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Notification of Share Capital to SSM

Upon the abolishment of the par value regime pursuant to the Companies Act 2016,^[1] companies were given a transitional period of 24 months to utilise the credit amount standing in their share premium account.^[2] Such transitional period has recently expired on 31 January 2019. Thereafter, any unutilised amount standing to the credit of the company's share premium account and capital redemption reserve shall become part of the company's share capital.^[3]

In connection thereto, the Companies Commission of Malaysia, or SSM,^[4] has recently issued the Notice of Share Capital form pursuant to section 618(8) and 618(9) (hereinafter "the Section 618 Notice") for companies to notify SSM of any share premium or capital redemption reserve that has or has not been utilised or partially utilised as at 30 January 2019.

The following timelines are applicable for the lodgement of the Section 618 Notice:

- (a) Where the incorporation anniversary date of a company falls on or before 30 June 2019, the Section 618 Notice should be lodged after 31 January 2019 and before 30 April 2019; and
- (b) Where the incorporation anniversary date of a company falls on or after 1 July 2019, the Section 618 Notice should be lodged as early as 2 May 2019 but no later than 31 July 2019.

If no such Notice is lodged with SSM, then SSM may adopt, as the share capital of the company, the aggregate value of the shares issued by the company as that value appears in SSM's records.^[5] Although it does not appear from the wording of Section 618(8) and 618(9) that the lodgement of the Section 618 Notice is mandatory, companies should lodge the Section 618 Notice within the time frames given if they are not certain that the SSM's records on the company's share capital information are accurate and up to date.

The Section 618 Notice as issued by SSM is available [here](#), and the updated SSM FAQ of the Companies Act 2016 and Transitional Issues is available [here](#).

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- [1] [Act 777]. Section 74 states that all shares issued before or upon the commencement of the Act shall have no par or nominal value.
- [2] *Ibid*, s 618(3), which sets out the ways in which a company may utilise the amount standing to the credit of its share premium account
- [3] *Ibid*, s 618(2)
- [4] Suruhanjaya Syarikat Malaysia
- [5] *Supra* n 1, s 618(10)