

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. 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 for purposes of reducing the liability on the shares or return of excess capital. Where the company has retained losses, it can also use Section 117 to cancel the paid-up capital which is lost or unrepresented by available assets without the need for directors to make a solvency statement. The 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.



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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 would be provided to ensure compliance with the provisions of the Act.

COURSE CONTENTS

- Drivers for initiating a capital reduction exercise.
- Which 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 course, 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.

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 HRP 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.

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ADMINISTRATIVE DETAILS

Date	22 October 2024
Platform	Virtual platform
Time	9.00AM – 5.00PM
Training Methodology	Lecture and case discussion
Fee	RM500.00 Standard RM400.00 Licensed Secretary. Member of MAICSA, MIA, Malaysian Bar, MACS, MICPA, Sabah Law Society & Advocates Assoc. of Sarawak.
SSM CPE Points	8 Points

HOW TO REGISTER?

STEP 1

Strictly via online registration at <https://e-comtrac.ssm.com.my>

STEP 2

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 3

- 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

Payment Mode

- All training programmes registrations MUST be applied through e-COMTRAC. Upon submitting the registration application, participant is deemed to have read and accepted the terms and conditions herein.
- Payment by cash and cheque is not acceptable effective from January 2021.

Webinar Access Link

- A notification e-mail with the webinar access link will be sent at least 24 hours before the commencement of the webinar.
- The access link is unique for registered participants and should not be forwarded or shared with others.

Certificate of Attendance

- Participant will be issued a Certificate of Attendance upon full attendance of the programme and payment is received.
- A participant is allowed to attend **ONE** programme per day to be eligible for certificate of attendance. Request for refund will not be entertained if you have registered for more than one programme per day.
- 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.

Cancellation / Absent

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

Transfer

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

Human Resources Development Corporation

Suruhanjaya Syarikat Malaysia 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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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.

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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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