

Plenary Session 2
“Companies Act 2016. Moving Together.
From Policies to Legislation to
Implementation”
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By:

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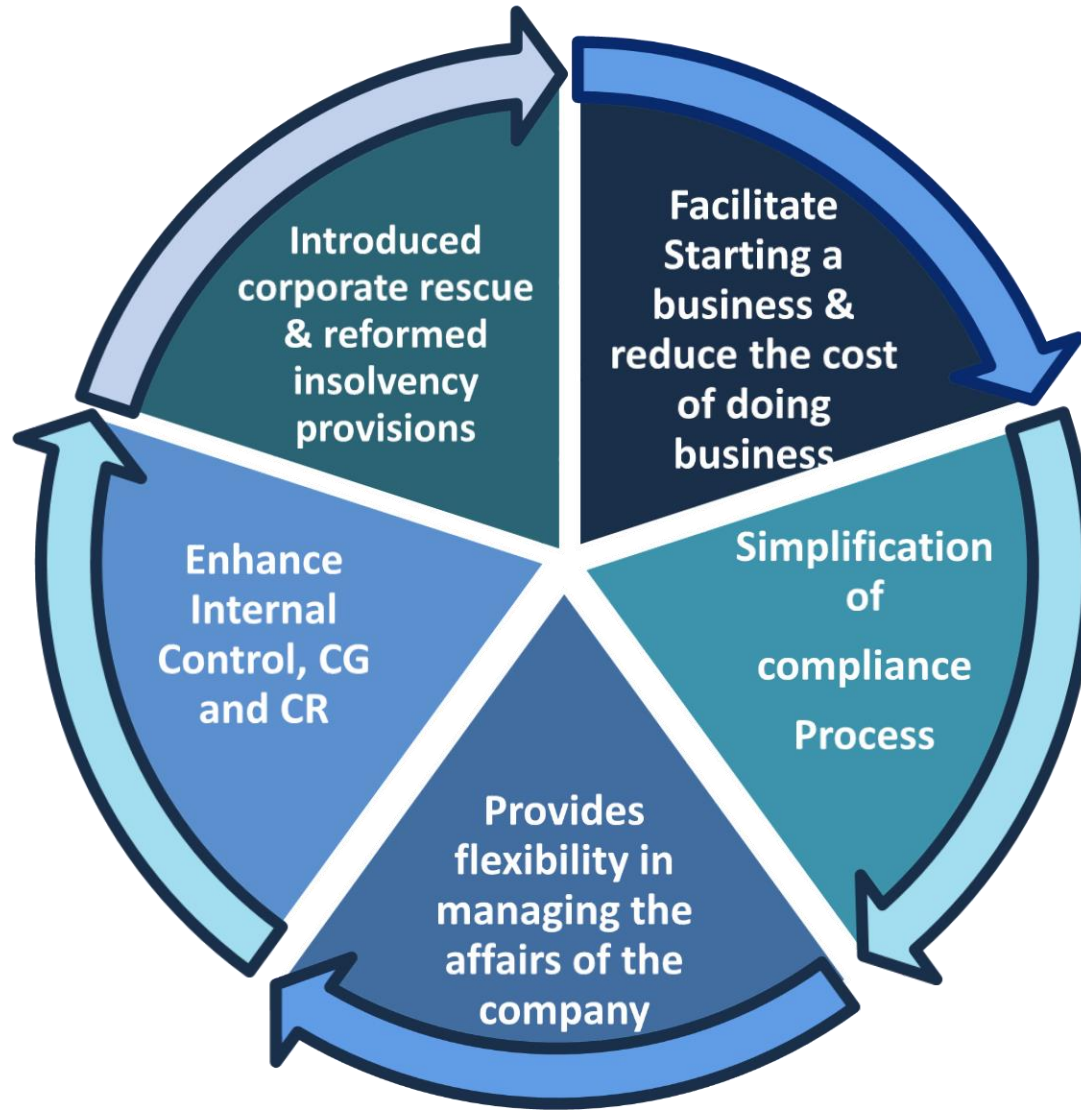
**Passed at Dewan Rakyat
on 4 April 2016**

**Passed at Dewan
Negara
on 28 April 2016**

Companies Act 2016 [Act 777] & Interest Scheme Act 2016 [Act778]

**Gazetted on 15 September 2016
Became operative on 31 January 2017**

Impacts of the new Companies Act 2016 – Modernising the legal framework



Facilitate Starting a business And reduce the cost of doing business

- Incorporation by promoter via Superform -no more multiple forms for Incorporation process
- Single Member company
- Single director for private company
- Constitution is optional - company may adopt constitution after incorporation
- Companies having unlimited capacity

Simplification of compliance process



- No AGM for private companies
- Abolishing the maximum age for directorship
- Decoupling of lodgement of AR and FS
- Audit exemption for certain private companies
- Non-application of authorized capital concept
- Appointment of company secretary is subsequent to incorporation

Provides flexibility in managing the affairs of the company

- Adoption of constitution is within the parameters of the CA2016
- Alternative method for reduction of capital
- Dispensation of issuance of certificates:
 - ✓ Share certificate – optional, ROM is conclusive evidence to title of shares
 - ✓ No more certificate of incorporation - notice of registration is conclusive evidence
- Common seal is optional

Enhance Internal Control, corporate governance and corporate responsibility

- Solvency statements by directors
- No Par Value Regime
- Dividends distributed may be recovered
- Approval of directors' fee
- Members' Right for Management Review
- Auditors to attend AGM
- Business Review report
- Increase in penalty

Introduced corporate rescue & reformed insolvency provisions

- Corporate rehabilitation mechanisms:
 - ✓ Corporate Voluntary Arrangements
 - ✓ Judicial Management
- New qualification of Approved Liquidators and Insolvency Practitioners
- Enhancement of receivership provisions – e.g. codification of minimum powers of Receivers and R&M
- Refinement of winding-up provisions