



# MALAYSIA PUBLIC 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 public companies limited by shares in Malaysia

- > **Name of company**  
For public company, the name shall end with the word “Berhad” or the abbreviation “Bhd.”.
- > **Director**  
Minimum two (2) 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.
- > **Share Capital**  
Minimum one (1) share issued at the price determined by the directors.
- > **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.

## Commencement of Business

A public company with share capital which has not issued a prospectus inviting the public to subscribe for its shares or has not issued a prospectus under the Capital Markets and Services Act 2007, cannot commence any business or exercise any borrowing power until -

- > a statement in lieu of prospectus which complies with the CA 2016 has been lodged with the Registrar; and
- > a statutory declaration verifying the requirements under the relevant paragraphs in CA 2016 have been complied with.

The company shall become entitled to commence business or exercise any borrowing powers after lodgement of the statutory declaration with the Registrar.



### 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:

<u>Chargeable Income</u>	<u>W.e.f YA 2023</u>
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 public 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.
- > **Annual General Meeting (AGM)**  
Every public company shall hold an AGM:
  - > Within 18 months from its incorporation for first AGM;
  - > Within 6 months of the company's financial year end and not more than 15 months after the last preceding AGM.
- > **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.



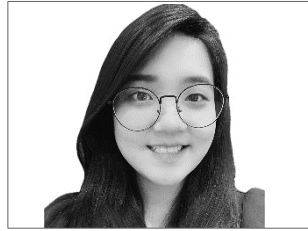
## KEY CONTACTS



**MANDY CHUA**

Associate Director  
Kensington Trust Labuan Limited  
Kensington Corporate Services (Malaysia)  
Sdn Bhd

T: +603 2201 9689  
E: [malaysia@kensington-trust.com](mailto:malaysia@kensington-trust.com)



**YIH SHAN**

Assistant Manager of  
Kensington Corporate Services (Malaysia)  
Sdn Bhd

T: +603 2201 5929  
E: [malaysia@kensington-trust.com](mailto:malaysia@kensington-trust.com)

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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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