies Commission of Malaysia
- (ii) Practice Note No. 3/2018: Clarification on Application for Extension of Time under the CA 2016
- (iii) Practice Note No. 4/2018: Procedures on Resignation of Secretary under Section 237 of the CA 2016

#### **Practice Directives**

- i) Practice Directive 4/2018:
  Documents under
  Division 8, Part III of the
  CA 2016, the Lodgement
  Requirements and Related
  Matters
- (ii) Amendment of Practice Directive 2/2017 (Revised)
- (iii) Amendment of Practice Directive 4/2018
- (iv) Practice Directive 5/2018 Lodgement of Annual Return and Changes or Updates of Particulars of a Company to be Lodged in the Annual Return

# REPORT ON SERVICE DELIVERY

#### BUSINESS CLIENT CHARTER FOR ONLINE TRANSACTIONS



#### **Business Registration Client Charter Over the Counter**

Forms	Client Charter	Percentage (%)
New Business Registration (Form A)	1 Hour	97.07
Renewal of Business Registration (Form A1)	15 Minutes	99.36
Change of Business Registration (Form B)	1 Hour	98.37
Termination of Business (Form C)	15 Minutes	96.76

#### **Companies Client Charter Performance**

Forms	Client Charter	Percentage (%)
Incorporation of a New Company (Section 14)	1 Day	100
Approval of Name (Section 26)	1 Day	100
Certificate of Starting a Business for Public Companies (Section 190)	1 Day	100
Change of Company Name (Section 28)	1 Day	100
Change of Status (Section 41)	1 Day	100
Registration of Charge (Section 352)	2 Day	100
Registration of Prospectus	3 Day	100



#### MALAYSIA CORPORATE IDENTITY (MYCOID)

Beginning on 1 March 2018, SSM has implemented the mandatory of applyication Change Particulars of Officers (CPO) where applications for changes of director's information, secretaries and managers have to be lodged via online submission.

Subsequently, on 29 June 2018, the SSM MyCoID2016 has been enhanced by the introduction of Auto Register involving Change Particulars of Officers (CPO) and Appointment of First Company Secretary (AFC) modules. This enhancement of registration by Auto Register was carried out to ensure there are no delays in registering the changes of a company's main information.

#### **Statistic of MyCoID2016**

Transactions	2018	2017	2016
Name search	83,675	87,088	88,360
Incorporation	47,214	47,690	42,158
Appointment first company secretary	47,292	44,034	-
Return of allotment	41,625	36,190	-
Register of members	100,028	86,765	-
Lodgement of constitution	6,142	4,058	-
Change in registered address	66,613	24,576	-
Change in particulars of directors, managers and secretaries	214,660	77,129	-
Reassignment of company secretary	26,393	5,455	-
E-charges	1,560	607	-
Total	635,202	413,592	130,518

#### LIMITED LIABILITY PARTNERSHIPS

Transactions	2018	2017	2016
New registration of LLPs	4,327	3,995	3,207
Conversion of conventional partnership to a limited liability partnership	82	102	95
Conversion of a private company to a limited liability partnership	21	35	45
Total	4,430	4,132	3,347

The statistic of submission for post registration of limited liability partnership received as follows:

Transactions	2018	2017	2016
Annual declaration	5,729	4,225	3,119
Change of particulars of LLPs	2,871	2,424	1,937
Change of name	246	187	177
Amendment & rectification	78	44	46
Extention of time	27	19	5
Total	8,951	6,899	5,284

#### CORPORATE MANAGEMENT APPLICATIONS

Applications	2018	2017	2016
Application for extension of time under Section 259(2) and 340 CA 2016	2,582	1,965	881
Application to obtain relief on the form and content of the financial statements and directors' report under Section 255(1) CA 2016	144	155	147
Application to obtain relief for a subsidiary having a different financial year end from the holding company under Section 247(3) CA 2016	45	64	56
Application for exemption for foreign companies to lodge the account in Malaysia under Section 575(7) CA 2016	57	67	68
Lodgement fee of initial public offerings, abridged prospectus and other supporting documents	715	880	562
The company's Quarterly Report lodgement borrowing by the directors of the company	64	98	114
Total	3,607	3,229	1,828

#### COMPANY LIMITED BY GUARANTEE

As at December 2018, a total application incorporation of Company Limited by Guarantee (CLBG) are 2,455 companies comprising of 1,471 CLBG without the word 'Berhad' and 984 CLBG with the word 'Berhad'.



#### **Applications for approval by Minister**

Applications	2018	2017	2016
Application for incorporating CLBG without the word 'Berhad'	61	58	75
Application for incorporating CLBG with the word 'Berhad'	39	51	58
Application to drop the word 'Berhad'	0	2	3
Application to hold/ dispose/ charge land/ property	78	188	58
Application for appointment of new Directors	415	366	212
Application to seek contributions/ donations from the public	11	17	20
Application for amendment of company's Constitution	55	71	81
Total	659	753	507



Applications	2018	2017
Application for appointment of new Directors	422	34
Application to seek contributions/ donations from the public	7	1
Application for amendment of company's Constitution	19	8
Total	448	43

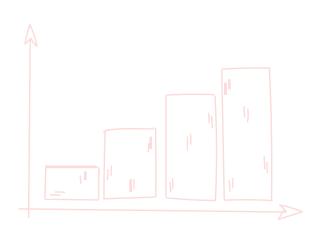
## INTEREST SCHEMES

In 2018, there were 8 applications for registration of new schemes that were processed and this included four (4) applications which were received at the end of 2017. Out of the 8 applications, four (4) schemes were registered in 2018. These consisted of one (1) Memorial Park Scheme, one (1) Marina Scheme, one (1) share Farming Scheme and one (1) Recreational Club Scheme.

As of December 2018, four (4) schemes inclusive of one (1) Share Farming Scheme, two (2) Memorial Park Schemes and one (1) Recreational Club Scheme are yet to be registered as they were in the process of complying with the registration conditions prior to obtaining approval. The number of registered interest schemes increased to 211 as at 31 December 2018.

#### **Number of Registered Interest Schemes**

Category	2018	2017	2016
Golf and Recreational Club	72	72	72
Club By Shares	22	19	22
Recreational Club	35	35	34
Timesharing	28	27	27
Marina	10	9	9
Memorial Park	18	15	15
Sharefarming	13	12	11
Equipment	2	3	3
Property	10	10	10
Total	210	202	203

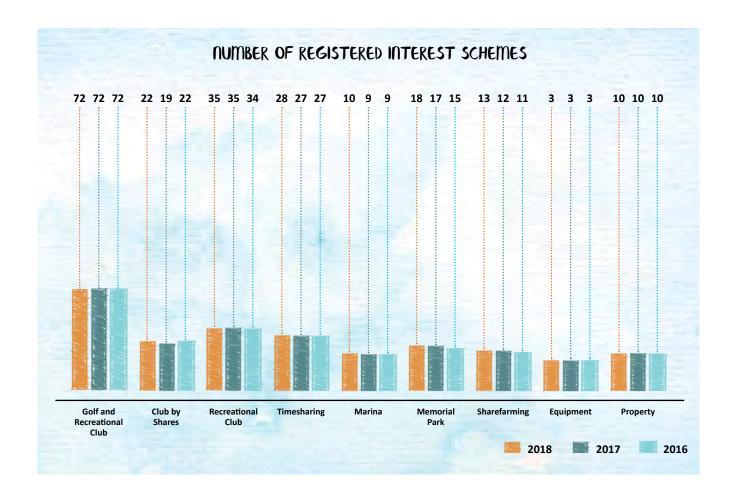






#### **Result and Impact**

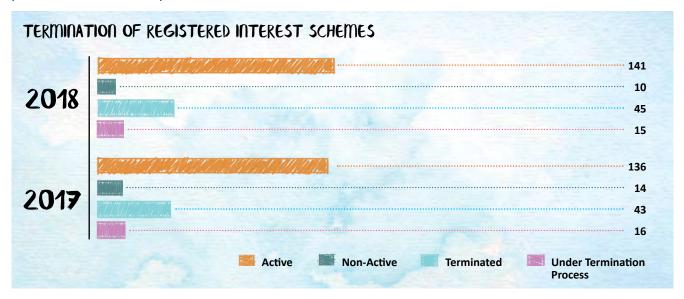
Golf and Recreational Club schemes make up the majority of the registered interest schemes, with a share of 61.13% or 72 schemes followed by a distant 13.27% by timesharing schemes. The registration of memorial park schemes increased by 5.88% to 15. The registration of timesharing scheme increased by 3.70% to 28. The registration of Share Farming Scheme increased by 8.33% to 13. Overall, there was an increase in the registration of interest schemes for 2018 compared to 2017. These new additions resulted in the increase of the overall value of registered interest schemes to RM 29.6 billion as at 31 December 2018.





SSM has taken a proactive and structured approach to regulate orderly closure of schemes such as those that have long been inactive but yet to be properly terminated, problematic schemes which can no longer continue or are no longer profitable or schemes which are suffering heavy losses. SSM plays a vital role in ensuring that management companies or trustees take the necessary steps in order to ensure that the termination or winding up is in compliance with the law.

Between January and December 2018, a total of two (2) schemes wound up, bringing the cumulative total of discontinued schemes as at 31 December 2018 to 45. The termination of 15 more schemes under termination process are still underway.

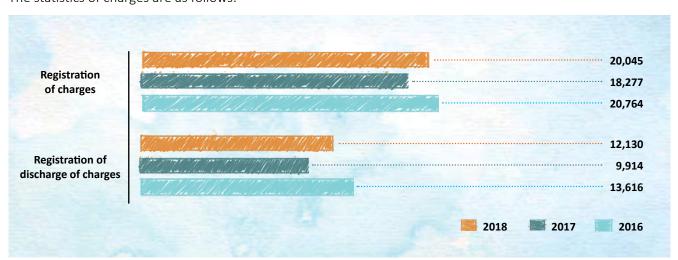


#### **Result and Impact**

Actions taken to lawfully terminate or wound up inactive or problematic schemes will pave the way for investors or stakeholders to seek a fair outcome under the law. For instance, if the scheme retain any fund or asset, the terms for winding up of a scheme may specify that a certain amount from the retained fund be distributed to compensate the investors.

## CHARGES

The statistics of charges are as follows:



## WINDING UP AND STRIKING OFF

Year	2018	2017	2016
Winding-up			
Number of wound up company	3,059	2,169	2,764
Number of dissolved company	1,724	1,634	1,866
Striking off			
Number of dissolved company	67,110	58,712	56,243

## ASSET MANAGEMENT OF DISSOLVED COMPANY

Categories	2018	2017	2016
Applications to the Registrar to act as a representative of defunct company under section 556 CA 2016	45	34	24
Assets vested to the Registrar under section 557 CA 2016	35	5	26
Applications for the purchase of the assets vested under section 558 CA 2016	7	6	1
Total	87	45	51

## CORPORATE RESCUE MECHANISM

SSM has enforced Part III, Division 8, Subdivision 1 & 2 of the CA 2016 relating to Corporate Rescue Mechanism (CRM) comprising of Corporate Voluntary Arrangement (CVA) and Judicial Management (JM) on 1 March 2018. The objectives of CRM are as follows:

## OBJECTIVES OF CRM



To assist a company in financial difficulties to be rehabilitated and improve its profit performance



To enable the company to prepare and implement the rehabilitation plan without interference from the creditors



The mechanisms provide processes and procedures for rehabilitation rather than taking the last resort to wind-up the company

Since CRM came into force, one (1) company has filed documents to the Court to place the company under CVA.

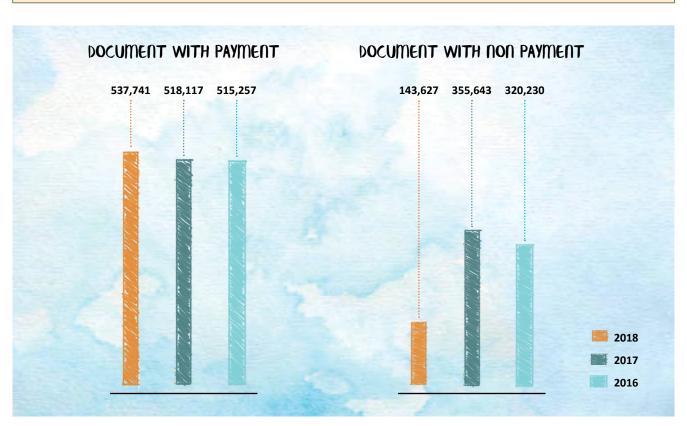
As of December 2018, 15 companies have applied to the Court to place a company under JM. Out of 15 Companies, the Court rejected the application of three (3) companies, while another three (3) companies were placed under JM and nine (9) other companies were in the process of trial in Court.

To facilitate the implementation of CRM, the Companies (Corporate Rescue Mechanism) Rules 2018 and Practice Directive 4/2018 have also been enforced and introduced on the same date.

Type of CRM	Companies
Corporate Voluntary Arrangement	1
Judicial Management	15

## REGISTRATION OF BUSINESSES OVER THE COUNTER

Total Transaction Over the Counter							
Form 2018 2017 2016							
Registration of Business (Form A)	112,129	361,600	365,431				
Application for Renewal of Business Registration (Form A1)	527,918	620,246	426,845				
Registration of changes in Business Particulars (Form B)	146,187	209,104	205,195				
Notice of Termination for a Registered Business (Form C)	27,342	48,632	30,547				
Total	813,576	1,239,582	1,028,018				



#### **Business Registration Mobile Counter**

States	Frequency	New Business Registrations	Changes in Particulars	Business Renewals
Kuala Lumpur	81	175	13	53
Labuan	-	-	-	-
Perlis	4	-	-	-
Terengganu	45	647	262	981
Melaka	96	911	96	518
Pahang	63	922	541	1,367
Negeri Sembilan	93	1,401	356	1,591
Kedah	336	522	986	158
Kelantan	75	1,571	567	2,318
Perak	98	2,468	1,395	2,333
Pulau Pinang	75	2,391	1,383	4,943
Selangor	44	1,554	436	540
Johor	218	4,755	2,331	5,826
Total	1,228	17,317	8,366	20,628

#### **Service Counter at Putrajaya**

2018	2017 Transaction	2016
	Transaction	
	↓ 108,640 (Counter)	<b>→</b> 141,052
∠4,749 (Ezbiz OTC)	→ 8,234 (Ezbiz OTC)	

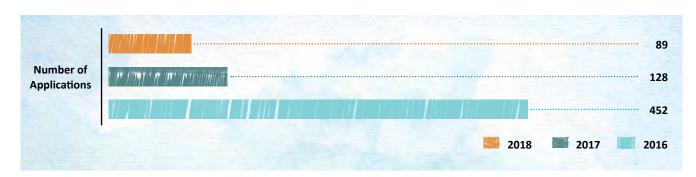
#### **Service Counter at Cyberjaya**

2018	2017	2016
	Transaction	
← 6,438 (Counter)	→ 7,984 (Counter)	→ 782 (Counter)
269 (Ezbiz OTC)	↓ 142 (Ezbiz OTC)	



ИТС	20	18	20	17	20	16
	Company	Business	Company	Business	Company	Business
Kuala Lumpur	-	190,018	-	141,108	-	103,387
Melaka	-	17,125	10	313,214	59	12,461
Pahang	-	27,408	-	11,285	-	29,341
Terengganu	12,188	38,645	12,765	38,838	6,362	12,048
Perlis	1,221	27,773	-	-	-	-

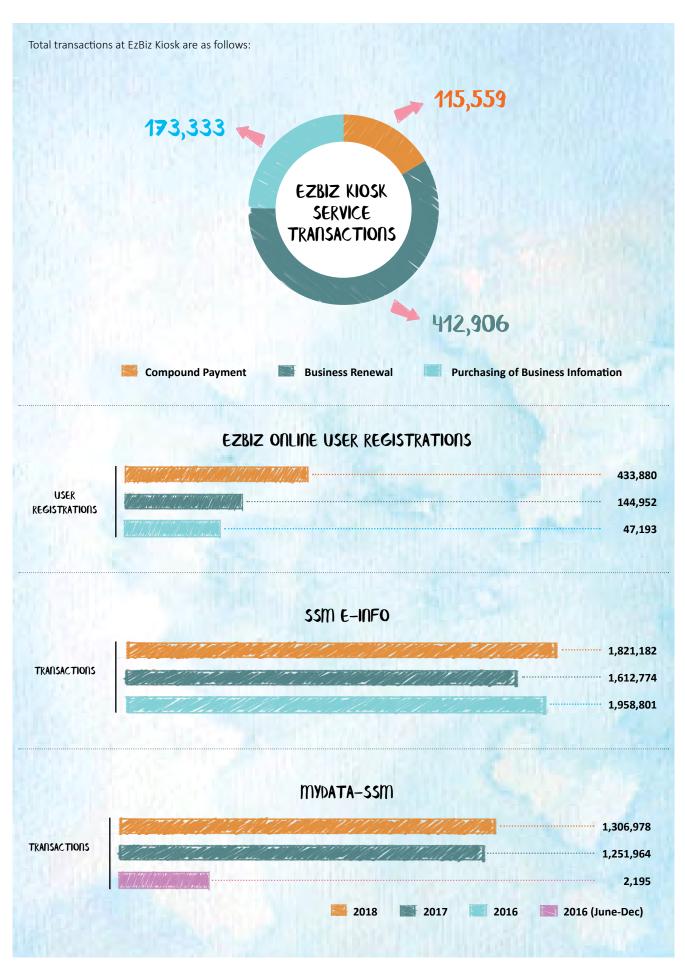
#### **Corporate and Business Information Data (CBID)**



## EZBIZ KIOSK

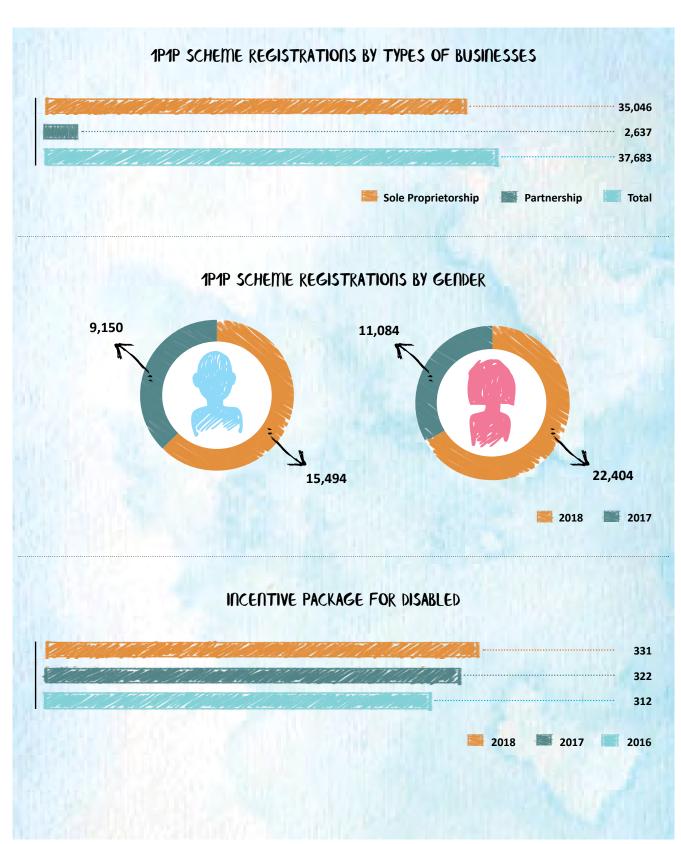
Locations	Unit	Operating Dates
SSM Kedah	1	27 June 2018
SSM Sungai Petani, Kedah	1	27 June 2018
SSM Perak	2	29 June 2018
SSM Perlis	1	29 June 2018
SSM Negeri Sembilan	1	3 July 2018
SSM Temerloh, Pahang	1	4 July 2018
SSM UTC Terengganu	1	10 July 2018
SSM Muar, Johor	2	11 July 2018
SSM Kelantan	2	12 July 2018
SSM Melaka	1	12 July 2018
SSM Pulau Pinang	1	12 July 2018
SSM UTC Melaka	1	12 July 2018
SSM Selangor	1	20 July 2018
SSM Pahang	1	20 July 2018
SSM UTC Pahang	1	20 July 2018
SSM Langkawi, Kedah	1	13 November 2018

#### REPORT ON SERVICE DELIVERY



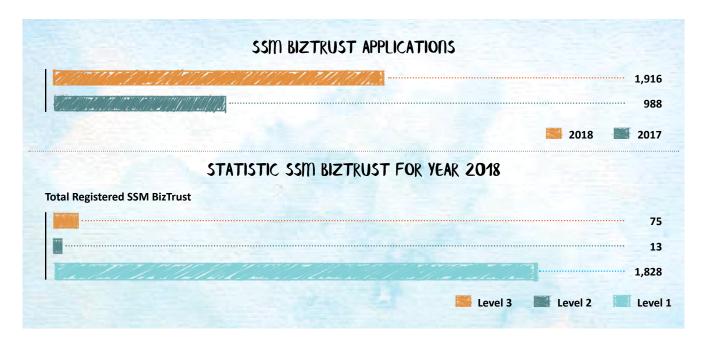
## 1 STUDENT 1 BUSINESS SCHEME (1P1P SCHEME)

As of December 2018, a total of 37,683 IPT students of Public/ Private Institution of Higher Learning have registered businesses under the 1P1P Scheme involving an allocation of RM2,282,069.60. The table below shows the breakdown of types of businesses and genders that participate in the 1P1P Scheme.



## SSM BIZTRUST

SSM BizTrust provides a single platform for online business operators to enhance customer confidence while making transactions online on the website/ social media/ business blog. The BizTrust SSM logo has been recognised as a trademark by the Intellectual Property Corporation of Malaysia (MyIPO) on 1 March 2018.



## **BUSINESS ADVISORY**

The Business Advisory Unit was introduced on 3 July 2017 as one of the ways to improve SSM's service delivery. The Unit is responsible to provide a quality and holistic consulting service solutions with the latest information on ease of business set-up process in Malaysia.

In 2018, a workshop on Business Advisory Service Implementation was successfully held on 24-26 September 2018. The workshop was attended by 12 agencies with 20 participants. The objectives of conducting this workshop were to:



## SSM CONTACT CENTRE

Transactions	2018	2017	2016
Total calls received	196,551	191,248	112,334
Total emails received	95,398	78,592	30,351
Total facsimiles received	399	652	804
Total	292,348	270,492	143,489

## INCUBATOR

SSM in collaboration with RS Center Cube Sdn Bhd took the initiative to create a one stop center or incubator that serves as an office rental service center for the business community residing in Sarawak to do online business and register businesses under ROBA 1956. As of December 2018, 259 businesses were registered by using the incubator services.

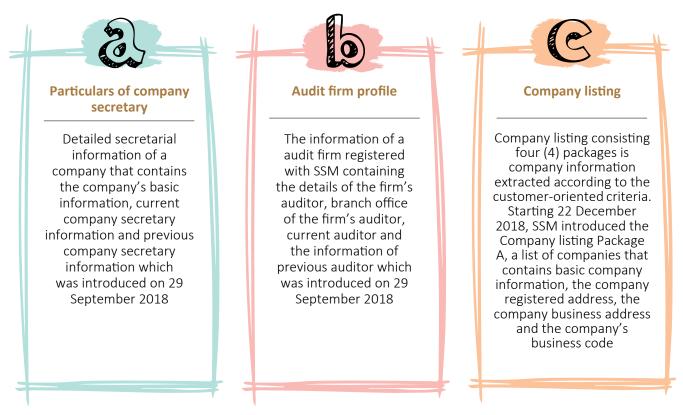
Every business registered through an incubator must use the main business address as follows:



LG-03, SME Technopreneur Center 3 Blok 3740, Persiaran APEC, Cyber 8 63000, Cyberjaya, Selangor

## **NEW PRODUCTS**

SSM consistently conducts new product development to ensure that SSM meets the needs of customers and stakeholders, in line with the industry's demand for information on business entities in Malaysia. In 2018, SSM introduced three (3) new products that are available online via the MyDATA-SSM portal:



## MALAYSIAN BUSINESS REPORTING SYSTEM

The Malaysian Business Reporting System or its acronym, MBRS refers to the submission platform-based on the eXtensible Business Reporting Language (XBRL) format. MBRS allows for the submission of the Annual Return (AR), Financial Statements and Report (FS) and Exemption Applications (EA) related to the FS and AR.

The guiding principles behind the financial and the non-financial scopes for MBRS is based on the CA 2016, Malaysian Private Entities Reporting Standards (MPERS) and Malaysian Financial Reporting Standards (MFRS). MBRS is an electronic submission platform that allows companies to file a company's annual return, financial statements and reports, and specific exemptions through a digitalised system. It will enable paperless filing of business reports and company information, enhance reliability, timeliness and accuracy of corporate and business information being filed, and introduces a digital signature for secure submission. The MBRS was officially launched on 27 September 2018 by YB Tuan Chong Chieng Jen, Deputy Minister of Domestic Trade and Consumer Affairs at the Auditorium Tun Dr. Siti Hasmah, Menara SSM@Sentral.



## DIGITAL CTC

Digital CTC is a digital document authentication service that is manually transformed through a combination of statutory imaging technology, digital signature, Quick Response Code (QR code) with security features.

Currently, SSM is the only agency that offers Digital CTC to customers where the digital signature process is implemented by Pos Digicert Sdn Bhd (Pos Digicert) as the licensed certification authority approved by the Malaysian Communications and Multimedia Commission (MCMC) under the Digital Signature Act 1997 and Digital Signature Regulations 1998.

SSM has earned numerous awards and accolades such as the IDC Digital Transformation Awards 2018 Information Visionary Category on 9 October 2018, and the DX Awards Information Visionary Category on 25 October 2018.



# COMPANIES COMMISSION OF MALAYSIA TRANSFORMATION PROGRAMME

#### **Digitalisation of SSM Business and Corporate Services**

SSM views the Digitalisation Initiative as one of the competitive strategies to improve SSM's service level, as well as the Malaysian government's approach towards the digital economy environment. Hence, focus has been given to upgrade the technical capabilities of information technology infrastructure and support skills. Through the SSM Transformation Programme (SSMTP), initiatives were established to address the new service development needs. The following three main activities supporting the Digitalisation Initiative have been successfully implemented from 2017 to 2018.

## SSM Information Sharing Gateway (SSM Middleware System)

Malaysia has embarked on an open data initiative through the development of ecosystems connecting government agencies, industries, academic and general public since early 2014. SSM welcomed this open data policy by establishing an inter-agency collaboration by introducing the MyCoID system aimed at connecting businesses and companies information to other regulatory agencies such as Employees Provident Fund, Inland Revenue Board, Social Security Organisation, SME Corporation Malaysia, Human Resource Development Fund. In order to enhance the capabilities of this collaboration, SSM has initiated SSM Information Sharing Gateway which is also known as 'SSM Middleware System' that uses open data standards of information sharing. The main objective of implementing this system is to enable a real-time online information sharing base. As a result, cost in system integration can be minimized due to interface readiness which is reusable. Development time can also be accelerated as programmers no longer need to create new codes.

#### Concept

The SSM Information Sharing Gateway, is a shared platform that interfaces any online transaction between the computing system. It integrates internal system communications as well as external systems for a common method and open protocol to enable data exchange either from legacy or new system to work efficiently and effectively.

In general, all available integration services will be listed in SSM Information Sharing Gateway service catalogue. Those who wish to integrate with the SSM information system will have the information contained in the catalogue. Once the application from the catalogue is determined, the scheme and integration manual will be provided for third parties programme development. Testing platforms will also be provided to test the effectiveness of the service from the third-party system. If the supplied information does not meet the integration requirements, or the required services are not listed in the catalogue, applications for development will be made for a new service. This process will be repeated for continuous improvement and to ensure that service changes can be handled dynamically from time to time.

#### **Achievement**

Currently, all third-party integration with SSM's information system has been made 100% through this platform. It provides a clear picture of the performance and information exchange that will facilitate the strategic planning and quality improvement of SSM services in the future.

#### **Technology Refresh**

SSM has taken steps to ensure the underlying technology are at par with the requirement to support the SSM Corporate system's needs. The technology refresh has been initiated for SSM's network and Data Centers.

Among other the technology refresh is performed for:

- 1. Prevent technological obsolescence that causes:
  - (a) Servers that cannot handle new software;
  - (b) Networks that cannot handle newer network infrastructure equipment;
  - (c) Wireless networks stuck due to usage of old hardware; and
  - (d) Hardware and software that no longer receives supports from the manufacturer.
- Keep pace with industry trends and innovations for example like high bandwidth streaming, advanced VOIP solutions and other modem trends.
- A new ICT environment with high-availability to support SSM. New Primary Data Center (PDC) and a new Secondary Data Center (SDC) with active configuration to support the new systems.
  - (a) Active-Active Configuration Via PDC and SDC
    - Continuous availability;
    - Focus on uptime rather than recovery;
    - Ability to perform maintenance on applications without disrupting service; and
    - Can avoid disruption and achieve continuous operations.
  - (b) Server, Storage and Backup
    - Server refresh that offers commanding performance, reliability and availability, compelling consolidation and virtualization efficiencies, security and data protection features for system resiliency:
    - Storage that scalable to meet increasing data growth needs and flexible to meet unpredictable business demands;
    - Data protector software automates high performance backup and recovery from disk or tape to enable 24x7 business continuity; and
    - Using virtual server instead of physical server for centralized management, simplified support and maintenance, saving electrical energy used, and vulnerability of each service does not affect another service.

## IT SECURITY INFRASTRUCTURE

Under SSMTP Programme, one of the five components of the SSM transformation besides ICT Technology Refresh is the Security Infrastructure.

- (a) The Security Infrastructure project is an example of cyber and information security transformation done by a government agency in enhancing its function and role in digital economy. This is done by proactively taking measures to address the cyber security and information security threats in the digital world.
- (b) With the functions and roles of SSM as the Malaysia corporate regulator who takes care of corporate and business information, this project is a significant step in ensuring the safety of the information is maintained.
- (c) The deliverables of the project which places protection at all levels to the internal users, networks, applications and SSM databases and systems puts a high benchmark on cyber security solutions implemented in this project. This benchmark puts the minimum requirement on the protection of information and support services required by the government and its agencies in addressing cyber security threats.
- (d) As a result of this commitment, SSM received the 'Cyber Security Project of the Year' award from the Malaysia Cyber Security Awards (MCSA) on 26 September 2018. The award was presented during the CSM-ACE Forum, which is a prestigious cyber security event run by CyberSecurity Malaysia, in collaboration with the National Cyber Security Agency (NACSA) and approved by the National Security Council.
- (e) The MCSA is held in recognition of individuals and organisations on the development of cyber or information security in Malaysia. The award is given as a recognition of commitment, innovation, industry leadership/ goods/ services and sustainable business strategies related to cyber security and information. The award not only recognises professional and organisational efforts in cyber security and information but also promotes strategic innovation and collaboration between local cyber security practitioners and the ICT industry to ensure the continued importance and continuity of cyber security in the Malaysian ICT landscape.

- (f) The 'Cyber Security Project of the Year' award is given to projects that have demonstrated an example performance in 2018 in Malaysia. Nominations for this award are judged according to the following criteria:
  - Design of Security Framework and Project scope – The complexity, size, duration, impact area;
  - Security Initiative The impact of project security initiatives on organisations and communities;
  - Technology and Innovation Methods and Approaches – technology, process and human elements involved in information security and risk management as well as the integration of these elements; and
  - Project Deliverables The success of the project in terms of timely delivery, using the budget provided and achieving project objectives. The project also needs to show added value to services besides the alignment of security strategies and business strategies as well as contribute to the cyber security industry as well as the development of cyber security in Malaysia.



## THE WAY FORWARD

Since the organisation's mission is moving on an agile technology platform or 'Agile Technology', it is expected that the agile development approach should also be applied to meet current requirements. It is hoped that such initiatives will ensure SSM remains relevant in accelerating Industrial Revolution 4.0 in the cycle of world's digital economy.

## ENTERPRISE ARCHITECTURE MANAGEMENT

Effective on 2 February 2017, SSM approved and enforced the Enterprise Architecture Management Section. Among the key tasks and responsibilities outlined are to implement Enterprise Architecture management in accordance with the TOGAF framework, guidelines and procedures.

The implementation of enterprise architecture management is aimed at enabling SSM to reduce the fragmentation of ICT project development in every division/ section/ state office, improve the ability of each division/ section/ state office to share information, enhance the ability of external (public) users to access information, identify end-to-end service opportunities and enable SSM to have a comprehensive view on the use of technology to ensure better technology planning and development.

SSM's enterprise architecture vision is to provide agile and integrated technology platforms for the registration and support systems that are capable of achieving higher efficiency with better management, collection, sharing and analysis. Among the basic principles of SSM's enterprise architecture are as follows:

- (a) Automation of processes;
- (b) Data integration and middleware enablement;
- (c) Data digitalisation;
- (d) Information-driven business entity;
- (e) Public Key Infrastructure (PKI) enablement;
- (f) Infrastructure technology refresh;
- (g) Open data incorporation; and
- (h) Awareness creation.

Among the activities completed in 2018 are as follows:

Category	Activities
Technology	Migration of SSM's 'EA Repository' (Orbus iServer) to the current version (2017 FP1).
Process	Conducted Enterprise Architecture Awareness Level Survey among SSM employees. EAMS has managed 1 Change Request for XBRL project and 2 Change Request for ERP project that has been brought to Enterprise Architecture Board (EAB) for approval.
People	(a) Organised Awareness Programme for SSM Enterprise Architecture Board (EAB) on 12-14 April 2018 at Ramada Plaza, Melaka.



## SSM NEW ORGANISATION STRUCTURE

SSM has implemented the Transformation Program (SSMTP) from 2015 until the end of 2021. SSM has been responsible for ensuring that all human resource-related changes are implemented on a staggered basis including changes to organisation structure, new job vacancies, preparation of training plans and other initiatives listed in the SSMTP Blueprint.

## RECRUITMENT

For 2018, a total of 44 new employees from various grades reported to SSM's various Divisions, Sections and State Offices. Furthermore, 38 employees were promoted to various positions and grades in various Divisions, Sections and State Offices. Statistics of new and promoted employees in 2018 are as follows:

Position	Entrance Status	
	New Employee	Promotion
Senior Management	-	1
Middle Management	-	5
Executive	32	30
Supporting Group	12	2
Total	44	38

Throughout 2018, a total of six (6) interview sessions have been conducted involving 169 internal and external candidates. Six (6) psychometric test sessions have been conducted involving 295 internal and external candidates.



The SSM Induction Course 2018 was held on 12-19 March 2018 at the Outward Bound Malaysia, Lumut and Serene Resort & Training Center, Janda Baik. The programme was attended by 72 new employees.



## COACHING COURSES FOR SUPERVISORS GROUP 1 AND 2

The programme was conducted in two (2) sessions on 12-15 July 2018 for the first session and 4-7 October 2018 for the second session. The programme was held at Pulse Grande Hotel, Putrajaya and was attended by 57 participants from Headquarters and State Offices.



## SSM EXCELLENCE LEADERSHIP PROGRAMME (ALL STARS)

The programme was held at the Royale Chulan Damansara, Petaling Jaya, Selangor from 16-20 September 2018 and was attended by 53 participants from Headquarters and State Offices.



#### PERFORMANCE ENHANCEMENT PLAN PROGRAMME (PEP)

The programme was held at the De Palma Eco-Resort, Kuala Selangor from 22-24 April 2018 and was attended by 17 participants from Headquarters and State Offices.

#### SKIM LATIHAN 1 MALAYSIA COURSE (SL1M)

Beginning 15 January 2018, 30 SL1M participants joined SSM with the objective to enhance the employability of participants in gaining experience during the training period at SSM. During this period, participants were exposed to a variety of knowledge and skills to enhance their competence level. Programmes that were organised are as follows:

Details	Quarter 1	Quarter 2	Quarter 3
Date	23-26 January 2018	5-7 June 2018	18 September- 1 October 2018
Programme	Kem Bina Semangat	Ready for Takeoff Prvogramme	SL1M Improvevment Skills
Venue	Cheringin Hills Convention & Spa Resort, Janda Baik	Corporate Training Room, Menara SSM@Sentral	Corporate Training Room, Menara SSM@Sentral





SSM participated in the Malaysia International Awards 2018 in the organisational – Employer of Choice (Public/ Social) category on 9 July 2018. This is an annual event organised by the Malaysian Institute of Human Resources Management (MIHRM). The main objective of the competition is to give recognition to organisations that have proven to be strategic and important business partners to employees and customers to achieve organisational goals. The competition also serves as a platform for assessing and improving the quality of human resource management as well as giving recognition to organisations that practice excellent standards in human resources.

The award was presented by the Deputy Minister of Human Resources, YB Dato Mahfuz Omar at the 'The 18<sup>th</sup> Malaysia – International HR Awards 2018' Dinner held on 16 November 2018 at Sunway Resort & SPA Hotel, Subang.



#### **EXCELLENCE SERVICE AWARD 2018**

SSM Organised the Excellence Service Award Year 2018 which was officiated by Dato' Seri Hamzah bin Zainudin, Minister of MDTCA. The event was jointly organised by SSM, Intellectual Property Corporation of Malaysia, Malaysia Competition Commission and Maktab Koperasi Malaysia on 6 March 2018 at Dewan Tun Razak, Menara Kembar Bank Rakyat. The event was attended by 600 guests from respective agencies involved and 65 SSM employees received the Excellence Service Award.



#### SSM SCHOLARSHIP

In 2018, SSM introduced scholarship facilities for employees and children. This SSM scholarship facility is for the Bachelor's degree (open to employees and children), Masters and Doctorate (open to employees only) at public institutions of higher learning or private institutions of higher learning in Malaysia. As of November 2018, two (2) employee's children have received this scholarship.

## SSM PARTICIPATION IN THE MDTCA CREATIVITY AND INNOVATION CONVENTION 2018 AND MDTCA INNOVATION AWARDS 2018

SSM was represented by six (6) KIK groups at the MDTCA Innovative and Creative Conventions and the MDTCA Innovation Awards 2018 held on 29-30 October and 27-28 November 2018 respectively.

The SSM team of Dynamic 10 was honoured to receive the MDTCA Innovation Award 2018 as the champions. Detective Conan won third place for the MDTCA Innovative and Creative Group Award 2018 and Fusebiz was announced as the winner of the Best Documentation Award for MDTCA Innovative and Creative Team 2018 category.







#### SSM'S CREATIVITY AND INNOVATION CONVENTION 2018

The SSM 2018 Creativity and Innovation Convention was held for the first time on 28 June 2018. A total of 22 teams from SSM offices nationwide competed in this convention. The programme was officiated by YBhg. Dato' Zahrah Abd Wahab Fenner, Chief Executive Officer of SSM.

This convention is meant to promote and cultivate innovation and creativity among SSM staff while also recognising and rewarding the employees involved in the KIK. Additionally, this convention can identify new ideas that can be applied at SSM to enhance the service delivery system and provide the best team to represent SSM in Creativity and Innovation Convention competition at the Ministry and National levels.





On 13 February 2018, the SSM Employees Code of Ethics 2017 Edition was launched by YBhg. Dato' Zahrah Abd Wahab Fenner, Chief Executive Officer of SSM.



## THE INTEGRITY PLAN OF COMPANIES COMMISSION OF MALAYSIA

The Integrity Plan of Companies Commission of Malaysia (IPCCM) 2018-2020 was launched on 7 March 2018 and it is one of the main pillars of the SSM corporate governance framework.

The main objective of SSM Integrity Plan is to enhance and maintain public confidence in the integrity culture practiced by SSM. This achievement can be realized with the existence of an integrity plan in SSM with the following convergence:

- (a) Improve the understanding of integrity of SSM employees;
- (b) Promote and engage in values of ethics, ethics and integrity among SSM employees;
- (c) Creating intimate collaboration among SSM employees; and
- (d) Increasing the level of awareness and responsibility of SSM staff.



## CORRUPTION RISK MANAGEMENT (CRM)

CRM is a management process that helps organisations to identify the risks of corruption, abuse of power and embezzlement. It offers a systematic risk management plan in establishing good governance which reduces the opportunity for corruption, abuse of power and embezzlement.

The CRM briefing was held at Movenpick Convention Centre, Sepang on 11 October 2018. The briefing was attended by 42 officers comprising Executive Management, State Directors and Branch Managers. CRM briefing was delivered by Puan Salwa Muharam, Senior Assistant Commissioner, Inspection and Consultancy Division of Malaysian Anti-Corruption Commission, Putrajaya.

SSM organised various programmes on integrity and discipline as follows:

## **PROGRAMMES**







#### INTEGRITY TALK ON 'TUMBUK RUSUK PENGKISAHAN DARI TIRAI BESI'

4 May 2018 Auditorium Tun Dr. Siti Hasmah Menara SSM@Sentral





#### BRIEFING ON 'BAHAYA DADAH'

National Anti-Drugs Agency (AADK) 28 June 2018 SSM Kelantan







Malaysian Anti-Corruption Commission (MACC)
11 October 2018
Movenpick Convention Centre, Sepang

#### REPORT ON SERVICE DELIVERY

## SSM INTEGRITY DAY AT EAST MALAYSIA ZONE

15 November 2018 SSM Sabah Office





#### BRIEFING ON 'BAHAYA DADAH'

National Anti-Drugs Agency (AADK)
15 November 2018
SSM Sabah Office

#### COURTESY VISIT TO SABAH ECONOMIC DEVELOPMENT CORPORATION (SEDCO)

16 November 2018 Sabah Economic Development Corporation Office





## BRIEFING ON INTRODUCTION TO CORRUPTION RISK MANAGEMENT (CRM)

6 December 2018 Corporate Training Room Menara SSM@Sentral





## TRAINING ON MANUAL PROSEDUR KERJA (MPK)

Integrity & Discipline Section 13-15 December 2018 Concorde Hotel, Shah Alam





# INCREASE CUSTOMER SATISFACTION WITH LOGO DISPLAY



a standard obtained via online by a business entity through certification issued by SSM that the entity has complied with the prescribed SSM BizTrust principles and criteria

- Entity registered with SSM
- 👪 Has a website/social media
- Complied with the online business ethics

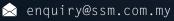
FREE OF CHARGE

UNTIL

30 DECEMBER 2020

For more information, visit https://biztrust.ssm.com.my









## STAKEHOLDERS' ENGAGEMENT

## AND COLLABORATIONS

#### **Corporate Registrar Forum 2018**

The programme was held at the Gaborone International Convention Center (GICC) Grand Palm Hotel Casino with the theme 'Corporate Registries, A Critical Vehicle for Global Economic Growth'. The programme is organised by the Botswana-based Companies and Intellectual Property Authority (CIPA) in conjunction with the Corporate Registers Forum (CRF) for five (5) days, from 21 to 25 May 2018.

There were more than 192 delegates from the continents of Asia, Europe, Africa, South America and Oceania who are company registrars or representing registers in their respective countries. SSM presented a paper entitled 'Self-sustainable registries — funding models that work — the Malaysian Model.' Some of the topics covered during CRF 2018 are as follows:

- (a) Beneficial ownership and investors;
- (b) Self-sustainable registries funding models that work;
- (c) Competition Authority, Australia, South Africa Corporate registries, Investor protection and fair competition;
- (d) The nexus between Corporate registries and financial intelligence;
- (e) Delivering exceptional End-to-End Online User Experience; and
- (f) Putting legal reforms into practice.

As the regulatory body for business registration in Malaysia, SSM participation in this forum is critical to ensure that Malaysia contributes to the best business practices in the world.

#### **European Commerce Registers' Forum (ECRF) 2018**

The ECRF 2018 was held at the University of Gibraltar, with the theme 'Moving with the Challenges of Digital Technologies' going on for three (3) days from 5 to 7 June 2018. The organiser of the ECRF 2018 was the Companies House Gibraltar, a corporate registrar of Gibraltar with the European Commerce Registers' Forum (ECRF).

There were more than 120 representatives from Europe and other countries including Malaysia, Singapore, Timor Leste, United States of America who are company registers registrars or representing registrars in their respective countries. This forum features speakers making presentations on various issues including the following:

- (a) Security of Open Data;
- (b) Compliance with the requirements of the General Data Protection Regulation by public business registries; the confluence of transparency and privacy rights;
- (c) Focus on recent developments in the area of Fintech and DLT;
- (d) Blockchain a challenge to the established order. An alternative to centralised Intellectual Property Registers; and
- (e) Cryptocurrencies, ITO's, ICO'S.

Among the issues related to SSM and Malaysia discussed at the conference were issues of auditing, accounting and taxation for 'cryptocurrencies'. The role of company registrars around the world will change as cryptocurrencies will become part of the global economic infrastructure in the future.

#### **Corporate Practice Consultative Forum (CPCF)**

The objective of CPCF is to promote greater co-operation between SSM, members of the prescribed bodies and company secretarial associations whose members are involved in company secretarial practices.

The CPCF has afforded a platform for the representatives of prescribed bodies, licensed secretaries and Government-linked companies (GLCs) to discuss and deliberate on matters pertaining to company secretarial practises, policies and the corporate legal framework.

In 2018, one (1) main CPCF session and three (3) CPCF sub-committee meeting were held as shown in **Diagram A.** 

## CPCF MEMBERS

- Companies Commission of Malaysia;
- The Malaysia Institute of Chartered Secretaries and Administrators (MAICSA);
- → Malaysia Institute of Accountants (MIA);
- The Malaysian Institute of Certified Public Accountants (MICPA);
- → The Malaysia Bar;
- Malaysia Association of Company Secretaries (MACS);

- Institute of Approved Company Secretaries (IACS);
- → Malaysia Corporate Counsel Association (MCCA);
- → The Advocates Association of Sarawak;
- Sabah Law Association; and
- Government-linked companies (GLCs) [represented by Khazanah Nasional Berhad and Bumiputera Commerce Holdings Berhad.]



## **CPCF Main Committee Meeting Chaired by CCM**

Date: 22 May 2018

## Attended by representatives from:

MAICSA, MACS, IACS, MICPA, Khazanah Nasional, MIA, CIMB Group, Bar Council, MCCA

#### Matters highligted:

- Updates on CA 2016
- World Bank Doing Business Report 2018
- BBPC 6/2017 on Business Review Report
- Introduction to MBRS Submission Platform
- SSM MBRS Training 2018
- SSM National Conference 2018
- SSM BizTrust
- Operational issues



#### CPCF – Restructuring Insolvency and Practice Sub-Committee

Date: 2 May 2018

#### **Matters Discussed:**

- Draft Guidelines on the Corporate Rescue Mechanism Rules 2018
- Draft Guidelines on the Qualification of Liquidator under section 433 of CA 2016



## **CPCF – Secretarial Practice Sub-Committee**

Date: 17 October 2018

#### **Matters Discussed:**

 Consultation documents on the proposed draft of Companies (Practising Certificate) 2019



## CPCF – Restructuring Insolvency and Practice Sub-Committee

Date: 12 November 2018

#### Matters Discussed:

 Updated Guidelines on the Corporate Rescue Mechanism Rules 2018

#### **Participation in Surveys of International Organisations**

SSM's participation in the international surveys and questionnaires throughout 2018 are shown in **Diagram B**. The participation is anticipated to establish Malaysia's competitiveness at the international front as a favourable investment destination. Surveys participated by SSM in 2018 are as follows:

Organiser	Survey	Brief Description
The World Bank	Doing Business Report 2019	Doing Business 2019 (DB2019) is the 16 <sup>th</sup> in a series of annual reports measuring aspects of business regulations and its impact on a firm's establishment and operation. DB2019 covers 190 economies with the key focus — 'Training to Reform'. Economies were ranked based on their business regulations and ease of doing business, which has been measured as the indicator that shows how conducive the regulatory environment is to the starting and operation of a local company in a country.  In the World Bank Doing Business 2019, Malaysia was reported among the top 20 economies in the world. Malaysia is ranked 15 <sup>th</sup> amongst the surveyed economies, compared to 24 <sup>th</sup> position in the previous year.  This improved ranking signifies that Malaysia is continuing its steady shift and effort to improve the business environment in the country. The follow-through action has been taken based on the doing business reform recommendations by the World Bank group.  SSM actively involved in providing inputs for the World Bank's Doing Business Report 2019 in four (4) specific areas of assessment or indicators as follows:
		<ul><li>(a) Starting a Business;</li><li>(b) Resolving Insolvency;</li><li>(c) Getting Credit; and</li><li>(d) Protecting Minority Investors.</li></ul>
Organisation for Economic Co-Operation (OECD)	Global Forum on Transparency and Exchange of Information for Tax Purposes	The Global Forum is the continuation of a forum which was created in the early 2000s in the context of the OECD's work to address the risks to tax compliance posed by non-cooperative jurisdictions.  The Global Forum has 154 members on an equal footing and is
		charged with in-depth monitoring and peer review of the international standards of transparency and exchange of information for tax purposes.
		Through an in-depth peer review process, the restructured Global Forum monitors its members to fully implement the standard of transparency and exchange of information, which was divided into three (3) main parts:  (a) Availability of information; (b) Access to information; and (c) Exchange of information.
Bank Negara Malaysia/ FATF	Analytical Tactic Report	Based on the revision made by FATF on Recommendation 8 (Non-profit organisations) in 2016, Malaysia has submitted a Re-rating Analytical Toolkit Report to FATF to have a re-assessment of Malaysia's technical compliance to the new recommendation. The purpose of the report is to address the gap identified by FATF based on the submission made for the laws under SSM's purview.
	Malaysia's Third Follow Up Report (FUR) — Request for Input (Revised Input)	Based on the Mutual Evaluation conducted 2014/2015, Malaysia has been placed under 'enhanced follow-up' process which requires updating of the progress and gap rectification on annual basis. This is the third follow-up report made by Malaysia after the evaluation, and SSM is one of the statutory bodies responsible for the input with regard to Beneficial Owner (BO) under the CA 2016 to ensure the gap identified by FATF is addressed.



Organiser	Survey	Brief Description
Bank Negara Malaysia/ FATF	Domestic Review & National Risk Assessment: Malaysia's Non-Profit Organisation (NPO) Sector	The Risk Assessment exercise is part of the mutual evaluation process to measure Malaysia's compliance to FTF's requirement on NPO sector in Malaysia in relation to terrorism financing. The aim of the report is to improve the overall governance of NPOs in Malaysia.
International Monetary Fund (IMF)	Malaysia Article IV Consultation	The IMF will hold an Article IV Consultation for Malaysia and one of the focus areas will be on governance and corruption issues in Malaysia. SSM has contributed in terms of legal framework and enforcement actions taken to strengthen the transparency of legal persons and arrangements established in Malaysia based on the laws administered by SSM.

#### Special Committee on Movable Property Security Interest (MPSI) Bill

SSM established a Special Committee on Movable Property Security Interest (MPSI) Bill to address the issues and impact of MPSI framework on the various current different registries in Malaysia where movable assets are registered. The Committee is also established to recommend the appropriate policies towards introducing a legal framework to cater for the creation, publication and enforcement of securities interest in Malaysia. The legal framework is also expected to entail an establishment of a unified registry for secured transactions. The special Committee concluded its final report on 12 December 2018. The Special Committee consist of members from various Ministries, Agencies and organisations as shown in **Diagram C.** 

#### MPSI SPECIAL COMMITTEE

- Ministry of Finance;
- Central Bank of Malaysia;
- Companies Commission of Malaysia;
- Ministry of Transport;
- Road Transport Department;
- Ministry of Water, Land and Natural Resources;
- Department of Director General of Lands and Mines:
- Ministry of Domestic Trade and Consumer Affairs;
- The Malaysia Bar;

- Attorney General's Chambers;
- Intellectual Property Corporation of Malaysia;
- SME Corporation Malaysia;
- The Association of Banks in Malaysia;
- Association of Islamic Banking Institutions Malaysia;
- Malaysian Investment Banking Association;
- Association of Development Financial Institution of Malaysia; and
- Two (2) representatives from the legal fraternity

### MAIN DELIVERABLES

To complete a Final Report of the Movable Property Security Interest Bill within six (6) months from the first Meeting date and finalise the following issues:

- The impact of the new framework on other Ministries or agencies
- The repeal or amendment of existing legislations where provisions in those legislations would be included in the new proposed legislation relating to secured transaction
- The treatment of the security interest

### MEETINGS

- 1st Meeting: 19 February 2018
  2nd Meeting: 13 September 2018
- 3<sup>rd</sup> Meeting: 12 December 2018 (Final)

All meetings were chaired by YBhg. Dato' Sri Jamil bin Salleh, Secretary General, Ministry of Domestic Trade and Consumer Affairs cum SSM's Chairman.

## APEC Workshop On One-Stop Shops for Starting A Business (From Theory To Best Practice)

SSM represented Malaysia in the APEC Workshop On One-Stop Shops for Starting A Business which was held on 11 August 2018 at Port Moresby, Papua New Guinea.

This workshop organised by the Asia-Pacific Economic Cooperation (APEC) directly contributes to the ease of doing business (EoDB) Initiative in the area of Starting a Business with a focus on 'one-stop shops' (single windows) operated by APEC countries for the purposes of formally registering new businesses. The workshop reviewed one-stop shops in terms of:

- accessibility, transparency, information-sharing, and customer service;
- discuss how one-stop shops can help bring even more informal enterprises into the formal sector; and
- examine the role of one-stop shop technology and innovation in strengthening opportunities for business formalization and growth.

Through the sharing of best practices among APEC economies, the workshop identified opportunities for one-stop shop innovation, capacity-building, change management, and operational success.

#### **Symposium on Secured Transactions Law in Asia**

Symposium on Secured Transactions Law in Asia organised by National University of Singapore (NUS) and University of Oxford was held in Singapore from 26-27 July 2018. The objectives of the learning session were as follows:

- To obtain information on the experience of Asian countries such as Thailand, Vietnam, Indonesia, Taiwan, Japan, Korea and the Philippines on the process of corporate corporation and integrated legal framework for the registration of secured transactions;
- To understand the Act for the registration of personal movable property as used in countries which have long been enforcing similar acts like Canada and Spain; and
- As a benchmark and to understand the general consultation process undertaken by other Asian countries.

## 2<sup>nd</sup> ASEAN Policy Dialogue on 'Starting A Business' / 3<sup>rd</sup> Meeting of ASEAN Task Force on Starting A Business

The 2<sup>nd</sup> ASEAN Policy Dialogue on 'Starting A Business'/ 3<sup>rd</sup> Meeting of ASEAN Task Force on Starting a Business was held on 2 and 3 April 2018 at Luang Prabang, Lao PDR.

The main objective of this policy dialogue is to create a forum for sharing relevant policies, good practices, tools and lessons learnt between Government agencies in charge of Small and Enterprisest and starting-up a business, private sector stakeholders, development organisations, research institutes in Asian Members States (AMS) with a view to facilitating the regulatory reforms, policy development, implementation of programs to strengthen the performance of informal micro enterprises, family businesses, either by strengthening the existing establishments or by registering as a formal entity.

This is under the overall objective of regulation reforms, simplification and rationalization of procedures in starting-up business in AMS and in moving towards a more harmonized starting up procedures in ASEAN.

The policy dialogue contributed towards ensuring an enabling, progressive and facilitative business start-up eco-system. SSM presented a paper during the session by sharing its experience in the implementation of support programmes in the formalisation of businesses in Malaysia.





On 2<sup>nd</sup> May 2018, SSM organised the inaugural session with online entrepreneurs and a 100 entrepreneurs were present. Persatuan Usahawan Internet Malaysia (PUIM) and Dewan Perniagaan Melayu Malaysia (DPMM) also joined as a collaborators for the dialogue session. Aside from sharing new ideas, this dialogue session was held to introduce the SSM BizTrust product to the online sellers.



#### LAZADA CLUB ROADSHOW

As Lazada's strategic partner, SSM was also involved in Lazada's tour series at the Nexus Connection, Bangsar South on 7<sup>th</sup> July 2018. This programmed aimed to provide exposure to new online entrepreneurs registered on Lazada's platform, regarding ethics when managing business and following good online ethics.



#### LAUNCHING OF THE #JOMJUAL CAMPAIGN

On 13 August 2018, the *#JomJual* campaign was launched by SSM's Chief Executive Officer, YBhg. Dato' Zahrah Abd Wahab Fenner. The purpose of this initiative was for the SSM staff to understand and promote SSM's products and services.



#### **UPTOWN TOUR**

As part of SSM's promotional activities with businesses, SSM met with entrepreneurs at Uptown Puchong Night Bazaar and Uptown Danau Kota, both respectively on 12 October 2018 and 19 October 2018. SSM offered business registration services, business renewals, and also provided advisory services. Apart from that, the SSM BizTrust was also promoted to the entrepreneurs carrying out online businesses.



# E-USAHAWAN LEVEL UP ADVANCED PROGRAMME ORGANISED BY MALAYSIA DIGITAL ECONOMY CORPORATION (MDEC) SSM was involved with the eUsahawan Level Up Advanced Programme that was organised by MDEC on 1 November 2018 at WORQ, Taman Tun Dr. Ismail and on 12 November 2018 at MDEC, Cyberjaya. For the



ARE WARD THINKERS

#### BRIEFING SESSION WITH MINISTRIES, GOVERNMENT AGENCIES AND CORPORATE BODIES

This briefing session is a proactive step by SSM in promoting SSM's services and products. The SSM's products and services that were introduced are the Corporate & Business Information Data (CBID), the Digital Certified True Copy (Digital CTC), the Attestation of Company Good Standing (ACGS), the SSM Biztrust, the EzBiz and many more.



# APPRECIATION EVENT FOR THE TOP TEN (10) MYDATA-SSM AND SSM E-INFO CUSTOMERS ALONG WITH THREE (3) OF SSM'S SERVICE AGENT'S BEST BRANCHES

On 2 August 2018, SSM organised an appreciation event for the top ten (10) customers who have made the highest purchase of SSM's corporate information through the MyDATA-SSM and SSM e-info service portal of the best branches of Bank Simpanan Nasional (BSN ) and Bank Kerjasama Rakyat Malaysia (BKRM) that made the highest revenue collection for 2017.

The event was attended by approximately 60 attendees, which was launched by Yang Berbahagia En. Khuzairi Yahaya, Deputy Chief Executive Officer (Registry and Business Services).



## SSM BIZTRUST

BizTrust related programmes in 2018:

Programmes	Date
Malaysia Digital Economy Forum 2018, Menara MITI, Kuala Lumpur	8 February 2018
First Student Enterpreneurship Programme (1st STEP), Gombak, Selangor	8 February 2018
BizFair, Batu Kurau, Perak	9-11 March 2018
Hari Terbuka Kementerian Kewangan, Putrajaya	22 March 2018
Sesi Taklimat Bersama Persatuan Penyewa Medan MARA, Bangunan MARA, Kuala Lumpur	29 March 2018
Hari Vendor Procurement & Supply Chain TNB, Sime Darby Convention Centre, Kuala Lumpur	2 April 2018
Program Jalinan Strategik SSM Bersama Setiausaha Syarikat 01/2018, Menara SSM@Sentral, Kuala Lumpur	5 April 2018
Malaysia-Thailand Cross Borders Commerce, Menara MITI, Kuala Lumpur	27 April 2018
Sesi Dialog SSM bersama Usahawan Online, Menara SSM@Sentral, Kuala Lumpur	2 May 2018
MDEC: Islamic Digital Economy, WORQ, TTDI, Kuala Lumpur	15 May 2018
Lazada KL Roadshow, Nexus Connection, Bangsar, Kuala Lumpur	7 July 2018
Hari Bersama SSM BizTrust, Menara SSM@Sentral, Kuala Lumpur	9-10 July 2018
Malaysia and MDEC, Menara SSM@ Sentral, Kuala Lumpur	26 July 2018
SSM National Conference 2018, Sunway Pyramid Convention Centre, Selangor	14-15 August 2018
Majlis Anugerah Harta Intelek Negara 2018, Menara Berkembar Bank Rakyat, Kuala Lumpur	13 September 2018
Bangi Bisnes Fiesta 2018, Sherwood Hotel Bangi, Selangor	22 September 2018
Majlis Pelancaran MBRS, Menara SSM@Sentral, Kuala Lumpur	27 September 2018
Program Lanjutan Level Up eUsahawan, WORQ, TTDI, Kuala Lumpur	1 November 2018
Program Lanjutan Level Up eUsahawan, Bangunan MDEC, Putrajaya	12 November 2018
Hari Bersama SSM BizTrust, Menara SSM@Sentral, Kuala Lumpur	13 November 2018
TMEF Tech Summit, One City, Subang Jaya, Selangor	15 November 2018
Hari Bersama SSM BizTrust, Menara SSM@Sentral, Kuala Lumpur	21 November 2018

#### SSM BIZRUN

BizRun 2018 organised by SSM for the first time on 18 August 2018 and was recognised by the Malaysian Book of Records (MBOR) when the programme broke the MBOR record in terms of total participation of companies participating in the 10KM and 5KM run. The Domestic Trade and Consumer Affairs Minister, YB Datuk Seri Saifuddin Nasution bin Ismail launched the event at Padang Merbok, Kuala Lumpur. A total of 740 registered companies with more than 5,000 participants participated during the event.



#### PROJEK INSPIRASIKU

SSM organised the first 'Projek Inspirasiku' Awards Night on 28 November 2018 and was officially launched by the Domestic Trade and Consumer Affairs Minister, YB Datuk Seri Saifuddin Nasution bin Ismail. This project is aimed to offer opportunities for entrepreneurs to share their stories in business and the challenges faced. The Projek Inspirasiku which started in 2017 received more than 1,000 entries from entrepreneurs who sent their inspirational stories and were evaluated by a jury appointed by SSM. Out of the 1,000 entries, only 12 participants were selected for the final stage to determine the winner of the Projek Inspirasiku. Additionally, winners were also be appointed as SSM Icons were they will participate in programmes organised by SSM to motivate and inspire entrepreneurs and prospective entrepreneurs.



## PROGRAMMES ORGANISED BY SSM

Programme	Date
Lunch with Editors, Majestic Hotel, Kuala Lumpur	6 February 2018
First Student Enterpreneurship Programme (1st STEP), Kolej Vokasional Gombak, Selangor	6 February 2018
#JomPicnic programme, Taman Tasik Titiwangsa, Kuala Lumpur	10 February 2018
Majlis Jalinan Kasih, Pusat Jagaan Al-Fikrah, Kajang, Selangor	24 February 2018
Majlis Anugerah Perkhidmatan Cemerlang 2017, Menara Kembar Bank Rakyat, Kuala Lumpur	6 March 2018
BizFair SSM, Batu Kurau, Perak	10-11 March 2018
First Student Enterpreneurship Programme (1st STEP), Sekolah Menengah Teknik Kuantan, Pahang	11 March 2018
Youngpreneurs Go! (YPGO!) Programme, Universiti Tenaga Nasional (UNITEN), Muadzam Shah, Pahang	13-14 March 2018
BizFair SSM, Dataran Bandaraya, Kota Kinabalu, Sabah	20-21 March 2018
First Student Enterpreneurship Programme (1st STEP), Kolej Vokasional Matang, Sarawak	28 March 2018
MDTCA Media Night, Menara Kembar Bank Rakyat, Kuala Lumpur	3 April 2018
Online Networking Entrepreneurs Kuching (ONE SSM) Carnival, CityOne Kuching, Sarawak	30 March-1 April 2018
Kayuhan Amal Kasih Generasiku Sayang Programme, Rumah Generasiku Sayang, Tumpat, Kelantan	14 April 2018
SSM 16 <sup>th</sup> Anniversary Celebration, Auditorium Tun Dr Siti Hasmah, Menara SSM@Sentral, Kuala Lumpur	16 April 2018
Parlimen Larut Turun Padang Programme at DUN Selama and DUN Batu Kurau, Perak	19-20 April 2018
First Student Enterpreneurship Programme (1 <sup>st</sup> STEP), Kolej Vokasional Kuala Kangsar, Perak	26 April 2018
Zakat distribution and Corporate Social Responsibility Programme, Pusat Jagaan Titian Kaseh, Kuala Lumpur	29 April 2018



Programme	Date
Zakat distribution and Corporate Social Responsibility Programme, Universiti Malaysia Perlis	3 May 2018
MDTCA Turun Padang Programme: Sehari Bersama SSM, DUN Kubu Gajah, Perak	5 May 2018
Rakaman Rancangan Raya RTM Bersama SSM Programme, Rumah Penghulu Abu Seman, Kuala Lumpur	12 May 2018
SSM Berbuka Puasa Event, Menara SSM@Sentral, Kuala Lumpur	1 June 2018
Majlis Aidil Fitri SSM, Menara SSM@Sentral, Kuala Lumpur	29 June 2018
First Student Enterpreneurship Programme (1 <sup>st</sup> STEP), Sekolah Menengah Teknik Johor Bahru, Johor	23 July 2018
Launch of #JomDengarLaguPatriotik campaign in conjunction with the Merdeka Month (and the Minister's visit to SSM), Menara SSM@Sentral, Kuala Lumpur	1 August 2018
BizFair SSM, The Hills Shopping Mall, Kuching, Sarawak	10-11 August 2018
SSM National Conference 2018, Sunway Pyramid Convention Centre, Selangor	14-15 August 2018
SSM BizRun, Padang Merbok, Kuala Lumpur	18 August 2018
Kayuhan Kasih & Program Sentuhan Kasih SSM Bersama YBM, Dewan KEDA, Relau, Kulim, Kedah	2 September 2018
Launching of Malaysian Business Reporting System (MBRS), Auditorium Tun Dr Siti Hasmah, Menara SSM@Sentral, Kuala Lumpur	27 September 2018
Online Networking Entrepreneurs Carnival (ONE SSM), Mydin Mall Gong Badak, Terengganu	5-6 October 2018
First Student Enterpreneurship Programme (1 <sup>st</sup> STEP), Kolej Vokasional Kulim, Kedah	13-14 October 2018
Youngpreneurs Go! (YPGO!) Programme, Universiti Malaysia Sabah (UMS), Kota Kinabalu, Sabah	27-28 October 2018
Project Inspirasiku Award Night, Auditorium Tun Dr Siti Hasmah, Menara SSM@Sentral, Kuala Lumpur	28 November 2018
SSM Charity Ride with the CEO, Gopeng, Ipoh, Perak	8 December 2018
SSM Charity Ride & I LOVE Penang with MDTCA Minister, Pantai Jerejak, Bayan Lepas, Pulau Pinang	15 December 2018

#### **Courtesy Visits to SSM**

Courtesy visits to SSIVI	
Programme	Date
World Bank's courtesy visit	23 January 2018
UNITEN Sultan Haji Ahmad Shah, Muadzam Shah Campus	5 February 2018
MAHSA college	13 February 2018
Master of Business Administration students from Universiti Putra Malaysia (UPM)	10 April 2018
Universiti Selangor	13 April 2018
UiTM Shah Alam	17 April 2018
Bentong Community College	5 April 2018
Seven Skies Islamic International School Kota Damansara, Petaling Jaya, Selangor	8 May 2018
International University of Malaya-Wales	5 July 2018
Seri Stamford College and International University of Malaya-Wales	27 July 2018
IRAMA	3 August 2018
United International Technology Management College	9 August 2018
Malaysian Examination Board	16 August 2018
Malaysian Communications and Multimedia Commission (MCMC)	4 September 2018
Employees Provident Fund (Contributions Department)	3 October 2018
Universiti Putra Malaysia, International University of Malaya – Wales and Sekolah Menengah Integrasi Tahfiz Ilmuan	16 October 2018
Global Institute of Studies	19 October 2018
Universiti Teknologi Mara Puncak Alam	30 October 2018
Inland Revenue Board	31 October 2018
Social Security Organisation	1 November 2018
Universiti Teknologi Mara Puncak Alam	16 November 2018
Universiti Selangor	28 December 2018

# OUTREACH PROGRAMMES ORGANISED BY SSM STATE AND BRANCH OFFICES



#### STAKEHOLDER'S ENGAGEMENT AND COLLABORATIONS

15 AUGUST

#### MBRS Awareness at SSM Johor



20 AUGUST Briefing on Consumerism to Members of the Tanah Merah Union of Poor (PAKAT) at Residence D'Nour, Tanah Merah, Kelantan



30 AUGUST Opening Ceremony of Smart Insani Course No. 3/2018 at Besut, Terengganu







25 SEPTEMBER Economic Inspiration Women Program (WISE) MARA Selangor at SACC Convention Centre, Shah Alam, Selangor

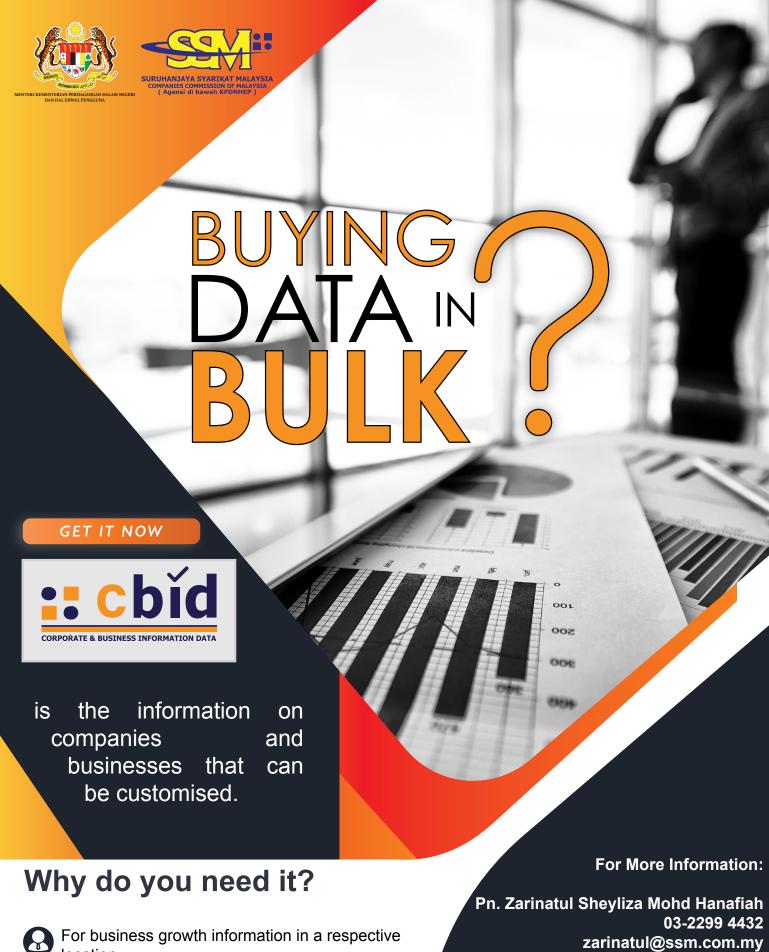


26 SEPTEMBER BizTrust Workshop at Hotel Bayu, Baling, Kedah



30 SEPTEMBER Awareness program on Lodgement of Annual Report & Financial Statement on 30 September 2018 at RTC Kota Bharu, Kelantan





For research and analysis of companies/

For data and statistics for marketing or business networking collaboration

En. Mohd Radzi Ridzwan 03-2299 4762 mradzi@ssm.com.my



# MEDIA

## JANUARY - FEBRUARY

#### Sumbangan zakat korporat SSM meningkat

GOPENG 12 Jan. - Agihan zakat korporat yang disumbangkan oleh Suruhanjaya Syarikat Ma-laysia (SSM) meningkat daripa-

laysia (SSM) meningkat daripada RM1.7 juta pada tahun 2016
kepada RM2.03 juta tahun 1016
Ketua Pegawai Eksekutif
SSM, Datuk Zahrah Abd. Wahab
Fenner berkata, dalam tempoh
yang sama jumlah penerima
zakat yang terdiri daripada asnaf dan golongan fakir miskin
meningkat daripada 5,000 kepada 6.400 penerima

naf dan golongan takir missik meningkat daripada 5,000 ke-pada 6,400 penerima. Menurutnyal, pertambahan sumbangan zakat korporat itu menunjukkan semakin ba-nyak syarikat yang berdaftar dengan SSM termasuk syari-kat yang mengusahakan per-niagaan secara dalam talian. "Bermula tahun 2016, SSI telah mempelbagaikan kae-dah pemberian zakat korpo-rat dan memastikan penyam-paian zakat ini dilakukan secara menyeluruh kepada semua golongan asnaf. "Sumbangan zakat ini di-harap dapat dimanfaatkan se-baik mungkin oleh golongan asnaf yang terdiri daripada pelbagai latar belakang ter-

masuk para pelajar," keBeliau ditemui per
Beliau ditemui per
selepas Majlis Peny
Zakat Korporat SSM
114 asnaf dan fakir m
Madrasah Ehsaniah c
pung Pulai di sini hari
Zahrah berkata, uni
gram tersebut, SSM m
bangkan zakat
RM58,200 dan daripa
lahi tus sebanyak RM42
aghikan kepada golong
dan fakir misikin seram
Menurutnya, setia
menerima wang zak
nyak RM300 manak
RM15,000 diaghikan
asnaf fisabililia
dua buah surau
madrasah di ka
yang masing-m
SSI

madrasah di Ka yang masing-m ma RM3,000. Katanya, sur bat ialah Surau Rumah Awam Kopisan mana yang menerin ialah Madras di Taman Ki Ehsaniah 3 dar Khairiah di Ka Kuda.

#### **MBRS** mudahkan syarikat serah

SSM promotes importance of family institution

laporan tahunan

SSM agih zakat kepada golongan asnaf



SSM terima 64,910 pendaftaran bisnes dalam talian Gopeng: Suruhanjaya Syarikat Malaysia (SSM) menerima 64,910 pendaftaran perniagaan dalam talian sehingga 2017 dan jumlah itu dijangka meningkat tahun ini. Ketua Pegawai Eksekutifnya Datuk Zahrah Ahd Wahah Fenner berkata, peningkatan itu berdasarkan kesedaran peniaga atas talian

niagaan yang mampu me<mark>mbe</mark>ri keyakinan kepada pembeli n sekiranya berlaku transaksi d<mark>iragu</mark>i.





SSM gives RM44,000 to Kajang home







公司委会首办商业展

10类商业创业获金援

5,000 warga kerja SSM meriahkan #JomPicnicSSM

MBRS diperkenalkan Mei 2018

a masa ini terdapat 1.2 juta at berkenaan yang berdaf-ngan SSM.

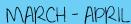
syarikat berkenaan yang persentar dengan SSM.
Ketua Pegawai Eksekutif
SSM, Datuk Zahrah Abd, Wahab



Kaedah baharu pelaporan syarikat secara digital yang lebih efisien dan jimat sumber

dan kemahiran kan," jelasnya. Beliau berkata, sistem itu mend penuh Menteri Dalam Negeri, Kepenggunaan, Hamzah Zainudir Maktumat lan MBRS boleh didi laman web www.







10 ILLEGAL SCHEMES, RM1.14B IN LOSSES

Those involving e-Money resulted in loss of RM700m, says SSM CEO

#### SSM pandang serius peningkatan kes penipuan jual beli secara online



## #scamalert2018 didik masyarakat



## **Karnival One SSM** galak daftar perniagaan

## 300 USAHAWAN TERPILIH MULA BISNES MODAL RM3,000

## SSM keluar panduan laporan aktiviti khidmat sosial syarikat

SURUHANIAYA Syarikat Malaysia
(SSM)menerbikat poran Ulasan
Perniagaara: Parduan Perzahiran
Ia berujuan menjadi panduan
dan Pelaporan.
Ia berujuan menjadi panduan
dan pelaporan darit-aktivid tang
dan angangiawah sosial korporat yang di
jalankan syarikat di Malaysia dalam
melaporak aditri-aktivid tang
gungjawah sosial korporat yang di
jalankan syarikat di Malaysia dalam
menberiana buku
iniselama dengan pengenalan Seksyen
253(3) Akta Syarikat
2016 (AS2016), berquipan menggalakan
pernagan yang
penzahiran tanggungjawah sosial dalam bentuk
Japoran Ulasan Perniagaan
asan SSM dalam kenyataan media
memberitahu, Schogen 253(3)
AS2016 memperkupakan dagungjawah sosial dalam bentuk
Japoran Ulasan Perniagaan
diJaporan Ulasan
Japoran Ulas

yang unyunga sagung sag

at sosial syarikat

at sosial syarikat

at sosial syarikat

a kepada penggalakan insiaif tanga

a gungjawah kappara bag keseman

ginis yarikat di Malaysia bahgian

kedua merjaskan berkenaan

jenis yarikat di Malaysia bahgian

kedua marikasan keseluruhan, objekti,

dan marika yang diraih darpada

gambara keseluruhan, objekti,

dan marika yang diraih darpada

pelapara ukasan perniagaan serara

nemberkan pandua perniagaan perniagaan

gam nenyediakan laporan ukasan perniagaan

gam nenyediakan keseluruhan dengan

keseluruhan dengan

keseluruhan dengan

mendokuskan kepada

pendokuskan kepada

peniagaan

alam sekita sadi alam perniagaan

perniagaan

perniagaan

walapun pemanhan terhadap

penyediam dan pengemukaan

penniagaan sekenu nabanan mencapai ke
mapanan manbah ke atas pelaporan

korpotat ke arah mencapai ke
mapanan penjagaan sera bersilat

lekih teks berkenan cabanan yang

dihadapi.

lebih telus berkenaan cabaran yang dhadapi. Ini kerana polisi, komimen, ini-ini kerana polisi, komimen, ini-siati sera jenis tindakan yang di-sambil atau yang aka dimahil bagi mencegah kerungkinan inpak hak kerangkinan inpak hak asasi manusia ke atas operasi per-niagaan boleh dizahirkan melalui laporan tersebut.

## MAY - JUNE





### SEPTEMBER - OCTOBER



## Companies told to submit annual documents online from November

simpan ni akan

ia fasa. arikat-an Ku-langor iyerah

serah simpan dibangunkan SSM berdasarkan format eXtensible Business Reporting Language (XBRL) yang membenarkan serah simpan

ung Language (ASKL) yang membenarkan serah simpan Penyata Tahunan, Penyata Kewangan Tidak Diaudit dan EPC. "Serah simpan melalui MBRS boleh dilakukan seca-ra atas talian mulai semalam secara sukarela. Bagaimanapun, pengguna digalakkan menggunakan MBRS bagi perkhidmatan ditawarkan

sebelum pelaksanaan secara mandatori dikuatkuasakan oleh SSM," kata SSM. Tambahnya, MBRS di-jangka beri manfaat dengan mempertingkatkan kecekap-an sistem penyampaian

an sistem penyampaian awam seterusnya mengu-rangkan kos pemiagaan bagi syarikat.

"Ia juga dapat memper-cepatkan kemas kini maku-mat, pertukaran data, pengu-atkuasaan serta penyaluran maklumat kepada pihak berkepentingan," kata SSM.



LA LUMPUR. STATE ING.

November, it will be mandatory in the mandatory in

menyerah simpan ketiga-tiga dokumen tersebut pada bu-lan-bulan seterusnya. Bagaimanapun, pelaksa-naan MBRS bagi serah sim-pan Penyata Kewangan Ter-audit secara mandatori akan ditetapkan oleh SSM kelak.

## NOVEMBER - DECEMBER

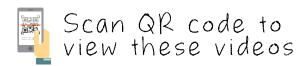




SSM Bizīrust tingkat keyakinan pengguna







#### SSM Launched 10 Family Values Book

(TV3, 11 February 2018)





#### Karnival YPGO! Kempen #SCAMALERT2018 Kekang Pelaburan Haram

(TV3, 13 March 2018)





#### SSM BizGrant RM3000 Kembang Idea Komersil

(TV3, 26 April 2018)





#### Siri Jelajah Ke-5 1st STEP SSM Mendapat Sambutan

(Astro Awani, 23 July 2018)





#### **Nuturing Students to be Entrepreneurs**

(TV3, 8 February 2018)





#### SSM Anjur Program Kayuhan Amal Bantu Pesakit Kronik

(TV3, 14 April 2018)





#### Program Keusahawanan Siswa & Agihan Zakat Korporat

(TV3, 4 May 2018)





#### Program 1<sup>st</sup> STEP Pupuk Minat Pelajar Ceburi Bidang Keusahawanan

(TV3, 24 July 2018)





#### SSM Bizrun 2018 Dikitiraf MBOR, Acara Larian Entiti Perniagaan Terbesar

(TV3, 18 August 2018)





#### SSM Memudahkan Serah Simpan Secara Digital

(Astro Awani, 8 August 2018)





#### Bantu Palu, SSM Sumbang RM100,000

(TV3, 17 October 2018)





#### Elak Ditipu Pelaburan Haram

(TV3, 6 October 2018)





#### SSM Bizrun 2018

(TV1, 18 August 2018)





#### Serah Simpan Pelaporan Tahunan Dalam Talian, Mulai November Ini

(TV3, 27 September 2018)





#### MyCoID Akses Daftar Syarikat SSM Lebih Efisien

(TV3, 3 October 2018)





#### First Step Lahirkan 180 Usahawan Baharu

(TV3, 14 October 2018)







A submission platform based on eXtensible Business Reporting Language

- format for annual submission of: 👪 Financial Statements and Reports (FS)
  - Annual Returns (AR)
  - Exemption Applications (EA) which are related

Contents of MBRS











mPortal







## ENFORCEMENT

## INITIATIVES



## **Complaints Management**

Complaints Received



997

Complaints Resolved

940



Complaints Resolved Within the Timeline

940



Complaints Resolved Beyond the Timeline

57





## **Complaints Received**

2018 - 717 | 280 | 997 |

Companies | Businesses | Total | 997 |

Companies | Businesses | Total | 1,330 |

2017 - 924 | 406 | 1,330 |

2016 -

Companies

718

Businesses 365

Tota

1,083

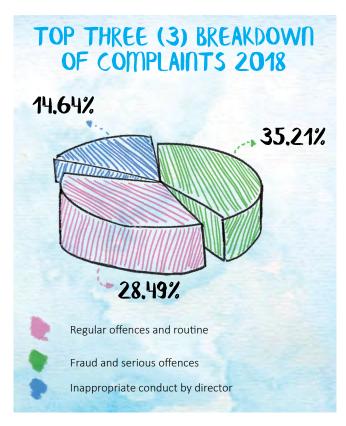


## **Complaints Resolved**

Companies **Businesses** Total 2018 666 Total Companies **Businesses** 2017 > 1,296 Companies **Businesses** Total 2016 -682 363 1,045

## **Classification of Complaints Received Involving Breach of Acts**

Issue	Total
Inaccurate information and identical name	42
Inappropriate conduct by director	146
Inappropriate conduct by company secretary	122
Misconduct auditor	6
Fraud and serious offenses such as corporate governance and lodgement of false and misleading information	351
Misconduct during winding up of company	15
Accounting non-compliance	2
Registered Interest Schemes	8
Unregistered Interest Schemes	19
Unregistered online Interest Schemes	2
Regular offences and routine	284
Total	997



The top three (3) categories of complaints received in 2018 were:

- (i) The highest complaint which constituted 35.21% of the total complaints received were related to fraud and serious offences. Among the offences were the lodgement of false and misleading information, the duties and liabilities of directors and taking unauthorised deposits or offering shares to the public.
- (ii) The second highest complaint issue is pertaining to basic and routine offences which comprised 28.49% of the total complaints. Among the offences under this category were failure to hold the Annual General Meeting (AGM), failure to lodge annual returns and financial statements and carrying on an unregistered business.
- (iii) Complaints of inappropriate conduct by directors are the third highest complaint which accounted for 14.64% of the total complaints received for 2018.

## SURVEILLANCE STRATEGIES



## COMPLIANCE RATE AND CONDUCIVE MANAGEMENT

To increase the compliance rate and promote a conducive business environment by ensuring good corporate governance practices among directors and business owners



## QUALITY AND INTEGRITY OF FINANCIAL STATEMENTS

Encourage good governance and corporate responsibility among directors of companies for transparency and accountability of company operations by emphasising on quality and integrity of the Financial Report



## CORPORATE GOVERNANCE, PRACTICES AND COMPETENCY LEVEL OF CORPORATE INTERMEDIARIES

Ensure good corporate governance, sound practices and competency of corporate intermediaries by monitoring the compliance level of company secretaries, auditors and liquidators in terms of adherence to legislations, regulations, code of ethics and guidelines in performing their duties

## SURVEILLANCE OBJECTIVES



#### **ENSURE COMPLIANCE**

Ensure compliance with the Acts regulated by SSM



#### ACTIONS ON NON-COMPLIANCE

Ensure that necessary action is taken against breaches of laws and regulations by entities regulated by SSM



#### **RIGHT QUALIFICATIONS**

Ensure company officers and corporate intermediaries have the right qualifications and competencies to administer companies with greater transparency and accountability



#### MINIMISE RISK

Minimise the risk of companies being misused for illegal activities and against public and national interest

## AWARENESS PROGRAMME



#### **CORPORATE TEA TALK**

**68** briefing sessions with company secretaries and directors nationwide on compliance issues



#### STRATEGIC COLLABORATIONS

2 sessions with Company Secretaries on compliance with the CA 2016



#### **COMPLIANCE BRIEFING**

**1** sessions with Government Agencies, Financial Institutions and Stakeholders



#### E-POSTCARD

**2** e-postcards sent by email to the company's directors & LLP compliance officers regarding the requirements to comply with section 246 of the CA 2016 & section 69 of the LLPA 2012

## STRATEGIC COLLABORATIONS



#### DATA SHARING

**43,473** Companies, Businesses and LLPs data were checked

Exchange of companies, businesses and LLPs data between SSM and Local Municipal Councils/ various licensing agencies to check on compliance status



#### JOINT OPERATIONS

**55** collaborations with various agencies in the monitoring of businesses conducted by foreigners



#### **AWARENESS PROGRAMME**

**1** session with officers of the CLBG on compliance with the CA 2016

#### **ENFORCEMENT INITIATIVES**

Among the activities carried out by the SSM during 2018 was to conduct joint operations known as 'OPS Niaga 3'. 'OPS Niaga 3' involving SSM and enforcement agencies such as the Immigration Department of Malaysia (JIM), the Enforcement Division of the Ministry of Domestic Trade of Consumer Affairs (MTDCA), the National Registration Department (NRD), The Royal Malaysia Police (PDRM) and Local Authorities throughout the country to monitor the involvement of foreigners in business in Malaysia. Starting in 2018, SSM was invited by the Federal Territory Ministry (KWP) to participate in the 'Operasi Banteras Aktiviti Haram' or known as OPS BAH. OPS BAH aiming to combat drug abuse, prostitution, illegal gambling and other crimes.







## OUTCOME FROM JOINT OPERATIONS

No. of Joints Operations No. of Premises Inspected

No. of Notices issued under Section 10 of the ROBA 1956

No. of Offences Detected No. of Cases Referred to the Imigration Department and Local Municipal Councils

55

888

20

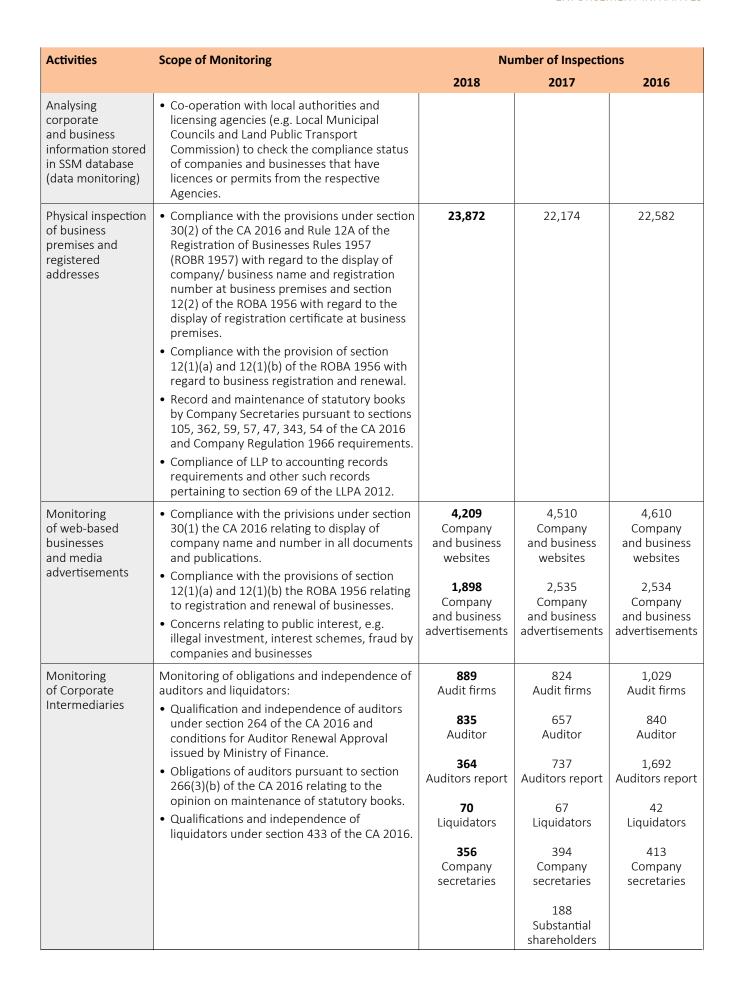
343

62

(2017: 25) (2016: 29) (2017: 1,736) (2016: 3,238) (2017: 57) (2016: 143) (2017: 443) (2016: 1,039) (2017: 133) (2016: 284)

## INSPECTION AND SURVEILLANCE ACTIVITIES

Activities Scope of Monitoring		Nu	mber of Inspection	ons
		2018	2017	2016
Analysing corporate and business information stored in SSM database (data monitoring)	<ul> <li>Annual returns lodgement status pertaining to section 68(1) of the CA 2016</li> <li>Financial Statement lodgement status pertaining to section 258(1) &amp; 259(1) of the CA 2016</li> <li>Monitoring of requirement under section 248(1) &amp; 340 of the CA 2016</li> <li>Analyzing financial Statements lodged with SSM</li> <li>Monitoring of directors' qualifications under section 198 dan 198(1)(b) of the CA 2016</li> <li>Compliance by companies under liquidation to the winding up provisions under section 484(3) &amp; 388(1) of the CA 2016.</li> <li>Monitoring of business registration expiry under section 12(1)(b) of the Registration of Business Act 1956 (ROBA 1956)</li> <li>Annual Declaration lodgement by LLPs pertaining to section 68(2) of the LLPA 2012</li> </ul>	1,353,917	825,048	1,205,616

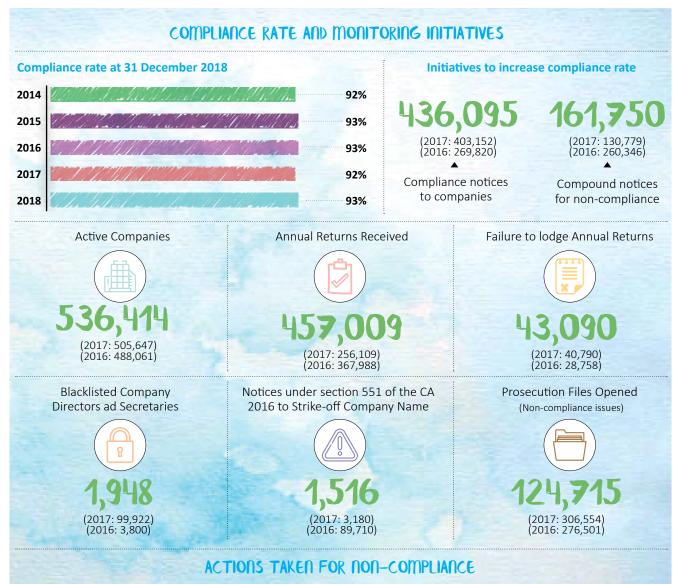


Activities	Scope of Monitoring	Number of Inspections		
		2018	2017	2016
	Monitoring of qualifications and competency of company secretaries:			
	• Monitoring qualification of company secretaries under section 235 of the CA 2016.			
	Monitoring of companies to ensure each and every incorporated company has at least one secretary under section 240 of the CA 2016.			
	Assessment of company secretary's competency through level of compliance to the CA 2016 provisions and requirements.			
	Total	1,386,410	857,134	1,239,358

## MONITORING AND INSPECTION OUTCOMES

#### **Compliance Rate**

Based on the database monitoring results, SSM began several initiatives to promote greater compliance with the requirement to submit Annual Returns and Financial Statements. These initiatives contributed to a compliance rate of 93% (2017: 92%) for 2018. Below are SSM's initiatives and outcome from database monitoring activities:



## INSPECTIONS AT PREMISES OF COMPANIES, BUSINESS AND LLPS

550

351

203

#### No. of Physical Inspections

#### Company **Premises**



2017: 8,440 2016: 6,955 **Business Premises** 



15,332

2017: 13,478 2016: 15,489

LLP **Premises** 



2017: 256

#### **Actions Taken from Inspection Findings**

Compound notices were issued for failure to display company's/ business's name and number at business premises, registered office or company's official receipts (Section 30(1)&(2) of the CA 2016 & rules 13 & 13A(2) of the ROBR 1957)

Compound notices were issued for failure to register or renew registration or update the changes of business particulars to Registrar (Section 12(1)(1)(a) & (b) of the ROBA 1956)

Compound notices were issued for failure to display certificate of registration at business premises (Section 12(2) ROBA 1956)

#### INTERNET AND MEDIA MONITORING

#### **Actions Taken from Inspection Findings**

**Compliance Notices** 



- Section 12(1)(a) of the ROBA 1956
- Section 12(1)(b) of the ROBA 1956 (Failure to register or renew business registration)
- Section 30(2) of the CA 2016 (Failure to reveal company name and number in the website/ publication)

**Compound Notices** 



Websites



## MONITORING OF BANKRUPT AND CONVICTED DIRECTORS



#### **Compliance Notices**

Section 198(1)(a) & 198(1)(b)/(c)/(d) of the CA 2016 issued to the bankrupt directors to inform the disqualification and request for resignation



#### **Blacklisted**

**Company Directors** 

## MONITORING OF COMPANIES UNDER LIQUIDATION



#### **Compliance Notices**

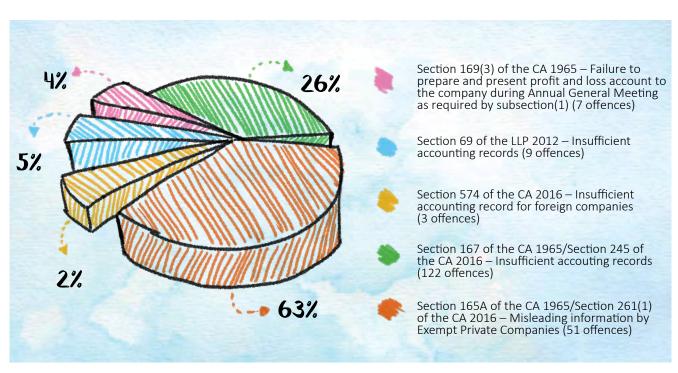
Issued to directors who failed to furnish Statement of Affairs to their respective liquidator under section 484(3) & 388(1) of the CA 2016 involving 124 companies

## MONITORING OF FINANCIAL STATEMENTS

SSM monitored 1,342 financial statements that emphasized on the requirement to keep proper accounting and other records on a timely basis and to ensure it is able to sufficiently explained each transaction. Statistics on the monitoring of accounting records in 2018 are as follows:



## ENFORCEMENT ACTIONS TAKEN





On-site inspection based on physical inspections

60 CLBGs Financial Information Form and Internal Control

CLBGs Internal Control

CLBGs

The condition of Licence Information

Monitoring of financial statements

1,200 CLBGs

Monitoring under Section 24 (3) of the CA 1965

> 25 CLBGs

Awareness programme

20 CLBGs

#### **Monitoring of Registered Interest Schemes**

The Interest Schemes Act 2016 is the sole legislature to administer and regulate interest schemes. The interest scheme is an alternative form of fundraising where contributions by stakeholders are collected within the same company.

#### **Protection Mechanisms Against Shareholders**

Protection
Mechanisms Against
Interest Holders

Section 9 (5): The power of the Registrar to direct the management company to compensate any person who have purchased any interest in the scheme prior to the application.

Section 55: The interest holders of a scheme may require the directors of a management company to call for a meeting of interest holders.

Section 42: The Registrar may issue a stop order on the management company or any such person as determined by the registrar.

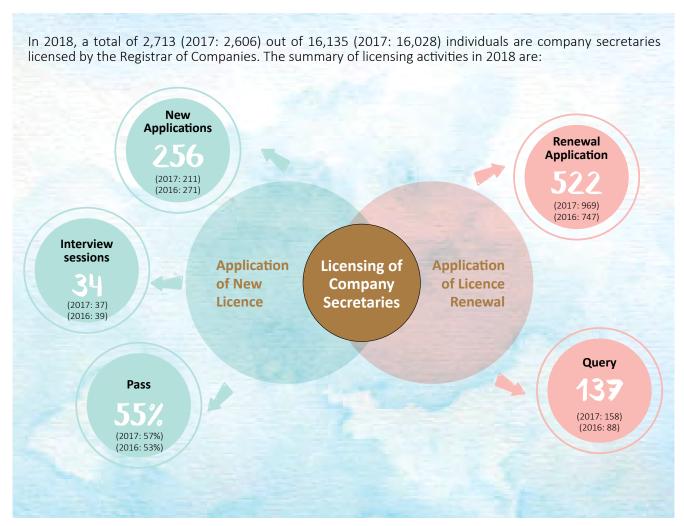
Section 71: Notwithstanding anything in this Act, the Registrar shall have the power to intervene in the management of a scheme when he is satisfied.

Protection Mechanisms Against Shareholders Section 72: The Registrar shall have the power to terminate an unregistered scheme.

## STATISTICS OF PHYSICAL INSPECTIONS FOR 2018 BASED ON REGISTERED SCHEMES



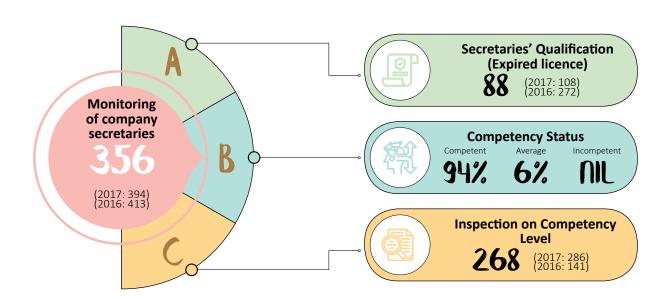
## LICENSING OF COMPANY SECRETARIES





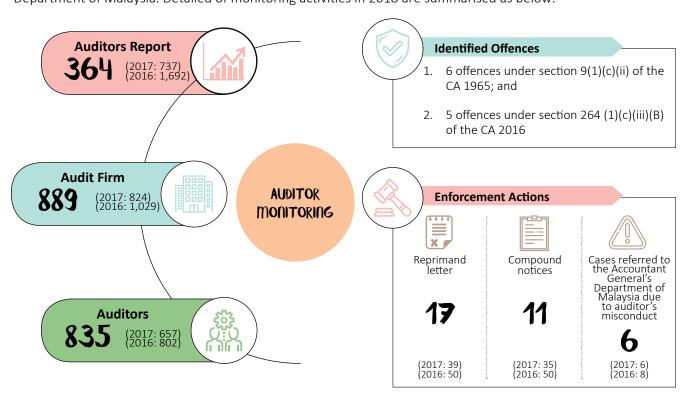
## MONITORING OF COMPANY SECRETARIES

A total of 268 (2017: 251) competency inspections conducted on company secretaries in the registered address to assess the level of compliance towards the CA 2016. A total of 88 (2017: 108) monitoring notices on the qualification of a company secretary under section 235(2) of the CA 2016 were issued. The summary of company secretary monitoring activities in 2018 are shown as follows:



## MONITORING OF AUDITORS

SSM conducts monitoring of the auditors to ensure compliance with all provisions under the Companies Act 1965/2016 and the Approval and Renewal Requirements as Auditors issued by the Accountant General's Department of Malaysia. Detailed of monitoring activities in 2018 are summarised as below:



### INVESTIGATION

In 2018, SSM completed 498 investigations. Some of the key investigation outcomes included the filing of criminal charges against the operator of a quick rich investment scheme known as JJ Poor To Rich (JJPTR). SSM also launched a public awareness campaign **#ScamAlert2018** to educate the public on the investment risk in unregistered and illegal investment schemes.



Category	Year			
	2018	2017	2016	
Investigation carried forward	263	447	373	
Investigation opened	351	337	398	
Total Investigation	614	784	771	
Investigation completed	498	521	324	
Year end balance	116	263	447	
Investigation completion rate	81%	67%	42%	



Act		2018	Year 2017	2016
冊	Communica Art 1005	150	226	278
	Companies Act 1965	307	361	190
	Kastu Funds (arabibition) Act 1071	11	4	3
	Kootu Funds (prohibition) Act 1971	10	4	1
D=0	Registration of Businesses Act 1956	74	78	110
	registration of businesses Act 1330	103	136	129
	AMLATFPUA Act 2001	2	1	5
	AIVILATEFOA ACT 2001	2	5	3
505	Limited Liability Partnerships Act 2012	8	4	2
A A		8	4	1
血	Communica Ast 2016	98	24	0
	Companies Act 2016	66	11	0
	Others	8	0	0
	Others		0	0
Investigat	ion Opened	351	337	398
Investigat	ion Completed	498	521	324

## INVESTIGATION STATISTIC ANALYSIS



The investigation completion rate increased in 2018 due to adherence of closure timeline and client charter.



The implementation of a biometric system to verify the business owners identity had reduced the number of investigations under the ROBA 1956.



The number of the investigations under the CA 1965 remains the highest since 2016.





Complaints related to Kootu Funds (Prohibition) Act 1971 increased in 2018 due to SSM's initiative in promoting public awareness on investment risk in unregistered and illegal investment schemes.

#### INFORMATION SEARCH

SSM has established strategic collaboration with various government departments and agencies to gather evidences and witnesses' information to complete its investigation.



#### 515 Telco Search

Information obtained from DiGi, Celcom, Maxis, Telekom & UMobile.



## Notices under Section 111 Criminal Procedure Code & Section 27B of the SSM Act 2001

- **992** Notices issued under Section 111 of the Criminal Procedure Code.
- **265** Notices issued under Section 27B of the SSM Act 2001.



#### **266** Agency Search

Information obtained from the National Registration Department, Road Transport Department, Department of Chemistry, Department of Insolvency & Court.



## Notices under Section 27J of the SSM Act 2001

Notices are issued to the Immigration Department to impose travel restrictions on witnesses who failed to co-operate for an investigation.



#### 185 Recce & Physical Inspection

- **42** Inspections on business premises.
- 22 Inspections on registered address.
- 96 Inspections on residential address.
- 5 Inspections on audit firms.



#### 108 Bank Searches

Information obtained from Maybank, CIMB Bank, Public Bank, AmBank, Bank Rakyat, HSBC and RHB Bank.

## COLLABORATIVE NETWORKING AND SHARING OF INFORMATION WITH AGENCIES

Collaborations and information sharing was carried out throughout the year to strengthen existing as well as create new networks with relevant agencies.









#### IMPACT





Close rapport and connections with the agencies



Immediate feedback from the agencies



Future collaboration in sharing of information for regulating purpose



SSM as part of the National Coordination Committee (NCC) on money laundering joined the nationwide efforts to strengthen regulatory framework through the reclassification of the AMLA Second Schedule offences according to the Financial Action Task Force (FATF) categories of offences. The predicate offences under the CA 2016 and Interest Schemes Act 2016 are as follows:

### COMPANIES ACT 2016

Section 43		Prohibition of private companies to offer shares or debentures or invite to deposit money
Section 213		Duties and responsibilities of directors
Section 217		Responsibility of a nominee director
Section 218		Prohibition against improper use of property, position, etc
Section 219		General duty to make disclosure
Section 221		Disclosure of interest in contracts, proposed contracts, property, offices, etc.
Section 222		Interested director not to participate or vote
Section 223		Approval of company required for disposal by directors of company's undertaking or property
Section 224	A. Marine	Loans to director
Section 225		Prohibition of loans to persons connected with directors
Section 226		Prohibition of tax free payments to directors
Section 228		Transactions with directors, substantial shareholders or connected persons
Section 246		System of Internal control
Section 584		Furnishing of information and particulars of shareholding
Section 591		False and misleading statements
Section 592		False report
Section 593		False report or statement to the Registrar
Section 594		Fraudulently inducing persons to invest money
Section 595		Fraud by officer
Section 596		Restriction on offering shares, debentures, etc., for subscription or purchase

## INTEREST SCHEMES ACT 2016

Section 3 Section 23 Section 27		Issuance and requirement for registration of schemes Eligibility for appointment as trustee Prohibition of issuing prospectus or product disclosure statement without approved trust
3000011 27		deed or approved contractual agreement
Section 28		Requirement to register and lodge prospectus or product disclosure statement
Section 35	A THINK SHITTER	Certain advertisement deemed to be prospectus or product disclosure statement
Section 40		Criminal liability for misstatement in prospectus or product disclosure statement
Section 42		Stop order
Section 49		Prohibition to invest and lend money to management company, etc
Section 82		False and misleading statements

SSM also emphasises on Beneficial Ownership (BO) reporting in the company's annual report under the CA 2016 to ensure business entities (Legal Persons) are not violating the laws such as money laundering activities and terrorist financing.

#### **ENFORCEMENT INITIATIVES**

SSM launched a public awareness campaign #SCAMALERT2018 to combat the danger of unregistered and illegal schemes.

#### **OBJECTIVES**

- Public awareness
- Educate public on illegal schemes
- Protect the public from illegal schemes

## FEATURES OF ILLEGAL SCHEMES

- Unregistered schemes
- Unrealistic and high returns
- · Risk free, fixed and quick return

#### ONLINE PROGRAMMES







Online posters



True stories



Pool questions

#### OFFLINE PROGRAMMES



SSMOne & SSM Carnival



Survey

### TYPES OF INVESTMENTS OFFERED AND ESTIMATED LOSSES (RM)

- E-money investment RM700,000,000
- Unlicensed foreign currency investment RM200,000,000
- Foreign exchange & pastoral farming RM130,00,000
- Overseas solar bond investment (non-existent) RM80,000,000
- Unregistered date farm investment RM11,181,573
- Unregistered chilli cultivation & livestock investment RM10,000,000
- Vending machine-based investment (Wireless wifi) RM2,619,676
- Coconut-based investment RM735,000
- Holiday packages & drink vending machine-based investment – RM700,000
- Capital-based investment for business RM160,000

#### **STATISTICS**



- 227 complaints on unregistered investment schemes (2015-2018)
- 14 complaints under the Kootu Funds (Prohibition) Act 1971 in 2018
- 47 investigations were opened in 2018

## WHERE TO MAKE A COMPLAINT?



Cheating offences under the Penal Code



Offences relating to capital market



Money game & Pyramid scheme



Illegal deposit taking involving Forex trading & gold investment



Unregistered scheme

#### SURVEY ANALYSIS #SCAMALERT2018

Surveys were conducted on the members of the public during SSM's programmes such as SSMOne @ Kuching, SSMOne @ Gong Badak, Terengganu and YPGO @ University Malaysia Sabah. A total of 533 respondents participated in these surveys.





#### BREAKDOWN OF RESPONDENTS



The average of 223 respondents for this survey were in the range of 18 to 35 years old.



321 respondents were students.



212 respondents were workers.

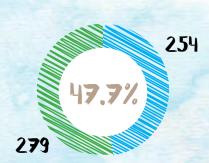
## TO DETERMINE THE RESPONDENTS' UNDERSTANDING ON THE CHARACTERISTICS OF ILLEGAL INVESTMENTS ARE AS FOLLOWS:

The investment operator promises a return of 70% within 3 months.



145 respondents will be deceived if the scammer promises high and unreasonable returns.

This investment will not suffer losses if : The company offering investment that the investment owner is a VIP.



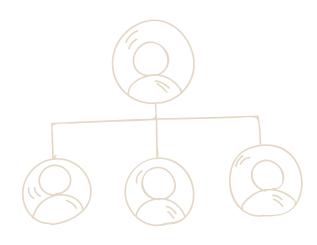
254 respondents will be deceived if the scammer claims that the investment is zero risk and the owner of the investment is a VIP.

is registered with SSM.



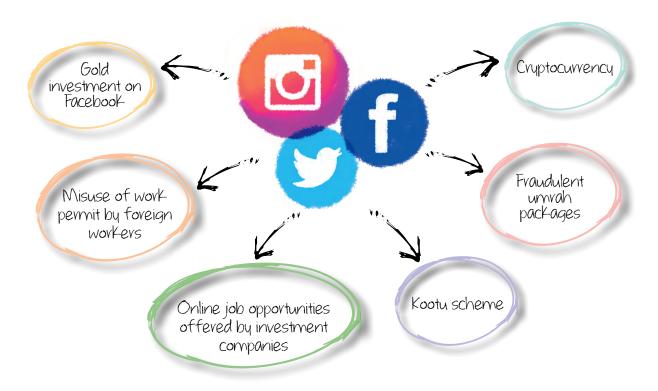
**414** respondents are not aware that the investment offered must be registered.





#### **ENFORCEMENT INITIATIVES**

## ENFORCEMENT STATEMENTS ON SOCIAL MEDIA FOR #SCAMALERT 2018



SSM has taken proactive steps to provide sufficient information and awareness on the characteristics of unregistered and illegal investment schemes.

The public is advised to check with the relevant enforcement agencies to ensure that the investment schemes offered have obtained valid certification and complied with existing laws.

## MAJOR ACHIEVEMENTS



During the year 2018, SSM has achieved effective closures of investigation by accomplishing 81% of completion rate.



In the same year, SSM also launched the public awareness campaign **#ScamAlert2018** to raise awareness about the implications of unregistered and illegal investment schemes.



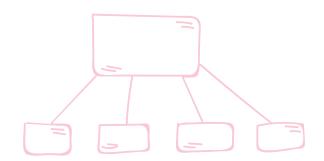
At national level, SSM is currently undertaking and leading the preparation of risk assessment reports on business entities relating to criminal activities on money laundering and terrorism financing activities.

## **PROSECUTION**

In 2018, SSM has taken initiatives to conduct quality prosecution for serious corporate governance and common offences under laws governed by SSM.

Convictions Obtained for Serious Corporate Governance Offences under the CA 1965 and ROBA 1956

Category of Offences under the CA 1965 and the ROBA 1956	No. of	Cases Cor	victed
Serious Corporate Governance Offences	2018	2017	2016
Section 91(1) of the CA 1965: Issuing of interests without an approved deed.	-	-	1
Section 94(1)(b) of the CA 1965: Failure to comply with a covenant contained in a deed.	-	-	-
Section 7D(5) of the CA 1965: Failure to comply with Notice 7D(1) to provide reasonable excuse to the Registrar.	1	-	-
Section 125(1) of the CA 1965: Undischarged bankrupt acting as director.	2	-	-
Section 132(1) of the CA 1965: Failure to exercise powers as company director in the interest of the company.	-	-	-
Section 132(2)(a) of the CA 1965: Use of company property without the consent or ratification of a general meeting.	-	-	-
Section 132(2)(c) of the CA 1965: Director or officer of the company use his position without consent or ratification of meeting to gain for himself or cause detriment to the company.	1	-	-
Section 363(3) of the CA 1965: Offering shares for subscription or purchase to the public.	-	-	-
Section 364(2) of the CA 1965: Persons who made or authorised the making of a statement false or misleading in any material particulars knowing it to be false or misleading.	3	4	1
Section 364A(1)(a) of the CA 1965: An officer knowingly and wilfully authorises the making of any false or misleading statements to members of the corporation.	-	-	-
Section 12(1)(d) of the ROBA 1956: False declaration to the Registrar.	-	1	7
Total	7	5	9





#### **Convictions Obtained for Serious Corporate Governance Offences under the CA 1965 and ROBA 1956**

Category of Offences under Companies Act 1965 and Registration of Businesses Act 1956	No. of Cases Convicted		
Non-Compliance Offences	2018	2017	2016
Section 143(1) of the CA 1965: Failure to hold Annual General Meeting.	170	197	138
Section 169(1) of the CA 1965: Failure to table accounts at the Annual General Meeting within the prescribed period.	92	141	16
Section 165(4) of the CA 1965: Failure to lodge Annual Return.	480	674	582
Section 165A of the CA 1965: Failure to attach Auditor's Statement.	-	9	-
Section 370(1) of the CA 1965: Default penalty proceedings for continuous default.	-	29	44
Section 139C of the CA 1965: Disqualification of company secretary.	-	-	14
Section 12(1)(a) of the ROBA 1965: Carrying on business without registration.	-	4	10
Section 12(1)(b) of the ROBA 1965: Carrying on business after expiry of business registration.	4	29	2
Section 12(2) of the ROBA 1965: Failure to display certificate of registration.	1	3	-
Section 17A(1)(b) of the ROBA 1965: Failure to submit change of registered business particulars.	-	-	10
Section 17A(2) of the ROBA 1965: Failure to display signboard.	2	1	11
Total	749	1,087	827







Prosecution Section recorded a total number of 756 convictions. Below are brief facts of significant cases conducted by Prosecution Section:

		200 (200	
Parties	Nature of Offence	Offence (Section)	Description
Public Prosecutor v Kamal Hisham bin Ja'afar	Use his position as director or officer of company	Section 132(2)(c) of the CA 1965	Kamal Hisham bin Ja'afar pleaded guilty and was convicted for an offence under section 132(2) (c) of the CA 1965 at the Johor Bahru Sessions Court for using his position as a director of the company. The Court held that a fine of RM30,000 was to be imposed.
Public Prosecutor v Abdul Shukor Bin Hamid	Acting as director while an undischarged bankrupt	Section 125(1) of the CA 1965	Abdul Shukor Bin Hamid ('accused') was fined RM6,000 in lieu of 2 months imprisonment by the Selayang Sessions Court. The accused pleaded guilty for the offence under section 125(1) of the CA 1965 where he had acted as a director of Kota Viana Quest Sdn Bhd while being an undischarged bankrupt and without permission from the Court.
Public Prosecutor v Aziz Bin Intan	Use the company's property and use of position as director or officer of company	Section 132(2)(a) and 132(2)(c) of the CA 1965	Aziz bin Intan was found guilty and convicted for an offence under section 132(2)(a) of the CA 1965 for using the property of Derbara Industries Sdn Bhd without consent and also an offence under section 132(2)(c) of the CA 1965 for using his position as a director to obtain benefit for himself. The Kangar Sessions Court imposed a sentence of 5 years imprisonment from date of judgment for both charges.
Public Prosecutor v Oh Haw Leong	Giving false information to the Registrar	Section 364(2) Companies Act 1965	Oh Haw Leong was convicted for an offence under section 364(2) of the CA 1965 for giving false information to the Registrar pertaining to an application for striking off under section 308(1) of the CA 1965. Butterworth Sessions Court imposed a fine of RM15,000 in lieu of 5 months imprisonment.
Public Prosecutor v Lee Choong Sen	Giving false information to the Registrar	Section 364(2) of the CA 1965	Company director of JJ Global Network Sdn Bhd, Lee Choong Sen, was convicted for an offence under section 364(2) of the CA 1965 for giving false information to the Registrar regarding an application for stricking off under section 308(1) of the CA 1965. Butterworth Sessions Court convicted the accused and held that the accused must pay a fine of RM18,000.

## REGISTRATION OF COURT CASES IN 2018

Cases Registered for Non-Compliance Offences under the CA 1965 and ROBA 1956:

Category of Offences under the CA 1965 and ROBA 1956	No. of Cases Registered			
Non-Compliance Offences	2018	2017	2016	
Section 143(1) of the CA 1965: Failure to hold Annual General Meeting.	1,590	576	1,721	
Section 169(1) of the CA 1965: Failure to table accounts at the Annual General Meeting within the prescribed period.	780	596	1,342	
Section 165(4) of the CA 1965: Failure to lodge Annual Return.	9,562	8,991	11,510	
Section 121(1)(b) of the CA 1965: Failure to print company name and number on official documents.	73	1	50	
Section 121(3) of the CA 1965: Failure to display company name on all offices.	-	-	30	
Section 369(1) (c) of the CA 1965: General Offences	4	-	-	
Section 12(1)(a) of the ROBA 1956: Carrying on business without registration.	3	2	-	
Section 12(1)(b) of the ROBA 1956: Carrying on business after expiry of business registration.	121	158	104	
Section 12(1)(c) of the ROBA 1956: Failure to give information to the Registrar.	1	-	-	
Section 12(2) of the ROBA 1956: Failure to display certificate of registration.	16	18	20	
Section 17A(1)(b) of the ROBA 1956: Failure to submit change of registered business particulars.	4	22	12	
Section 17A(2) of the ROBA 1956: Failure to display signboard.	21	35	44	
Total	12,175	10,399	14,833	







#### Cases Registered for Serious Corporate Governance under the CA 1965 and ROBA 1956

Category of Offences unter the CA 1965 and ROBA 1956	No. of Cases Registered		
Serious Corporate Governance Offences	2018	2017	2016
Section 12(1)(d) of the ROBA 1956:  Making or furnishing the Registrar with false information.	9	2	35
Section 7D(5) of the CA 1965: Failure to give a justified reason for non-compliance of 7D(1) notice from Registrar.	1	1	-
Section 89 of the CA 1965: Interests to be issued by not a company or an agent of company.	-	-	-
Section 91(1) of the CA 1965: No issue without approved deed.	-	-	1
Section 125(1) of the CA 1965: Undischarged bankrupts acting as directors.	2	2	4
Section 128(2) of the CA 1965: Removal of directors without special notice.	4	-	-
Section 131(1) of the CA 1965: Failure to disclose interest to the company in annual general meeting.	2	-	-
Section 132(1) of the CA 1965: Failure to exercise power as director of a company in the best interest of the company.	-	-	1
Section 132(2)(c) of the CA 1965: Director or officer of company using his position without the consent or ratification of a general meeting.	1	-	-
Section 132(2)(d) of the CA 1965: Director or officer of company using his position as director or officer without the consent or ratification of a general meeting to use any opportunity of the company which he becomes aware of.	-	-	-
Section 364(2) of the CA 1965:  Person making or authorising the making of a statement false or misleading in any material particulars, knowing it to be false or misleading.	12	8	7
Section 370(1) of the CA 1965: Default penalty proceedings for continuous default.	-	61	20
Total	31	74	68



## SUMMARY OF CONVICTIONS IN 2018

Total number of convictions and fines meted out by the Court are as follows:

Categories	Corporate Governance Convictions	Non- Compliance Convictions
Companies	-	650
Directors	5	82
Business Owners/ Individuals	-	7
Total	5	739

## LITIGATION

In 2018, the number file of civil cases (court cases) handled by SSM is 522 (an increase of 11.4% compared to 2017). The court delivered several notable decisions in matters which SSM was involved in. The category of files is listed below:

Categories	File Opened			
Year	2018	2017	2016	
Court case	522	408	440	
Legal Opinion	2	4	27	
Project/ Meeting	-	1	2	
Miscellaneous	13	12	6	
Total	537	425	475	

Civil cases handled by SSM among others cover the following issues:

- (a) Application to reinstate the name of company in the Company's Register (section 555 of the CA 2016);
- (b) Application for extension of time and amendment of documents related to charges (section 361 of the CA 2016);
- (c) Application under the Interest Scheme Act 2016;
- (d) Application to amend documents under section 602 of the CA 2016; and
- (e) Cases related to insolvency.

## Overview of Significant Civil Case Involving SSM

In the High Court of Malaya in Johor Bahru
Originating Summons No: JA22NCVC-223-11/2016
Choong Shin Cheong

#### Suruhanjaya Syarikat Malaysia

In this case, Choong Shin Cheong ("CSC"), the Plaintiff was the liquidator of the Pentamont Development Sdn Bhd (Company No. 580415-M) ("Pentamont") who was appointed pursuant to the Court Order dated 01.10.2014. The Court Order also instructed CSC to rectify the registration of shares of Pentamont under section 162 of the CA 1965.

SSM was named as the Defendant and there were 3 interveners who were the shareholders of Pentamont. They were Chew Ah Fock ("CAF"), Chan Pak Woh ("CPW") and Ong Siang Tian ("OST"). CPW and OST withdrew before the full trial began.

The Plaintiff claimed that after perusing documents relating to the Annual Reports and Financial Statements of the company, he realised there was a mistake with regard to the registration of the shares since the establishment of the company.

The Form 24 dated 19.06.2002 which was registered with SSM contained false information (indicating 30,000 issues shares). The plaintiff claimed that in 2002, the total number of shares of the company was only 9,002 units. Therefore, the company's share registration error should be rectified.

SSM objected to the Plaintiff's application due to statutory documents (Form 24, Form 25 and Annual Return) which were lodged and registered in SSM were all in order. In addition, CAF confirmed that the shares recorded in the SSM's register were correct based on the statutory documents.

The issue in this application was whether there was a mistake in the registration of the company's shares; and if there was a mistake in the registration of the shares, did the Plaintiff (as the Liquidator) have the right to apply for rectification of the shares.

The Court dismissed the Plaintiff's application and ordered the cost of RM20,000.00 to be paid to SSM.







The ACGS is a certified document issued by SSM to confirm the existence of a company and to verify that the company has complied with the statutory lodgement requirements prescribed under the Companies Act 2016 (Act 777)

- Has been incorporated for at least 18 months
- Has lodged its latest Annual Return and Financial Statements or Certificate for Exempt Private Company (EPC)
- The company is in existence and not in the process of being wound up or struck off or dissolved
- :: Is not dormant
- :: Has a registered address
- The company or its directors do not have any outstanding compound with SSM
- The company or its directors do not have pending prosecution case with SSM

ATTENSTATION
OF COMPANY
GOOD STANDING

ONLY AVAILABLE ON PORTAL



https://www.ssm-einfo.my



## STATEMENT OF INTERNAL CONTROL

66

Section of Internal Audit (IAS) is mandated to provide independent, objective assurance and consulting services designed to add value and to assist the SSM in accomplishing its Vision by bringing systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal control, operations and governance processes. IAS can add value by selecting audits that contribute to the achievement of strategic objectives. IAS want to be seen as trusted advisors to ensure capturing what matters most to the SSM.

IAS maintains its impartiality, proficiency and due professional care as outlined in its Internal Audit Charter by having its plans and reports directly under the purview of the Audit Risk Management Committee (ARMC). IAS adopts the standards and principles outlined in the International Professional Practices Framework of The Institute of Internal Auditors. Approach used by IAS is the data analytics and risk-based auditing.

IAS reports functionally to the ARMC and administratively to the Chief Executive Officer. IAS independent audits in diverse areas including management, accounting, financial and operation activities are in accordance with annual internal audit plan which is presented to ARMC for approval.

99



# FINANCIAL STATEMENTS



(Established under the Companies Commission of Malaysia Act 2001)



# REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF COMPANIES COMMISSION OF MALAYSIA FOR THE YEAR ENDED 31 DECEMBER 2018

# Report on the Audit of the Financial Statements

# Opinion

The financial statements of Companies Commission of Malaysia have been audited by my representative which comprise the Statement of Financial Position as at 31 December 2018 and Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, a summary of significant accounting policies and other explanatory information as set out on pages 3 to 47.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Companies Commission of Malaysia as at 31 December 2018 and of its financial performance and cash flows for the year then ended in accordance with the approved financial reporting standards in Malaysia and Companies Commission of Malaysia Act 2001 (Act 614).

# **Basis for Opinion**

The audit was conducted in accordance with the Audit Act 1957 and the International Standards of Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

# Independence and Other Ethical Responsibilities

I am independent of the Companies Commission of Malaysia and I have fulfilled the other ethical responsibilities in accordance with the International Standards of Supreme Audit Institutions.



(Established under the Companies Commission of Malaysia Act 2001)

# **Emphasis Of Matter**

Without effecting the opinion of the Audit, I would like to draw your attention to the following:

The compound imposed by the Companies Commission of Malaysia is recognized upon payment received whereby each compound issued is an offer in lieu of the prosecution process during the payment period and at the end of the given period, the notice of the compound will expire if it is not paid.

According to Note 20 in the financial statements, net income from operating activities consists of compounds income received the current and previous years. The uncertainty in the accuracy of the compounds recognition is due to the impending implementation of the data cleansing process due to the failure of outsourcing in the supply and maintenance of the core operating system of the Companies Commission of Malaysia. In addition, the core system development process is also in the final stages of negotiation and refinement between Companies Commission of Malaysia and third party.

# Information Other than the Financial Statements and Auditor's Report Thereon

Members of Commission of the Companies Commission of Malaysia is responsible for the other information in the Annual Report. My opinion on the financial statements of the Companies Commission of Malaysia does not cover the information other than the financial statements and auditor's report thereon and I do not express any form of assurance conclusion thereon.

# Responsibilities of the Members of Commission for the Financial Statements

Members of Commission is responsible for the preparation of financial statements of the Companies Commission of Malaysia that give a true and fair view in accordance with approved financial reporting standards in Companies Commission of Malaysia Act 2001 (Act 614). The Members of Commission is also responsible for such internal control as it determines is necessary to enable the preparation of the financial statements of Companies Commission of Malaysia that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Companies Commission of Malaysia, the Members of Commission is responsible for assessing of the Companies Commission of Malaysia's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

(Established under the Companies Commission of Malaysia Act 2001)

# Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements of the Companies Commission of Malaysia as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards of Supreme Audit Institutions will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards of Supreme Audit Institutions, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- a. Identify and assess the risks of material misstatement of the financial statements of the Companies Commission of Malaysia, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Companies Commission of Malaysia's internal control.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members of Commission.
- d. Conclude on the appropriateness of the Members of Commission's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Companies Commission of Malaysia's ability to continue as a going concern. If I conclude that a material uncertainty exists, I have to draw attention in my auditor's report to the related disclosures in the financial statements of the Companies Commission of Malaysia if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of auditor's report.
- e. Evaluate the overall presentation of the financial statements of the Companies Commission of Malaysia including the disclosures that achieves fair presentation.



(Established under the Companies Commission of Malaysia Act 2001)

# Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Companies Commission of Malaysia Act 2001 (Act 614), I also report that in my opinion, the accounting and other records required by the Act to be kept by Companies Commission of Malaysia have been properly kept in accordance with the provision of the Act except for certain audit evidences were under the investigation of Malaysian Anti-Corruption Commission ("MACC"), which we have obtained during the audit and have no impact on sufficiency and appropriateness of the audit evidences as disclosed in the section of Basis of Opinion above. We will not be responsible for the findings of the investigation made by the Malaysian Anti-Corruption Commission.

# Other Matters

This report is made solely to the Members of Commission and for no other purpose. I do not assume responsibility to any other person for the content of this report.

( )

(AHMAD FAZLI BIN OSMAN) ON BEHALF OF AUDITOR GENERAL MALAYSIA

PUTRAJAYA 03 DECEMBER 2019



(Established under the Companies Commission of Malaysia Act 2001)

# STATEMENT BY CHAIRMAN AND A MEMBER OF THE COMPANIES COMMISSION OF MALAYSIA

We, **DATUK MUEZ BIN ABDUL AZIZ** and **PROF. DATO' DR. AISHAH BINTI BIDIN**, being the Chairman and a member of the **COMPANIES COMMISSION OF MALAYSIA**, do hereby state that in the opinion of the Members of the Commission, the Financial Statements consisting of Statement of Financial Position, Statement of Income, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow together with the notes to the Financial Statements, are drawn up so as to give a true and fair view of the state of affairs of the **COMPANIES COMMISSION OF MALAYSIA** as at 31 December 2018 and of the results of its operations and of its cash flows for the year ended on that date.

On behalf of the Commission,

On behalf of the Commission,

Name: **DATUK MUEZ BIN ABDUL AZIZ**Designation: **CHAIRMAN OF THE COMMISSION** 

Date: **07 OCT 2019**Place: **KUALA LUMPUR** 

Name: PROF. DATO' DR. AISHAH BINTI BIDIN

Designation: **MEMBER OF THE COMMISSION** 

Date: **07 OCT 2019**Place: **KUALA LUMPUR** 



(Established under the Companies Commission of Malaysia Act 2001)

# STATUTORY DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANIES COMMISSION OF MALAYSIA

I, NOR AZIMAH BINTI ABDUL AZIZ, being the officer primarily responsible for the accounting records and financial management of the COMPANIES COMMISSION OF MALAYSIA do solemnly and sincerely declare that the Statement of Financial Position, Statement of Income, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow together with the notes to the Financial Statements are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly ) declared by the above named ) at Kuala Lumpur in the Federal ) Territory on **07 OCT 2019** )

Ohndre

W 465
KAPT (B) JASNI BIN
YUSOFF

1 JAN 2019 - 31 DIS 2021

Lot 1.08, Tingkat 1,

Bangunan KWSP, Jin Raja Laut, 50350 Kuala Lumpur. Tel: 019 6680745

(Established under the Companies Commission of Malaysia Act 2001)

# STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 RM	2017 RM
Non Current Assets			
Property, fittings and equipment	4	138,380,151	134,015,559
Investment properties	5	10,395,000	8,724,017
Long term investments	6	166,885,540	160,589,952
Work in progress	7	42,113,741	23,286,833
Staff financing	8	54,155,498	55,309,681
		411,929,930	381,926,042
Current Assets			
Trade debtors	9	7,247,217	6,457,459
Other debtors, deposits and prepayments	10	43,528,351	41,195,695
Short term investments	11	586,993,656	493,701,628
Inventories	12	277,820	277,820
Cash and cash equivalents	13	60,057,326	78,423,772
		698,104,370	620,056,374
TOTAL ASSETS		1,110,034,300	1,001,982,416



(Established under the Companies Commission of Malaysia Act 2001)

# STATEMENT OF FINANCIAL POSITION (continued) AS AT 31 DECEMBER 2018

	Note	2018 RM	2017 RM
EQUITY AND LIABILITIES			
Equity			
Retained earnings		859,731,039	758,701,722
Staff financing funds	14	91,000,000	91,000,000
		950,731,039	849,701,722
Non Current Liabilities			
Provision for employee benefits	16	26,039,172	52,552,152
		26,039,172	52,552,152
Current Liabilities			
Federal Consolidated Fund	17	52,571,766	55,845,096
Other creditors	18	54,280,548	19,698,681
Project creditors	19	4,811,775	5,684,765
Taxation and zakat		21,600,000	18,500,000
		133,264,089	99,728,542
Total Liabilities		159,303,261	152,280,694
TOTAL EQUITY AND LIABILITIES		1,110,034,300	1,001,982,416

(Established under the Companies Commission of Malaysia Act 2001)

# STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 RM	2017 RM
Income	20	464,749,235	430,071,432
Operating Expenses:			
Staff costs	21	140,485,640	126,167,535
Administration costs	22	138,058,021	108,914,330
Depreciation	4	10,335,031	8,705,887
Amortisation on investments and changes in fair value		631,325	133,358
		289,510,017	243,921,110
Surplus before Federal Consolidated Fund		175,239,218	186,150,322
Federal Consolidated Fund	17	52,571,766	55,845,096
Surplus before taxation and zakat	23	122,667,452	130,305,226
Taxation and zakat	24	21,638,135	18,500,000
Surplus for the year		101,029,317	111,805,226



(Established under the Companies Commission of Malaysia Act 2001)

# STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 RM	2017 RM
Surplus for the year	101,029,317	111,805,226
Other Comprehensive Income:		
Other comprehensive income for the year	-	-
Total comprehensive income	101,029,317	111,805,226

(Established under the Companies Commission of Malaysia Act 2001)

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Accumulated Surplus RM	Staff Financing Funds RM	Total RM
Balance as at 1 January 2018	758,701,722	91,000,000	849,701,722
Surplus for the year	101,029,317	-	101,029,317
Other comprehensive income for the year	-	-	-
Total comprehensive income	101,029,317	-	101,029,317
Balance as at 31 December 2018	859,731,039	91,000,000	950,731,039
Balance as at 1 January 2017	646,896,496	91,000,000	737,896,496
Surplus for the year	111,805,226	-	111,805,226
Other comprehensive income for the year	-	-	-
Total comprehensive income	111,805,226	-	111,805,226
Balance as at 31 December 2017	758,701,722	91,000,000	849,701,722



(Established under the Companies Commission of Malaysia Act 2001)

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 RM	2017 RM
OPERATING ACTIVITIES		
Surplus before taxation	122,667,452	130,305,226
Adjustments for:		
Depreciation	10,335,031	8,705,887
Amortisation on long term investments	526,325	133,358
Gain from disposal of property, fittings and equipment	(1,103)	(267,722)
Changes in fair value of investment properties	105,000	-
Interest and dividend from investments	(31,549,407)	(24,756,332)
Operating surplus before changes in working capital	102,083,298	114,120,417
Changes in trade debtors	(789,758)	(4,233,807)
Changes in other debtors, deposits and prepayments	(2,332,656)	(5,398,943)
Changes in Federal Consolidated Fund	(3,273,330)	27,075,480
Changes in other creditors	34,581,867	(2,538,452)
Changes in project creditors	(872,990)	4,254,084
Changes in provision for employee benefits	(26,512,980)	(2,942,620)
Cash flow from operations	102,883,451	130,336,159
Payment of taxation	(6,738,135)	-
Payment of zakat	(11,800,000)	(9,790,000)
Net cash from operating activities	84,345,316	120,546,159

(Established under the Companies Commission of Malaysia Act 2001)

# STATEMENT OF CASH FLOWS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 RM	2017 RM
INVESTING ACTIVITIES		
Acquisition of property, fittings and equipment	(15,144,238)	(18,937,932)
Proceeds from disposal of property fittings and equipment	1,235	268,226
Acquisition of investment property	(1,775,983)	(8,724,017)
Work in progress	(18,382,425)	(21,205,320)
Investments	(100,113,941)	(57,252,386)
Interest and dividend from investment	31,549,407	24,756,332
Staff financing	1,154,183	2,042,087
Net cash used in investing activities	(102,711,762)	(79,053,010)
FINANCING ACTIVITIES		
Transfer grant to income statement	-	(5,152,876)
Net cash used in financing activities	-	(5,152,876)
Net (decrease)/ increase in cash and cash equivalents	(18,366,446)	36,340,273
Cash and cash equivalents at beginning of year	78,423,772	42,083,499
Cash and cash equivalents at end of year	60,057,326	78,423,772



(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

### 1. GENERAL INFORMATION

The Companies Commission of Malaysia (Commission) is a statutory body established in Malaysia under the Companies Commission of Malaysia Act 2001 (Act 614). The principal activities of the Commission are the regulation of corporations, companies and businesses under the Companies Act 2016, Interest Schemes Act 2016, Companies Act 1965, Registration of Business Act 1956, Limited Liability Partnership 2012, Trust Companies Act 1949, Kootu Funds (Prohibition) Act 1971 and any subsidiary legislation made under the above Acts. There were no significant changes in the nature of these principal activities during the financial year.

The Commission place of headquarter office is located at Menara SSM@Sentral, No 7. Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50623 Kuala Lumpur, Malaysia.

The financial statement of the Commission is presented in Ringgit Malaysia (RM).

# 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Commission in all previous years' financial statements, unless otherwise stated.

# (a) Basis of Preparation

The financial statements of the Commission have been prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") issued by the Malaysian Accounting Standards Board ("MASB").

The financial statements of the Commission have been prepared using the historical cost convention except as disclosed in this summary of significant accounting policies.

The preparation of the financial statements in conformity with MPERS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these judgements, estimates and assumptions are based on the management's best knowledge of current events and actions, actual results may differ.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

# (b) Vested Assets, Rights and Liabilities

These are all assets, rights or liabilities of the Government of Malaysia that were transferred to and vested in the Commission. They are stated after deducting all direct expenses and depreciation of the vested assets.

The vested assets, rights and liabilities are stated at fair value and are recognised in the statement of financial position on the vesting date.

The vested non monetary assets are amortized over their remaining useful lives. The benefit is stated as amortisation on grants received in the statement of changes in equity.

# (c) Property, Fittings and Equipment

# (i) Cost

Property, fittings and equipment are stated at historical cost less accumulated depreciation and any impairment losses.

Cost includes expenditure that is directly attributed to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Commission and the cost can be measured reliably.

# (ii) Depreciation

Property, fittings and equipment are depreciated on the straight-line basis to allocate the cost of the assets, less their residual values over their estimated useful lives. The annual depreciation rates used are summarized as follows:

Leasehold Land	Over the lease term
Building	2%
Building Equipment	20%
Motor Vehicles	20%
Computer Hardwares and Softwares	20% - 33 1/3%
Office Equipment, Furniture and Fittings	20%
Renovation	20% - 33 1/3%

Depreciation on property, fittings and equipment under construction commences when the property, fittings and equipment are delivered and ready for their intended use. Depreciation on property, fittings and equipment ceases at the earlier of derecognition and classification as held for sale.



(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

# (c) Property, Fittings and Equipment (continued)

# (ii) Depreciation (continued)

Residual value and useful lives of property, fittings and equipment are reviewed, and adjusted if appropriate, at the reporting date.

At each reporting date, the Commission assesses whether there is any indication of impairment. If such indicator exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. Refer to accounting policy Note 2(e) on impairment of assets.

Gains or losses arising from disposal of property, fittings and equipment is the difference between the net disposal proceeds and the carrying amounts of the property, fittings and equipment, and is recognised in the statement of income.

# (d) Works In Progress

Works in progress is stated at cost and capitalised as property, fittings and equipment after the certificate of completion or certificate of acceptance is received by the Commission.

# (e) Impairment of Non Financial Assets

The carrying amount of property, fittings and equipment are reviewed to determine whether there are any indications of impairment. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. An impairment loss is recognised immediately as expenditure in the statement of income.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the assets that would have been determined (net of amortisation and depreciation) if no impairment loss had been recognised. All reversals are recognised immediately in the statement of income.

# (f) Leases

Lease in term of which the Commission assume substantially all the risks and rewards of ownership are classified as finance lease, and lease in term of which the Commission does not assume substantially all the risks and reward of ownership are classified as operating lease.

Payments made under operating leases are recognised as an expense over the term of the lease.

(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

# (g) Long Term Investments

Long term investments are stated at cost and held to maturity. Provisions for diminution in value are made if permanent diminution exists.

# (h) Staff Financing

Staff financing are stated at fair value less any allowance for bad and doubtful debts.

# (i) Trade Debtors

Trade debtors are stated at invoiced amount less allowance for doubtful debts. The allowance is made when there is evidence that the Commission will not be able to collect all amounts due according to the original terms of the receivables.

# (j) Cash and Cash Equivalents

For the purpose of the statement of cash flow, cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short term and highly liquid investments.

### (k) Inventories

Inventories are measured at the lower of cost and net realisable value.

# (I) Government Grants

Government grants are recognised at their fair value when there is a reasonable assurance that the grants will be received and the Commission will comply with all the stipulated conditions.

Government grants relating to expenses are recognised as income in the statement of income based on a systematic approach over the period necessary to match them with the costs that they are intended to compensate.

The government grants relating to the purchase of assets are included as deferred income at fair value and recognised in the statement of income based on the estimated useful lives of the related assets via equivalent installment amount.



(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

# (m) Employee Benefits

(i) Short Term Employee Benefits

Salaries, paid annual leave and sick leave, bonuses and non monetary benefits are recognised as an expense in the period in which the associated services are rendered by the employees of the Commission.

(ii) Defined Contribution Plans

The Commission made contributions to Employees Provident Fund (EPF) for employees who have opted for EPF scheme and the Retirement Fund (Incorporated) (KWAP) for employees who are in the Government pensionable scheme. These contributions are charged to the statement of income in the period to which they relate. Once the contributions have been paid, the Commission has no further payment obligations.

(iii) Defined Benefits Plans

Obligation for post employment benefits to employees after retirement and/or upon completion of term of services is recognised in the statement of financial position as liability known as Provision for Employee Benefits.

The types of long term benefits which will be recognised are as follows:

- a) cash rewards in lieu of annual leave for Commission employees under the Government Pension Scheme (GPS); and
- b) cash rewards in lieu of annual leave for Commission employees under the Skim Saraan Suruhanjaya Syarikat Malaysia (SSSSM).

The computation of cash in lieu of annual leave payable to retirees or employee who that have completed their term of service is based on the actual information available on the statement of financial position date and the eligibility is based on the terms and conditions of service by the Commission. Last drawn salary under Sistem Saraan Malaysia is used for the calculation of liabilities under GPS.

(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

# (m) Employee Benefits

The Commission established a defined benefit plan named *Saguhati Tamat Perkhidmatan* for the Commission employees upon completion of service.

The Commission determines the present value of the defined with regularity so that the amount recognised in the statement of financial position do not differ materiality from the amount that would be determined at the end of the reporting period.

Changes in the defined benefit liability arising from employee service rendered and interest on the defined benefit obligation for the financial year are recognised in Statement of Income.

# (n) Contributions to Federal Consolidated Fund

Contributions to the Federal Consolidated Fund represent thirty percent (30%) of the current annual surplus as stipulated under section 35(1) of the Companies Commission of Malaysia Act 2001 (Act 614).

The computation of contributions accrued and payable to the Government is based on the current year annual surplus before provision for income taxes and zakat.

# (o) Other Creditors

Other creditors are stated at their nominal values which are the fair value of the considerations to be paid in the future for goods and services received.

# (p) Taxation

Income tax on the surplus or deficit for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of taxable surplus for the year and is measured using the tax rates applicable at the statement of financial position date.

Deferred tax is provided for, using the liability method, on temporary differences arising betweenthe tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

Deferred tax is computed at the tax rates applicable at the statement of financial position date.



(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

# (q) Provisions

Provisions are recognized when the Commission has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Commission expects a provision to be reimbursed (for example under an insurance contract), the reimbursement is recognized as a separate asset but only when the reimbursement can be ascertained. Provisions are not recognized for future operating losses.

Provisions are measured as the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specified to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

# (r) Income Recognition

Income comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Commission's activities. Income is shown net of value added tax, returns, rebates and discounts.

The Commission recognizes its income when the amount can be measured reliably and, it is probable that future economic benefits associated with the item will flow to the Commission and that specific criteria have been met for each of the Commission's activities as described below:

### (i) Service Income

Services income comprise the collection of fees related to registration of companies, businesses and limited liability partnership and supply of corporate information as prescribed under the Companies Act 2016, Interest Schemes Act 2016, Limited Liability Partnership 2012, Companies Act 1965 and the Registration of Businesses Act 1956 respectively. These incomes are recognized upon completion of services rendered.

(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

# (r) Income Recognition (continued)

# (ii) Compound

Section 23 MPERS does not apply accounting for revenue arising from compound transactions. The compound is therefore recognized upon payment received as each compound issued is only an offer in lieu of prosecution with a payment period as determined by the Registrar and at the conclusion of the period, compound notice will expire if it is not paid.

Compound which is not being settled after the expiry of the payment period will be followed by prosecution in accordance with the provision of the Companies Act 2016, Interest Schemes Act 2016, Limited Liability Partnership 2012, Companies Act 1965 and Registration of Businesses Act 1956.

However, fines imposed by the Court following prosecution actions are income of the Government and not the Commission's.

# (iii) Corporate Training Programmes

Income arising from Corporate Training Programmes is recognized upon completion of the programmes.

### (iv) Interests and Dividends Income

Interests and dividends income are recognized on a time proportion basis, taking into account the principle outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Commission.

### (s) Investment Properties

Investment properties include those portions of office buildings and land that are held for capital appreciation, to earn rentals or both.

Investment properties are initially recognised at cost and the cost of a purchased investment property comprises purchase price and any directly attributable expenditure and other transaction costs. Subsequently carried at fair value at each reporting date, with changes in fair value recognised in the statement of income.

The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in the statement of income. The cost of maintenance, repairs and minor improvements is recognised in the statement of income when incurred.



(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

# (s) Investment Properties (continued)

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the statement of income.

# (t) Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any assets in term of cash, contractual rights to receive cash or any other financial assets from other enterprise, contractual rights to change financial instruments with other enterprise under profitable terms or equity instruments of other enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or other financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavorable.

The particular recognition method adopted for financial instruments recognized in the statement of financial position is disclosed in the individual accounting policy statements associated with each financial instrument.

# 3. ESTIMATION UNCERTAINTY

# (a) Depreciation of Property, Fittings and Equipment

The cost of an item of property, fittings and equipment is depreciated on the straight line method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, fittings and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, fittings and equipment.

# (b) Defined Benefit Liabilities

The Commission has defined benefit plans for their employees. The measurement of the present value of defined benefit obligation is based on a number of assumptions and factors as disclosed in Note 16. Any changes in these assumptions will have an impact on carrying amount of the defined benefit obligations.

# COMPANIES COMMISSION OF MALAYSIA (Established Under the Companies Commission of Malaysia Act 2001)

PROPERTY, FITTINGS AND EQUIPMENT

	Building RM	Building Equipment RM	Office Equipment, Furniture and Fittings	Computer and Peripherals RM	Motor Vehicles RM	Renovation RM	Total RM
Gross Carrying Amount At 1 January 2018	142.807.436	16,650,580	16.843.592	71.144.566	6.173.276	33,593,836	287.213.286
Additions		, ,	1,627,043	13,104,462	412,733	,	15,144,238
Disposals	ı	1	(252,092)	(211,300)	(23,428)	(460,345)	(947,165)
At 31 December 2018	142,807,436	16,650,580	18,218,543	84,037,728	6,562,581	33,133,491	301,410,359
Accumulated Depreciation							
Depreciation as at 1 January 2018	21,701,120	16,650,569	13,619,548	63,514,392	5,538,640	32,617,941	153,642,210
Depreciation	2,866,720	ı	922,606	6,113,730	330,644	101,331	10,335,031
Disposals	1	ı	(252,022)	(211,277)	(23,423)	(460,311)	(947,033)
At 31 December 2018	24,567,840	16,650,569	14,290,132	69,416,845	5,845,861	32,258,961	163,030,208
Net Carrying Amount At 31 December 2018	118.239.596	11	3.928.411	14.620.883	716.720	874.530	138.380.151
At 31 December 2018	118,239,596	11	3,928,411	14,620,883	716,720	æ	174,530

(Established Under the Companies Commission of Malaysia Act 2001)

# VOTES TO THE FINANCIAL STATEMENTS OR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# PROPERTY, FITTINGS AND EQUIPMENT (continued)

	Building RM	Building Equipment RM	Office Equipment, Furniture and Fittings RM	Computer and Peripherals RM	Motor Vehicles RM	Renovation RM	Total RM
(continued)							
Gross Carrying Amount							
At 1 January 2017	135,307,436	16,650,580	14,815,965	64,257,647	7,802,588	34,882,340	273,716,556
Additions	6,231,441	ı	2,538,480	6,918,634	315,660	2,933,465	18,937,680
Disposals	1	I	(510,853)	(31,715)	(1,944,972)	(2,508,927)	(4,996,467)
At 31 December 2017	141,538,877	16,650,580	16,843,592	71,144,566	6,173,276	35,306,878	287,657,769
Accumulated Depreciation							
Depreciation as at 1 January 2017	18,943,043	16,650,569	13,373,621	59,068,548	7,014,440	34,882,317	149,932,538
Depreciation	2,758,077	ı	756,649	4,477,553	469,153	244,455	8,705,887
Disposals	1	ı	(510,722)	(31,709)	(1,944,953)	(2,508,831)	(4,996,215)
At 31 December 2017	21,701,120	16,650,569	13,619,548	63,514,392	5,538,640	32,617,941	153,642,210
Net Carrying Amount	110 037 757	7	770 766 6	VET 063 F	262 163	700 003 0	134 015 550
At 31 December 2017	113,057,757	TT	5,224,044	1,050,1/4	024,030	756,000,7	154,015,559

(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 4. PROPERTY, FITTINGS AND EQUIPMENT (continued)

- (a) The Commission acquired parcel of building with vacant possession together with a 10 storey Commercial Office Block cum sub-basement at Section 64, Kuching Town Land District, City Square, Jalan Pending, Kuching, Sarawak from Marawak Sdn Bhd through the sale and purchase agreement dated 23 May 2017. The purchase price of the said property which includes the 62 free parking lots is at RM 18.0 million.
- (b) Adjustment of property, fittings and equipment on the asset in prior years that value have weighted:

	Building RM	Renovation RM
Cost:		
As at 31 December 2017	141,538,877	35,306,878
Adjustment for understated/(overstated) amount	1,268,559	(1,713,042)
As at 1 January 2018	142,807,436	33,593,836

# 5. INVESTMENT PROPERTIES

	2018 RM	2017 RM
As at 1 January	8,724,017	-
Additions	-	8,724,017
Adjustment for understated amount	1,775,983	-
As at 1 January/ 31 December	10,500,000	8,724,017
Changes in fair value	(105,000)	-
As at 31 December	10,395,000	8,724,017

The fair value of investment properties is determined by reference to comparable market prices of similar properties of recent transactions in the market. The fair value is based on valuation performed by Jabatan Penilaian dan Perkhidmatan Harta (JPPH).



(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 6. LONG TERM INVESTMENTS

	2018 RM	2017 RM
Long term investments	206,879,196	192,249,478
Current portion of investment mature within one (1) year (Note 11)	(39,993,656)	(31,659,526)
	166,885,540	160,589,952
Measured at amortised cost:		
Sukuk	104,880,910	110,304,075
Debt Securities	29,936,837	29,901,834
Trust Account	47,851,435	47,335,860
Islamic Redeemable Preference Shares	20,000,000	-
Measured at fair value through profit or loss ("FVTPL"):		
Public Ittikal Sequal Fund	4,210,014	4,707,709
	206,879,196	192,249,478

Long term investments comprise investments in Government Investment Issues, Cagamas Berhad Sukuk, Islamic Medium Term Notes with coupon rates ranging from 3.55% to 5.25% (2017: 4.00% to 5.00%). The tenure of placement for these investments is up to ten (10) years.

The Commission also placed its funds in an Institutional Trust Account maintained by Amanah Raya Berhad, a public company limited by shares incorporated in Malaysia. The gross profit rate receivable by the Commission is 4.40% to 4.80% per annum (2017: 4.25% to 4.40% per annum) and the tenure of the placement is three (3) to five (5) years (2017: three (3) years).

During the financial year, the Commission holds an Islamic Redeemable Preference Shares amounting to RM 20.0 million with profit rate of 12.00% per annum. The tenure for this holding is five (5) years.

(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 7. WORK IN PROGRESS

	2018 RM	2017 RM
Balance as at 1 January	23,286,833	2,081,513
Additional works in progress during the financial year	36,369,408	52,191,691
Transfer to statement of income	(4,419,390)	(5,649,204)
Capitalization to property, fittings and equipment	(13,123,110)	(25,337,167)
Balance as at 31 December	42,113,741	23,286,833

The work in progress includes the Commission's building and information and communication technology projects awarded in the current year as follows:

	2018 RM	2017 RM
Building and renovation in progress	37,136,311	13,136,775
Information and communication technology development in progress	4,977,430	10,150,058
Balance as at 31 December	42,113,741	23,286,833

These projects were classified as works in progress in the current year based on invoices received.

# (a) Construction of Commission's Office Building

The Commission has entered into an agreement with Basco Sdn Bhd (BSB) and Perbadanan Setiausaha Kerajaan Negeri Perak Darul Ridzuan (PSKNP) to purchase a land and build an eight (8) storey building together with two (2) storey parking lot with its accessory parcels amounting to RM 70.0 million. The Sale & Purchase agreement was signed on 21 November 2016.

The status of the land is leased for a term of ninety nine (99) years expiring on 13 May 2112.

During the financial year, the Commission purchased two (2) units office building of unit D-G-03a and unit D-G-05 in Miri, Sarawak with a purchase price of RM 3,536,792. The Sale & Purchase agreement was signed on 14 November 2018.

The Commission has also confirmed to accept and purchase two (2) units of three (3) storey office building of No. 53 (intermediate unit) and No.55 (corner lot), Fashion City 2, MITC, Aver Keroh, Melaka located at PM 2268, Lot 13472 and PM 2269, Lot 13473, Mukim Bukit Baru, Daerah Melaka Tengah, Negeri Melaka amounting to RM 2.90 million through a letter of offer dated 30 November 2018.



(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 7. WORK IN PROGRESS (continued)

# (a) Construction of Commission's Office Building (continued)

The additional work in progress amounting to RM 28,130,586 (2017: RM 31,805,253) was derived from progress development in the current financial year.

Works in progress amounting to RM 1,331,500 (2017: RM 18,668,478) were capitalised and adjusted in the current financial year based on the date of commencement of SSM operations to the building.

# (b) Development and Installation of Information and Communication Technology Infrastructure and Equipment

The additional work in progress amounting to RM 8,238,822 (2017: RM 20,386,438) was derived from the existing and newly awarded information and communication technology projects which were still under development in the current financial year.

Works in progress amounting to RM 11,791,610 (2017: RM 6,668,689) were capitalised in the current financial year based on project completed and ready for use or issuance of certificate of acceptance in the current year.

# 8. STAFF FINANCING

	2018 RM	2017 RM
Balance as at 1 January	55,309,681	57,351,768
Net Disbursement and Change in Present Value		
Home financing	(1,959,368)	(3,025,160)
Motor vehicle financing	833,790	959,095
Computer financing	(28,605)	23,978
Balance as at 31 December	54,155,498	55,309,681

Staff financing relates to Islamic home, motor vehicle and computer financings approved to the employees of the Commission. The motor vehicle and computer financings are repayable over a maximum period of nine (9) years and four (4) years (2017: nine (9) years and four (4) years) respectively with a profit rate of 5.00% and 9.40% per annum (2017: 4.00% per annum). The home financing is repayable over a maximum period of thirty (30) years with a profit rate of 4.50% per annum (2017: 2.00% per annum).

(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 9. TRADE DEBTORS

	2018 RM	2017 RM
Trade debtors	7,247,217	6,457,459

Trade debtors consist of service fee receivables, which include fee from e-info and business renewal services provided through appointed agents, online services and fee from Corporate Training Programmes.

Credit period granted to trade debtors is thirty (30) days from the date of invoice issued or as stated in the related agreements with the appointed agents.

# 10. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	2018 RM	2017 RM
Interest and dividend receivables	8,358,740	4,912,445
Deposits and prepayments	5,913,652	14,121,816
Advances to employees	128,211	772,156
Other receivables	2,721,891	2,289,342
Goods and Services Tax (GST) Claimable and tax assets	14,653,803	4,705,705
Deferred staff financing	11,752,054	14,394,231
	43,528,351	41,195,695

Goods and Services Tax claimable is the amount of input tax exceeds the output tax, while the tax asset of RM8.0 million is the amount paid for the estimated tax payable by the Commission for the year of assessment 2018.



(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 11. SHORT TERM INVESTMENTS

	2018	2017
	RM	RM
Commodity Murabahah Deposits	547,000,000	462,042,102
Long term investments mature in twelve (12) months (Note 6)	39,993,656	31,659,526
	586,993,656	493,701,628

The Commission purchased *Commodity Murabahah Deposits* through various licensed financial institutions. The effective profit rate receivable by the Commission for these securities ranged from 3.05% to 4.40% per annum (2017: 3.00% to 4.30% per annum) and their tenure is up to fifteen (15) months (2017: twelve (12) months).

# 12. INVENTORIES

	2018 RM	2017 RM
Inventories	277,820	277,820

The Ministry of Finance via a letter dated 24 March 2010 had granted approval under section 82 of the Stamp Act 1949 to the Commission to sell revenue stamps to be affixed on the Memorandum and Article of Association of incorporated companies.

These inventories are measured at the lower of cost and net realisable value.

# 13. CASH AND CASH EQUIVALENTS

	2018 RM	2017 RM
Cash and bank balances	60,057,326	42,379,706
Deposits placement with:		
Licensed local banks and financial institutions	+	36,044,066
	60,057,326	78,423,772

The effective profit rate for Wafiyah Investment Accounts with banks and financial institutions ranged is 3.85% to 4.00% per annum (2017: 3.00% per annum), and for Al-Wadiah ranged from 3.05% to 3.35% (2017: 2.90% to 3.20%).

The tenure of the Al-Wadiah and Wafiyah Investment Accounts is one (1) day to three (3) months (2017: one (1) day to three (3) months).

(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 14. STAFF FINANCING FUNDS

	2018 RM	2017 RM
Home financing fund	80,000,000	80,000,000
Motor vehicle financing fund	10,000,000	10,000,000
Computer financing fund	1,000,000	1,000,000
	91,000,000	91,000,000

Financing fund of RM 80.0 million, RM 10.0 million and RM 1.0 million for home, motor vehicle and computer financing funds respectively for employees of the Commission.

# 15. GOVERNMENT GRANTS

	2018 RM	2017 RM
Balance as at 1 January	-	5,152,876
Transfer to Statement of Income (Note 20)	-	(5,152,876)
Balance as at 31 December	-	-

Government grants include operating grants provided by the Government, development grants approved under the Ninth Malaysian Plan (RMK-9) and benefits vested in the Commission. The operating and development grants were provided to cover capital expenses for the Commission's new building and development of information and communication technology projects.

In the financial year 2017, SSM has recognised balance of grant in the statement of income.



(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 16. PROVISION FOR EMPLOYEE BENEFITS

	2018 RM	2017 RM
Balance as at 1 January	54,739,713	57,200,045
Creation of obligations during the year and Changes in present value (Note 21):		
SSM defined benefit plan	(23,452,002)	-
Cash rewards in lieu of annual leave	582,977	-
Payments made to employees in current year:		
SSM defined benefit plan	(2,983,735)	(2,290,149)
Cash rewards in lieu of annual leave under SSSSM	(142,043)	(90,747)
Cash rewards in lieu of annual leave under GPS	(69,296)	(79,436)
Balance as at 31 December	28,675,614	54,739,713

The maturity structures of provision for employee benefits as at the end of the financial year were as follows:

	2018 RM	2017 RM
Current Liabilities		
Within one (1) year (Note 18)	2,636,442	2,187,561
Non Current liabilities		
More than one (1) year	26,039,172	52,552,152
Balance as at 31 December	28,675,614	54,739,713

In year 2012, a retirement option up to the age of sixty (60) years old was offered to all Commission employees under the Government Pension Scheme in line with the Government's option to increase the retirement age up to sixty (60) years old.

The Commission has agreed and approved the SSM cash rewards in lieu of annual leave and SSM defined benefit plan named "Saguhati Tamat Perkhidmatan" to staff upon completion of service with effect from 1 January 2016.

(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 16. PROVISION FOR EMPLOYEE BENEFITS (continued)

The Commission adopted a simplified method for measuring its obligation and cost under defined benefit plans to recognize the contribution as a liability. The simplifications in measuring its defined benefit obligation with respect to current employees are as follows:

- (i) ignore estimated future salary increament, salary revision, i.e. assume future expected salaries increase continue until current employees are expected to begin receiving post-employment benefits;
- (ii) ignore future service of current employees, i.e. assume closure of the plan for existing as well as any new employees; and
- (iii) ignore possible in-service mortality of current employees between the reporting date and the date employees are expected to begin receiving post-employment benefits, i.e. assume all current employees will receive the post- employment benefits.

The actuarial basis of accounting assumptions applied in the measurement are as follows:

	2018	2017
Discount rates	3.45%-4.66%	3.00%

# 17. FEDERAL CONSOLIDATED FUND

	2018 RM	2017 RM
Balance as at 1 January	55,845,096	28,769,616
Provision for revenue payable to Federal Consolidated Fund	52,571,766	55,845,096
Payments made during the year to Federal Consolidated Fund	(55,845,096)	(28,769,616)
Balance as at 31 December	52,571,766	55,845,096

Section 35(1) of the Companies Commission of Malaysia Act 2001 (Act 614) provides that the Commission pays thirty percent (30%) of current annual surplus to the Federal Consolidated Fund.



(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 18. OTHER CREDITORS

	2018 RM	2017 RM
Payables and accruals	18,125,871	8,394,947
Staff and statutory payables	24,864,049	564,728
Trustee ledger	4,283,737	4,011,145
Other creditors	4,370,449	4,540,300
Provision for employee benefits (Note 16)	2,636,442	2,187,561
	54,280,548	19,698,681

The credit period granted by other creditors ranges from thirty (30) to sixty (60) days from the date of invoice received.

# 19. PROJECT CREDITORS

	2018 RM	2017 RM
Project creditors	4,811,775	5,684,765

Project creditors are costs incurred for the information and communication technology projects which were outstanding as at year end.

The credit period granted to project creditors ranged from thirty (30) to sixty (60) days from the date of invoice received.

# 20. INCOME

	2018 RM	2017 RM
Income from operating activities:		
Services income	337,441,765	326,081,738
Compounds	84,019,591	65,055,833
Corporate training programmes	4,641,373	4,153,065
Other income:		
Interest and dividend	31,549,407	24,756,332
Other income	7,097,099	4,871,588
Grant income and benefit	-	5,152,876
	464,749,235	430,071,432

(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 21. STAFF COSTS

	2018 RM	2017 RM
Salaries	66,042,921	63,368,692
Fixed allowances	14,136,289	13,749,062
Statutory contributions	22,057,352	17,154,377
Overtime allowance	1,243,453	975,472
Bonus and employee benefit	22,757,559	21,002,327
Medical benefits	9,414,124	8,132,983
Members' allowances	1,883,108	1,532,274
Subsidies to staff on Government and outsourcing loan	2,950,834	252,348
	140,485,640	126,167,535

The number of employees of the Commission as at 31 December 2018 was 1,216 inclusive of 106 temporary staff (2017: 1,322 inclusive of 106 temporary staff).

Included in the bonus and employee benefit is the provision of the current year bonus paid in January 2019. Also in this cost is a provision of obligations and changes in present value during the year (Note 16).

At the end of 2015 the Commission has agreed and approved the outsourcing of the home financing to the Bank Kerjasama Rakyat Malaysia Berhad (BKRM) with effect from 1 January 2016.

BKRM offered the Financing Package-i to SSM employee with a profit rate of 4.67% per annum based on the agreed formula of current based rate plus 0.80%. SSM employee will be paying 2.00% profit rate and SSM will subsidise the remaining percentage of profit rate charged by the bank. Current based rate for the current financial year is 4.10%. (2017: 3.87%).



(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 22. ADMINISTRATION COSTS

	2018 RM	2017 RM
Travelling and accommodation	6,753,543	7,926,350
Communication and utilities	7,980,480	7,857,483
Rental	25,192,416	11,653,570
Printing, stationery and advertising	14,986,379	12,811,837
Upkeep of equipment	48,823,613	41,162,009
Office maintenance and security	3,476,959	3,282,427
Professional fees	8,741,235	8,704,455
Entertainment and hospitalities	19,527,102	14,048,753
Other administrative costs	2,576,294	1,467,446
	138,058,021	108,914,330

The Commission has approved a grant amounting to RM10.0 million under the 1 Pelajar 1 Perniagaan (1P1P) Scheme in 2016 to encourage students from higher education centres who are interested in operating a business to register with the Commission. This grant is to be utilised for the period of ten (10) years with effect from 1 January 2017 and the amount is recorded in the entertainment and hospitalities:

	2018 RM	2017 RM
Balance as at 1 January	8,744,252	-
Allocation grant approved	-	10,000,000
Business registration under 1P1P grant	(1,030,349)	(1,255,748)
Balance as at 31 December	7,713,903	8,744,252

(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 23. SURPLUS BEFORE TAXATION

	2018 RM	2017 RM
Surplus for the year before taxation and zakat is derived after crediting:		
Interest and dividend	31,549,407	24,756,332
Miscellaneous income	2,681,230	2,835,428
Rental of real property	1,772,588	1,768,438
Interest income fair value from staff financing	2,642,178	-
Gain on disposals of property, fittings and equipment	1,103	267,722
Grant income and benefit	+	5,152,876
And charging:		
Auditors' remuneration	75,000	74,210
Depreciation	10,335,031	8,705,887
Amortisation and diminution on long term investments	526,325	-
Loss on disposal of investment	-	133,358
Changes in fair value for investment properties	105,000	-

# 24. TAXATION AND ZAKAT

	2018 RM	2017 RM
Taxation		
Current income tax expense	8,400,000	6,700,000
Under provision of prior year taxes	38,135	-
Total tax expense for the year	8,438,135	6,700,000
Zakat	13,200,000	11,800,000
	21,638,135	18,500,000

The Ministry of Finance had granted exemption from payment of income tax on all statutory income of the Commission for a period of ten (10) years from year of assessment 2002 until year of assessment 2011 and had agreed to grant an extension of the tax exemption for a period of five (5) years from year of assessment 2012 until year of assessment 2016.



(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 24. TAXATION AND ZAKAT (continued)

Beginning in the year of assessment 2017, the provision of corporate tax was made pursuant to 'The Gazette of Income Tax (Exemption) (No.22) Order 2006 [P.U. (A) No. 207/2006]'.

In computing the provision for zakat, the Commission adopted the method of Working Capital (Syar'iyyah), which takes into account the position of current assets less current liabilities, and made adjustments to several matters relating to zakat.

	2018 RM	2017 RM
Surplus before taxation	122,667,452	130,305,226
Tax at applicable tax rate:		
Non-taxable income	(426,102,729)	(400,632,632)
Non-deductible expenses	341,965,039	298,974,461
Zakat	(3,529,760)	(730,388)

The significant differences between the income tax expense and accounting profit multiplied by the applicable tax rate at 24%, is analysed as follows:

(847,142)	(175,293)
82,071,609	71,753,871
(102,264,655)	(96,151,832)
29,440,188	31,273,254
24%	24%
	29,440,188 (102,264,655) 82,071,609

(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 25. CAPITAL COMMITMENTS

	2018 RM	2017 RM
Capital expenditure commitments:		
Approved and contracted for	51,997,262	76,015,061

### 26. OTHER DISCLOSURE

- (a) The Commission has entered into the outsourcing agreement with Formis Network Services Sdn Bhd (FNS) for the supply, implementation, training, support, and maintenance of SSM Core Registry Solution. This Agreement comes into effect on 17 March 2017.
  - However, SSM discovers that FNS has failed and/ or is negligent and/ or has not completed the implementation of Release 1 during the Remedy Period which expired on 2 August 2019 as set out in the Dispute Notice issued by SSM to FNS dated 3 June 2019, and complies with all FNS obligations as set out in the agreement.
- (b) In financial 2019, the Commission decided to redeem Islamic Redeemable Preference Shares in full amount of RM 20.0 million following the Securities Commission Malaysia's sanctions and offers unconditional redemption to subscribers by ACE Holdings Berhad (AHB) dated 4 April 2019 (Note 6).

# 27. KEY MANAGEMENT PERSONNEL COMPENSATION

The Commission's Members and key management personnel compensation paid and payable in the year ended 31 December 2018 and the corresponding comparative prior year:

	2018 RM	2017 RM
The Commission Members	1,883,108	1,532,274
Key management personnel	2,654,481	2,474,759
	4,537,589	4,007,033



(Established under the Companies Commission of Malaysia Act 2001)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

# 28. FINANCIAL RISK MANAGEMENT

The Commission's financial risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Commission. Financial risk management is carried out through risks review, internal control systems, insurance program and adherence to Commission's financial risk management policies. The Commission regularly reviews these risks and approves the treasury policies, which cover the management of these risks.

The main risks arising from the Commission's financial assets and liabilities are liquidity risk, cash flow risk, profits and interest rate risk and fair value.

# (a) Liquidity Risk

The Commission mitigates its liquidity risk by maintaining part of its investment in liquid assets by placing deposits with financial institutions to meet its short term financial commitments.

# (b) Cash Flow Risk

The cash flow positions are reviewed on a regular basis to manage its exposure to fluctuations in future cash flows.

# (c) Profits and Interest Rate Risk

The Commission has cash, bank balances and deposits placed with creditworthy licensed banks and financial institutions. The Commission manages its profits and interest rate risks by placing such balances on varying maturities, profit and interest rate terms.

# (d) Fair Value

In respect of cash and cash equivalents, short term investments, trade and other debtors, deposits and prepayments, contributions to Federal Consolidated Fund, other payables and project creditors, the carrying amounts approximate their fair value due to the relatively short-term nature of these financial instruments.

# 29. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2018 were tabled and duly approved by the Members of the Companies Commission of Malaysia on 7 October 2019.

# SSM DIRECTORY

# **HEAD OFFICES**

# MENARA SSM@SENTRAL

No. 7, Jalan Stesen Sentral 5 Kuala Lumpur Sentral 50623 Kuala Lumpur

### **Service Counter**

8.15 am - 4.15 pm (Monday - Friday)

# **SSM General Line**

Tel: 03 - 7721 4000 Fax: 03 - 7721 4001

### **SSM Contact Centre**

Tel: 03 - 2299 4400 Fax: 03 - 2299 4411 E-mail: enquiry@ssm.com.my

# **STATE OFFICES**

# **JOHOR**

### **Hairul Anuar bin Yasin**

Podium 4B & 5, Menara Ansar 65 Jalan Trus 80000 Johor Bahru. Johor

### **Service Counter**

8.15 am - 4.00 pm (Sunday - Wednesday) 8.15 am - 3.45 pm (Thursday) Tel: 07 - 224 4710

Fax: 07 - 224 1714/ 224 8169 E-mail: hairul@ssm.com.my

# **KEDAH**

# Ramle bin Leen

Tingkat 1 & 2, Wisma PERKESO No. 186 Jalan Teluk Wan Jah 05538 Alor Setar, Kedah

# **Service Counter**

8.15 am - 4.00 pm (Sunday - Wednesday) 8.15 am - 3.45 pm (Thursday)

Tel: 04 - 733 0111 Fax: 04 - 731 5517

E-mail: lramle@ssm.com.my

### **KELANTAN**

### Ab Razak bin Isa

Tingkat 2 & 3 Kota Sri Mutiara Jalan Sultan Yahya Petra 15150 Kota Bharu, Kelantan

# **Service Counter**

8.15 am - 4.00 pm (Sunday - Wednesday) 8.15 am - 3.45 pm (Thursday) Tel: 09 - 748 2860/ 748 4599 Fax: 09 - 744 7622/ 747 2607 E-mail: abrazak@ssm.com.my

### **MELAKA**

### **Azrin bin Mohd Ripin**

Aras Bawah Menara MITC Kompleks MITC, Jalan Konvensyen 75450 Ayer Keroh, Melaka

### **Service Counter**

8.15 am - 4.15 pm (Monday - Friday)

Tel: 06 - 231 1717 Fax: 06 - 231 3502

E-mail: azrin@ssm.com.my

### **NEGERI SEMBILAN**

# Rashidan bin Abd Rashid

Aras 3, Wisma PERKESO Lot 3757 & 52, Jalan Sungai Ujong 70000 Seremban, Negeri Sembilan

# **Service Counter**

8.15 am - 4.15 pm (Monday - Friday) Tel: 06 - 761 9098/ 761 5506/ 764 1885/ 7645598

Fax: 06 - 765 5877 E-mail: rashidan@ssm.com.my

# **PAHANG**

# **Roslina binti Abdul Malek**

B2 & B4, Aras Bawah Suria Atabara Jalan Inn 7/2 Bandar Indera Mahkota 25200 Kuantan, Pahang

# **Service Counter**

8.15 am - 4.15 pm (Monday - Friday) Tel: 09 - 572 9743/ 573 0866/ 573 0400/ 573 0969 Fax: 09 - 573 2316

E-mail: roslina@ssm.com.my

# **PERAK**

# **Mohd Arif Hamzah**

Tingkat 2C, Angsana Ipoh Mall Jalan Hospital 30450 Ipoh, Perak

# **Service Counter**

8.15 am - 4.15 pm (Monday - Friday) Tel: 05 - 241 6900/ 254 7913/ 253 3071 Fax: 05 - 255 7162

E-mail: arifh@ssm.com.my

# **PULAU PINANG**

# R. Sivam Rajagopal

Tingkat 6-7, Bangunan KWSP No. 3009, Off Leboh Tenggiri 2 Bandar Seberang Jaya 13700 Pulau Pinang

# **Service Counter**

8.15 am - 4.15 pm (Monday - Friday)

Tel: 04 - 397 7793 Fax: 04 - 397 7713

E-mail: sivam@ssm.com.my

### **SABAH**

# Mohd Yasin @ Jafri Abd Malik

Tingkat 4, Menara MAA 6 Lorong Api-Api Locked Bag 2039 88999 Kota Kinabalu, Sabah

# **Service Counter**

8.00 am - 4.00 pm (Monday - Friday)

Tel: 088 - 233 551/233 346

Fax: 088 - 237 884

E-mail: yasin@ssm.com.my

### **SARAWAK**

# Rozaini bin Muhamed

Lot 11115, Section 64 Kuching Town Land District Jalan Pending, City Square Phase 1 93450 Kuching, Sarawak

# **Service Counter**

8.00 am - 4.00 pm (Monday - Friday) Tel: 082 - 266 111/ 266 112/ 266 113/ 266 114

Fax: 082 - 266115

E-mail: rozaini@ssm.com.my

# **SELANGOR**

# Khairudin bin Rusli

Blok 9, 10 & 11, Kompleks KPPMS Lot 291, Jalan RU 3/9A, Seksyen 3 40000 Shah Alam, Selangor

# **Service Counter**

8.15 am - 4.15 pm (Monday - Friday) Tel: 03 - 5511 6500/ 5513 5997

Fax: 03 - 5510 4200 E-mail: krudin@ssm.com.my



# **TERENGGANU**

# **Mohd Rosly Mat Isa**

Tingkat 6, Menara Yayasan Islam Jalan Sultan Omar 20300 Kuala Terengganu, Terengganu

### **Service Counter**

8.15 pagi - 4.00 petang (Ahad - Rabu) 8.15 pagi - 3.45 petang (Khamis) Tel: 09 - 623 7170/ 624 0721 Fax: 09 - 623 0945

E-mail: mrosly@ssm.com.my

# **BRANCH OFFICES**

### MIRI

### Misiah binti Ramli

Ground Floor, Yu Lan Plaza Lot 97, Jalan Brooke 98008 Miri, Sarawak

# **Service Counter**

8.00 am - 4.00 pm (Monday - Friday) Tel: 085 - 424 777/ 421 117

Fax: 085 - 422 225

E-mail: misiahr@ssm.com.my

### **SIBU**

# Ronatkinson Nujol

No. 3 & 5, Tingkat 1 Jalan Lau King Howe Lot 776 & 777 Block 5 Sibu Town District 96000, Sibu, Sarawak

### **Service Counter**

8.00 am - 4.00 pm (Monday - Friday)

Tel: 084 - 250 145 Fax: 084 - 250 147

E-mail: ronatkinson@ssm.com.my

### **MUAR**

# Norsilawati binti Bachek

No. 1, Jalan Perdagangan Off Bulatan Jalan Bakri 84000 Muar, Johor

# **Service Counter**

8.15 am - 4.00 pm (Sunday - Thursday) Tel: 06 - 954 6611/ 954 7711

Fax: 06 - 954 6600

E-mail: norsilawati@ssm.com.my

# **TAWAU**

# **Dayang Doliana binti Abang Abdullah**

TB 4444, GF & 1st floor Blok F, Sabindo Square Jalan Dunlop 91018 Tawau, Sabah

# **Service Counter**

8.00 am - 4.00 pm (Monday - Friday) Tel: 089 - 750 585/ 752 585

Fax: 089 -754 585

E-mail: doliana@ssm.com.my

### **TEMERLOH**

# Adnan bin Hj Omar

No. 15 & 16, Jalan Ahmad Shah 28000 Temerloh, Pahang

# **Service Counter**

8.15 am - 4.15 pm (Monday - Friday) Tel: 09 - 296 4600/ 296 5600

Fax: 09 - 296 0010

E-mail: adnan@ssm.com.my

### **PERLIS**

### Ahmad Nizam bin Samsoo

Urban Transformation Centre (UTC) Perlis

No. 1 Aras 1, Blok B Pusat Transformasi Bandar (UTC) Perlis

Mukim Sena 01000 Kangar, Perlis

### **Service Counter**

8.00 am - 4.00 pm (Monday - Sunday) Tel: 04 - 970 5471/ 04 - 970 5472 Fax: 04 - 970 5473

E-mail: nizam@ssm.com.my

# **WILAYAH PERSEKUTUAN LABUAN**

# Raja Nor Mohd Shawal Raja Brahim

No. 6A1 & 6A2, Tingkat 6 Block 4, Kompleks Ujana Kewangan Jalan Merdeka 87000 Wilayah Persekutuan Labuan

67000 Wilayan Tersekutuan Lak

# **Service Counter**

8.00 am - 4.00 pm (Monday - Friday) Tel: 087 - 414100

Fax: 087 - 414152

E-mail: shawal@ssm.com.my

# URBAN TRANSFORMATION CENTRE (UTC)

# URBAN TRANSFORMATION CENTRE KUALA LUMPUR

Suruhanjaya Syarikat Malaysia Ruang Legar, Tingkat Bawah Bangunan UTC Kuala Lumpur Jalan Pudu (Pudu Sentral) 55100 Kuala Lumpur

# **Service Counter**

8.00 am - 4.00 pm (Monday - Sunday) Tel: 03 - 2026 2041/ 03 - 2026 2042 Fax: 03 - 2026 2036

# URBAN TRANSFORMATION CENTRE MELAKA

Suruhanjaya Syarikat Malaysia Aras 3, Wisma UTC Jalan Hang Tuah 75300 Melaka

# **Service Counter**

8.00 am - 4.15 pm (Monday - Sunday) Tel: 06 - 283 0076

# SERVICE CENTRE

# **LANGKAWI**

Pusat Perkhidmatan Suruhanjaya Syarikat Malaysia Langkawi No. 56, Tingkat 1 Kompleks Pekan Rabu 07000 Langkawi, Kedah

# **Service Counter**

8.15 am - 4.00 pm (Wednesday) 8.15 am - 3.45 pm (Thursday)

Tel: 04 - 966 7943 Fax: 04 - 966 5318

E-mail: zahidah@ssm.com.my

# BUSINESS REGISTRATION SERVICE COUNTER

# **PUTRAJAYA**

Kaunter Pendaftaran Perniagaan Aras G, Kementerian Perdagangan Dalam Negeri Dan Hal Ehwal Pengguna (KPDNHEP) No. 13, Persiaran Perdana Presint 2, Pusat Pentadbiran Kerajaan Persekutuan 62623 Putrajaya Wilayah Persekutuan Putrajaya

### **Service Counter**

8.15 am - 4.15 pm (Monday - Friday)

# **SSM General Line**

Tel: 03 - 7721 4000 Fax: 03 - 7721 4001

# SSM Contact Centre

Tel: 03 - 2299 4400 Fax: 03 - 2299 4411

E-mail: enquiry@ssm.com.my

