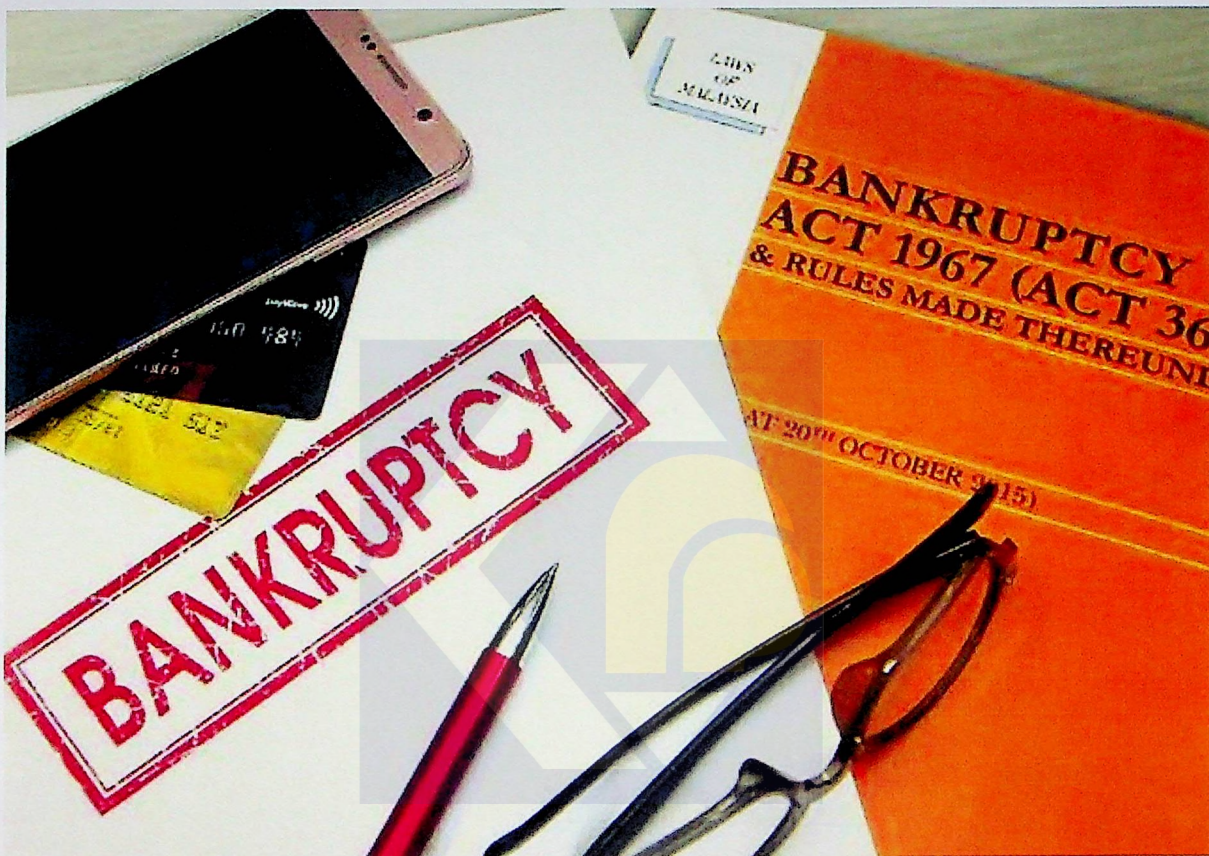


Longer period for companies to repay debts

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According to Domestic Trade and Consumer Affairs Minister, Datuk Alexander Nanta Linggi there will be no winding up of companies unless they fail to repay their debts within six months instead of the 21 days.

KUALA LUMPUR: Debt-laden companies will have more time to repay their debts under the Companies (Exemption) Order 2020, which came into effect on Thursday and until Dec 31, 2020.

According to Domestic Trade and Consumer Affairs Minister, Datuk Alexander Nanta Linggi there will be no winding up of companies unless they fail to repay their debts within six months instead of the 21 days.

Below is the order issued on Thursday:

Exemption 2. Subject to paragraph 3, Minister, for the purpose of determining whether a company shall be deemed unable to pay its debt under paragraph 466(1)(a) of the Act, exempts the provision which determines that any company shall be deemed unable to pay its debt if the company neglect any notice of demand by any creditor to pay its debt or to secure its debt or compound of its debt to the satisfaction of the creditor within the period of 21 days after a notice of demand is being served upon him.

"Not with standing paragraph 2, the company referred to in paragraph 2 shall be deemed unable to pay its debts under paragraph 466(1)(a) of the Act if the company neglects any notice of demand by any creditor to pay its debt or to secure its debt or compound its debt to the satisfaction of the creditor within the period of six months after the notice of demand is being served upon him."

<https://www.thestar.com.my/business/business-news/2020/04/24/longer-period-for-companies-to-repay-debts>

