

# UNDERSTANDING CAPITAL REDUCTION BY SOLVENCY STATEMENT UNDER COMPANIES ACT 2016

## 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. A 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 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.
- 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 to handling a capital reduction exercise, the actions to be taken before and after the capital reduction.

## LEARNING OUTCOMES

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.
- Note the obligations of the company in the various filing and notification 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.

## 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 Pembangunan Sumber Manusia Berhad and does regular training for the Companies Commission Malaysia Training Academy and other professional bodies.

DATE	VENUE	EVENT CODE
15 July 2020	Menara SSM@Sentral, Kuala Lumpur	CEP/KL/20/127
Time	9.00 am – 1.00 pm	
Training Methodology	Lecture and case discussion	
Fee	<b>RM300.00</b> Standard <b>RM250.00</b> Licensed Secretary Member of MAICSA, MIA, Malaysian Bar, MACS, MICPA, Sabah Law Assoc. & Advocates Assoc. of Sarawak.	
SSM CPE Points	4	

*Fee inclusive of certificate of attendance, seminar materials and refreshment.*



Use one form for each participant. Print or type clearly. This form can be downloaded from SSM's website at [www.ssm.com.my](http://www.ssm.com.my). Kindly make copies if more forms are needed. Please register me for the below programme:

DATE	EVENT CODE	PROGRAMME

**PARTICIPANT DETAILS:** *(All details must be completed)*

Name \_\_\_\_\_ I/C No. \_\_\_\_\_

Licensed Secretary No. \_\_\_\_\_ SSM PC No: \_\_\_\_\_

Professional Body Name & Membership No. \_\_\_\_\_

Designation \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Office Tel. No. \_\_\_\_\_ Fax No. \_\_\_\_\_ Mobile No. \_\_\_\_\_

Email Address \_\_\_\_\_  
*(Please provide your e-mail address as registration confirmation is sent to you via e-mail.)*

Tax Invoice to be issued in the name of \_\_\_\_\_

Name of HR personnel \_\_\_\_\_ Tel. No. \_\_\_\_\_

Vegetarian Meal     Other Diet \_\_\_\_\_

Payment by cheque no. \_\_\_\_\_ amount RM \_\_\_\_\_

### PAYMENT TERMS

- Fee is payable to **SURUHANJAYA SYARIKAT MALAYSIA**.
- Payment can be made in cash, cheque, bank draft, credit card, postal order or money order.
- Each programme fee must be paid separately.
- Only cheque issued by company/firm can be accepted. Companies/Firms that issue a non-valid cheque will be blacklisted.
- Personal cheque will not be accepted.
- On the reverse of each instrument of payment, please indicate the participant(s) name (maximum 5), License Secretary no./Professional Body name (if any), programme date and event code.
- Attach with a copy of the Registration Form (if payment made before the programme date) or Invoice (if payment made after the programme date) when submitting payment.
- Payment can be made at SSM, Level 17, Menara SSM @ Sentral, Kuala Lumpur and at all SSM branches in Malaysia.

### PROGRAMME FEE

Fee is inclusive of certificate of attendance issued by the Companies Commission of Malaysia (SSM), training materials, refreshments and lunch (where applicable).

### FAX OR EMAIL YOUR REGISTRATION FORM WITH PAYMENT RECEIPT TO:

COMTRAC & Knowledge Management Division, Level 12, Menara SSM @ Sentral, 7 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50623 Kuala Lumpur  
Tel: +(603) 2299 4440 (Zakhir) / 4441 (Priya) / 5308 (Fuza) Fax: +(603) 2299 4451 / 4452 Email: [comtrac@ssm.com.my](mailto:comtrac@ssm.com.my)

### TERMS & CONDITIONS

Registration is on a first-come-first-served-basis. No walk-in accepted. All registrations MUST be submitted to SSM accompanied with the full payment five (5) working days before the programme. Admittance will not be permitted unless payment or letter of guarantee is received. Participant will be issued a Certificate of Attendance upon full attendance of the programme and payment is received.

#### Cancellation

No refund is entertained if participant decide to cancel their registration but a substitute is welcome. Written notification of substitute's name must be received by COMTRAC at least three (3) working days prior to programme. Any difference in fee will be charged accordingly. In cases of cancellation/postponement of programme by COMTRAC, the registration fee will be refunded.

#### Transfer

No refund is entertained if participant fails to attend a programme. Transfer of registration fee to another programme is not allowed.

#### Replacement Of Certificate

SSM will charge an administrative fee of RM30.00 per copy 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.

### DISCLAIMER

SSM reserves the right to cancel 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. Upon submitting the registration form, you are deemed to have read and accepted the terms and conditions.

### PSMB

Suruhanjaya Syarikat Malaysia is registered as a training provider with PSMB under KERAJAAN1846.

### 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 get 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).