



SSM ANNUAL DIALOG 2020

PRACTISING CERTIFICATE UNDER SECTION 241 OF THE COMPANIES ACT 2016

**Suruhanjaya Syarikat Malaysia
20 February 2020**

- Requirements for a secretary under section 235 and 241 Companies Act 2016.
- Application of practicing certificate.
- Renewal of practicing certificate.
- Impact for failure to apply for practicing certificate.
- Important notes on practicing certificate.

REQUIREMENTS FOR A SECRETARY



SECTION 235

- A natural person
- 18 years of age and above;
- **A citizen or permanent resident of Malaysia;**
- Ordinarily reside in Malaysia by having a principal place of residence in Malaysia;
- A member of an approved body in 4th Schedule; or
- A person licensed by the Commission under section 20G of the SSM Act 2001.

SECTION 241

- Any person who is qualified under section 235 CA2016 shall be registered before he can act as a company secretary.
- **Section 241 come into operation on 15 Mac 2019.**

OBJECTIVE OF SECTION 24I



> Introduce a practicing certificate for secretary

01

> Establish a registry for secretary in Malaysia

02

> Ensure that the standards, competency and professionalism of those acting as secretaries can be effectively monitored by SSM through a central database mechanism

03

WHO SHALL APPLY FOR PRACTISING CERTIFICATE



A person who wish to act as a secretary

PRACTISING CERTIFICATE

A person who has been appointed as secretary before 15 Mac 2019



**Transitional Period
of 12 Months**

COUNTDOWN FOR REGISTRATION UNDER SECTION 241

A promotional banner for the application to act as a secretary under Section 241 of the Companies Act 2016. The banner has a blue background with a faint gear pattern. At the top center, there is a yellow box containing the Malaysian coat of arms and the SSM logo. Below this, a black box contains the text 'APPLICATION FOR REGISTRATION TO ACT AS A SECRETARY (SECTION 241 COMPANIES ACT 2016)'. To the right of this text is a digital flip-clock showing '23' and 'DAYS TO GO'. Below the main text, there is a white box with the URL 'https://esecretary.ssm.com.my/' and a blue arrow icon pointing to the right.

APPLICATION FOR REGISTRATION
TO ACT AS A SECRETARY
(SECTION 241 COMPANIES ACT 2016)

<https://esecretary.ssm.com.my/>

23
DAYS TO GO

LAST DATE : 14 MARCH 2020

IMPLEMENTATION OF SECTION 241



SSM has issued regulation and guideline as follows:

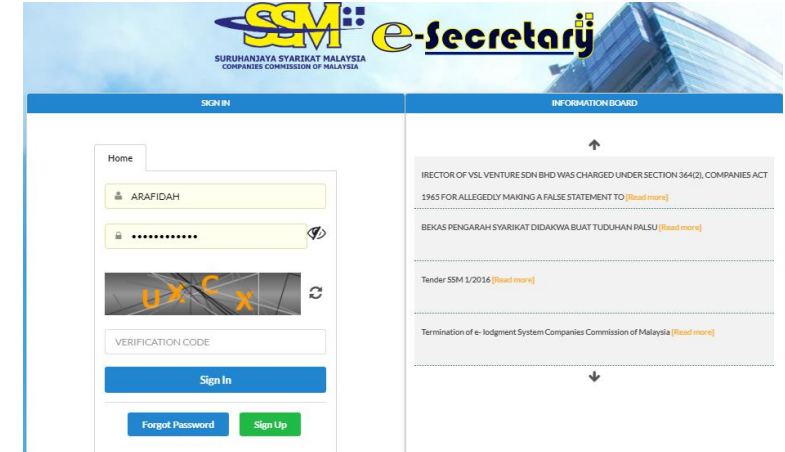
01 Companies (Practising Certificate For Secretaries) Regulations 2019.

02 Guidelines Relating To Practising Certificate For Secretaries Under Section 241 Of The Companies Act 2016.

APPLICATION OF PRACTISING CERTIFICATE



- The applicant license / membership must be valid at the time of the application.
- The applicant is not an undischarged bankrupt
- The applicant has not convicted whether in or outside Malaysia of any offence referred to in section 198 of the Companies Act 2016
- The applicant does not have any pending legal action against him under any provision of the laws specified in the First Schedule of the Companies Commission of Malaysia Act 2001.



- Online application via **e-Secretary** system.
- <https://esecretary.ssm.com.my/> or SSM Website at www.ssm.com.my under **Quick Links e-Secretary**.

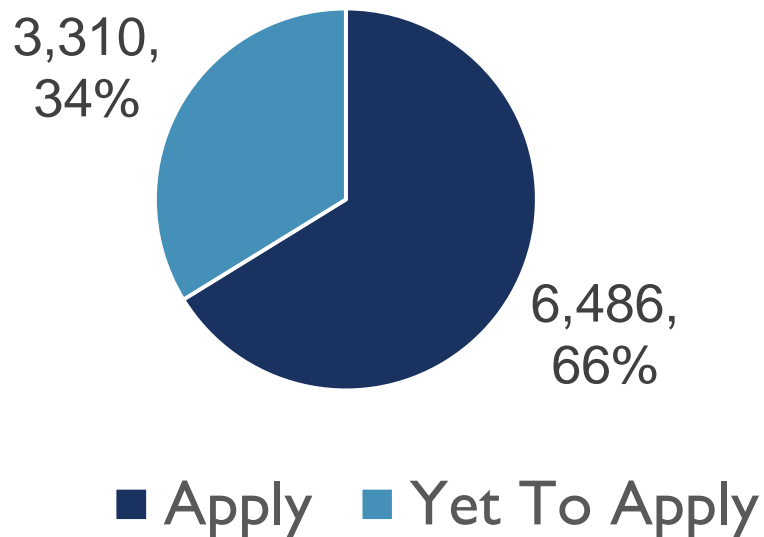
STATISTIC : APPLICATION OF PRACTISING CERTIFICATE AS AT 19 FEBRUARY 2020



Application received **6,486**

Application approved **5,942**

Application For Practising Certificate



	MyCoID	e-Secretary	Applied
MIA	3,750	2,379	64%
LS	2,473	1,924	78%
MAICSA	1,889	1,417	75%
MACS	541	448	83%
BC	916	236	26%
SAA	138	42	31%
MICPA	35	24	69%
SLA	54	16	31%
TOTAL	9,796	6,486	67%

STATISTIC : APPLICATION OF PRACTISING CERTIFICATE AS AT 19 FEBRUARY 2020



BY GENDER



3,680
(56%)



2,806
(44%)

BY NATIONALITY

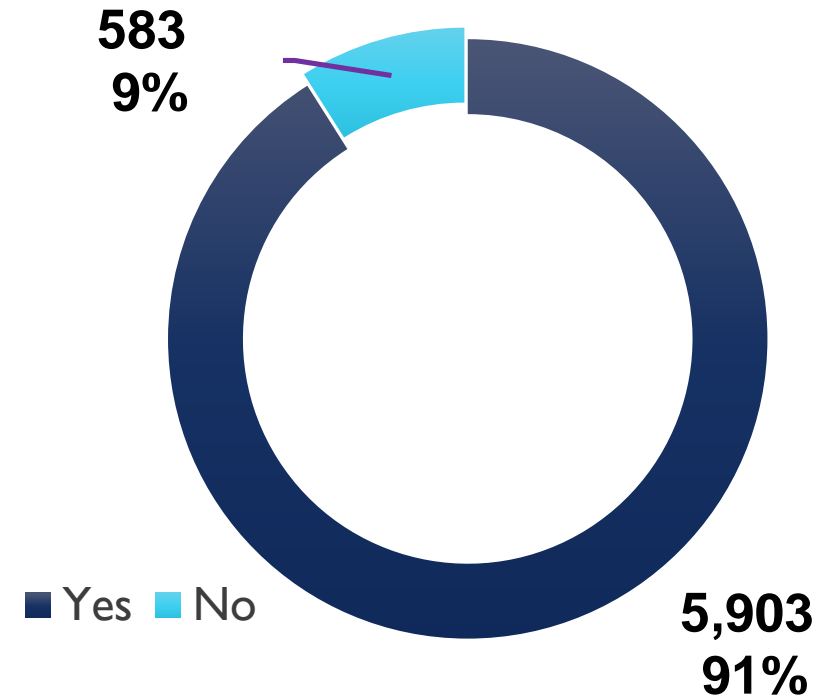


6,455
(99.5%)



31
(0.5%)

Permanent Resident of
Malaysia



Currently employed / practise in
secretarial service?

STATISTIC : APPLICATION OF PRACTISING CERTIFICATE AS AT 19 FEBRUARY 2020



IN HOUSE	SERVICE PROVIDER	TOTAL
1,740 (29%)	4,163 (71%)	5,903

SERVICE PROVIDER

Company	2,341
Business	1,133
Non-Audit Firm	286
Business License (Sabah & Sarawak)	155
LLP	127
Legal Firm	121

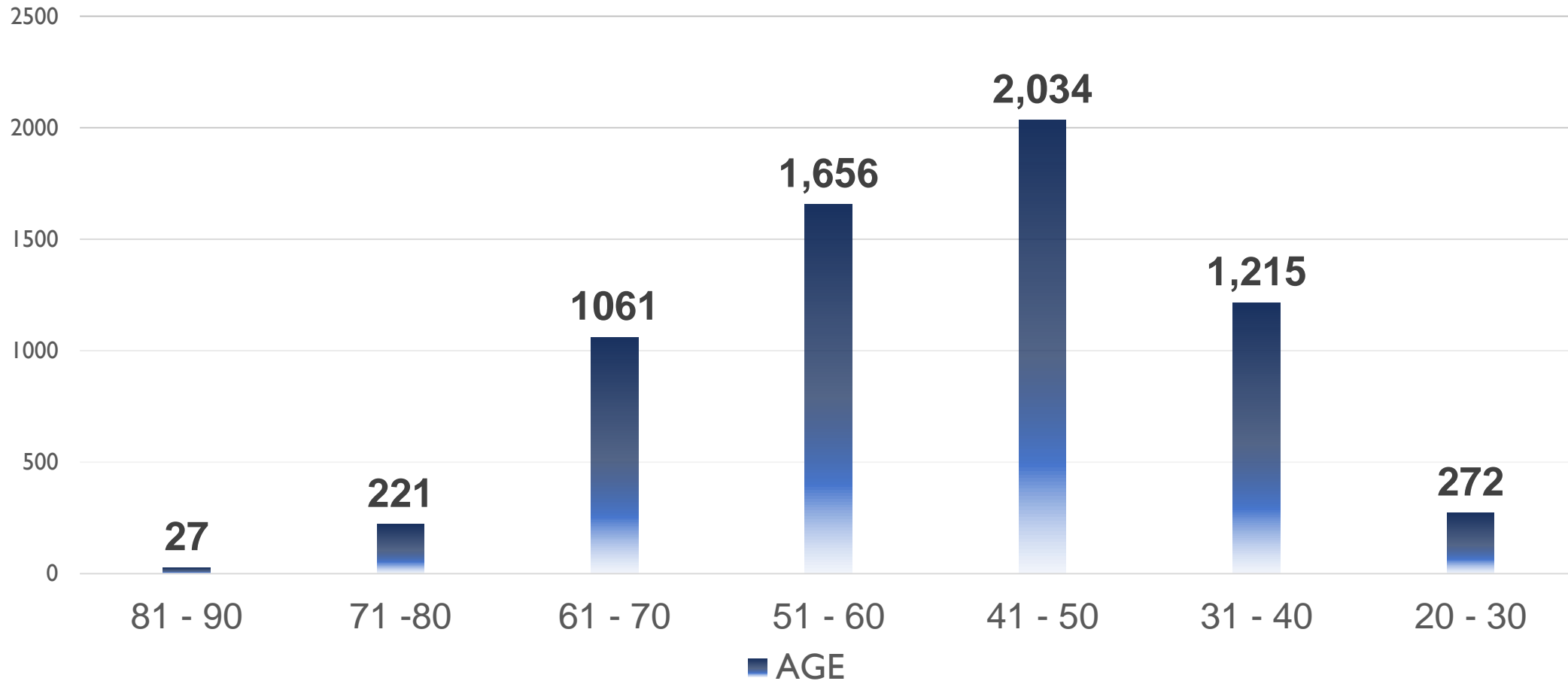
IN-HOUSE

Company	1,702
Federal / State Authority	38

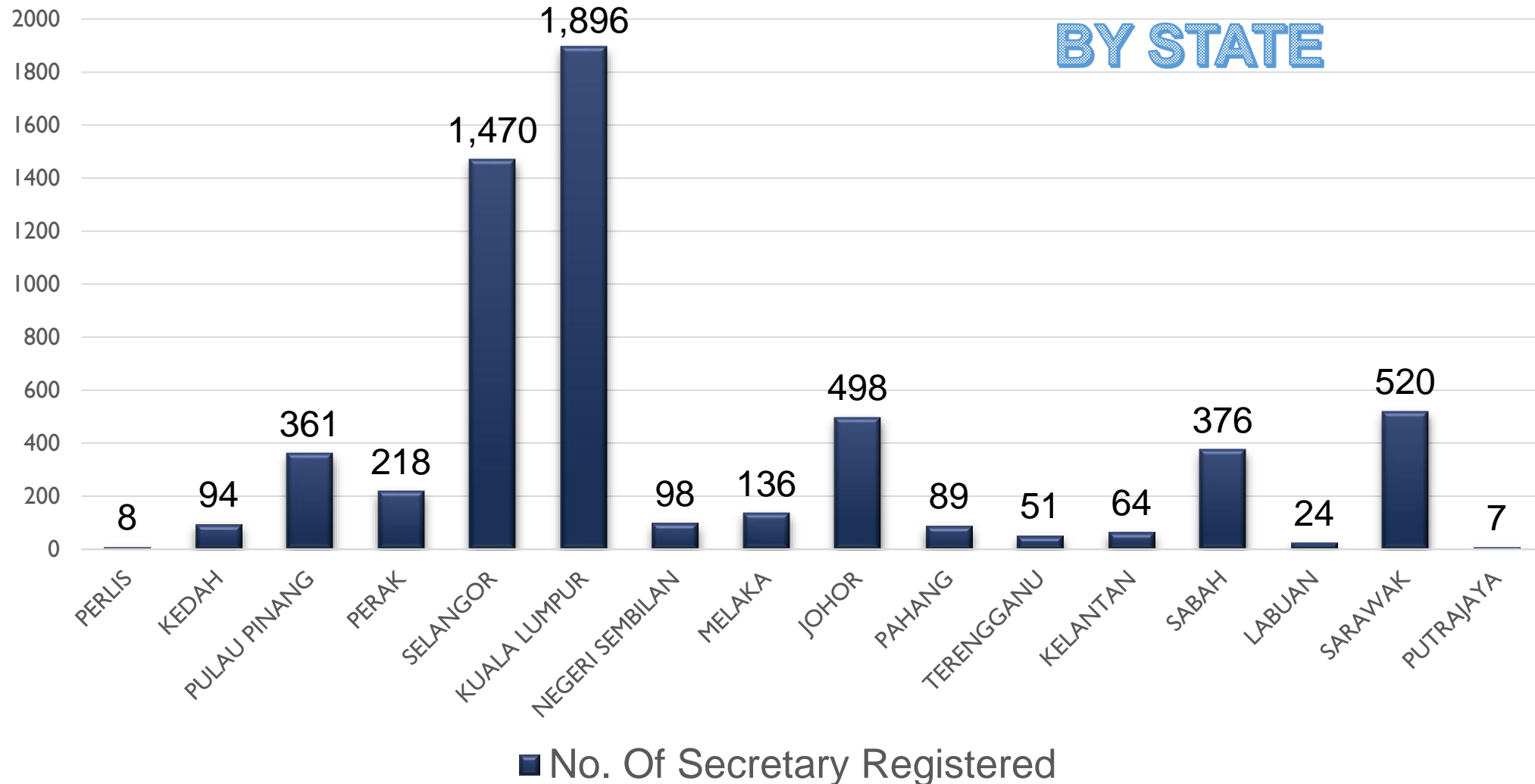
STATISTIC : APPLICATION OF PRACTISING CERTIFICATE AS AT 19 FEBRUARY 2020



NUMBER OF SECRETARIES ACCORDING TO AGE



STATISTIC : APPLICATION OF PRACTISING CERTIFICATE AS AT 19 FEBRUARY 2020



RENEWAL OF PRACTISING CERTIFICATE



- Apply for renewal of Practising Certificate (PC) not less than **30 days before PC** expiry date.
 - Secretary license / membership must be valid at the time of the application.
 - Secretary is not disqualified under section 238 CA2016.
 - Secretary does not have any pending legal action against him under any provision of the laws specified in the First Schedule of the Companies Commission of Malaysia 2001.
 - Secretary has comply with requirements of **Continuing Professional Education (CPE)**.
- Online application via **e-Secretary** system.
 - Fee for renewal application:
 - ❖ 1 year : RM100.00
 - ❖ 2 years : RM200.00
 - ❖ 3 years : RM300.00
 - Application is **auto-approved by system**.

CPE REQUIREMENTS



- CPE means any course of **training, studies and practical experience** in the discharge of the secretary's duties and responsibility.
- The compositions CPE hours for renewal Practising Certificate (**PC**) are as follows:

VALIDITY PERIOD OF PC	TOTAL CPE HOURS REQUIRED
1 year	20 CPE hours
2 years	40 CPE hours
3 years	60 CPE hours



The minimum total CPE hours must be collected **during the validity period of PC** (Para 35 Guideline Relating To Practising Certificate For Secretaries Under Section 241 Of The Companies Act 2016).



Secretary must provide **minimum 20 CPE hours upon first renewal of PC.**

CPE : TRAINING (CATEGORY I)



Courses Relating To Company Secretarial Practice, Company And Corporate Law

- **Minimum of 60%** of total minimum CPE hours.
- **Company Secretarial** – Courses related to roles and duties of company secretary as required under the CA2016 or other relevant law and practices.
- **Company and Corporate Law** - Courses related to rules, practices and regulations that govern the company affairs.

Other Courses Relating To Industry In Which A Company Is Operating

- **Maximum of 25%** of total minimum CPE hours.
- Courses related to the **nature or object of the company** that will enhance understanding about operation and management of the company.

Personal Development

- **Maximum of 15%** of total minimum CPE hours
- Courses that will improve personal and professional skills, knowledge, competencies and effectiveness in performing duties as a secretary.

CPE : STUDIES AND PRACTICAL EXPERIENCE



Category	CPE Requirements
STUDIES (CPE Category 2)	<ul style="list-style-type: none">• Maximum 20 CPE hours per year.• Applicable to secretary who are currently pursuing certificated courses, diplomas or degrees / higher education at recognized institutions by Ministry of Education.• In the field/course of company law, company secretarial practice, management, business administration or accounting.
PRACTICAL EXPERIENCE (CPE Category 3)	<ul style="list-style-type: none">• Maximum of 8 CPE hours per year.• Conducting training(s) related to company law, corporate law and company secretarial practice.

IMPACT FOR FAILURE TO COMPLY WITH SECTION 241 CA2016



SECRETARY



- Disqualified from acting as a secretary of a company.
- Failure to register / apply for PC before 15 Mar 2020:
 - ❖ Commit an offence [under section 241 CA2016](#);
 - ❖ Penalty under section 588(1)(c) CA2016 to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 3 years or both;
- Continues acting as a secretary after disqualified:
 - ❖ Commit an offence under section 238(3) CA2016;
 - ❖ Penalty under section 588(1)(c) CA2016.

IMPACT FOR FAILURE TO COMPLY WITH SECTION 241 CA2016



COMPANY



- To appoint new secretary.
- If a person continuing acting as a secretary (without leave of the court), every director who knowingly permits the person to act after disqualified, commit an offence under section 238.
 - ❖ Penalty under section 588(1)(c) CA2016.

IMPORTANT NOTES



Company secretary is required to:



Apply for practicing certificate under section 241 **before 15 Mac 2020** in order to act as a company secretary.



Apply for renewal of practising certificate not less than **30 days from the expiry date**.



Designate **only one approved body** for the purpose of practicing certificate.



Ensure license or membership in approved body is valid at all time.

IMPORTANT NOTES



Company secretary is required to:



State practising certificate number when executing any document or when lodging any document with the Registrar

SSM PC No. : 201908000001



Notify the Registrar in writing if there are any changes in the membership of the designated approved body or any changes of particulars of the secretary within **14 from the date the changes** occurred.



Ensure practising certificate is still valid at all time in order to be able to act as a secretary.

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**Practising Certificate Under Section 241 Of The
Companies Act 2016**

Thank You

Issues:

- User forgot email password / request change email (share user database with EzBiz and MyLLP).
- Recognition of Gazette Sabah Law Society (SLS) as an Approved Bodies under 4th Schedule CA2016.

Query:

- Applicant name is not the same with IC attached.
- "Entity type" selected is incorrect / not consistent with the "Entity Number".
- Select / entered incorrect information.
- Attached incorrect / irrelevant supporting documents.
- Image of the attached document is unclear.
- Typo error.
- Outstanding compound / blacklist (based on NRIC Number).
- Offer secretarial service through an audit firm.

EXEMPTION FOR SECTION 235(I)(C)



A person **who is not a citizen or permanent resident of Malaysia** but has been appointed as a secretary prior to **31 January 2017** may apply for PC subject to the following conditions:

- He shall only act as a secretary to the company of which he was appointed before 31 January 2017;
- He shall not accept any new appointment as a secretary; and
- He has complied with the requirements stated under section 235(1)(a), (b) and 235(2) CA2016.