

MCO: Companies Commission raises debt threshold of companies

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By CLARISSA CHUNG



PETALING JAYA: The Companies Commission of Malaysia (SSM) has announced new measures to ease the burden of businesses, including raising the threshold of indebtedness of companies.

SSM has now increased the definition of a company's "inability to pay" from RM10,000 to RM50,000 until December 31.

Domestic Trade and Consumer Affairs Minister Datuk Alexander Nanta Linggi, whose ministry oversees SSM, said the move was to reduce the number of companies being wound up.

“The period to answer the notice of claims by a company has also been lengthened to six months, compared to the previous 21 days,” he said in a statement on Friday (April 10).

Other initiatives include extending the period in which SSM is giving out compound reductions of up to 90% for offences under the Companies Act 1965 and Companies Act 2016, for active companies that have updated their financial statements.

The campaign, called the “2020 Compliance Campaign of the Companies Act 2016”, will be extended until June 30 this year.

Any company that is due to hold an annual general meeting (AGM) can also get an extension of up to three months after the end of movement control order (MCO) to hold it.

“However, the company must submit an application to SSM to ensure that the time extension is not misused.

“Any company that is involved is also exempted from paying the RM100 fee for the time extension,” he said.

<https://www.thestar.com.my/news/nation/2020/04/10/mco-companies-commission-raises-debt-threshold-of-companies>

