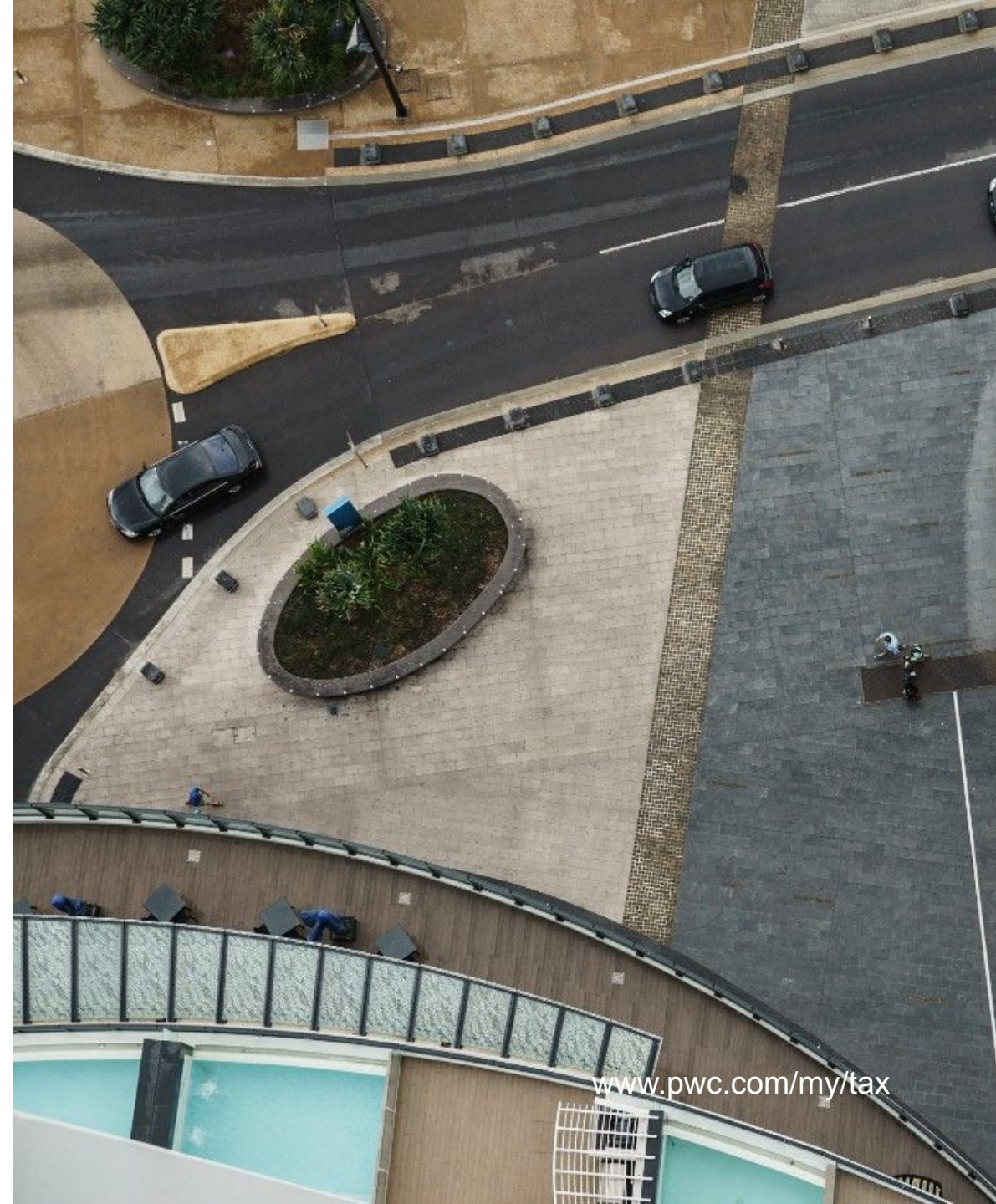




TaXavvy

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Movement Control Order Updates from the Authorities in Malaysia



www.pwc.com/my/tax

Following the enforcement of the Movement Control Order (“MCO”) by the Government from 18 March 2020 to 31 March 2020 (which has since been extended to 14 April 2020) to curb the spread of COVID-19, the relevant authorities have released further announcements to clarify compliance matters.



Companies Commission Of Malaysia (“CCM”)

All transactions under the Companies Act 2016, Registration of Businesses Act 1956 and Limited Liability Partnerships Act 2012 have to be submitted to the Registrar AFTER the MCO has been lifted. In relation thereto:

- a. A moratorium period will be given for the submission of documents with filing deadlines falling within the MCO period. Late lodgement fees may be waived during the MCO period.
- b. Companies that want to apply for extension of time to hold an Annual General Meeting (“AGM”) can do so after the MCO has been lifted.

More information will be available on the www.ssm.com.my portal and SSM social media site.

Source:

- Media release on closure by the CCM (www.ssm.com.my > Publications > Press Release)
- FAQ release by the CCM (www.ssm.com.my > FAQ)

Securities Commission Of Malaysia (“SC”)

The SC is allowing greater flexibility on the timing of AGMs for listed Real Estate Investment Trusts (“REITs”) and issuance of quarterly and annual reports of listed corporations. The SC is extending deadlines for market participants to comply with requirements such as regulatory filings and submissions to the SC and fulfilment of training requirements. In relation thereto:

- a. the SC has granted a two-month extension for managers of listed REITs with a financial year end of 31 December 2019 to hold AGMs by 30 June 2020.

Source:

- Media release by the SC (www.sc.com.my > Resources > Media Release & Announcement).

Bursa Malaysia (“The Exchange”)

For listed issuers (Main Market and ACE Market) who have:

- a. Issued the Notice of AGM together with the Annual Report (“AR”) before 17 March 2020

The listed issuer must issue the AGM notice again if the AGM is adjourned for 30 days or more, in the same manner as in the case of the original AGM.

- b. Not issued a Notice of AGM as at 17 March 2020

The AGM notice may be issued separately from the AR. The listed issuer must ensure that the information in the AR is made up to a date not earlier than 6 weeks from the date of issuance of the AR. As long as a listed issuer announces its AR to the Exchange within 4 months from the close of its financial year via Bursa LINK, it would have complied with the requirement set out in the Main Market Listing Requirements (“MMLR”) and ACE Market Listing Requirements (“ACE LR”) in relation to issuance of AR to the Exchange and its shareholders.

- c. Sent out the Notice of AGM or adjourned Notice of AGM after the issuance of the AR in the circumstances as set out in the paragraph a) and b) above.

A listed issuer will not be required to update the prescribed information as set out in the AR in accordance to the MMLR and ACE LR.

A listed issuer may apply to the Exchange for an extension of time if it is unable to submit its quarterly report or its AR within the timeline prescribed under the MMLR and ACE LR. In exercising its discretion, the Exchange will consider the application on the following basis:

- a. whether the preparation of the listed issuers’ financial statements is affected due to the MCO or other measures imposed by the authorities in response to COVID-19 outbreak; or
- b. whether the operations of the listed issuers are significantly affected by the COVID-19 outbreak.

Source:

- Directive by the Exchange www.bursamalaysia.com

Approval of Audited Financial Statements



For private companies limited by shares in Malaysia, there is no requirement under the Companies Act 2016 to convene an AGM to approve the Audited Financial Statements (“AFS”) unless required by the company’s Constitution.

In view of the recent MCO in Malaysia due to the COVID-19 situation, it is recommended that private companies approve matters relating to the AFS such as the Directors’ Report, Statement by Directors and Statutory Declaration by a director or person responsible in setting forth his opinion as to the correctness of the AFS pursuant to Section 251(1)(b) of the Companies Act 2016, by way of passing a directors’ written resolution instead of approving the AFS at a physical Board meeting. Thereafter, the Board may circulate the AFS to its members for notation purposes.

Consequently, the members may then confirm their receipt of the circulated AFS by way of members’ written resolutions as well instead of requiring the company to convene a physical AGM.

However, should a company’s Constitution requires the convening of a physical Board meeting or AGM, it is recommended that these meetings be held by way of tele-conference or online meetings to avoid gatherings of people in confined spaces. Such meetings can still be held for the purposes of discussing the contents of the AFS and other relevant matters.

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