

Daily Express

INDEPENDENT NATIONAL NEWSPAPER OF EAST MALAYSIA
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Changes to Companies Act passed

Published on: Thursday, July 11, 2019

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Kuala Lumpur: The Companies (Amendment) Bill 2019 aimed at clarifying several provisions in the Companies Act 2016 (Act 777) was passed by the Dewan Rakyat with amendments.

Deputy Domestic Trade and Consumer Affairs Minister Chong Chieng Jen when winding up debate on the bill said the amendments enabled policies relating to companies to be implemented more effectively and in a structured manner.

"Many of the MPs who took part in the debate expressed concerns that if it was way too easy to set up a company or free up the business ecosystem, there might be those who would take advantage of the situation for criminal activities or to cheat the people. I wish to clarify that the framework of the Companies Act is to regulate governance of companies while to tackle crime and cheating, this comes under other laws," he said.

Earlier, when tabling the bill for second reading, Chong said that Act 777 came into force on Jan 31, 2017, replacing the Companies Act 1965 for the purposes of governing company registration, management, dissolution, corporatisation and other related matters.

He said that since Act 777 came into force, his ministry through the Companies Commission of Malaysia received feedback including from Bursa Malaysia on the existence of several provisions that required amendments to ensure good practices and better compliance with the law. The Dewan sits again tomorrow.