

## Procedure and Fee for Registration of Limited Liability Partnership in Malaysia

*Unless otherwise indicated, the Malaysia Limited Liability Partnership (LLP) stated in this article refers to a business entity registered in Malaysia in accordance with the Malaysia Limited Liability Partnerships Act 2012 (LLP Act 2012).*

This package comes with everything that is required by the LLP Act 2012, including compliance office and registered office in Malaysia.

Our fee for this Malaysia LLP registration and bank account opening package is USD1,550. Our fee covers the provision of a competent person to act as the compliance officer of the LLP, a registered office address for one year, payment of official filing fee to the Companies Commission of Malaysia (CCM) and opening of a corporate bank account with a local bank in Malaysia.

In order to register an LLP in Malaysia, client needs to provide a proposed name of the LLP, identification documents of the partners, such as passport or Certificate of Incorporation, and the proof of address, such as utility bill or address of registered office, of each partner of the LLP.

The registration of an LLP in Malaysia can be completed in about 14 working days, from the day of receipt of the duly completed and signed registration documents.

Our fees stated in this quotation does not cover the application for special licence or permit. If the business activity of the client's Malaysia LLP requires special licence or permit, we can help to apply for it and our fees will be quoted upon request.

### SHENZHEN 深圳

Rooms 1203-06, 12/F.  
Di Wang Commercial Centre  
5002 Shennan Road East  
Luohu District, Shenzhen, China  
中國深圳市羅湖區深南東路5002號  
地王商業中心12樓1203-06室  
T: +86 755 8268 4480

### SHANGHAI 上海

Room 603, 6/F., Tower B  
Guangqi Culture Plaza  
2899A Xietu Road, Xuhui District  
Shanghai, China  
中國上海市徐匯區斜土路2899甲號  
光啓文化廣場B座6樓603室  
T: +86 21 6439 4114

### BEIJING 北京

Room 303, 3/F.  
Interchina Commercial Building  
33 Dengshikou Street  
Dongcheng District, Beijing, China  
中國北京市東城區燈市口大街33號  
國中商業大廈3樓303室  
T: +86 10 6210 1890

### TAIPEI 台北

Room 303, 3/F., 142 Section 4  
Chung Hsiao East Road  
Daan District, Taipei  
Taiwan 10688  
台灣台北市大安區忠孝東路四段  
142號3樓之3  
郵編: 10688  
T: +886 2 2711 1324

### TOKYO 東京

308 BIZMARKS Akasaka  
2-16-6 Akasaka, Minato-Ku, Tokyo  
Japan 107-0052  
日本東京都港區赤坂二丁目16番6號  
BIZMARKS赤坂308室  
郵編: 107-0052  
T: +81 3 5776 2637

### SINGAPORE 新加坡

138 Cecil Street, #13-02 Cecil Court  
Singapore 069538  
T: +65 6438 0116

### KUALA LUMPUR 吉隆坡

Menara Suezcap, Tower 2  
E-13A-3A, No. 2 Jalan Kerinchi  
Gerbang Kerinchi Lestari  
59200 Kuala Lumpur, Malaysia  
T: +60 19 2177 344

### NEW YORK 紐約

202 Canal Street, Suite 303, 3/F.  
New York, NY 10013, USA  
T: +1 646 850 5888

### LONDON 倫敦

Room 319, 3/F., One Elmfield Park  
Bromley, Greater London  
BR1 1LU, UK  
T: +44 20 8176 3860

## 1. Malaysia LLP Registration Package – Services and Fees

Our fee for handling the registration of an LLP in Malaysia together with the provision of a registered office, a compliance officer for one year and opening of a bank account in Malaysia, is USD1,550. In particular, our fee covers the following services:

### (1) Malaysia LLP Registration - Pre- & Post-Registration

- (a) Answering client's questions in respect of the registration and maintenance of an LLP in Malaysia;
- (b) Advising client on the structure of the proposed Malaysia LLP;
- (c) Performing name availability search and reservation of the proposed name (additional fee may be charged if the proposed business is relevant to professional practice and required special approval from governing body);
- (d) Preparation of registration documents and registration forms;
- (e) Update the registration progress with client regularly;
- (f) Preparation of compliance corporate kit, including register of partners, register of compliance officers and corporate stamps; and
- (g) Preparation of written resolution to open a bank account (if required).

### (2) Compliance Officer

LLP Act 2012 requires all Malaysia LLP to appoint a competent resident to act as the compliance officer to handle on-going statutory compliance matters. This package has included the provision of a qualified compliance officer for the Malaysia LLP to comply with the requirements of LLP Act 2012.

### (3) Registered Office

Kaizen will provide a Malaysia local address to be used as the registered office of the Malaysian LLP to comply with the requirements of LLP Act 2012. This package has included the provision of registered office services for one year which can be renewed upon expiration. The registered address must be a physical address and may be different from the business address.

Whenever mails arrive, Kaizen will provide a notification via email and information of sender of the mails will be provided. Upon request, Kaizen will forward mails to client and a handling fee plus postage will be charged separately.

#### (4) Malaysia Bank Account

Kaizen will provide assistance to open bank account with a local bank in Malaysia. Please note that certain bank might require all the authorised signatories and at least a partner to visit the bank in Malaysia personally for the purpose of due diligence. It should also be emphasised that our role is limited to providing assistance and it is the sole discretion of the bank to decide whether to open the bank account or not. We do not assume any liability and no payment will be refunded should the bank rejects such application.

**Note:**

- (a) Please note that the above-mentioned fees included our professional services fee and government fee for registration but exclusive of courier charges, if any.
- (b) Assuming no license or permit is required. If special license or permit is required, Kaizen may assist in such application and our fee will be quoted upon request.
- (c) Our fee quoted does not include drafting of partnership agreement. Kaizen can assist in drafting the agreement with extra fee charged.
- (d) All our fee quoted do not include GST or VAT or SST, if applicable.

## 2. Payment Term and Payment Methods

Upon receipt of your confirmation of engagement, we will issue and send an invoice together with the wiring instructions to you for your settlement. When you arrange the payment, please put our invoice number of account number in the message section and then send email a copy of the remittance receipt to us for our records. Because of the nature of service, we require full payment in advance. And once the service is commenced, no refund of service fee will be made.

We accept cash, TT and credit card through PayPal. An extra handling fee of 5% will be charged if paid by PayPal.

## 3. Key Features of Malaysia LLP

### (1) Proposed Name of LLP

For the purpose of registration of an LLP, a confirmation of availability of the proposed name from the Registrar must first be obtained by applying to the Registrar for reservation of name. The name of an LLP shall end with the words “Perkongsian Liabiliti Terhad” or the abbreviation “PLT”.

Certain words will slow down the approval process, including account, law, consultancy which may indicate the LLP is formed for the purposes of carrying on any professional practice. If such circumstances, the application shall be accompanied by an approval letter from the governing body.

The application for the name reservation once approved by the Registrar will be reserved for a period of 30 days from the date of the application.

**(2) Nature of Business**

The proposed LLP cannot be used for a charitable purpose, an unlawful purpose or purposes prejudicial to the public peace, welfare or good order or morality in Malaysia.

Approval letter from the governing body as specified in the third column of the First Schedule of the LLP Act 2012 must be obtained if the LLP is to be formed for the purpose of carrying on any professional practice, i.e. chartered accountant, advocate and solicitor and secretary.

**(3) Registered Office Address**

An LLP shall at all times have a registered office in Malaysia to which all communications and notices may be addressed. Kaizen will provide a Malaysia local address to be used as the registered office of your Malaysian LLP.

**(4) Partners**

An LLP can be formed by 2 or more partners consisting of individuals or bodies corporate. An LLP to be formed for the purpose of carrying on a professional practice is required to have a minimum of 2 partners who are natural persons and practising the same professional practice. There is no limit for maximum number of partners and no requirement for the partners to have a principal or only place of residence in Malaysia.

Partners shall have in force professional indemnity insurance cover for an amount of not less than the amount approved by the Registrar after consultation with the governing body.

**(5) Limited Liability Partnership Agreement**

The mutual rights and duties of the LLP and its partners shall be governed by the LLP agreement. The LLP agreement shall be in national language or English language and shall consist of the following particulars:

- (a) Name of the LLP;
- (b) Nature of business of the LLP;
- (c) Amount of capital contribution by each partner; and
- (d) Agreement from partners to become partners of the LLP

## **(6) Compliance Officer**

Every LLP must appoint at least 1 compliance officer from amongst its partners or a person qualified to act as a secretary under the Companies Act 2016 who:

- (a) is at least 18 years of age;
- (b) is a citizen or permanent resident of Malaysia;
- (c) ordinarily resides in Malaysia;
- (d) is not an undischarged bankrupt; and
- (e) is not disqualified to act as a director or secretary under the Companies Act 2016.

A compliance officer must register with the Registrar and is required to go to the nearest office of the CCM for identity verification purpose so as to enable him to lodge or submit documents on behalf of the partners or the LLP.

Where no compliance officer is appointed then all partners shall be deemed as the compliance officer of the LLP.

The main responsibilities of a compliance officer are as follows:

- (a) Registering any changes in registered particulars of the LLP;
- (b) Keeping and maintaining registers and records of the LLP; and
- (c) Ensuring publication of names of the LLP in accordance with the provisions of the LLP Act 2012.

A compliance officer is personally liable to the administrative penalties imposed on the LLP for any contravention of Sections 17, 19 and 20 of the LLP Act 2012 unless he can prove that he is not liable.

## **(7) Notice of Registration**

Once the Registrar is satisfied with the application for registration of the LLP, the Registrar will register the LLP and allocate a registration number for the LLP and issue a notice of registration which shall be the conclusive evidence of such registration.

The Registrar may issue a certificate of registration to the LLP upon application by the LLP and on payment of the prescribed fee.

#### 4. Continuous Obligation of Malaysia LLP

Upon registration, every LLP must comply with the requirements under the LLP Act 2012 as set out below:

##### (1) Registration of Changes in Particulars

An LLP shall lodge a notification to the Registrar for any changes made or occurred in the registered particulars within 14 days from the date of such changes.

##### (2) Keeping of Registers and Statutory Records

An LLP shall at all times keep at its registered office the following:

- (a) Notice of registration;
- (b) Register of partners and compliance officers;
- (c) A copy of the most recent annual declaration;
- (d) A copy of any statement lodged under the LLP Act 2012;
- (e) A copy of any certificate, if any, issued under the LLP Act 2012;
- (f) A copy of the LLP agreement and any amendment thereto;
- (g) A copy of any instrument relating to any charge created by the LLP; and
- (h) Any other documents that the Registrar may, from time to time, require to be kept.

##### (3) Keeping of Accounting Records

Every LLP shall keep such accounting and other records as will sufficiently explain the transactions and financial position of the LLP and enable profit and loss accounts and balance sheets to be prepared from time to time which give true and fair view of the state of affairs of the LLP at the registered office or such other place as the partners think fit provided that a notification of that place has been made to the Registrar.

An LLP shall retain the abovesaid accounting and other records for a period of not less than 7 years from the end of the financial year in which the transactions or operations to which those records relate are completed.

Subject to the LLP agreement, the accounts of an LLP shall not be required to be audited.

#### **(4) Annual Declaration**

An LLP shall lodge with the Registrar on an annual basis within 90 days from the end of its financial year, a declaration made by any two of its partners whether the LLP is able to pay its debts as they become due in the normal course of business and the declaration shall be accompanied by such other particulars as may be required by the Registrar.

In the case of the first annual declaration, it shall be lodged not later than 18 months from the date of registration of the LLP.

#### **(5) Tax Treatment**

LLP have a similar tax treatment like company where chargeable income from LLP will be taxed at the LLP level at tax rate of 24% generally. However, LLP with capital contribution of RM2.5 million or less will enjoy a preferential tax rate of 17% on the first RM 600,000 of its chargeable income.

Partners are not liable to tax on the profits received from LLP (whether distributed or not). Nevertheless, they will be taxed on remunerations, perquisites and benefits-in-kind received from the LLP.

The highest income tax rate of LLP is 24% while highest income tax rate of individual can up to 28%. Distribution of income wisely may help in income tax saving.

### **5. Materials Required for Registration of Malaysia LLP**

Client needs to prepare and provide the following documents and information to Kaizen for purpose of registration:

- (1) Copy of identification document (passport or identity card for Malaysia resident) and the latest proof of residential address (such as utility bill, telephone bill or bank statement issued within last three months) of each partner. If partner is another corporation, please provide certificate of incorporation, constitution, the latest annual return and the identification and address proof in respect of each person holding more than 10% of shares in that corporation;
- (2) A group chart illustrating the chain of interest ownership between the Malaysian LLP and its ultimate beneficiary owner, if the partner of the proposed Malaysian LLP is another corporation.
- (3) A duly completed and signed registration order form (to be provided by Kaizen).

The documents listed above must be certified by Kaizen, or by a CPA, lawyer or attesting officer. Client can visit any of our offices with the original identification documents of the partners and we will perform certification free of charge.

If any of the documents listed above is not in English, please also provide an English translation.

## 6. Malaysia LLP Registration Procedure and Timeframe

Normally, we can get your Malaysia LLP registered within 14 working days (assuming no licence or permit is required). Delivery will take around 3 working days. The table details the registration procedures and time needed for each step.

Step	Description	Time
1	Client places an order for registration with Kaizen and Kaizen issues an invoice to client for payment.	Client's Schedule
2	Client delivers materials listed in Section 5 to Kaizen by email or post and arrange payment of service fees at the same time.	Client's Schedule
3	Kaizen arranges with client to have the identification and address proof documents of the partners certified (Alternatively, client can arrange for the documents to be certified by a notary, lawyer or accountant and then have the certified documents delivered to any Kaizen offices).	Client's Schedule
4	Kaizen performs name availability search and reserve the name if available.	2-3
5	Kaizen proceeds to prepare registration documents and send the documents to client for review and signature.	1-2
6	Client arranges to have the registration documents signed and then return the duly signed documents to Kaizen by courier or post or email. Client can also sign the said documents in any of Kaizen offices.	Client's Schedule
7	Upon receipt of the original signed registration documents, Kaizen will then proceed for registration with CCM and pay the official registration fee.	1-2
8	Kaizen will receive the Notice of Registration from the CCM within 2 to 3 working days provided the application is in order. Kaizen to apply for Certificate of Registration, if required by client.	2-3
9	Kaizen will proceed to place an order for the company stamps and printing of the Register of Partners, Register of Compliance Officers (the whole set of documents together is known as company kit).	2-4
10	Kaizen will arrange to deliver the Company Kit to client's designated address. Client can also collect the Corporate Kit at any of Kaizen offices.	1
11	Kaizen makes appointment with the bank and arranges client to come to Malaysia to open the bank account (if required).	Client's Schedule



## 7. Documents To be Returned to Client after Registration

After the registration process is completed, Kaizen will return the following materials to you for your retention and as proof that the LLP is duly registered:

- (1) Certificate of Registration;
- (2) Registers of Partners;
- (3) Register of Compliance Officers; and
- (4) Company Stamps; and
- (5) Bank account materials.

Kaizen, 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 professionals 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:*

**Email:** *info@kaizencpa.com, enquiries@kaizencpa.com*

**Tel:** *+852 2341 1444*

**Mobile:** *+852 5616 4140, +86 152 1943 4614*

**WhatsApp/ Line/ Wechat:** *+852 5616 4140*

**Skype:** *kaizencpa*