

CAPITAL REDUCTION BY SOLVENCY STATEMENT

COURSE INTRODUCTION

Under the previous legislation, a capital reduction could only be done by a special resolution confirmed by the court. Section 117 of Companies Act 2016 ("Act") now provides an alternative to the court procedure where a company can reduce its capital by special resolution supported by a solvency statement. A capital reduction process will decrease a company's shareholder equity through share cancellations and this is done for numerous reasons; including increasing shareholder value and producing a more efficient capital structure.

COURSE OBJECTIVES

The objective of this course is to provide the participants with circumstances that warrants a capital reduction and to provide a practical guide to carrying out a capital reduction under Section 117 of the Act. Participants will also be guided on and how to advise the Directors on their responsibilities in relation to the solvency statement that is to be signed by them. The course focuses on private companies but with some additional material highlighting the key issues for companies listed on a stock exchange.

COURSE CONTENTS

- Drivers for initiating a capital reduction exercise.
- How a company can satisfy the solvency test.
- The statutory requirements on capital reduction.
- Reduction of capital due to over-capitalisation or loss of capital, the effect of the exercise.
- Creditors rights to object to capital reduction.
- A step by step guide to handling a capital reduction exercise, the actions to be taken before and after the capital reduction.
- Other provisions in the Act that allows capital to be reduced.

LEARNING OUTCOME

By attending this programme, the participants will be able to:

- Have a better understanding of the situations where a capital reduction can be carried out.
- Note the obligations of the company in the various filing and notification to the Registrar of Companies.
- Discuss on the varied scenarios that may have an adverse impact on the company and directors when dealing with the solvency provisions.
- Differentiate the available mechanisms to reduce capital as allowed by the Act.

WHO SHOULD ATTEND

Directors, company secretaries, auditors, accountants and any one who wants to know about capital reduction.

ABOUT THE TRAINER

Leong Oi Wah is a Fellow Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and has more than 30 years of experience in handling corporate secretarial matters in the profession and the corporate sector.

Oi Wah is also involved in advisory on corporate secretarial requirements including corporate restructuring and compliance with various regulatory bodies such as the Registrar of Companies, Bursa Malaysia Securities Berhad, Securities Commission and other authorities. She is an approved trainer with Pembangunan Sumber Manusia Berhad and does regular training for the Companies Commission Malaysia Training Academy and other professional bodies.

DATE	VENUE	EVENT CODE
01 June 2020	Menara SSM@Sentral, Kuala Lumpur CANCELLED	CEP/KL/20/043
Time	9.00 am – 5.00 pm	
Training Methodology	Lecture and Case Discussion	
Fee	RM500.00 Standard RM400.00 Licensed Secretary Member of MAICSA, MIA, Malaysian Bar, MACS, MICPA, Sabah Law Assoc. & Advocates Assoc. of Sarawak.	
SSM CPE Points	8	

Fee inclusive of certificate of attendance, seminar materials and refreshment.