



# 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. However, under the current regime, the Companies Act 2016 (“Act”) provides an alternative procedure whereby a company may reduce its share capital by passing a special resolution which is 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 only needs a special resolution to be passed to cancel the paid-up capital which is lost or unrepresented by available assets without the need for directors to make a solvency statement.

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## COURSE OBJECTIVES

The objective of this course is to provide the participants with an understanding of the circumstances that warrant 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.

Checklist of the actions to take for each of the different circumstances of capital reduction together with sample resolutions would be provided to ensure compliance with the provisions and submission timeline of the Act. Participants will note the consequences of the capital reduction to the share capital, impact on financial statement as well as tax position and indirect tax.



## COURSE CONTENTS

- Drivers for initiating a capital reduction exercise.
- 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 OUTCOMES

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.
- 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.



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## WHO SHOULD ATTEND

Directors, company secretaries, auditors, accountants and anyone 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.

## ADMINISTRATIVE DETAILS

Date	20 March 2025
Platform	Virtual platform
Time	9.00 am - 5.00 pm
Training Methodology	Lecture and case discussion
	RM500.00 Standard
Fee	RM400.00 Licensed Secretary. Member of MAICSA, MIA, Malaysian Bar, MACS, MICPA, Sabah Law Society & Advocates Assoc. of Sarawak.
SSM CPE Points	8 points

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## HOW TO REGISTER?

### STEP 01

Strictly via online registration at [www.ssm4u.com.my/ecomtrac](http://www.ssm4u.com.my/ecomtrac)

### STEP 02

#### NEW USER (First Time Login)

- Click on **SIGN UP**
- Key in **REGISTRATION INFORMATION**
- Click on **REGISTER**
- Key in **USERNAME** and **PASSWORD**

#### EXISTING USER

- Key in **USERNAME** and **PASSWORD**
- Click on **SIGN IN**

### STEP 03

- Select training
- Check on Available Seat
- Click on Add Participant
- Key in participant's information

- Click on Submit
- Check participant's details
- Click on Submit Payment

Note: Please submit your application within 15 minutes. Otherwise the system will automatically cancel your transaction and you will lose your seat(s). Please re-apply if you wish to proceed. Full payment shall be made at the point of registration.

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## TERMS & CONDITIONS FOR REGISTRATION OF TRAINING PROGRAMMES UNDER COMTRAC

### PROGRAMME FEE

- Fee is payable to SURUHANJAYA SYARIKAT MALAYSIA.
- Admittance to training programme shall be granted only upon registration and full payment is received.

### PAYMENT MODE

- Registrations and payment for training programmes MUST be made through online at e-COMTRAC (<https://e-comtrac.ssm.com.my>). Upon submitting the registration application, participants are deemed to have read and accepted the terms and conditions herein.
- Payment by cash and cheque is not acceptable effective from January 2021.

### CLASSROOM TRAINING

- For classroom-based training, a confirmation e-mail will be sent to participants at least 1 working day prior to the programme.
- Participants are required to present Malaysia's identification card (MyKAD/NRIC) and foreign participants are required to present passport at the registration counter for verification and admission to training programme.
- Admittance may be denied upon failure to present identification card / passport.

### WEBINAR ACCESS LINK

- A notification e-mail with the webinar access link will be sent to participants at least 1 working day prior to the webinar.
- The access link is unique for registered participants and should not be forwarded or shared with others.

### CERTIFICATE OF ATTENDANCE

- Upon full attendance of the programme and payment is received, participants will be issued an e-Certificate of Attendance. For this purpose, it is imperative to fill in the email address correctly.
- Participants can download the e-Certificate of Attendance from e-COMTRAC platform in three (3) working days after the programme. Please take note that the certificate is available for download up to 30 days from the conclusion of the programme. An administrative fee of RM30.00 per copy is chargeable for downloading the certificate after the 30th day and for any replacement of certificate due to errors in name or identification card number wrongly filled by participant / representative during registration or loss of certificate, etc.

### CANCELLATION / ABSENT

- No refund will be given to participants who failed to attend the programme.
- Replacing registered participant is not allowed.

### TRANSFER

Transfer of registration fee to another training programme is not allowed.

### PERSONAL DATA PROTECTION NOTICE

Your personal data and other information provided in this application and including any additional information you may subsequently provide, may be used and processed by COMTRAC/SSM as a reference in future to communicate with you on our training programmes/events. In line with the Personal Data Protection Act 2010, we wish to obtain your agreement and consent for using your personal data. If you do not consent to the processing and disclosure of your personal data, you should send an e-mail to us at [comtrac@ssm.com.my](mailto:comtrac@ssm.com.my).

### HUMAN RESOURCES DEVELOPMENT CORPORATION

SSM is registered as a training provider with HRD Corp under GOV1000117857. All trainings are claimable under SBL Scheme subject to HRD Corp approval. Participant's employer needs to apply for grant at least one day before the commencement of training.

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### EXCLUSION OF LIABILITY

The speaker(s) or trainer(s) is independent and shall not represent SSM, act as its agent or otherwise represent that their personal views are endorsed by SSM. The assessments and views expressed during the programme are entirely the speakers'/trainers' own. SSM shall not be liable for whatever circumstances arising from any engagement between the speaker(s) or trainer(s) and the participant(s).

### DISCLAIMER

SSM reserves the right to cancel the programme, change date(s), venue(s), speaker(s) or any other changes due to any unforeseen circumstances that may arise without prior notice to participants. SSM also reserves the right to make alternative arrangements without prior notice. SSM accepts no responsibility for death, illness, injury, loss or damage of any property belonging to, or financial loss by any persons attending the programme, whatever the cause. SSM shall not be responsible for any costs, damages or losses incurred by participants due to the changes and / or cancellation. SSM is not responsible for the integrity of participants' computer or device, your internet signal bandwidth, or any other consideration outside of the control of SSM.


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All information contained in the brochure is correct and accurate at the time of publication.

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

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