



**COMPANIES ACT 1965: PRACTICE NOTE NO. 12/2011**

**RE: COMPLIANCE PROGRAMME TO ENCOURAGE TIMELY  
SUBMISSION OF ANNUAL RETURNS AND AUDITED  
FINANCIAL STATEMENTS**

1. This Practice Note serves to advise the compliance programme to be adhered to by companies in order to encourage timely submission of annual returns and audited financial statements.

**BACKGROUND**

2. In June 2008, SSM issued Practice Note 1/2008 (PN1/2008) which was aimed at streamlining the provisions of the law and the practice of the industry regarding the submission of annual returns. In essence, PN1/2008 seeks to require all annual returns to be accompanied with a copy of the audited financial accounts, otherwise such submission are deemed incomplete.

3. In the efforts to facilitate the public to comply with PN1/2008, an addendum was issued in 2010 to clarify or resolve post implementation issues in ensuring that all submissions of annual returns are in order.

4. In view of the introduction of the new Companies Bill in the near future, SSM is intensifying its effort to ensure that all companies are up to date in their submission of annual returns prior to migrating to a new compliance regime.

5. Whilst SSM is still subscribing to the full requirement of PN1/2008, SSM takes cognisance that appropriate and sufficient preparation period must be given to all companies to facilitate the smooth transition into the new regime.

6. In this regard, in cases where companies have duly prepared audited financial statements for financial years prior to 2010 but were unable to lodge annual returns with SSM due to the unavailability of the audited financial statements for the corresponding financial year, SSM is pleased to advise the following compliance programme to be observed:

	SITUATION	COMPLIANCE PROGRAMME TO BE OBSERVED
1.	Companies have prepared overdue audited financial statements for financial year ending prior to 2010 but the financial statements for 2010 were not available and no annual general meetings were convened.	<ul style="list-style-type: none"> <li>• Convene the annual general meeting (AGM) for calendar year 2011 for the tabling of the audited financial statements for years ending prior to 2010.</li> <li>• Apply for an extension of time under section 169(2) to enable the current year financial statements to be tabled at a later date.</li> <li>• Submit the annual return to be accompanied with:               <ul style="list-style-type: none"> <li>a. the audited financial statements prior to 2010;</li> </ul> </li> </ul>

		and b. the approval letter for extension of time under section 169(2).
2.	<p>A company which has convened AGM between 2008 and 2009 or any other previous years and had duly tabled the above overdue audited financial statements without the corresponding audited financial statements for the respective calendar year. The company has prepared the relevant annual return but unable to lodge with SSM as there is no audited financial statements for the corresponding year.</p> <p><b>Example:</b></p> <p>The financial year end for Company X is 30 June. In December 2010, Company X convened an AGM and only tabled audited accounts for 2007 and 2008. Company X prepares the annual return accordingly.</p>	<ul style="list-style-type: none"> <li>• Lodgement of annual accompanied with the overdue audited financial statement will be accepted by SSM subject to the relevant penalties.</li> </ul>
3.	<p>A company convened AGM in 2008, 2009 or 2010 without tabling any audited financial statements and subsequently directed or ordered by the Registrar or the Court to lodge annual returns.</p>	<ul style="list-style-type: none"> <li>• Lodgement of annual returns for these years will not be accepted as they are not accompanied with the audited financial statements unless a company has received an instruction by the Registrar or</li> </ul>

		<p>the Court to file annual returns.</p> <ul style="list-style-type: none"> <li>• If direction by the Registrar or order from the Court, as the case may be, has been received, lodgement of annual return will be accepted even if there is no accompanying audited financial statement.</li> <li>• The actual date of the AGM shall be stated in the annual return. The annual return shall be made up to the date of the AGM or a date not later than fourteenth day after the AGM.</li> <li>• The lodgement will be subjected to the relevant penalties.</li> </ul>
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7. Please note that strict adherence to PN1/2008 is expected in the submission of annual return for calendar year 2012. This means that in 2012, all annual returns must be accompanied with the audited accounts for financial year ending 2011.

8. In gearing towards full compliance of PN1/2008, companies must observe the following steps:

- Prepare and audit the financial statements in accordance to section 169(1) of the Companies Act 1965; and
- Convene AGM in accordance to section 143(1) of the Companies Act 1965.

9. Should companies fail to observe the above, companies must apply for an extension of time under sections 143(2) and/or 169(2) of the Companies Act 1965 accordingly.

10. This notification serves to reiterate the need to comply strictly with PN1/2008.

**Registrar of Companies**  
**Companies Commission of Malaysia**  
**17 October 2011**