

# 2022

## SSM Webinar



# PRACTICAL GUIDE TO CAPITAL REDUCTION BY SOLVENCY STATEMENT

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## 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 for purposes of reducing the liability on the shares or return of excess capital. Where the company has retained losses, it can also use Section 117 to cancel the paid up capital which is lost or unrepresented by available assets without the need for directors to make a solvency statement. The 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 an understanding of the 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.

## COURSE CONTENTS

- Drivers for initiating a capital reduction exercise.
- Which capital reduction exercise does not require a solvency statement to be signed?
- How a company can satisfy the solvency test?
- The statutory requirements on capital reduction.
- Creditors rights to object to capital reduction.
- A step by step guide in handling a capital reduction exercise, the actions to be taken before and after the capital reduction.

## LEARNING OUTCOME

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

- Have a better understanding of the situations where a capital reduction can be carried out.
- Be aware of the obligations of the company in the various filings and notifications 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.
- Takeaway sample resolutions for the different capital reduction scenario.

## 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.

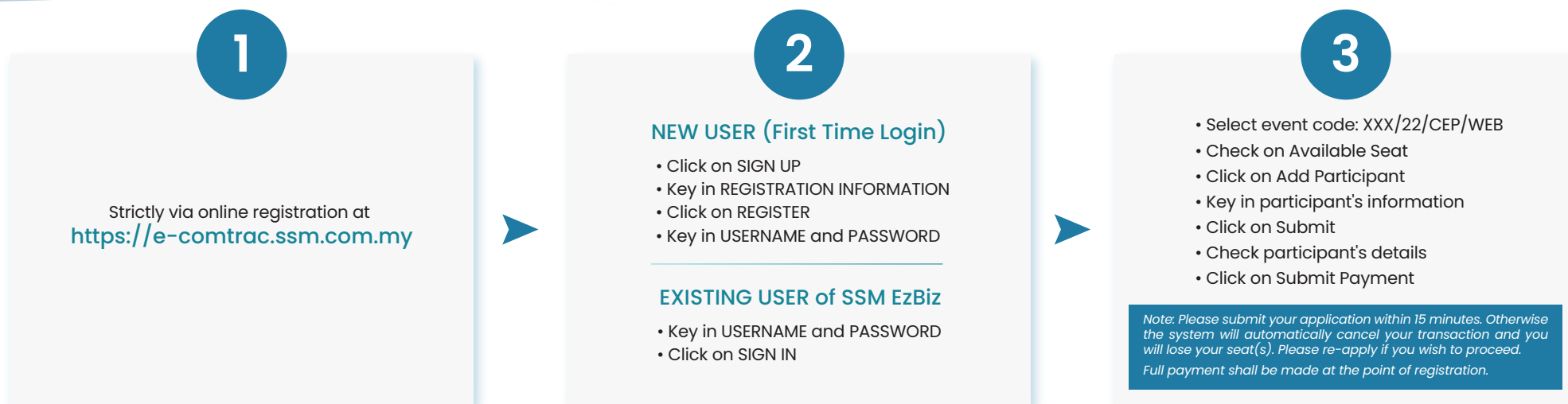
Oi Wah is also involved in advisory on corporate secretarial requirements including corporate restructuring and compliance with various regulatory bodies such as the Registrar of Companies, Bursa Malaysia Securities Berhad, Securities Commission and other authorities. She is an approved trainer with HRD Corp. and does regular training for the Companies Commission Malaysia Training Academy and other professional bodies. She is also co-author of "Company Meetings, Minutes and Resolutions in Malaysia" published in 2021 by the Malaysian Current Law Journal.

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## ADMINISTRATIVE DETAILS

Date	27 September 2022
Platform	Virtual platform
Time	9.00 am - 5.00 pm
Training Methodology	Lecture and case discussion
Fee	<b>RM500.00</b> - Standard <b>RM400.00</b> - Licensed Secretary. Member of MAICSA, MIA, Malaysian Bar, MACS, MICPA, Sabah Law Assoc. & Advocates Assoc. of Sarawak.

## HOW TO REGISTER?



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A participant is allowed to attend ONE programme per day to be eligible for certificate of attendance. Request for refund will not be entertained if you have registered for more than one programme per day.

No walk-in is accepted and no admission to the training programme without the confirmation slip for classroom training.

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## COMPANIES COMMISSION OF MALAYSIA TRAINING ACADEMY & KNOWLEDGE MANAGEMENT DIVISION

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