

## Malaysia Company Compliance Guide

*Unless otherwise indicated, the Malaysia company stated in this article refers to a private company limited by share(s) (identified through the words 'Sendirian Berhad' or 'Sdn. Bhd. ') formed and incorporated in Malaysia in accordance with the Malaysia Companies Act 2016.*

After a private company is successfully incorporated in Malaysia, it is crucial for the directors of the company to understand the post incorporation and annual statutory compliance requirements in accordance with the Malaysian Companies Act 2016 (CA 2016).

In this article, we will brief you through the following compliance under the CA 2016:

### 1. Publish of Company's Name and Registration Number

Every company shall display its registered name and company registration number at its registered office, every place where its business is carried on and every place where its books are kept. 'Books' is defined in Section 2(1) of the CA 2016 to include any register or other record of information and any accounts or accounting records, however compiled, recorded or stored, and also includes any document.

The name and registration number of a company shall appear in legible romanised characters on its seal; and all business letters, notices and other publications (including electronic form), websites, bills of exchange, promissory notes, indorsements, order forms, cheques, order invoices, other demands for payments, receipts, letters of credit purporting to be issued or signed by or on behalf of the company and all other forms of its business correspondence and documentation.

### 2. First Board Resolution

It is most appropriate for the first directors' meeting to be called after the company has received the notice of registration from Companies Commission of Malaysia (CCM). The purpose of the meeting is to get the company going and to comply with the formality of certain business of the company.

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Accordingly, the businesses to be transacted at the first directors' meeting may consist of the notation of: (1) the incorporation of the company, (2) the appointment of the directors, (3) the appointment of the secretary, (4) the subscription of shares, (5) the registered office etc.

### **3. Appointment of First Company Secretary**

If the company secretary was not appointed at the time of incorporation, the board of directors of the company shall appoint a company secretary within 30 days from the date of incorporation. The company secretary shall be a natural person of 18 years of age, a citizen or permanent residence of Malaysia and ordinarily reside in Malaysia by having a place of residence in Malaysia. A company secretary shall be a member of any one of the professional bodies as set out in the Fourth Schedule of the CA 2016 and licensed by CCM.

### **4. Changes in Company's Officers and Particulars**

Section 58 of the CA 2016 requires a company to, within 14 days after it is incorporated, lodge the Notification of Change in the Register of Directors, Managers and Secretaries to update the service address of the directors. The rest of the information in relation to the directors has been disclosed at the time of incorporation.

Whenever there is any change in the officers of the company and their particulars (i.e. name, residential address, service address, business occupation, identification and other directorships of public companies or companies which are subsidiaries of public companies in Malaysia), details of the change must also be notified with CCM within 14 days from the date of such change via the said Notification.

### **5. Change in the Register of Members**

Section 51 of the CA 2016 requires a company to notify CCM of the changes in the particulars in the Register of Members within 14 days after the date of any such change.

Post incorporation, the company may update the analysis of shareholdings in the Register of Members with CCM.

### **6. Notification on the Business Address and Nature of Business**

The company is required to notify CCM on its business address within 14 days from the date when the company has an actual place of business. The information on the nature of business of the company was disclosed at the time of incorporation.

Subsequently, where a company resolved to change its business address or its nature of business, the company is also required to notify CCM within 14 days from the date of such change.

## **7. Financial Year End and Appointment of Auditors**

The company is required to prepare its first audited financial statements within 18 months from the date of its incorporation and subsequently, within 6 months of its financial year end. The audited financial statements is required to be circulated within 6 months from its financial year end and lodged with CCM within 30 days from the circulated date.

The CA 2016 does not specify the date on which a financial year of a company shall end. The decision to determine the financial year is entirely at the discretion of the company.

A newly incorporated company is required to appoint an auditor of the company at least 30 days before the end of the period for the submission of the first audited financial statements to CCM.

## **8. Company's Constitution**

Under the CA 2016, only a company limited by guarantee shall have a constitution. It is optional for other types of company to have a constitution.

The rights, powers, duties and obligations of the company, director and member would be governed by the CA 2016 unless expressly stated in the company's constitution. The company's constitution can modify any of those rights, powers, duties and obligations only if the Act permits it. If the CA 2016 is silent on the method for decision making, the company constitution can be used to fill in the gap.

## **9. Change of the Registered Office Address**

Section 46 of the CA 2016 requires every company to have a registered office within Malaysia to which all communications and notices may be addressed. A Notification for change in the registered address must be lodged with CCM within 14 days after the date of any such change.

## **10. Changes to Share Capital**

When there are changes in matter relating to share capital of the company, i.e. allotment of shares, variation of class rights, reduction of share capital etc, the company is required to lodge relevant statutory documents with CCM within the stipulated timeframe.

## 11. Annual Filing Requirements

### (1) Circulation of Financial Statements

In accordance with the CA 2016, a private company in Malaysia is no longer required to hold an Annual General Meeting (AGM). A private company is only required to circulate its financial statements to its shareholder(s) for approval and adoption within 18 months after the incorporation. In subsequent year, the company is required to circulate its financial statements to its shareholder(s) within 6 months after the financial year end.

The company is required to lodge the financial statements with the CCM within 30 days after the circulation of the financial statements to its shareholder(s).

We shall assist you in preparation of necessary documents for your approval upon receipt of the finalised financial statements of the Company. Thereafter, we will assist to lodge the financial statements with CCM accordingly.

Nevertheless, an exempt private company (“EPC”) does not need to lodge the financial statements with the CCM. It has to lodge the “Certificate by Exempt Private Company” and “Auditor's Statement” if it is able to meet its liabilities as and when the liabilities fall due.

EPC means a private company in the shares of which no beneficial interest is held directly or indirectly by any corporation and which has not more than twenty members none of whom is a corporation.

### (2) Annual Return Filing

Section 68 of the CA 2016 requires all companies to lodge with the CCM an annual return for each calendar year not later than 30 days from the anniversary of its incorporation date. The annual return of a company shall contain the particulars of directors, managers, secretaries, shareholders, registered office, total amount of indebtedness and other relevant corporate information.

We shall assist you to lodge the annual return with CCM upon receipt of the signed documents, duly executed and signed by the respective officers.

(3) Extension of Time

If the Company is unable to lodge the financial statements with the CCM within the stipulated timeframe, we shall be able to assist the Company to apply for the extension of time before the deadline to lodge the financial statements. Approval for the extension is entirely at the discretion of CCM.

Kaizen Group, together with its associate firms in Malaysia, can help the clients to perform these compliances formalities so as to maintain the Malaysia company in good standing. Please call and talk to our professional accountants in Kaizen for further clarification.

*If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at [www.kaizencpa.com](http://www.kaizencpa.com) or contact us through the following and talk to our professionals:*

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