

COMPARISON OF BUSINESS ENTITIES IN MALAYSIA

	COMPANY	LIMITED LIABILITY PARTNERSHIP	GENERAL PARTNERSHIP	SOLE PROPRIETORSHIP
Acts, Rules & Regulations	Companies Act 2016 (CA 2016) Companies Regulations 2017	Limited Liability Partnerships Act 2012 (LLPA 2012) Limited Liability Partnerships Regulations 2012	Registration of Businesses Act 1956 (ROBA 1956) Registration of Businesses Rules 1957	Registration of Businesses Act 1956 (ROBA 1956) Registration of Businesses Rules 1957
Entity Name Appearances	Company's name ends with the word "Sendirian Berhad", "Sdn. Bhd.", "Berhad" or "Bhd."	Entity's name end with the word "PLT" (Perkongsian Liabiliti Terhad)	For general partnership, business must be registered under Trade Name only – E.g.: ABC Enterprise / ABC Trading / ABC Services.	There are two (2) types of business name: <ul style="list-style-type: none"> • Personal Name – Name as per identity card – E.g.: MOHD HEYKAL MIRZA BIN JONED. • Trade Name – E.g.: ABC Enterprise / ABC Trading / ABC Services. <p>However, businesses registered using the name as in the identity card, are not allowed to have a partner.</p>
Capital Contribution	Share capital	Partners contribution	All business owners / partners contribution	Business contribution Owner

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Owner(s) of the business	Company (members / shareholders own shares in the company that give them certain rights in relation to the Company)	LLP (partners provides capital in the form of contribution and enjoy the share of profits in the LLP)	All business owners / partners	Sole Proprietor
Legal Status	Separate legal entity	Separate legal entity	Not a separate legal entity	
Party that is liable for debts of the business	Company	LLP	All business owners / partners	Sole Proprietor
Responsibility for management of business	Board of Directors	Partners	All business owners / partners	Sole Proprietor
Personal liability	No personal liability of individual director or shareholder; Liabilities borne by the shareholders are to the extent of unpaid shares only.	No personal liability of partner, except for own wrongful act or omission or without authority; Liabilities borne by the partners are jointly and severally with the LLP to the extent of amount of contribution only.	Unlimited liability (Jointly and severally liable with the partnership) which can extend to personal assets of the partners.	Unlimited liability which can extend to personal assets of the sole proprietor.

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No. Of Shareholders/ Partners	Minimum one (1) For a Sdn. Bhd. - maximum fifty (50) For a Bhd. - no maximum number	Minimum two (2) and without maximum limit	2 to 20 partners	Sole proprietor only
Registration Fees	RM 1,000	RM 500	Trade Name – RM60 per year	1) Personal Name – RM30 per year 2) Trade Name – RM60 per year
Company Secretary or Compliance officer	Qualified company secretary	Compliance officer (either qualified company secretary or partner of the LLP)	N/A	N/A
Annual Compliance	Annual Return (AR) Audited / Unaudited Financial Statement and reports (FS)	Annual Declaration (AD)	Business Renewal	Business Renewal
Timeline for annual compliance	AR to be lodge within 30 days from the anniversary date of the company. FS for: - Private company is within 30 days from the circulation of FS; or - Public company is within 30 days after AGM.	Lodgment of AD; - within 18 months from the date of registration in a case of first AD; and - annually within 90 days from the end of the financial year of the LLP.	Business renewal can be made within 30 days before the date of expiry.	Business renewal can be made within 30 days before the date of expiry.

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Statutory Audit Requirement	FS is required to be audited. However for certain category of companies that meet the qualifying criteria, they may be exempted from audit.	Not compulsory unless it is provided in the partnership agreement.	No audit required.	No audit required.
Closing/Cessation of Company, Limited Liability Partnership and Business	<p>There are two modes of closing/cessation:</p> <p>Winding Up</p> <ul style="list-style-type: none"> • Voluntarily by members or creditors; or • Compulsorily by the High Court. <p>Striking off</p> <ul style="list-style-type: none"> • By application of director, shareholder or liquidator; or • Registrar's initiative. 	<p>There are two modes of closing/cessation:</p> <p>Winding Up</p> <ul style="list-style-type: none"> • Voluntarily by partners; or • Compulsorily by the High Court. <p>Striking off*</p> <ul style="list-style-type: none"> • By application of partner; or • Registrar's initiative. <p><small>* Application to strike-off by the partner is currently not available through the MyLLP portal.</small></p>	<p>The business shall within 30 days of the termination notify the Registrar in the prescribed form (Form C) of such termination.</p> <p>In the event of death of partner, existing partner are given two (2) options whether:</p> <p>(i) to file a notice of termination in Form C within 30 days; or</p> <p>(ii) submit business ownership changes application to remove the deceased partner from partnership. Existing partner is allowed to continue with business operation.</p> <p>Business license cannot be renewed after more than one (1) year from business expiry date.</p>	<p>The business shall within 30 days of the termination notify the Registrar in the prescribed form (Form C) of such termination.</p> <p>In the event of death of sole proprietorship, the next of kin must file a notice of termination in Form C within 4 months.</p> <p>Business license cannot be renewed after more than one (1) year from business expiry date.</p>

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Main Characteristics	<p>Limited liability;</p> <p>One local resident director is required to setup a company;</p> <p>Higher compliance cost; Complexity in administration (may require statutory audit, board resolution etc);</p> <p>Perpetual succession: Changes of directors or shareholders will not affect the existence of the company;</p> <p>Suitable for business that requires high capital cost;</p> <p>Public will be able to have access to financial affairs of the company.</p>	<p>Limited liability;</p> <p>Simple administration (Not compulsory for statutory audit);</p> <p>Lower compliance cost;</p> <p>Local resident is required for compliance officer;</p> <p>Suitable for newly start-up business with low startup cost;</p> <p>Perpetual succession: The changes status of the partners will not affect the existence of the LLP corporation;</p> <p>Not required to disclose financial statements to the public;</p> <p>Does not have shareholder.</p>	<p>Unlimited Liability, not separate legal entity;</p> <p>Simple Administration (Not compulsory for statutory audit);</p> <p>Lower compliance cost;</p> <p>Not required to disclose financial statements to the public.</p>	<p>Unlimited Liability, not separate legal entity;</p> <p>Simple Administration (Not compulsory for statutory audit);</p> <p>Lower compliance cost;</p> <p>Not required to disclose financial statements to the public.</p>