

Procedure and Fee for Registration of Branch Office in Malaysia

Unless otherwise indicated, the branch office stated in this article refers to the foreign company registered in Malaysia in accordance with the Malaysia Companies Act 2016 (CA 2016).

This package comes with everything that is required by the CA 2016, including registered agent and registered office in Malaysia.

Our fee for this Malaysia branch office registration and bank account opening package is USD1,500. Our fee covers the provision of a registered agent for one year, a registered office address for one year and opening of a corporate bank account with a bank in Malaysia but exclusive of the payment of official filing fee to the Companies Commission of Malaysia (CCM). The registration fee payable to CCM for branch office registration is depending on the share capital of the foreign company, ranging from RM5,000 to RM70,000.

Normally, in order to register a branch office in Malaysia, client needs to provide identification documents and proof of residential address of the directors and shareholders, list of shareholders at its place of origin, register of members, certificate of incorporation/registration and memorandum and articles of association/constitution of the foreign company.

The registration of a branch office 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 branch office requires special licence or permit, we can help to apply for it and our fees will be quoted upon request.

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1. Malaysia Branch Office Registration Package – Services and Fees

Our fee for handling the registration of a branch office in Malaysia together with the provision of a registered office, resident agent for one year and opening of a local bank account in Malaysia, is USD1,500 (exclusive of registration fee payable to CCM). In particular, our fee cover the following services:

(1) Malaysia Branch Office Registration - Pre- & Post-Registration

- (a) Answering client's questions in respect of the registration and maintenance of a branch office in Malaysia;
- (b) Performing name availability search and reservation of the proposed name;
- (c) Preparation of registration documents and registration forms;
- (d) Preparation of compliance corporate kit, including branch register (if applicable) and corporate stamps; and
- (e) Preparation of board resolution to open a bank account (if required).

(2) Resident Agent Service

The foreign company must at all times appoint a Malaysian agent who shall be answerable for all such acts, matters and things that are required to be done by the foreign company under CA 2016. This package has included the provision of a resident agent for the branch office to comply with the requirements of CA 2016.

(3) Registered Office

Kaizen will provide a Malaysia local address to be used as the registered office of your Malaysian branch office for one year. 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 inform the designated contact person via email. Upon request, Kaizen will forward the mails and a handling fee plus postage will be charged separately.

(4) Malaysia Bank Account

Kaizen will provide assistance to open a local bank account with a bank in Malaysia, including preparation of certified registration documents as required by the bank, reviewing of bank account application documents prepared by client and liaison with the bank in respect of the bank account application. Please note that certain bank might require the all the directors of the foreign company and authorised signatories 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 responsibility should the bank decides not to open the bank account for you.

Note:

- (1) Please note that the above-mentioned fees included our professional services fee but exclusive of registration fee payable to CCM and courier charges, if any.
- (2) Assuming no licence 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.
- (3) All our fees quoted also 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, HKD check, TT and credit card through PayPal. An extra handling fee of 5% will be charged if paid by PayPal.

3. Basic Structure of a Malaysia Branch Office

The minimum requirements of a Malaysia branch office are as follows:

- (1) One resident agent in Malaysia who shall be answerable for all acts, matters and things that are required to be done by the foreign company under CA 2016. This registration package has included a Malaysian agent for a period of 12 months.
- (2) One registered office in Malaysia to which all communications and notices may be addressed. This incorporation package has included a registered office address for a period of 12 months.

4. Materials Required for Registration of Malaysia Branch Office

Client needs to provide the following documents and information of the foreign company to Kaizen by email or fax or post for purpose of registration:

- (1) One copy of passport (or copy of NRIC 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 every shareholder(s) and director(s) of branch office;
- (2) If the shareholder(s) and director(s) of branch office are body corporate, 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;
- (3) Statutory documents showing details of the share capital of the foreign company at its place of origin;
- (4) Register of Members of the foreign company at its place of origin;

- (5) A copy of the certificate of incorporation/registration and memorandum and articles of association/constitution of the foreign company certified by the registrar of companies of the place of origin;
- (6) A group chart illustrating the chain of interest ownership between the branch office and its ultimate beneficiary owner; and
- (7) A duly completed and signed registration order form (to be provided by Kaizen).

If any of the documents listed above is not in English, please also provide an English certified translation. Unless stated otherwise, the documents listed above can 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 shareholders and directors and we will perform certification free of charge.

5. Malaysia Branch Office Procedure and Timeframe

Normally, assuming no licence or permit is required, we can get your Malaysia Branch Office registered in less than 15 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 provide the documents and information listed in Section 4 to Kaizen by email or courier. Kaizen will issue an invoice for client to arrange for payment of service fee at the same time.	Client's Schedule
2	Kaizen arranges with client to have the identification and address proof documents of the shareholder(s) and director(s) 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
3	Kaizen performs name availability search and reserve the name if available.	2-3
4	Kaizen proceeds to prepare registration documents and send the documents to client for signing.	1-2
5	Client arranges to have the registration documents signed by the shareholder(s) and director(s) and then return the duly signed documents to Kaizen by courier or post. Client can also sign the said documents in any of Kaizen offices.	Client's Schedule
6	Upon receipt of the original signed registration documents, Kaizen will then proceed for registration with CCM and pay the official registration fee.	1-2
7	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
8	Kaizen will proceed to place an order for the company stamps and printing of the branch register (if applicable) (the whole set of documents together is known as company kit).	2-4

Step	Description	Time
9	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
10	Kaizen delivers company registration and supporting documents to bank for preliminary assessment.	3-5
11	Kaizen arranges video conference with the bank for the director(s) for the bank to perform their KYC procedures.	Client's Schedule

6. 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 Branch Office is duly registered:

- (1) Certificate of Registration;
- (2) Branch register (if applicable);
- (3) Company Stamp; and
- (4) Bank account materials (or it could be delivered by the bank after the bank account is opened).

7. Continuous Obligation of Malaysia Branch Office

Upon registration, every branch office must comply with the requirements under the CA 2016 as set out below:

(1) Exhibition or Statement of Company's Name and Registration Number

A foreign company shall conspicuously exhibit its name and the place where it is formed or incorporated in romanised letters outside its registered office and every place of business established by it in Malaysia.

The name, registration number and the place where the foreign company is formed or incorporated shall appear in legible romanised characters on its business letters, notices and other official publications (including electronic medium), websites, bills of exchange, promissory notes, indorsements, order forms, cheques, order, invoices, other demands for payments, receipts, letters of credit and all other forms of its business correspondence and documentation.

(2) Notification of Changes in Particulars

The foreign company shall lodge a notification to the Registrar for the following changes of the foreign company and branch office within 14 days from the date of such changes:

- (a) Charter, statutes, constitution, memorandum or articles of the foreign company;
- (b) Directors of the foreign company or the name or address of any director;

- (c) The power of any directors resident in Malaysia who are members of the local board of directors of the foreign company;
- (d) Agent of the branch office or the name and or address of any agent;
- (e) Registered office of the foreign company;
- (f) Name of foreign company; and
- (g) Registered office of the branch office or the days or hours during which the registered office of the branch office is open and accessible to the public.

When there are changes in matters relating to share capital or registered members (for foreign company without share capital) of the foreign company, the foreign company is required to notify CCM within 30 days of change.

(3) Keeping of Accounting Records

The foreign company shall ensure that accounting records which are kept in Malaysia sufficiently explain the transactions and financial position of the foreign company, arising out of its operations in Malaysia. It shall also cause appropriate entries to be made in the accounting and other records within 60 days of the completion of the transactions to which the entries relate.

(4) Financial Statements

The foreign company shall, within 2 months of its annual general meeting, lodge with the CCM a copy of its audited financial statements together with a statutory declaration in the prescribed form verifying that the copies are true copies of the documents so required. In addition, the foreign company must also file the audited financial statements of its branch office showing its assets used in and liabilities arising out of its operations in Malaysia.

Where a foreign company is not required by the law of its place of origin to hold an annual general meeting and prepare audited accounts, the foreign company shall prepare and lodge with CCM within such period an audited accounts as if the foreign company were a public company incorporated under CA 2016.

(5) Annual Return

A foreign company shall lodge its annual return with the Registrar not later than 30 days from the anniversary of its registration date. The annual return shall contain the particulars of directors, shareholders, officers, auditors and agents in Malaysia, registered office, business address, share capital, amount of indebtedness etc.

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.

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

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