



Major Statutory Compliance & Penalties for Non-Compliance under Companies Act 2016



ANNUAL GENERAL MEETING (AGM)	ANNUAL RETURN	FINANCIAL STATEMENTS & DIRECTOR'S REPORT	CONSTITUTION	PAR / NOMINAL VALUE	SHARE CERTIFICATE	SOLVENCY TEST	DIVIDEND	DIRECTORS' DUTIES AND RESPONSIBILITIES
Section 340 (2)	Section 68	Section 248 (1) (a) (b) Section 258 & Section 259 (1) (a) (b)	Section 31 & Section 32	Section 74	Section 97 & Section 101	Section 112 Section 113 & Section 114	Section 131 & Section 132	Section 213
<ul style="list-style-type: none"> ❖ Private Company – No requirement to hold AGM (Note: However, if the Company has adopted an existing M&A, the Company has to comply with the M&A requirement) ❖ Public Company <ul style="list-style-type: none"> - Hold 1st AGM within 18 months from date of incorporation - Subsequent AGM within 6 months from FYE and not more than 15 months from last AGM 	<ul style="list-style-type: none"> ❖ Must be lodged with CCM within 30 days from Anniversary date of Company's Incorporation 	<ul style="list-style-type: none"> A. Financial Statements (FS) to be prepared within 18 months from the date of incorporation & subsequently not later than 6 months from the Company's Financial Year End (FYE) B. To circulate FS to the Members. <ul style="list-style-type: none"> - Within 6 months from the close of FYE (For private Company) - At least 21 days before AGM (For public Company) C. To lodged FS with CCM within 30 days from date of Circulation to Members for private company & within 30 days from its AGM for public company. 	<ul style="list-style-type: none"> ❖ M&A is replaced by Constitution. ❖ Optional for Companies to adopt a constitution except for company limited by guarantee ❖ Existing M&A for companies incorporated prior to 31/01/2017 deemed as constitution, unless company resolves otherwise 	<ul style="list-style-type: none"> ❖ No par value for new shares issued ❖ Consideration for the shares is determined by Board of Directors 	<ul style="list-style-type: none"> ❖ Issuance of share certificates optional ❖ Register of Members is the evidence of title to the shares 	<ul style="list-style-type: none"> ❖ Solvency Test applies to redemption of redeemable preference shares, reduction of capital and giving of financial assistance ❖ Solvency Statements must be made by the Directors of the Company 	<ul style="list-style-type: none"> ❖ Only payable out of profits. ❖ Directors are to ensure that the company will be solvent & able to pay its debts as and when they fall due within 12 months immediately after the distribution is made 	<ul style="list-style-type: none"> ❖ Directors must act in good faith, in the best interests of the company, among other requirements, to ensure compliance with the Companies Act 2016.
The Company and every officer who contravene the above Sections, shall on conviction be liable to:-								
<ul style="list-style-type: none"> ❖ <u>Maximum penalty</u> RM20,000/- for failure to hold AGM for public company. 	<ul style="list-style-type: none"> ❖ <u>Maximum penalty</u> - RM50,000/- - RM1,000/day for continuing offence 	<ul style="list-style-type: none"> ❖ <u>Maximum penalty</u> A. - RM500,000 or - 1 year jail or both B. - RM50,000 - RM500/day for continuing offence C. - RM500,000 - RM1,000/day for continuing offence 		-	-	<ul style="list-style-type: none"> ❖ <u>Maximum penalty</u> - RM500,000/- or 5 years jail or both. 	<ul style="list-style-type: none"> ❖ <u>Maximum penalty</u> - RM3.0 million or 5 years jail or both. 	<ul style="list-style-type: none"> ❖ <u>Maximum penalty</u> - RM3.0 million or 5 years jail or both.