

# THE APPROVED COMPANY SECRETARIES



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ISSUE 4/2023

**THE CODE OF ETHICS FOR COMPANY SECRETARY  
WITH COMMENTARY**

**E-INVOICING: FULL FORCE ON 1 JULY 2025**

**RAISING FUNDS FROM THE PUBLIC AS A PRIVATE COMPANY  
IN MALAYSIA (PART 2) – ECF VS P2P LENDING**

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# FROM THE EDITOR'S DESK

Dr. Adissayam Xavier Suseimanikam, FIACS



Warmest greetings to all and welcome to the fourth issue of IACS newsletter for the year 2023.

The year 2023 has been a busy and productive year for IACS, having successfully organised and conducted a total of thirty two (32) seminars/webinars (seven (7) physical seminars and twenty five (25) webinars) throughout the country. It is unfortunate that some of the physical seminars had to be cancelled because of low registration numbers, particularly in East Malaysia. Nonetheless, we would like to express our sincere thanks to all our members for their unwavering support and participation in our seminars/webinars throughout the year. Do check out our Training Calendar for 2024 on our website, [www.iacs.org.my](http://www.iacs.org.my).

Firstly, we wish to highlight to our members that there is an alteration to the implementation timeline for e-invoicing as announced via Budget 2024. Please refer to the article entitled "*E-invoicing: Full Force On 1 July 2025*" featured in this newsletter for further details. Members need to be aware of the timeline for e-invoicing implementation applicable to them and start preparing in terms of technology, manpower, training and the mechanisms involved to ensure compliance with the requirements and smooth transition.

We also wish to update our members that at the Suruhanjaya Syarikat Malaysia (SSM) Annual Dialogue 2023 held virtually on 5th December 2023, SSM gave a presentation on the Companies (Amendment) Bill 2023 and Limited Liability Partnerships (Amendment) Bill 2023. The amendments involve the widening of the application of corporate rescue mechanism [(CVA) and (JM)], strengthening of the corporate rehabilitation frameworks, strengthening of the beneficial ownership reporting framework and enhancement of corporate governance and practices. Under the LLP (Amendment) Bill, the amendments comprise introduction of corporate rescue mechanism framework for LLP and introduction of beneficial ownership reporting framework. Members may view the presentation slides at SSM's website, [https://www.ssm.com.my/Pages/Publication/Presentation\\_Slide/SSM-Annual-Dialogue-2023.aspx](https://www.ssm.com.my/Pages/Publication/Presentation_Slide/SSM-Annual-Dialogue-2023.aspx). IACS will make an effort to organise a seminar/webinar on the relevant subjects once the Companies (Amendment) Bill 2023 and Limited Liability Partnerships (Amendment) Bill 2023 come into force.

Besides the above-mentioned, SSM has on 7th November 2023, issued an exposure draft on the Proposed Guidelines Relating to the Obligations of Company Secretary as a Reporting Institution Under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA). These guidelines are intended to:

- set out the requirements and obligations imposed on company secretaries under the AMLA in preventing and combating money laundering and terrorism financing; and
- assist company secretaries in understanding the roles and responsibilities as RIs in implementing a comprehensive risk-based approach in managing ML/TF risks.

In view of such development, members must take note and ensure compliance with these guidelines. The guidelines, as proposed by SSM, shall have immediate effect and remain effective and applicable unless amended or revoked.

In view of the massive compliance requirements, IACS has initiated steps to discuss with SSM and other stakeholders on what would be the best approach in the implementation process, taking into account, especially the resources available for company secretaries.

Lastly, members are invited to write to us on any technical or operational issues and enquiries with SSM or other agencies in relation to the company law and corporate secretarial matters so that we can provide a reply or address them at the appropriate forums/meetings.

In concluding, on behalf of the Council, I wish all our members and their families who have celebrated Christmas a "Merry & Joyous Christmas" and to all a very 'Happy & Blessed New Year 2024'. The Council is indeed pleased to serve you in 2023 and would like to thank you for your continuous support. As we bid farewell to year 2023, we look forward to a fruitful, bountiful and successful year 2024.

Thank you.

## EVENT HIGHLIGHTS

<<<<<<<<<< Continued from last page

### IACS CPD Seminar in Kuala Lumpur on 22nd September 2023 📌

The seminar was held at Seri Pacific Hotel, Kuala Lumpur. The speaker was Mr. Kenneth Foo and the topic of the seminar was "*Capital Maintenance – An In-depth Case Study Session on Shares*".







**INSTITUTE OF APPROVED COMPANY SECRETARIES**  
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#### **Contributions of Article**

The Council would like to invite members to contribute articles and news, which may be of interest to company secretaries for publication. However, the Council reserves the right to edit articles for clarity purposes or it shall at its absolute discretion not publish any or all articles or news received from contributors. A fee will be paid for contributions approved by the Board.

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# THE CODE OF ETHICS FOR COMPANY SECRETARY WITH COMMENTARY

By  
Dr. Cheah Foo Seong FCIS, FIPA (Aust), MBA (Henley, UK),  
LLM, LLD

## Introduction

Suruhanjaya Syarikat Malaysia (SSM) had on 11 September 2023 published the revised Code Of Ethics For Company Director & Company Secretary to supersede the old Code of Ethics based on the repealed Companies Act 1965. This booklet is intended to be a general guide and complementary to the existing laws and guidelines to be adopted by company directors and company secretaries in Malaysia, to act professionally in the best interest of the company by promoting good governance and upholding high standards of integrity and accountability. To establish standards of ethical conduct for company directors and company secretaries based on acceptable belief and values one upholds, with the following aspirations:-

- To uphold the spirit of accountability and transparency in line with the legislations, regulations and guidelines governing a company; and
- To promote the sustainability of a company by pursuing "Environmental, Social, and Governance" (ESG) strategies in its business.

In this article, only the portion on the company secretary's code of ethics is extracted for reference purposes.

## Code of Ethics of company secretary

A company secretary assumes greater responsibility and authority which always demands ethical conduct at all times due to increasing complexity of company legislation and the continued rationalisation of business into larger groups of companies. This Code of Ethics for Company Secretary may be broadly understood as the application of ethics to corporate affairs where it is formulated to enhance the standard of corporate governance and to instil professionalism and accountability among company secretaries.

## Code Of Conduct

In the performance of his duties, a company secretary should always observe the following principles:

## (a) Professionalism

A company secretary should –

- take the necessary steps to ensure compliance with relevant legislations, regulations, procedures, rules and guidelines governing a company;
- keep abreast with the requirements of the practising certificate issued under section 241 of the Companies Act 2016;
- at all times strive for professional competency and exhibit a high degree of skill and proficiency in the performance of the duties of his office;
- be knowledgeable of law of meetings, meeting procedures, particularly quorum requirements, voting procedures and proxy provisions and be responsible for the proper conduct of meetings;
- adopt an objective and positive attitude and give full cooperation when dealing with governmental authorities and regulatory bodies;
- limit his position as named company secretary of companies to a number in which he can best and fully devote his times and attention effectively;
- be present in person or ensure that in his absence he is so represented at the company's registered office on the days and at the hours that the office is accessible to the public;
- be aware of all relevant reporting and other regulatory requirements imposed by statute within which the company operates; and
- be present or represented at meetings including board meetings to properly exercise the professional responsibilities as a company secretary of the company.



**Commentary:**

In a summary, the company secretary must endeavour to follow the compliance requirements as set out in accordance with the Companies Act 2016, Companies Regulations 2017, as well as any other business related legislations of government agencies, rules, regulations, procedures and guidelines, including the company's constitution. Those other legislations normally encountered and required to be complied with includes, and limited to EPF, SOCSO, Income Tax, Customs, Sales Tax etc.

The company secretary must be familiar and keep up to date with the requirements for holding the practising certificate as prescribed under section 241 of the Companies Act 2016. In this case the knowledge of the Guidelines relating to Practising Certificate for Secretaries under section 241 of the Companies Act 2016 is essential.

The company secretary must be present at board meetings and general meetings so as to provide sound advice with reasonable knowledge and expertise in the application and implications of various laws, regulations and guidelines, besides the Companies Act 2016.

Most importantly, the company secretary must be knowledgeable of law of meetings, meeting procedures, particularly quorum requirements, voting procedures and proxy provisions and be responsible for the proper conduct of meetings, and finally to limit his position as named company secretary of companies to a number in which he can best and fully devote his times and attention effectively

**(b) Corporate Governance**

The company secretary should –

- (i) at all times exercise the utmost good faith and act both responsibly and honestly with reasonable care and due diligence in the exercise of his powers and the discharge of the duties of his office;
- (ii) neither direct for his own advantage any business opportunity that the company is pursuing, nor may he use or disclose to any party any confidential information obtained by reason of his office for his own advantage or that of others;
- (iii) disclose to the board of directors or an appropriate public officer any information within his knowledge that he honestly and reasonably believes suggesting that a fraud is being or is likely to be occurred by the company or by any of its directors or employees; and

- (iv) attend continuous professional development programmes to keep abreast with corporate governance developments and other relevant statutory requirements affecting the companies.

**Commentary:**

In carrying out the duties and responsibilities, the company secretary must be conscious at all times to exercise utmost good faith with reasonable care and due diligence, and exercise impartially without taking advantage of any direct or indirect business opportunity from any information by reason of his office.

He should inform the board of directors or an appropriate public officer of any information which he honestly and reasonable believes to be fraudulent committed by the company, any directors or employees.

To keep himself abreast with corporate governance developments, changes in other relevant statutory requirements affecting the companies by attending continuous professional development programmes organized by professional bodies, government agencies and relevant training organisations.

**(c) Relationship with directors and shareholders**

The company secretary should –

- (i) at all times strive to assist the company towards its proper objectives within the tenets of moral responsibility, efficiency, and administrative effectiveness;
- (ii) have a clear understanding of the aims and objectives of the company, and of the powers and restrictions as provided in the Companies Act 2016 and Constitution (if applicable);
- (iii) assist and advise the directors to ensure at all times that the company maintains an effective system of internal control, for keeping proper registers and accounting records;
- (iv) be impartial in his dealings with shareholders and directors, without fear or favour;
- (v) use his best endeavours to ensure that the directors and the company comply with the relevant legislations, contractual obligations and other relevant requirements;
- (vi) advise the board of directors that no policy is adopted by the company that will antagonise or offend any stakeholders of the company; and



- (vii) facilitate communication among the board members, the board and management, the chairman and the chief executive officer, the company and its shareholders, and the company and its stakeholders.

#### Commentary:

It is important for the company secretary to act as a conduit of the company in building good relationship with the board of directors, striving at all times to assist the company in efficient and responsible administrative effectiveness, ensuring an effective internal control system, keeping and maintaining proper records, registers.

The company secretary should be impartial and act without fear or favour strictly as a professional, especially in relation to compliance requirements and disclosures, and advises the board not to adopt policies that may antagonise or offend any stakeholders and shareholders of the company.

Finally, the company secretary must facilitate communication among the board members, the board and management, the chairman and the chief executive officer, the company and its shareholders, and the company and its stakeholders.

#### (d) Reporting Institutions under Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA)

The company secretary should –

- (i) undertake Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) measures as required under Part IV (Reporting Obligations) of the AMLA, its subsidiary instruments and the AML/CFT – Designated Non-Financial Businesses and Professions (DNFBPs) & Other Non-Financial Sectors (Sector 5) Policy Document;
- (ii) ensure that laws and regulations are adhered to, that business affairs of the company are conducted in conformity with high ethical standards, and that service is not provided where there is good reason to suppose that transactions are associated with money laundering or financing of terrorism activities;
- (iii) cooperate with relevant law enforcement agencies which includes taking appropriate measures such as timely disclosure of

information to the relevant law enforcement agencies;

- (iv) adopt policies and procedures which are consistent with the principles set out under the AMLA and the Guidelines, and take appropriate steps to identify, assess and mitigate the AML/CFT risks; and
- (v) have an effective process and procedure to identify its customers and to obtain satisfactory evidence to verify its customers' identity

#### Commentary:

As the company secretary is designated as a Reporting Institute under Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA), it is imperative that a company secretary must be well versed with the said law. Generally, the company secretary must ensure that the company has in place AML/CFT the basic Know your Customer/Client (KYC) and Due Diligence (DD) risk mitigation systems.

In carrying out the above, the company secretary must advise the board of directors to adopt policies and procedures consistent with the principles laid out in the AMLA and the Guidelines, to ensure effective process and procedures to achieve the objectives of KYC.

For a professional service firm, it is highly advisable the Designated Non-Financial Businesses and Professions (DNFBPs) & Other Non-Financial Sectors (Sector 5) Policy Document be read and understood, to ensure basic compliance of AMLA is implemented.

#### Conclusion

Now that the updated and revised Code for Company Secretary has been published by SSM it is important that a company secretary holding a practising licence issued by the Registrar of Companies under section 241 of the Companies Act be well versed with it. At the same time, a company secretary must also be well versed with the AML/CFT legislation, in particular the Designated Non-Financial Business and Professions (DNFBPs) & Other Non-Financial Sectors (Sector 5) Policy Document.

With these documents prepared by the SSM and Bank Negara Malaysia, the role of a company secretary in corporate affairs becomes clearer and defined, more as an advisor, a facilitator and administrative officer or governance officer.

1 A company secretary is considered as a reporting institution if the company secretary, whether in person or through a firm or company, prepare or carry out the following activities – (a) act as a formation agent of legal entities; (b) act as or arrange for another person to act as a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal entities; (c) provide a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership, or any other legal entities or arrangement; (d) act as or arrange for another person to act as a nominee shareholder for another person; or (e) any other duties imposed under AML/CFT Guide issued by Bank Negara Malaysia.



# E-INVOICING: FULL FORCE ON 1 JULY 2025

By Choong Hui Yan

B.Acc(Hons)(Malaya), ACCA (UK), Licensed Secretary

Reference is made to the first article published "DIGITALIZED FOR COMPLIANCE – E-INVOICING IN MALAYSIA" in Issue 3/2023 newsletter. There is alteration on implementation timeline for e-invoicing, announced via Budget 2024 and updated at the e-Invoice Guideline as follows:-

	Last update	Now
Annual turnover	Implementation date	
> RM100 million	1 June 2024	1 August 2024
> RM50 million, ≤ RM100 million	1 January 2025	1 January 2025
> RM25 million, ≤ RM50 million	1 January 2026	1 January 2025
≤ RM25 million (all businesses + non-businesses)	1 January 2027	1 July 2025

It is in fact important to shorten the implementation time gap for different businesses to minimize transition issues, especially when high turnover businesses have purchase or sales transactions with lower turnover businesses. Yet, it remains as a transformation challenge for all businesses across Malaysia, especially for traditional businesses.

## Act now to ensure business sustainability

The ultimate purposes of implementing e-invoicing are to improve tax collection and eliminate shadow economy. The MyInvois portal will be principally controlled and monitored by the Inland Revenue Board of Malaysia (IRB) and MyInvois portal is the key tool to keep all records of incomes and expenses of all registered businesses.

Suppliers create e-invoices and obtain validation from IRB. The validated e-invoices would then send to the buyers for acceptance, rejections or cancellation. It is ideally a leak-proof mechanism to enhance tax collection as all transactions by businesses and the two-way interactions between suppliers and buyers are kept in MyInvois portal, accessible by IRB anytime, anywhere.

All businesses must comply and be ready for the e-invoicing implementation as non-compliance may cause one to be phased out from the business survival as businesses will require validated e-invoices to substantiate tax deductions. At the end, businesses can only choose to deal with businesses that are e-invoicing compliance.

## Business-to-Consumer (B2C) businesses

In view that e-invoicing requiring two-way interaction between suppliers and buyers, concerns arisen when it comes to B2C businesses. Not all individual buyers will have MyInvois identity to interact with suppliers and B2C transactions are usually high quantity but low pricing. Will these create unnecessary interruptions on B2C business operation.

The most common B2C businesses are food and beverages, groceries, telecommunication and other retailers. IRB has further provided guidance on B2C businesses through E-Invoice Specific Guideline. B2C suppliers (B2C business operators) are provided with options to issue validated e-invoices to buyers and not, depending on buyers' request.

When buyers require validated e-invoices, buyers must furnish the following information to suppliers:-

- Name [as per MyKad or passport]
- Tax Identification Number (TIN)
- Identity number [referring to MyKad or passport number]
- Address
- Contact number
- Email address
- Sales and Service Tax (SST) registration number

If possible, (a) to (g) are preferably to be complete. It is however if buyers do not provide TIN number or SST registration number, it would not interrupt the issuance of e-invoices.

Suppliers will then issue e-invoices and obtain validation from IRB. Each validated e-invoice that shared to buyers, comes with a QR code that allows buyers to verify for validity as validated e-invoices are needed to substantiate tax deduction. Besides QR code, each validated e-invoice will have Unique Identifier Number, date and time of validation and validation link.

When buyers do not require validated e-invoices, suppliers may issue normal bills as per current practices. Suppliers will then have to compile one-month



transactions (composed of only transactions where no e-invoices issued) and create consolidated e-invoices to IRB within 7 days from each month end. Such consolidated e-invoices will be made up of all transactions occurred within the month, and must exclude transactions where e-invoices issued.

The presentation on consolidated e-invoices can be by monthly of total sales. For businesses with branches, the presentation on consolidated e-invoices can be by monthly but with summary of total sales by branch. The buyer's name on the consolidated e-invoices will be 'General Public'. Upon validation from IRB, the consolidated e-invoices will be kept for proof of income only. It is unable to be used to substantiate business deduction.

It sounds procedural for buyers who request for validated e-invoices, and thus technology must be in place to speed up and ensure smooth business dealings. IRB suggested three avenues for suppliers to issue validated e-invoices on timely basis to buyers.

### 1. Suppliers' web portals or mobile apps

The MyInvois portal will be made ready for integration with different web portals or mobile apps for e-invoice generation and validation. B2C suppliers are highly recommended to start developing or improve the existing web portals or mobile apps for e-invoicing.

Buyers' details may be pre-recorded by launching membership subscription to ensure smooth implementation of e-invoicing and streamless process during buyers' payment and issuance of validated e-invoices.

Such web portals or mobile apps need to be made feasible for real-time issuance of validated e-invoices or allow buyers to request validated e-invoices after transactions, i.e. within 3-5 days.

### 2. Suppliers' Point-of-Sales (POS) systems

The same to web portals and mobile apps,

MyInvois portal will be made ready for integration with different POS systems too. The key difference is that it may only facilitate real time issuance of validated e-invoices. Buyers may need to travel back to store to request for validated e-invoices if it is not requested on the spot.

### 3. Government MyInvois Mobile App

Suppliers who do not have web portal, mobile app or POS system may rely on the MyInvois Mobile App by IRB for e-invoicing purposes.

IRB assures that the validation process for e-invoices will be less than 2 seconds, and thus business friendly and would not affect much on the current B2C transactions. Businesses who needs to invest for accounting software or POS systems, or upgrade their existing one to prepare for e-invoicing, can apply for the digitalization grant up-to RM5,000 for each business of small and medium enterprise (SME) status. This grant is continued under Budget 2024.

Besides technology, businesses will need to designate a person to register, operate and manage the MyInvois portal. Accounts must be prepared on time to deal with suppliers and customers. Training and test run are highly recommended to ensure high compliance and avoid unnecessary hassle during implementation.

Taking into consideration that e-invoicing will be in full force on 1 July 2025, more articles will be shared on e-invoicing updates, impacts and solutions. This article intends to update on implementation timeline alteration and address the key concerns raised by general public as it may affect living style of all. For example, during shopping, the normal queue at cashier counters is always an issue, especially during festival seasons. If the e-invoices are not made streamless, it will worsen the current shopping experiences. These negative impacts will then affect B2C businesses and would have impacts on the country economy too.

## IACS NEW MEMBERS

We would like to welcome the following new members to IACS:-

IACS No.	Names	Membership Category	State
M 2647	Mr. Ting Chiong Guong	Ordinary	Sarawak
M 2648	Ms. Rathi Devi A/P Silvadorai	Ordinary	Selangor

In the meantime, we would like to take this opportunity to thank you for the on-going support given to the Institute. We look forward to your active participation in all the activities of IACS for the development of the company secretarial profession.



# RAISING FUNDS FROM THE PUBLIC AS A PRIVATE COMPANY IN MALAYSIA (PART 2) – ECF VS P2P LENDING

By Shawn Ho (Partner) & Tan Wen Min (Associate)  
Messrs. Donovan & Ho

Following from the previous article (Part 1), we discussed the restrictions placed on private company limited by shares to raise funds from the public. In this article, we explore (arguably) easier alternatives for companies to raise funds from the public legally, through licensed equity crowdfunding (“ECF”) and peer-to-peer (“P2P”) platforms.

Both ECF and P2P platforms are online fundraising platforms enabling groups of investors to provide funding to start-ups or micro, small and medium enterprises (“MSMEs”). However, the ECF platform allows its investors to *receive equity or shares* from the companies that they have invested in, whereas the P2P platform involves investors granting *loans or short-term debt instruments at a fixed interest rate over a fixed tenure* to MSMEs.

In order for MSMEs to fundraise from ECF and/or P2P platforms, the requirements under the Guidelines on Recognized Markets issued by the Securities Commission (“SC”) must be observed. A summary of such requirements and our views on a comparative basis are as follows:

	ECF Platform	P2P Platform
<b>Examples of licensed platform operators</b>	MyStarttr Sdn Bhd, Pitch Platforms Sdn Bhd, Leet Capital Sdn Bhd	Peoplender Sdn Bhd, P2P Nusa Kapital Bhd, B2B Finpal Sdn Bhd
<b>Securities being offered by the issuer</b>	<p>Shares, which include ordinary shares or preference shares</p> <p>Preference shares have a range of customizations (ie, voting rights, dividends, redeemable features, and liquidation preferences) that can be customized to offer attractive terms to investors while balancing crucial protections for the issuer.</p>	<p>Investment note / Islamic investment note. Essentially, debt or its equivalent. The terms are usually focused on the yield to the investors.</p>
<b>Eligibility</b>	<p>Only Malaysia incorporated companies and limited liability partnerships will be allowed to be hosted on the ECF platforms.</p>	<p>A wider range of Malaysia incorporated or registered entities including –</p> <ol style="list-style-type: none"> <li>1. sole proprietorship;</li> <li>2. partnerships;</li> <li>3. limited liability partnership;</li> <li>4. private company;</li> <li>5. unlisted public company;</li> <li>6. public-listed company;</li> <li>7. subsidiaries of a public-listed company; and</li> <li>8. any other type of entity or person as may be permitted by the SC,</li> </ol> <p>are allowed to be hosted on a P2P platform.</p>



	ECF Platform	P2P Platform
<b>Restricted Entities</b>	<p>The following entities are <i>prohibited</i> from raising funds through an ECF platform:</p> <ol style="list-style-type: none"> <li>1. Exempt private company;</li> <li>2. Commercially or financially complex structures (i.e. investment fund companies or financial institutions);</li> <li>3. Public-listed companies and their subsidiaries;</li> <li>4. Companies with no specific business plan or its business plan is to merge or acquire an unidentified entity (i.e. blind pool);</li> <li>5. Companies other than a microfund that propose to use the funds raised to provide loans or make investment in other entities; and</li> <li>6. Any other type of entity that is specified by the SC.</li> </ol>	<p>The following entities are <i>prohibited</i> from raising funds through a P2P platform:</p> <ol style="list-style-type: none"> <li>1. Commercially or financially complex structures (i.e. investment fund companies or financial institutions);</li> <li>2. Companies with no specific business plan or its business plan is to merge or acquire an unidentified entity (i.e. blind pool);</li> <li>3. Companies that propose to use the funds raised to provide loans or make investment in other entities; and</li> <li>4. Any other type of entity that is specified by the SC.</li> </ol>
<b>Restrictions on being hosted on multiple platforms concurrently</b>	<p>A person seeking funding via an ECF platform ("ECF issuer") <b>cannot be hosted concurrently on multiple ECF platforms</b> or on any stock market of Bursa Malaysia Securities Berhad.</p> <p>However, such person may be permitted to be hosted on an <b>ECF platform and P2P platform at the same time</b>, subject to the disclosure requirements as may be specified by the platform operators.</p>	<p>A person seeking funding via a P2P platform ("P2P issuer") <b>cannot be hosted concurrently for the same purpose on multiple P2P platforms</b>.</p> <p>However, such person may be hosted on an <b>ECF platform and P2P platform at the same time</b>, subject to the disclosure requirements as may be specified by the platform operators.</p>
<b>Disclosure Requirements</b>	<p>The disclosure requirements for both ECF and P2P platforms are similar such as submitting information that explains key characteristics of the business and information relating to the business plan.</p> <p>However, <b>there are heavily disclosure requirements for an ECF issuer to be hosted on an ECF platform</b> such as submitting information relating to the rights attached to the shares being offered, the number and price of shares being offered, subsequent use and application of the proceeds after the success of the fundraising exercise and information relating to key management, directors and promoters of the ECF issuer. If an ECF issuer is a public company, further information such as information relating to the risk factors and prospects of its business would have to be disclosed.</p>	<p>The disclosure requirements for both ECF and P2P platforms are similar such as submitting information that explains key characteristics of the business and information relating to the business plan.</p> <p>However, a P2P issuer must disclose information relating to his intention to seek funding from any other P2P platforms concurrently.</p>



	ECF Platform	P2P Platform
<b>Funding Limit on Issuers</b>	An ECF issuer may only raise, collectively, <b>a maximum amount of RM20 million through ECF platforms in its lifetime</b> , excluding the ECF issuer's own capital contribution or any funding obtained through a private placement exercise.	A P2P issuer is permitted to keep the amount raised through a hosting on a P2P platform provided that it must have <b>at least raised 80% of the target amount</b> .  Notwithstanding, a P2P issuer is not allowed to keep any amount which exceeds the initial target amount.
<b>Investment Limit on Investors</b>	The investment limit for each person investing in any ECF issuer hosted on the ECF platform is as follows: <ol style="list-style-type: none"> <li><b>Sophisticated investors:</b> No restrictions on investment amount;</li> <li><b>Angel investors:</b> A maximum of RM500,000 within a 12-month period; and</li> <li><b>Retail investors:</b> A maximum of RM5,000 per issuer with a total amount of not more than RM50,000 within a 12-month period.</li> </ol> <p>Such investment limits are applicable to local and foreign investors.</p>	The investment limit for each person investing in any P2P issuer hosted on any P2P platform is as follows: <ol style="list-style-type: none"> <li><b>Sophisticated investors:</b> No restrictions on investment amount.</li> <li><b>Angel investors:</b> No restrictions on investment amount.</li> <li><b>Retail investors:</b> Highly encouraged to limit investment to a maximum of RM50,000 at any period of time.</li> </ol>
<b>Offering of Shariah-compliant securities</b>	Shariah compliant shares.	Islamic investment notes.
<b>Fundraising Period</b>	Typically runs for around 30 – 60 days.	Typically listed for 3 business days – 90 days.
<b>Security / Guarantees</b>	Typically, none required	Typically, directors and/or shareholders, partners, sole traders and members of the business may be required to provide a personal guarantee and indemnity.
<b>Cost of capital to Issuer</b>	ECF platform operators will typically charge administration / processing fees being a percentage (between 4% to 8% on average) of the amount successfully raised on ECF platform.	In addition to administration / processing fee, an interest of 10% – 18% is typically charged by the P2P platform operators on the investment note.
<b>Post-funding bureaucracy</b>	The number of shareholders of a private limited company must not exceed 50. Thus, all ECF platform operators will have to use a nominee structure to accommodate the larger number of investors. As such, <b>additional buffer time should be expected in obtaining the signatures from these nominees (e.g. signing of resolutions) post-fundraising.</b>	Depending on the terms, but there are usually little administrative red tape post-funding. However, issuers should be mindful of the approvals and restrictions that the P2P lending agreement impose on future fundraising.



	ECF Platform	P2P Platform
<b>Impact on control and decision making of the Issuer</b>	Issuers will require a Shareholders' Agreement or Constitution to regulate the rights and obligations of investors alongside the other equity holders of the issuer. While it is rare for ECF investors hold a board seat, the ECF investors will usually be entitled to participate in pre-emption rights for future share issuances, tag along and drag along rights, and to exercise their voting rights (if any) attached to the shares.	There is little impact to the decision making and control of the issuer as the P2P investors are not members or shareholders of the issuer.
<b>Length of investment</b>	ECF investors will stay as shareholders of the Issuer until there is an exit event (ie, acquisition or listing) or a secondary market for the ECF investors to dispose or trade the equity investment.	P2P investors are invested until the investment note matures, which is usually a short-medium term of 1 to 3 years.

### Key Takeaways

To summarize, while ECFs and P2P platforms are certainly attractive for MSMEs that are looking to raise funds via ECF and/or P2P platforms, it would be advisable to first obtain independent legal advice to understand –

#### ECF

1. the rights and implications on the features of the shares being offered (especially if the offering is preference shares);
2. terms of the agreements (e.g. Shareholders' Agreement) provided by the ECF platform operator (which are represented as 'standard' agreements); and
3. the practical implications to founders/issuers post ECF-fundraising.

#### P2P

1. the implications of the legal terms to the founders/issuers albeit it may not be as complicating or important when compared to ECF offerings.

*This article was originally published on Donovan & Ho website [www.dnh.com.my](http://www.dnh.com.my) on 16th May 2023 and reproduced with permission of the writers.*

## THE COMPANIES (AMENDMENT) BILL 2023 – UPCOMING AMENDMENTS TO THE JUDICIAL MANAGEMENT REGIME

By Sean Tan Yang Wei (Principal Associate) & Valerie Seaw Ja Hui (Associate)  
Messrs. Thomas Philip

The Companies (Amendment) Bill 2023 tabled on 10.10.2023 also proposes several amendments to the judicial management regime which was first introduced in the Companies Act 2016 ("CA 2016"). Here is a summary of the changes being introduced:

### 1. Duration of Judicial Management Order (JMO)

First, the new bill will amend Section 406 to allow the Court to extend the JMO for a period of 6 months or longer, subject to any terms the Court may impose. In other words, the new section will allow JMO to remain in force beyond 12 months (per the previous regime). However, applications for extension are still subject to the discretion of the Court, and the initial JMO is still fixed at 6 months.

### 2. Right to Repossess Movable Property Whilst a JMO is in Effect

Further, Section 411 of the CA 2016 is being amended with the addition of a new subsection (5) to allow secured creditors to recover secured movable property, or enforce security over the company's movable property, or repossess any goods in the company's possession under any hire purchase agreement, leasing agreement or retention of title agreement while a judicial management order is still in force.

According to the new subsection, secured creditors may, upon giving notification to the judicial manager, enforce security over the company's movable property or repossess any goods in the company's possession, if any of the 3 following conditions are satisfied:



- a. The judicial manager confirms that the goods or movable property are not required by the company which is under the JMO;
- b. The JMO poses a high risk to the existence of the goods or movable property; or
- c. The value of the goods or movable property decreases due to the JMO.

In the event the secured creditor does not meet the conditions in the new Section 411(5), they would still have the option under Section 411(4)(d) to seek a court order to repossess the company's movable property.

### 3. Super Priority for Rescue Financing for Judicial Management

Under a new Section 415A, super priority for rescue financing for judicial management is introduced. On an

application to the Court by the judicial manager, the Court may order that a debt arising from any rescue financing obtained by the company shall be ranked in priority over all other preferential debts specified under Section 527(1) (b) to (f) (i.e. wages or salary of the employees of the company, federal tax, etc) and all other unsecured debts, in the event the company is wound up.

This addition is in line with the super-priority introduced in the Bill for rescue financing under a scheme of arrangement.

To read more about the other amendments introduced in the new bill, and in particular, the changes to the restraining order and scheme of arrangements mechanism, please view [www.thomasphilip.com.my](http://www.thomasphilip.com.my)

*This article was originally published on Thomas Philip website [www.thomasphilip.com.my](http://www.thomasphilip.com.my) on 3rd November 2023 and reproduced with permission of the writers.*

## THE COMPANIES (AMENDMENT) BILL 2023 - UPCOMING AMENDMENTS TO THE SCHEME OF ARRANGEMENTS REGIME

By Valerie Seaw Ja Hui (Associate) and Sean Tan Yang Wei (Principal Associate), Messrs. Thomas Philip

On 10.10.2023, the Companies (Amendment) Bill 2023 was tabled for its first reading in the Dewan Rakyat. The long-awaited bill contains amendments to corporate rescue and restructuring laws which have been anticipated since 2019 as well as new measures to improve the reporting of beneficial ownership of shares which were announced by the Federal Government in its Midterm Review of the 12th Malaysia Plan[1]. Here are some of the highlights of the proposed amendments to the existing scheme of arrangement regime:

### Changes to the Restraining Order Mechanism

1. A restraining order of 3 months can now be granted by the Court under the amended Section 368(1) without the restrictions imposed by the Section 368(2) (which under the amendments only apply when an extension to the initial restraining order is sought). A new Section 368(1A) also introduces an automatic restraining order from the date of filing of the application until the application is decided by Court or until the lapse of two months. These amendments bring the scheme of arrangements regime in line with the judicial management regime which also features an automatic moratorium upon the filing of the application.
2. The new Sections 368(1A) and 368(3A) also provide additional protections to the distressed company from its secured creditors as it clarifies types of proceedings restrained - which now includes steps to enforce security over any property, repossession

of goods under any chattels leasing agreement, hire purchase or retention of title agreement, as well as the enforcement of any right of re-entry or forfeiture under a lease except with the leave of Court.

3. A new Section 368A also introduces an avenue for a related company to apply for a restraining order after an initial restraining order has been made. To do this, the related company must satisfy the Court that, among others, the related company plays a necessary and integral role in the proposed scheme of the main subject company and that the proposed scheme would be frustrated if the related company is not protected. This appears to give statutory force to some of the principles laid out in the High Court decision of *Sentoria Bina Sdn Bhd v Impak Kejora Sdn Bhd* [2] wherein the protection of restraining order was extended to the related company which is the company guarantor of the financially distressed company upon the application of the financially distressed company. However, there does not appear to be statutory protection for individual guarantors or the directors of the company.
4. To offset the potency of the new restraining order regime, the bill also introduces a new restriction under Section 368(3B) which prevents a company from obtaining a restraining order if a previous restraining order had been obtained by the company or its related company within the past 12 months. The explanatory notes to the new section indicate that the restriction is meant to prevent



abuse of process as companies can no longer make applications for consecutive restraining orders if their proposed schemes fail to pass.

5. A new Section 368C is also being added to allow the Court to restrain distressed companies from disposing shares, rights, and properties other than in the ordinary course of business whilst a restraining order is in force. However, such order is only made if applied for by a creditor of a subject company or related company whilst a restraining order is in force. This appears to conflict with the existing Section 368(7) which makes it an offence if the company disposes or acquires any property other than in the ordinary course of business without the leave of court while a restraining order is in force. It is somewhat unclear whether the offence under Section 368(7) would only apply once an order under Section 368C is made.

### Changes to the Meeting, Voting and Sanction Process

6. The new Section 366(2A) introduces a new requirement that the scheme meeting be chaired by an appointed insolvency practitioner or the person elected by the majority in value of the creditors.
7. Section 368C introduces cram-down powers which essentially allows the Court to force through a scheme even if there are dissenting classes of creditors, subject to certain conditions. The Court can make such a cram-down order if at least 75% of the total value of creditors have already voted in favour of the scheme and if the Court is satisfied that the scheme does not discriminate unfairly between the classes of creditors. While this erodes the bargaining power of creditors in minority classes, these provisions would ensure that companies and their creditors are not unreasonably held to stalemates.
8. A new Section 369A grants power to the Court to order a revote. The Court may order this at the sanction stage and may also give directions as to how the meeting and voting is to be conducted.
9. The bill also introduces several new provisions to govern proofs of debt in a scheme setting. Section 369B would make the filing of proof of debts mandatory where the Court orders a meeting to be summoned under Section 366(1). The Court order would also encompass the manner in which a creditor is to file the proof of debt as well as the time limit for such filing. The new Section 369B(2) also states that a creditor who fails to file the proof of debt as directed by the Court would not be allowed to vote at the creditors' meeting. Creditors who have filed proof of debt are also

generally allowed to inspect the proof of debts of other creditors (Section 369B(6)). Creditors are also entitled to object to a request by another creditor to inspect the whole or any part of the creditor's proof of debt (Section 369B(8)(C)). The section also provides for the adjudication process for such proofs of debt (Section 369B(7) to (13)).

10. A new Section 369C allows the Court to approve or sanction a scheme without the need for a creditors' meeting. However, this power would only be exercised if the company has complied with comprehensive and stringent disclosures made in a statement under Section 369C(3)(a) and (6), and if the Court is satisfied that the scheme would be approved if a creditors' meeting was called.
11. Under a new Section 369D, the Court will also be given powers to review the actions of a company which is the subject of an approved scheme. The Court will be empowered to clarify any terms of the approved scheme and if the Court is satisfied that the company has committed an act or omission that results in a breach of the approved scheme, the Court may make orders to confirm, reverse or modify the act or omission by the company.

### Other New Features

12. Section 367 is being amended to include additional powers of the Court when it comes to the appointment of an insolvency practitioner to assess the viability of a scheme or restructuring plan. The amendments also allow the Court to specify the person or party by whom the remuneration for the said insolvency practitioner shall be paid.
13. Another notable addition to the scheme of arrangements regime is the introduction of super-priority of rescue financing under the new Section 368B. On an application to Court, the Court may order that a debt arising from any rescue financing as part of a scheme of arrangement (per the conditions under Section 368B(8)) be ranked in priority over all other preferential debts specified under Section 527(1)(b) to (f) and all other unsecured creditors in the event the company is wound up.

[1] 2-13 Midterm Review Report of the 12th Malaysia Plan 2021-2025

[2] [2021] 12 MLJ 690

*This article was originally published on Thomas Philip website [www.thomasphilip.com.my](http://www.thomasphilip.com.my) on 3rd November 2023 and reproduced with permission of the writers.*



# WHEN CAN YOUR EMPLOYER DEDUCT YOUR SALARY?

By Leow Ho Eng (Associate)  
Messrs. Donovan & Ho

With the ambit of the Employment Act 1955 ("EA") being widened effective 1 January 2023, the provisions in the EA about salary deductions now apply to all employees.

Under section 24 of the EA, employers cannot deduct employee's salaries unless it is authorised under the EA.

## What can be deducted?

There are several categories of permissible deductions.

### **Category 1: Employer can deduct without employee's consent**

For this category, the employer can unilaterally deduct the employee's salary without needing the employees' consent, approval or permission:

1. Recovery of overpayment of wages made during the immediately preceding 3 months from the month in which deductions are to be made;
2. Deductions for payment in lieu of notice owed by employee to employer;
3. Deductions of advance of wages made under section 22 of the EA 1955 (provided no interest is charged on the advances); or
4. Deductions authorized by any other written law (eg: EPF / SOCSO deductions)

### **Category 2: Employer can deduct at the employee's request**

These amounts can be deducted from the employee's salary, if the employee requested in writing for such deductions to be made:

1. Deductions in respect of payments to a registered trade union or co-operative thrift and loan society of any sum due to it; or
2. Deductions in respect of payments for any sale of shares of the employer's business to the employee.

### **Category 3: Employer can only deduct if the employee requests it in writing and permission is obtained from the Director General of Labour**

For this category, the employer can only make the deduction if there is a request in writing by the employee, and prior permission is obtained from the Director General of Labour:

1. Deductions in respect of rental for accommodation, cost of services, foods and meals provided by the employer to the employee at the employee's request or under the terms of the employment contract;

2. Deductions in respect of payments into any superannuation scheme, provident fund, employer's welfare scheme or insurance scheme established to benefit the employee;
3. Deductions in respect of payments to a third party on behalf of the employee;
4. Deductions in respect of repayments of advances of wages made to an employee under section 22 of the EA 1955 (where interest is chargeable); or
5. Deductions in respect of purchase of goods from the employer's business.

### **Category 4: Employer can deduct with the employee's request in writing, and agreement of the manager of the co-operative shop**

Employers can deduct from an employee's salary for the purchase of food stuff, provisions, or other goods on credit from a cooperative business (as registered under the Cooperative Societies Act 1993) provided the employee has requested so in writing and there is agreement from the manager of the co-operative shop. The amount deducted cannot exceed the credit given, and the amounts deducted must be paid to the manager of the co-operative shop to satisfy the employee's debt.

## How much can be deducted?

Employers cannot deduct more than 50% of an employee's wages in any one month. However, this limitation does not apply in these circumstances: –

1. Deductions for indemnity in lieu of notice payable by an employer to an employee;
2. Deductions from the final payment of wages of an employee for any amount due to the employer on the termination of the employment contract, or
3. Repayment of housing loan. However, this is subject to the prior permission of the Director General and employer are only allowed to exceed by an additional amount of 25%.

The consequences of not complying with the limits of deductions can be dire, especially if such over deductions cause the employee to commit misconduct to sustain themselves. In **Airport Limo (M) Sdn Bhd v Syed Jamal A Nasir Syed Mustafa [2007] 3 ILR 350**, the claimant (a limousine driver) faced substantial salary deductions and he was only left with RM 2 after deductions.

Due to his financial problems from the salary reduction, the claimant was forced to sell his tickets instead of performing the trips (as he did not even have the capital



to work). The Claimant was dismissed for misconduct due to the wrongful selling of his tickets.

Although the Industrial Court noted that it is a serious misconduct for a driver to be selling his tickets, the claimant was forced to do so by his employer's actions of breaching section 24 of the EA 1955 (by deducting over 50% of his salary).

The Industrial Court held that the employer had substantially contributed to the claimant's misconduct. Therefore, it was unfair and inequitable to punish the claimant for it. Ultimately, the Industrial Court held that the claimant was unfairly dismissed.

### Key Takeaways

Some practical tips for employers:

- Check your current practices on deduction of salary, and ensure that you are only making authorised deductions.
- Ensure that the limit of deductions is complied with.

- Seek the permission of the Director General wherever necessary.

If amounts owing by the employee to the employer do not fall within the authorised deductions under section 24 of the EA 1955 to deduct, the employer can seek to recover those sums separately by way of legal action (if the employee refuses or fails to pay those amounts).

*This article was originally published on Donovan & Ho website [www.dnh.com.my](http://www.dnh.com.my) on 25th April 2023 and reproduced with permission of the writer.*

*This article was written by Leow Ho Eng (Associate) from Donovan & Ho's employment law practice. Donovan & Ho is a law firm in Malaysia which provides advice on employment law and industrial relations including review of employment contracts, policies and handbooks, advising on workforce reductions, and managing dismissals of employees for poor performance or misconduct. The firm also represent clients in unfair dismissal claims and employment-related litigation. Have a question? Find out more at [dnh.com.my](http://dnh.com.my)*

## FAQS ON COMPANIES ACT 2016 AND TRANSITIONAL ISSUES

### PART F

### DIRECTORS

#### (i) Retirement Of Director (updated on 26 April 2017)

1. Since there is no AGM for Sdn Bhd, how to deal with the retirement of director at AGM as provided under the existing Articles of Association, i.e. 1/3 of the directors must retire at every AGM?

The previous AGM resolution under section 129(2) of the Companies Act 1965 was worded as "xxx be hereby re-appointed to hold office until the next AGM". With the abolishment of age limit, shall the public company just re-appoint the said director at 2017 AGM? Or do nothing as he will continue to be a director as per section 619(1) of the Companies Act 2016?

**Answer:**

In cases where a private company's Articles of Association (Constitution) deals with the retirement of directors at AGM, then the company must hold AGM to ensure that the provisions of the Articles of Association are met, until the company resolves otherwise.

With the abolition of restriction of maximum age of directors (section 129 of the Companies Act 1965), a public company is required to pass a resolution to enable the director to continue in office at the forthcoming AGM. The application of section 619(1) is limited to recognise the appointment of directors under the new Companies Act 2016 including any limitation or conditions attached with the appointment.

#### (ii) Boardroom Excellence

1. Directors' fee in a private company is to be approved by the Board but the director must be notified accordingly. Can shareholders object to the decision of the Board and more so if the Board consists of directors who are also shareholders or persons nominated by shareholders?

**Answer:**

The provision of the law allows a shareholder holding at least 10% of the total voting rights to object to the decision of the Board in so far as directors' fees are concerned. This is in line with the general principle that the shareholders are a different body to that of the Board. The objection must also be for the reasons that the payment is not fair for the company.

The position of the law clearly allows a shareholder who is also a director to object to the decision of the Board. This will allow scenarios where that director/shareholder may not be present at the Board meeting and he now wishes to object, albeit on a different capacity.

2. Why is there a shift in policy in allowing interested parties to vote in related party transactions in a private company?

**Answer:**

The prohibitive policy is premised on the fact that companies



should not be transacting with an interested party unless it has been approved at a general meeting.

The prohibitive policy is lifted for private companies where shareholders who are interested in the transaction could also take part in approving the transaction.

In changing the policy, the Government has taken into considerations that there are many genuine transactions that could not be effected by the current prohibitive policy.

In particular, the private companies could not have access to the available resources because such resources are held by interested parties and could not be utilised due to the requirements that the resolution must be passed by uninterested shareholders only.

As such, the Government is of the view that whilst the policy requiring prior shareholders' approval should be maintained, the shareholders should be given the option to proceed with the transactions with full knowledge that the transactions would involve related party, and there should have the full responsibility in approving such transactions.

### (iii) Directors Fees and Benefits

1. Does benefit payable to directors under section 230 includes any types of benefits including driver, telecommunication device, medical benefits, training benefits, D&O insurance, discount given for Director to purchase the company's products, e.g. staff discount for house and car, benefits-in-kind ("BIK") given to a salaried Executive Director e.g. leave passage, maid, children's education fees, company car etc. or benefits that are convertible into cash? *(updated on 9 June 2017)*

**Answer:**

Benefit that requires shareholders' approval are benefits which arises from the appointment to the office of a director.

2. Does the BIK as stated in his employment contract of a executive director falls under the director's benefit and require shareholders approval? *(updated on 9 June 2017)*

**Answer:**

In the case of salaried Executive Director's entitlement etc, if such entitlement or benefit arises from him being appointed to the office of director, then the entitlement (including BIK) or benefits must be approved by shareholders. But if such entitlement (including BIK) are given due to his office as Executive/Management position then shareholders' approval is not required.

### (iv) Directors Power to Allot Shares

1. Does Dividend Reinvestment Plan fall under the exemption of members' approval for allotment under section 75(2)(a)? *(updated on 9 June 2017)*

**Answer:**

No, Dividend Reinvestment Plan does not fall under the exemption list under section 75(2).

### (v) Directors' Report

1. Is cross-reference disclosure (in lieu of repeating the disclosures in the Directors' Report of subsidiaries) sufficient in meeting the disclosure requirement of section 253 of the Companies Act 2016? *(updated on 23 June 2022)*

**Answer:**

If a parent company decides to cross-refer to the disclosures in its subsidiaries' Directors' Reports, the parent company must apply to the Registrar in writing for relief from requirements as to form and content of the Directors' Report under section 255 of the Companies Act 2016. The company must also ensure that the subsidiaries' Directors' Reports contain all the information as required under the Companies Act 2016.

2. It is noted that both section 249 and 5th Schedule of Companies Act 2016 require companies to disclose directors' remuneration and auditors' remuneration in the notes to the financial statements and the directors' report respectively.

Is cross-reference disclosure sufficient when a company discloses such information in the notes to the financial statements and insert a reference to the notes in the directors' report? *(updated on 23 June 2022)*

**Answer:**

Directors' remuneration of the holding company its subsidiaries are required to be disclosed in the Directors' Report separate from the notes to the financial statements.

Cross-referencing in this manner would not be acceptable in view of both disclosures serve different purposes under different reports.

Hence, full disclosure should be done at the company in compliance with the Companies Act 2016.

### (vi) Directors' Resignation

1. What actions can the company take if the 'last remaining director' dies or vacates his position? *(updated on 13 March 2023)*

**Answer:**

Please refer to the provision under section 209 CA 2016.

Source: SSM website [www.ssm.com.my](http://www.ssm.com.my). Updated as at 13th March 2023



## GENTLE REMINDER

### ANNUAL SUBSCRIPTION FOR YEAR 2024

We wish to remind our members to remit their annual membership subscription for year 2024 to enable us to meet our objectives and discharge various structured programmes for year 2024 and beyond. For your information, the respective annual subscription fee for the time being is as follows:

CATEGORY OF MEMBERSHIP	ANNUAL SUBSCRIPTION
FELLOW	RM 250.00
ORDINARY	RM 200.00
ASSOCIATE	RM 150.00
GRADUATE	RM 150.00
STUDENT	RM 50.00

Kindly ignore this reminder if payment has been made.

“ .....

### REMITTANCE SLIP - ANNUAL SUBSCRIPTION YEAR 2024

To:  
**Institute of Approved Company Secretaries**  
**Suite C19, 1<sup>st</sup> Floor, Plaza Pekeliling**  
**No.2, Jalan Tun Razak**  
**50400 Kuala Lumpur**

Name: ..... IACS No: .....

I enclose herewith a Cheque/Bank Draft No. .... being payment of the above in favour of **INSTITUTE OF APPROVED COMPANY SECRETARIES**

Should you wish to directly deposit or transfer online to our account, please fax/email a copy of the transaction slip to 03-4051 1133 or iacsc19@yahoo.com and call to confirm the receipt of your payment.

Details of our bank account are as follows:

Bank Name: Malayan Banking Berhad

Account Number: 514075431102

**(Please fill in your name and membership no. under the Tran Description and Reference No. columns of the bank-in slip respectively)**

.....  
 Signature



# EVENT HIGHLIGHTS

## IACS CPD Seminar in Penang on 20th October 2023

The seminar was held at JEN Penang Georgetown by Shangri-La. The speaker was Mr. Kenneth Foo and the topic of the seminar was “Beneficial Ownership of Legal Persons – Compliance with the BO Framework of Bank Negara & SSM”.



## IACS CPD Seminar in Johor Bahru on 8th November 2023

The seminar was held at Thistle Johor Bahru, Johor. The speaker was Mr. Kenneth Foo and the topic of the seminar was “Capital Maintenance – An In-depth Case Study Session on Shares”.



## BOOKS FOR SALE

	Book Price (RM)	Self-collect (IACS Office)	With Shipping – Add RM10 (West Malaysia)	With Shipping- Add RM15 (East Malaysia)
<b>The Approved Company Secretaries Digest: Series 1</b> A Practical Companion for the Approved Company Secretary	15.00	15.00	25.00	30.00

If you are interested to purchase, kindly call IACS office at 03-40513787/40510033 or email to [iacstraining@yahoo.com](mailto:iacstraining@yahoo.com) to get a copy of the order form.



# How to become a member of Institute of Approved Company Secretaries?



## 1) IACS

INSTITUTE OF APPROVED COMPANY SECRETARIES (IACS) was incorporated in Malaysia on 16 May, 1996 as a company limited by guarantee and not having a share capital under the Companies Act.

## 2) OBJECTIVES OF IACS

The objects for which IACS is established are:-

- To co-ordinate and co-operate with all the regulating authorities in enhancing the professionalism of company secretaries.
- To provide an avenue for company secretaries to get together to improve and advance their interest and professional status and to provide a vehicle for regulating the conduct and professional ethics of company secretaries.
- To conduct seminars, conferences and meetings for the presentation of papers and delivery of lectures, and for the acquisition and dissemination by other means of information connected with the profession of company secretaryship and other related corporate practice.
- To form a library for the use of members and to collect, collate and publish information of service and/or interest to members of the profession and to establish and maintain libraries and collection of documents, papers, research materials and other effects.
- To submit either independently or jointly with other representations, etc; to the relevant authorities pertaining to any legislation either enacted or otherwise for the purpose of promoting the position of members or the professional conduct of company secretaries.
- To afford opportunities for social contact amongst members.
- To print and publish newsletters, periodicals, books or otherwise that are desirable for the benefits of members and the public with the approval of the authority concerned.

## 3) MANAGEMENT OF IACS

The Management of IACS is vested in the Council (the Board of Directors). The powers of the Council are governed by the provisions of the Constitution of IACS and the Companies Act 2016.

## 4) CATEGORIES OF MEMBERSHIP AND THEIR DISTINGUISHING LETTERS

The composition of membership of the Institute shall be classified as follows:-

- Fellow Member – FIACS
- Ordinary Member – MIACS
- Honorary Member – HIACS
- Associate Member – AIACS
- Graduate Member – GIACS
- Student Member

## 5) GUIDELINES FOR MEMBERSHIP APPLICATION

- Membership of IACS is by application on the prescribed form.

- The subscribers to the Constitution and such other persons as shall be admitted to membership in accordance with the provisions hereinafter contained shall, subject as provided by these present, be Members of the Institute.

- All applications shall be accompanied by the following:-

- Certified copy of valid Company Secretary Licence issued by CCM under Section 20G of the Companies Commission of Malaysia Act 2001 or Practising Certificate issued by the Registrar under Section 241 of the Companies Act 2016 by any other Company Secretary or Auditors or Commissioner for Oaths (applicable to Ordinary members only)
- Copies of other certificates of qualifications or membership in relevant associations/ bodies (if available). For Associate, Graduate and Student members, the copies of certificates must be certified by any other Company Secretary or Auditors or Commissioner for Oaths
- Two driving licence-size photographs.
- Photocopy of National Registration Identity Card.
- The registration fee and annual subscription shall be such sums as the Council may from time to time prescribe.

- The respective registration fee and annual subscription for the time being are as follows:

CATEGORY OF MEMBERSHIP	REGISTRATION FEE	ANNUAL SUBSCRIPTION
FELLOW	RM 150.00	RM 250.00
ORDINARY	RM 150.00	RM 200.00
ASSOCIATE	RM 100.00	RM 150.00
GRADUATE	RM 100.00	RM 150.00
STUDENT	RM 50.00	RM 50.00

*\* Members applying for upgrading to Fellow/Ordinary Members are required to pay a sum of RM170.00 being registration fee (RM150.00) and nominal upgrading fee (RM20.00).*

## 6) PRIVILEGES AND RULES OF MEMBERSHIP

- A Member is entitled to use the distinguishing letters as indicated in para 4 after his/her name.
- Members shall be entitled to:-
  - Receive notices and circulars of IACS pertaining to latest news relating to Secretarial Practices from CCM and other regulatory bodies.
  - Attend IACS' general meetings.
  - Vote at IACS' general meetings (applicable to Ordinary & Fellow Members)
  - Receive a Certificate and I.D. of Membership.
  - Participate in seminars, schemes and privileged to enjoy reduced fee and other benefits.
- All Members shall adhere to the provisions of the Constitution, the Code of Ethics and regulations in force and any amendments or changes thereof by the Institute.