

MALAYSIA PRIVATE LIMITED COMPANIES

The Companies Commission of Malaysia (“SSM” or “the Registrar”) successfully implemented the Companies Act 2016 (“CA 2016”) and Company Regulations 2017 (CR 2017) since it was launched in January 2017.

Following the successful implementation of the above legislation, Kensington Corporate Services (Malaysia) Sdn. Bhd. being a management services company in Malaysia is able to assist you with incorporation and administration of your company.

This document covers setting up of private companies limited by shares in Malaysia.

Types of registered companies

- > Limited by shares, either be a private company or a public company;
- > Limited by guarantee, shall be a public company;
- > Unlimited companies, either be a private company or a public company.

Requirements of private companies limited by shares

- > **Name of company**
For private company, the name shall end with the word “Sendirian Berhad” or the abbreviation “Sdn. Bhd.”.
- > **Director**
Minimum one (1) natural person who is at least eighteen (18) years of age and shall ordinarily reside in Malaysia by having a principal place of residence in Malaysia.
- > **Member**
Minimum one (1), either natural person or corporate body, Malaysian or foreigner.
- > **Single Director / Member**
A company may be incorporated with only one (1) member and that single member can also be the sole director of the company.
- > **Share Capital**
Minimum one (1) share issued at the price determined by the director(s).
- > **Registered Office**
Maintain a registered office in Malaysia to which all communications and notices may be addressed and which shall be open and accessible to the public during ordinary business hours.

> Company Secretary

At least one (1) natural person of at least 18 years of age and a citizen or permanent resident of Malaysia who shall ordinarily reside in Malaysia by having a principal place of residence in Malaysia. The secretary shall meet the qualifications as prescribed in the CA 2016.

> Constitution

A company, may or may not have a constitution. Without its own constitution, the company, each director and member shall have the rights, powers, duties and obligations as set out in the CA 2016.

Based on the CA 2016, a company shall not be formed for any unlawful purpose. Hence, if a company has adopted its own constitution, object clauses are now less significant and may or may not be specified in the Constitution.

Corporate income tax in Malaysia

- > Small and Medium Enterprises (SMEs) with a paid-up capital of up to RM2.5m at the beginning of the basis period:

Chargeable Income	W.e.f YA 2023
The First RM150,000	15%
RM150,001 to RM600,000	17%
In excess of RM600,000	24%

- > Company with a paid-up capital above RM2.5m at the beginning of the basis period : 24%
- > Non-resident company / branch : 24%



Annual obligations of private companies

> Annual return

File with the Registrar each calendar year not later than thirty (30) days from the anniversary of its incorporation date.

> Financial statements and reports

Financial statements and reports are to be circulated to members of the Company within six (6) months of its financial year end. A copy of the financial statements and reports shall be lodged with the Registrar within thirty (30) days from the circulation to its members. For audit exemption companies and exempt private company, please refer to the below sections.

> Annual tax return

Under the self-assessment system, submission should be made within seven (7) months from the end of the accounting period of the company which constitutes the basis period for the year of assessment.

Audit exemption of private companies

Based on the CA 2016, the Registrar may exempt any private company from having to appoint an auditor according to the criteria and conditions set.

Qualifying Criteria for audit exemption –

- > Dormant companies
- > Zero-Revenue Companies
- > Threshold-Qualified Companies

Exempt private company

Based on the CA 2016, “exempt private company” means a private company:

- > where beneficial interest of shares in the company are not held directly or indirectly by any corporation i.e. no corporate shareholder; and
- > which has not more than 20 members none of whom is a corporation

If a private company fulfils the above definition of exempt company, it has the option of filing an exempt certificate to the Registrar instead of the full audited financial statements. The exempt certificate provides information that -

- > The company is and has at all relevant times been an exempt private company;
- > A duly audited financial statements and reports required under the CA 2016 has been circulated to its members; and
- > As at the date to which the financial statements has been made up, the company appeared to have been able to meet its liabilities as and when the liabilities fall due.

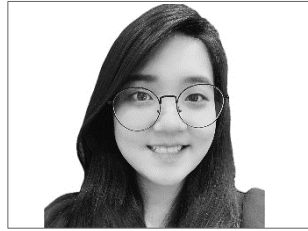


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JTC Kensington is the brand name of Kensington Trust Group, a part-owned associate of JTC, offering trust, fiduciary and corporate services and fund administration.

JTC is a publicly listed, global professional services business with deep expertise in fund, corporate and private client services.

Every JTC person is an owner of the business and this fundamental part of our culture aligns us with the best interests of all of our stakeholders.

Our purpose is to maximise potential and our success is built on service excellence, long-term relationships and technology capabilities that drive efficiency and add value.

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