



SURUHANJAYA SYARIKAT MALAYSIA
COMPANIES COMMISSION OF MALAYSIA
(Agensi di bawah KPDNKK)

COMPANIES ACT 2016: EVOLUTION OF A COMPANY

9 March 2017
Menara SSM@Sentral

- Background
- Evolution of A Company
 - Essential requirements
 - Formation and incorporation of a company
 - Execution of documents
 - No Par Value
 - Reporting and Decision Making

COMPANIES ACT 2016: TIMELINE



**PASSED BY DEWAN RAKYAT ON
4 APRIL 2016**

**PASSED BY DEWAN NEGARA ON
28 APRIL 2016**

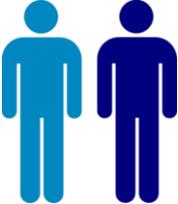
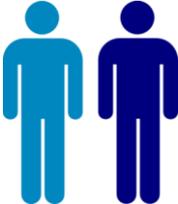
**GAZETTED ON
15 SEPTEMBER 2016**

**IMPLEMENTATION:
31 JANUARY 2017**

Staggered Based Approach:

- Phase 1 – All provisions (except Phase 2)
- Phase 2 – Section 241, Division 8 of Part III

Incorporating a Company

SHAREHOLDER	COMPANIES ACT 1965	COMPANIES ACT 2016	
			
DIRECTOR	COMPANIES ACT 1965	COMPANIES ACT 2016	
		Private	Public
			

Application for Incorporation

COMPANIES ACT 1965	COMPANIES ACT 2016
<ul style="list-style-type: none"> • Form 6 • Memorandum & Articles of Association • Form 48A 	<ul style="list-style-type: none"> • Through “Superform” via MyCoID • Information required: <ul style="list-style-type: none"> ➤ Proposed name of company ➤ Status as private or public co ➤ Nature of business ➤ Proposed registered address ➤ Name, identity, address of shareholder(s) ➤ Name, identity, address of director(s) ➤ Details of shares

Evidence of Incorporation

COMPANIES ACT 1965	COMPANIES ACT 2016
<p> Certificate of Registration</p> <p>Information available:</p> <ul style="list-style-type: none">• Date of registration• Name of company• Registration number• Type of company	<p> Notice of Registration</p> <p>Information available:</p> <ul style="list-style-type: none">• Date of registration• Name of company• Registration number• Type of company

Effect of Incorporation

COMPANIES ACT 1965	COMPANIES ACT 2016
<p>A body corporate capable of</p> <ul style="list-style-type: none"> • exercising all the functions of an incorporated company; • suing and being sued; • having perpetual succession; • a common seal ; • power to hold land . 	<p>A body corporate with separate legal personality and capable of—</p> <ul style="list-style-type: none"> • Exercising all functions of a body corporate and have full capacity • suing and be sued • acquiring, owning, holding and developing property • doing any act which it may do or to enter into transactions <p>Will remain in register until removed.</p>

Constitution [Memorandum of Association (M & A)]

COMPANIES ACT 1965	COMPANIES ACT 2016
<ul style="list-style-type: none"> • MANDATORY - for all companies to have Memorandum of Association • OPTIONAL - Articles of Association (in default Table A will be applicable) 	<ul style="list-style-type: none"> • OPTIONAL - for all except for CLBG
<ul style="list-style-type: none"> • For old company: Memorandum of Association is still applicable • For new company: If does not adopt a Constitution, the provisions of the Act will be applicable. • Non application of doctrine of constructive notice of constitutions or other documents lodged with the Registrar except for documents relating to charges. 	

Common Seals

COMPANIES ACT 1965	COMPANIES ACT 2016
<ul style="list-style-type: none">• MANDATORY: Companies are required to have common seals	<ul style="list-style-type: none">• OPTIONAL: If companies decide to have a common seal, the provisions of the law must be observed.

Execution of documents

COMPANIES ACT 1965	COMPANIES ACT 2016
<p>Execution of documents through the affixing of common seals and countersigned by a person authorized.</p> <div style="display: flex; align-items: center; justify-content: center; margin-top: 20px;">  <div style="margin-left: 20px;"> <p>Authorized</p>  </div> </div>	<p>Execution of documents</p> <ul style="list-style-type: none"> • By affixing common seals as provided in the Constitution; or • By signature <ul style="list-style-type: none"> ○ By at least 2 authorized officers, one of whom is a Director. <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;"> <p>Authorized</p>  </div> <div style="text-align: center;"> <p>Director</p>  </div> </div> ○ For sole directors, by that director and must be witnessed <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;"> <p>Sole Director</p>  </div> <div style="text-align: center;"> <p>Witness</p>  </div> </div>

No par value regime & authorized capital

COMPANIES ACT 1965	COMPANIES ACT 2016
<ul style="list-style-type: none">• Shares with par value• Share premium account• Capital redemption reserves (CRR)	<ul style="list-style-type: none">• Shares to be issued without par value• Shares will be issued at a price• Share premium account, CRR and the concept of authorized capital will no longer be applicable.• Transitional period of 24 months will be given for companies to utilise the amount standing in credit in the company's share premium accounts.

Annual Return and Financial Statements

COMPANIES ACT 1965	COMPANIES ACT 2016
<p data-bbox="117 382 794 496">Duty to lodge annual return (AR)</p> <ul data-bbox="117 572 794 933" style="list-style-type: none"> • Annual return must be lodged together with audited accounts. • The AR must be lodged within 1 month from the date of the AGM. 	<p data-bbox="832 382 1818 496">Duty to lodge financial statements and reports with the Registrar</p> <ul data-bbox="832 572 1818 1320" style="list-style-type: none"> • Decoupling of submission of AR and financial statements • Submission of AR: 30 days from the anniversary of date of incorporation • Submission of FS: <ul data-bbox="919 891 1818 1320" style="list-style-type: none"> ➤ In the case of private company, financial statements are to be lodged within 30 days from the time the financial statements were circulated to members. ➤ In the case of public company, within 30 days from its AGM.

Annual General Meetings (AGM)

COMPANIES ACT 1965	COMPANIES ACT 2016
<p data-bbox="117 448 672 491">Annual General Meetings</p> <ul data-bbox="117 576 929 682" style="list-style-type: none"><li data-bbox="117 576 929 682">• All companies are required to hold AGM every calendar year.	<p data-bbox="996 448 1551 491">Annual General Meetings</p> <ul data-bbox="996 576 1808 1253" style="list-style-type: none"><li data-bbox="996 576 1808 682">• Public companies: are required to hold AGM every calendar year.<li data-bbox="996 768 1808 939">• Private companies: no requirement to hold AGM in every calendar year.<li data-bbox="996 953 1808 1068">• Meetings of private companies are known as meeting of members.<li data-bbox="996 1082 1808 1253">• The main method for private companies to make decisions will be by way of written resolution.

- Change in Forms
 - moving towards transaction based lodgement
 - Lodgement based on notification/templates available on SSM website
- Corporate information: What and Where to look



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THANK YOU