

## **GUIDELINES FOR THE INCORPORATION OF LOCAL COMPANIES**

The company limited by shares may be incorporated as a private company (Sendirian Berhad or Sdn. Bhd.) or public company (Berhad or Bhd.) The company incorporation could be made by individuals who wish to form a company. The basic requirements to incorporate a company are:

(a) Private company (Sdn. Bhd.)

- At least one (1) director who ordinarily resides in Malaysia by having a principal place of residence in Malaysia and minimum of one (1) promoter.

(b) Public company (Bhd.)

- At least two (2) directors who ordinarily reside in Malaysia by having a principal place of residence in Malaysia and minimum of one (1) promoter.

## **PROCEDURES OF INCORPORATION**

### **1. Name Search and Application of Name**

A name search must be made to ensure that the proposed name is available. There are two ways to apply for a name of a company:

- (i) application for the name and incorporation of a company (Direct Incorporation); or
- (ii) name reservation.

Direct incorporation (a combination of name reservation and incorporation process)

1. The applicant must complete the information during the application for the name and incorporation of a company via online and incorporation fees of RM1,000.00; and
2. If the proposed name is approved by SSM, the application to incorporate the company would be directly sent to the officer to be processed.

Name reservation

1. The applicant must complete the information for the name of the company online and the fee is RM50.00 for each name applied. Incorporation of company is a separate process; and
2. If the name is approved by SSM, the name is reserved for 30 days or any longer date as allowed by the Registrar (maximum 180 days) from the date of approval. The applicant can then apply for incorporation with a fee of RM1,000.00.

## **2. Lodgement of application to incorporate the company**

Particulars required to incorporate a company

- (a) Under section 14(1) of the Companies Act 2016, the applicant must complete the information required as follows:
  - The proposed name of the company

- The status of private or public company
- The proposed type of business
- The address of registered office
- The business address
- Complete detail of director(s) and promoter(s)
- Declaration from the director(s) or promoter(s) that he/she:
  - is not an undischarged bankrupt either in or outside Malaysia; and
  - has not been convicted of any offence whether in or outside Malaysia

(b) Declaration of Compliance

This declaration states that the applicant has complied with all requirements of the Companies Act 2016. The declaration should be made by the individual who is responsible for the incorporation.

(c) Additional Document(s)

- (i) a copy of consent letter from the corporate body named as the member of the company.
- (ii) a copy of certificate of director's qualification, if required.

- (i) a consent letter from relevant agency, if any.

### **3. Incorporation Fee**

Each application to incorporate the company should be lodged together with a fee as follows:

- (a) Company limited by shares - RM1,000
- (b) Company limited by guarantee - RM3,000

### **4. Verification of Incorporation**

If the Registrar is satisfied that all information provided is complete and complied with the required procedures—

- (a) a notice of approval and registration will be issued; and
- (b) a certificate of incorporation will only be issued by SSM upon request together with the prescribed fee.

### **5. Post Incorporation**

- (a) The company shall appoint a company secretary within 30 days after incorporation. The company secretary shall be registered with SSM and possessed a valid practising certificate issued by SSM.
- (b) If required by the company, it may file the constitution of the company after the incorporation of the company.

**Once incorporated, the company is advised to obtain the necessary license/permit/approval from the relevant authorities before commencing business.**