



# FOREIGN COMPANIES IN MALAYSIA

“foreign company” under the Companies Act 2016 (“CA 2016”) means –

- > a company, corporation, society, association or other body incorporated outside Malaysia; or
- > an unincorporated society, association or other body which under the law of its place of origin may sue or be sued, or hold property in the name of the secretary or other officer of the body or association duly appointed for that purpose and which does not have its head office or principal place of business in Malaysia.

Every foreign company desiring to carry on business in Malaysia shall register itself as a foreign company under the CA 2016 with the Companies Commission of Malaysia (“SSM” or “the Registrar”). A foreign company registered under the CA 2016 is commonly referred to as a “branch office”.

Kensington Corporate Services (Malaysia) Sdn. Bhd. is a management services company in Malaysia and is able to assist you with registration and administration of your branch office.

## Restricted activities

No foreign company is allowed to register to carry out wholesale and retail trade business in Malaysia. All wholesale and retail trade businesses with foreign interests must operate through a locally incorporated company in Malaysia.

## Agent in Malaysia

A foreign company must at all times appoint an agent in Malaysia who is a person who is a resident in Malaysia who shall:

- > be answerable for all such acts, matters and things that are required to be done by the foreign company under the CA 2016; and
- > be personally liable to all penalties imposed on the foreign company for any contravention of the CA 2016 unless the agent satisfies the court hearing the matter that the agent should not be liable.

## Registered office

The foreign company must at all times have a registered office within Malaysia. The registered office is where all communication and notices to the foreign company may be addressed and which shall be open and accessible to the public during ordinary business hours.

## Corporate income tax in Malaysia or Branch office

- > A Branch office is considered and taxed as non-resident company. It is not eligible for any local tax benefits / incentives.
- > Tax rate of 24% on profits attributable to the branch.

## Annual Obligations of Branch Office

- > **Annual Return**  
File with the Registrar each calendar year not later than thirty (30) days from the anniversary of its registration date.
- > **Audited financial statements**  
Within two (2) months of its AGM, lodge with the Registrar a copy of the financial statements to that company at the place of its incorporation or origin and a duly audited statement showing the foreign company assets used in and liabilities arising out of its operations in Malaysia.
- > **Accounting records**  
All accounting and other records which will sufficiently explain the transactions and financial position of the foreign company arising out of its operations in Malaysia should be kept in Malaysia.
- > **Annual Tax Return**  
It is compulsory for the foreign company to file tax return with the Malaysian Inland Revenue Board.



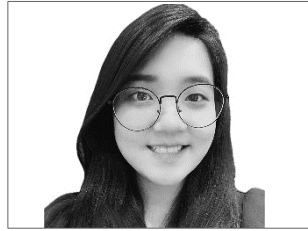
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## ABOUT JTC KENSINGTON

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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### REGULATION AND TERMS OF BUSINESS

JTC Kensington is the brand name of Kensington Trust Group, a part-owned associate of JTC Group. Kensington Trust Group entities that carry on regulated business are (respectively): regulated by the Labuan Financial Services Authority, the Companies Commission of Malaysia and the Monetary Authority of Singapore.

For full details of those JTC Group entities that carry on regulated business and certain other JTC Group entities, please visit our website: [www.jtcgroup.com/legal-and-regulatory](http://www.jtcgroup.com/legal-and-regulatory)

