

THE ASSOCIATION

Malaysian Association of Company Secretaries (MACS) is a local Professional Company Secretaries body with the objectives of improving, upgrading and advancing the professional status of Company Secretaries in Malaysia. The Association is an independent, self-regulating local professional body established in 1989. The Association has been prescribed by the Ministry of Domestic Trade and Consumer Affairs as a Prescribed body under Section 139A(a) of the Companies Act, 1965.

MANAGEMENT

The General and Executive Council

The Association is managed by the General Council of fifteen elected members while membership of the Executive Council is drawn from General Council. The Executive Council is responsible for charting the direction and formulating strategies of the Association for endorsement by the General Council.

Sub-Committees

At present, there are ten sub-committees and membership of these committees is drawn from the General Council and members of the Association who possess the requisite experience qualifications and dedication to serve in these committees.

Each sub-committee is headed by a Chairman with five to seven members. Appointment to these committees is by invitation and usually each member serves a term of one year. The ten sub-committees are:-

- ***Practising & Technical Committee***
- ***Examination & Students Affairs Committee***
- ***Editorial Committee***
- ***Membership Committee***
- ***Continuing Professional Development Committee***
- ***Executive Management Committee***
- ***Disciplinary Committee***
- ***Accreditation Committee***
- ***Tax Practice Committee***
- ***Government Affairs Committee***

The Secretariat

The Executive Secretary is the chief administrative officer responsible for the day-to-day administration of the Association. All administrative matters and correspondences should be addressed to the Executive Secretary for prompt attention and response.

Members Profile

More than three quarter of the Association's members are practising company secretaries who are either members of one of the Section 139A(a) gazetted bodies or who hold a licence issued by the Companies Commission of Malaysia.

OBJECTS

The objectives of the Association are to provide an avenue for company secretaries to get together to improve and advance their status; to provide opportunities for ambitious young Malaysian to qualify as company secretaries by conducting professional examinations in company secretaryship; to hold conferences and meetings for the acquisition and dissemination of knowledge and information in connection with the profession of company secretaryship; to make representations either independently or jointly with other professional associations to the relevant authorities in matter of corporate legislations or other enactments and to co-operate with other educational and institution of higher learning for the promotion and advancement of the profession.

To achieve these objectives, the Association will:

1. seek to enhance professionalism among its members who provide professional advice and guidance.
2. provide a platform for the development of corporate legislations.
3. develop high standards in company secretarial practice and administration to be recommended as standards of practice and best practice.

4. form a resource centre for research and development on company law, company secretarial practice and corporate governance.

PROFILE OF THE CORPORATE SECRETARY

The duties and responsibilities of a Corporate Secretary are too detailed to describe; but among the more important ones are professional competence, versatility, broad business knowledge and sound administrative skills and the ability to serve in a variety of profit and non-profit organisations. As a qualified professional in administrative and financial management, members have tremendous career opportunities either as practising professionals or in employment in executive, administrative or financial management position in commerce, industry, non-profit organisations or the public sector.

ENTRY REQUIREMENTS

Admission to the professional examinations is restricted to registered students of the Association.

For registration as a student, an applicant must possess an approved educational or professional qualification. The following qualifications are acceptable by the Council.

- (a) The Sijil Pelajaran Malaysia (SPM) and the Sijil Tinggi Pelajaran Malaysia (STPM) or its equivalent with passes in:
 - (i) five subjects of which two must be at the STPM level; or
 - (ii) four subjects of which three must be at the STPM level; and
 - (iii) the subjects must include a credit pass in English or English Literature and Mathematics,
- (b) The LCCI Higher Stage Group Diploma in Accounting, Management Accounting or Management Principles and credit passes in at least three subjects in the SPM examination.
- (c) The UiTM Diploma in Accounting, Law, Business Studies, Banking or Public Administration.
- (d) The TAR College Certificate in Accounting with Business Computing.
- (e) The Diploma in Accounting from any Polytechnics or approved institution of higher learning in Malaysia.
- (f) A degree from a recognised university.
- (g) The final examination certificate of a recognised professional body.
- (h) The Unified Examination Certificate (UEC) in Commerce or Art or Science with Four (4) credit passes and a pass in Bahasa Malaysia.
 - (i) The Four (4) subjects must include English; and
 - (ii) The remaining Three (3) subjects from:
Commerce, Accounting, Book-keeping, Mathematics (Elementary), Mathematics (Advanced), Economics, Commercial Studies, Computing and Information Technology, Biology, Physics, Geography, History and Chemistry.
- (i) Any other examinations which are, in the opinion of the Council, at least equivalent in standard.

or
- (j) The Council may, at its absolute discretion, if it thinks fit, admit applicants as registered students who have attained 23 years of age but have not obtained the prescribed educational standards described above. In determining the eligibility of the applicants, the Council will take into consideration their practical experience and their ability to complete the professional examinations.

STUDENTSHIP

How To Register As A Student

An applicant for registration as a student must be made in the prescribed form which is obtainable from the Association's secretariat. An applicant must satisfy the Council that:

- (i) he or she is not less than 18 years of age
- (ii) holds any of the prescribed educational or professional qualification, and
- (iii) be engaged in company secretarial work or full-time study for the Association's Examination in the approved local Universities or Institutions of higher learning.

All applicants must comply with the regulations set forth in the application form and must pay their entrance, registration and annual fees before being enrolled as a registered student.

A registered student shall not be entitled to any voice or vote in the management of the Association.

Termination Of Registration, Etc

A registered student may not continue as such if he or she takes up any occupation which is, in the opinion of the Council, inconsistent with or inappropriate to the preparation for a professional career in company secretarial practice; or discontinues his or her study for the professional examinations or abandons his or her intention to qualify as a member of the Association.

No registered student whose subscription is six months in arrears after the amount is due shall be entitled to remain on the register and his or her name shall be removed therefrom. The Council has the power, in special cases or circumstances, to suspend the operation of this rule.

A registered student shall not continue as such if, after the end of seven years, he or she has not completed the professional examinations of the Association. The Council, however, may permit the student to seek re-registration subject to any terms and conditions it may impose.

MEMBERS AND STUDENTS FACILITIES

As a professional body, the Association seeks to serve the needs of members and the various sectors of society, in particular, the corporate sector. Therefore, all members and registered students are expected to keep abreast of current developments in the country, in particular the changing economics, social and corporate environment, standards and regulations and company legislations.

Library

The Association has set up a library which is located in the Secretariat. It is hoped that members of the Association who are able will contribute towards the establishment of the library as a centre for research in company secretarial matters.

Malaysian Company Law Review

The Association through its Technical Advice Bureau will continue to make official representations to the Companies Commission of Malaysia on issues relating the corporate sector and any proposed amendments/reform to the Malaysian Companies Act.

Technical Advice Bureau

The Technical Advice Bureau was established for the purpose of providing advice and interpretation on technical issues faced by members in the discharge of their professional duties. Members are required to pay nominal fees to the Technical Advice Bureau for this service.

Journal and Technical Circular

The Association's official journal 'The Malaysian Corporate Secretary' is published quarterly. The journal contains news, articles and features on technical and professional subjects which are of interests to members and registered students.

In addition, a Technical Circular to Members will be issued from time to time to keep members abreast of recent amendments of legislations and the development in corporate matters relating to corporate secretarial and professional practice.

Seminars and Fellowship Gatherings

The Council believes that it is the members who will determine the status and progress of the Association as the leading local professional body in the company secretarial profession. Having this in mind, the Council will hold regular seminars, dialogues and fellowship gatherings throughout the country with members of the Council in attendance to disseminate and discuss matters of interests and related to the profession.

All seminars, dialogues and fellowship gatherings are organised by the Continuing Professional Development Committee.

Continuing Professional Development Programme

The Association's Professional Programme defines Continuing Professional Development (CPD) as an integral activity including all Association-run learning activities together with other means by which a Company Secretary keeps up-to-date and acquires further knowledge of Company Law and Practice and related subjects.

Members of the Association who are Practising Company Secretaries and who qualified under Section 139A(a) or hold a licence issued by the Companies Commission of Malaysia are required from time to time to demonstrate that they attended approved CPD courses and seminars relevant to the company secretarial practice.

Professional Indemnity Insurance

Every member in public practice shall ensure that he or she has an approved professional indemnity insurance coverage. The Association has entered into an arrangement with a reputable insurance company, for the provision of professional indemnity insurance coverage at a substantial discount on the premium. The annual minimum amount of indemnity shall not be less than RM150,000.

Oral and Correspondence Course Arrangement

The Council, through the Examination and Students Affairs Committee, will regularly make arrangements with leading private colleges of advanced education to provide full-time and part-time as well as oral and postal tuitions to registered students and Associates who are preparing for the professional examinations.

Liaison Office And Resource Centre

The Council may authorise the setting up of Regional Liaison Committees or appointment of State representatives if deemed necessary, for the promotion of activities for members and registered students throughout Malaysia.

THE PROFESSIONAL EXAMINATIONS

The professional examinations are held in June and December each year. The examination dates are announced in local newspaper advertisement, the Association's journal 'The Malaysian Corporate Secretary' or by circular.

Registered students and Associates are strongly urged to submit their applications to sit for the examinations at the announced dates.

Examination Centres

The examinations are usually held in Kuala Lumpur. Other centres may be considered by the Council.

Exemptions

The Council may at its discretion grant exemption for certain subjects of the professional examinations to candidates who have passed the final examinations of recognised professional bodies or hold degrees or diploma in accounting, finance, economics or business management from universities or institutions of higher learning approved by the Council.

As a general guide, no exemption shall be granted for any subject from The Professional Stage. However, the Council may, on case by case basis, grant complete exemption from Professional Stage to members of other professional bodies which are recognised under Section 139A(a) of the Companies Act, 1965, or graduates of relevant degrees from local universities.

Further information can be obtained from the Association's secretariat provided all relevant particulars are furnished to the Secretariat to enable a preliminary assessment to be made on the extent of the exemption to be granted.

Any decision on exemption is final and the Council will not entertain any further correspondence relating to any decision made on such exemption.

Applicants are advised to submit their application exemption for consideration as soon as it is practical to do so. Exemption fee on each subject exempted shall be payable.

Grading Scheme and Examination Results

In order to secure a pass, a candidate must obtain the minimum marks in the relevant subject. A candidate is expected to reach at least a pass standard in all subjects within each stage before a pass is accorded for that stage.

Examination Contents

The Association sets the professional examinations and maintains the standard. The syllabus covers professional subjects in business management, business law, financial accounting, financial management, taxation, company & securities law, corporate secretarial practice, professional practice & ethics and related subjects to ensure that a student who has completed the examinations is competent to discharge the duties of a company secretary.

Examination Structure and Standard

The professional examinations are set in three stages with six subjects in Foundation Stage, four subjects in Pre-Professional Stage and six subjects in Professional Stage. A candidate must have successfully completed all papers or gained exemption thereof within one stage before the next stage can be attempted. The candidates may present themselves for Professional Stage at any time at the discretion of the Council.

The examinations are progressive in nature with a higher standard expected in the subsequent level. Professional Stage is examined at honours degree standard and comparable both in depth and scope to a professional programme conducted by local or overseas universities.

Acceptance of the Examinations

The Association has ongoing discussions with overseas and local universities for the purpose of accepting the Association's examinations for entry into their post graduate courses such as the MBA, MSc or MA in management or business administration.

OUTLINE OF THE EXAMINATIONS SYLLABUS

All subjects are of 3 hours duration each. A candidate is expected to reach at least a pass standard in all subjects within each stage before a pass is accorded for that stage.

FOUNDATION STAGE

Module A

Paper 1.0	Malaysian Economics and Business Environment
Paper 2.0	Quantitative Analysis
Paper 3.0	Business Communication

Module B

Paper 4.0	Financial Accounting
Paper 5.0	Management Accounting
Paper 6.0	Information Technology

PRE-PROFESSIONAL STAGE

Module C

Paper 7.0	Business Organisation and Management
Paper 8.0	Human Resource and Industrial Relations

Module D

Paper 9.0	Malaysian Business Law
Paper 10.0	Malaysian Taxation I

PROFESSIONAL STAGE

Module E

Paper 11.0	Company Accounts and Reporting
Paper 12.0	Malaysian Taxation II
Paper 13.0	Financial Management

Module F

Paper 14.0	Professional Practice and Ethics
Paper 15.0	Company Secretarial Practice
Paper 16.0	Malaysian Company & Securities Law

THE DETAILED EXAMINATION SYLLABUS

1.0 MALAYSIAN ECONOMICS AND BUSINESS ENVIRONMENT (3 HOURS)

AIM: *To examine the candidate's knowledge and understanding of the economic theories and economic environment in which business organisations operate in mixed economy system.*

SYLLABUS

1.1 **Concepts and Economic System**

The methodology of economics; the fundamental economic problem; scarcity and choice; economic as a social science in relation to the allocation of scarce resources and the management of these resources; the assumed economic agents.

1.2 **The Economics of Firms and Industries**

Systems of economic organisation; the planned economy; the market economy; the mixed economy; the determination of price; the demands for goods and services and the supply of goods and services; consumer behaviour; cost curves and supply curves in the short and long run; elasticities; the law of diminishing return; economy of scale; the effects and incident of taxation, the demand and supply of land, labour, capital and management skills, the returns of these factor; market structures and behaviour; competition; monopoly; oligopoly; monopolistic competition; the importance of entry conditions; alternative theories of the firm.

1.3 **The Malaysian Economy**

The flow of goods and services; national income accounting; the constituents of national income and their determination; the multiplier and accelerator principles; equilibrium and disequilibrium; the role of government; alternative views; monetary and fiscal policy; inflation and unemployment; consumption, saving and investment; costs and benefits of technological changes and economic growth; international trade; balance of payment; exchange rates; multinational corporations and their effects on the Malaysian economy; objectives of the New Economics Policies and framework for post-1990 Economic Policy as initiated by the Malaysian Institute of Economic Research; influence of the Free Trade Zones and State Economic Development Corporations on the Malaysian economy; investment incentives and their impact on economic development in the rural areas; economic growth-historical perspective of five-year plans, Vision 2020 and its impact on accelerated economic development.

1.4 **The Business Environment**

The role and functions of the Malaysian financial system; financial institutions and the markets; the central, clearing and merchant banks; discount houses, insurance companies, trust Companies and pension funds; the Bursa Malaysia, MESDAQ government policies towards small business, monopolies, mergers and take-overs, corporate restructure and equity participation by Bumiputras, the money market; the foreign exchange market; off-shore banking; the financial future market, the Securities Commission, Bank Negara.

RECOMMENDED READING LIST

- 1.0 *Principles of Economics*, Mankiw, N. Gregory - South Western
- 2.0 *Economics for Professional Students*, Ross & Shackleton, Castlevale
- 3.0 *An Introduction to Modern Economics*, Philip Hardwick - Longman
- 4.0 *Measuring the Economics*, Christopher Johnson - Penguin
- 5.0 *Malaysian Economic Plans* – Malaysian Government
- 6.0 *Macroeconomics*, LG Reynolds - Irwin
- 7.0 *Kajian Ekonomi: Various issues* – Persatuan Ekonomi Malaysia
- 8.0 Bank Negara Malaysia, Monthly Statistical Bulletins, and Annual Reports (<http://www.bnm.gov.my>)
- 9.0 The Malaysian Budget

2.0 QUANTITATIVE ANALYSIS (3 HOURS)

AIM: *To examine the candidate's understanding of the range of quantitative techniques and to demonstrate his ability in the application of these techniques in the analysis and interpretation of financial and related data for in the business decision making process.*

SYLLABUS

2.1 Statistical Concepts and Practice

Elementary probability theory; expectation; probability distribution; sampling methods; hypothesis test; regress analysis; descriptive statistics; time series analysis; decision analysis.

2.2 Business Mathematics

Basic numeracy; approximation; accuracy and errors; percentages; deflating a series; graph; use of graphs in break-even analysis; semi-log graphs and Z-charts.

2.3 Investment Appraisal

Simple and compound interest; discounting and the concept of net present value; annuities; methods of appraising investment; average annual return, payback method; discounted cash flow; internal rate of return.

2.4 Operations Research Techniques

Nature of operations research; linear programming; transportation and assignment problems; network analysis; simulation and queuing theory.

RECOMMENDED READING LIST

- 1.0 *Quantitative Techniques*, T. Lucey - Thomson Learning
- 2.0 *Statistics for Management and Economics*, G. Keller and B. Warrack - Duxbury
- 3.0 *Basic Business Statistics*, M. L. Berenson, D.M. Levine and T.K. Krehbiel - Prentice Hall
- 4.0 *Applied Mathematics for Business, Economics, Life and Social Sciences*, E.C. Tomastik - Saunders College Publishing

3.0 BUSINESS COMMUNICATION (3 HOURS)

AIM: *To examine the candidate's skill and the ability to communicate clearly and concisely in all forms of communication with particular emphasis on written communication.*

SYLLABUS

3.1 Fundamentals of Written Communication

Preparation: establishing the objective; identifying the readers; determining the scope of coverage.

Research: taking notes; doing library research; interviewing for information; creating and using questionnaire.

Organisation: choosing the method of development; outline the topic; create and use illustrations; select the format.

Writing the Draft: choose the point of view; develop the sentences and paragraphs; use quotations and paraphrasing; introduction of subject or topic; develop the subject or topic; conclusion.

Revision: checking for completeness, accuracy, coherence, unity, tone, grammar and spelling.

3.2 Communication in Business Organisations

Systems of communication; formal and informal communication; barriers to effective communications; the art of listening; communication aids; oral and written communication.

3.3 Types of Communication

Correspondences; executive summaries; instructions; job descriptions; journal articles; minutes of meetings; newsletter articles; news releases; policies and procedures; proposals; reports.

RECOMMENDED READING LIST

- 1.0 *English For The Office*, Moore, B. - Hong Kong: Macmillan Press

- 2.0 *Business English: With programmed reinforcement*, Slocum, K. - New York: Macmillan/McGraw-Hill
3.0 *Business English Essentials*, Voiles, P.R. - New York: McGraw-Hill

4.0 FINANCIAL ACCOUNTING (3 HOURS)

AIM: *To examine the candidate's exposure and understanding of the principles and concept of financial accounting and their application to business or organisations and business situations.*

SYLLABUS

4.1 The Nature of Accounting and Accounting Theory

Cost and value concepts; measurement of income; distinction between capital and revenue; capital maintenance and asset valuation alternatives; the goodwill concept; stock valuation; effect of changing price level.

4.2 Financial Accounting Practice

Principles and convention of accounting; the principle of double entry and books of prime entry, ledger and control account, trial balance and adjustments including accruals and prepayments; treatment of provisions and reserves; bank reconciliation and use of suspense account; correction of errors.

4.3 Preparation of Financial Statements

Preparation of non-published income statement and balance sheets of manufacturing, trading and non-profit organisations.

4.4 Partnership Accounts

Formation, admission, retirement and dissolution of partnerships; treatment of goodwill.

4.5 Introduction to Company Accounts

The formation of companies; accounting for the issue of various classes of shares, share application, forfeitures, share issue expenses, calls in arrears, share premiums and share discounts; payment of cash dividend and shares dividend.

4.6 Computerised Accounting

The role of computers in the collection, analysing and presentation of accounting data and information; the impact of computers in the design, development and implementation of accounting information systems.

RECOMMENDED READING LIST

- 1.0 *Business Accounting*, Frank Wood (Vol 1 & 2) - FT Prentice Hall, UK
2.0 *Foundation Accounting*, AH Millichamp – DP Publications
3.0 *Introduction to Financial Accounting*, Andrew Thomas - McGraw-Hill, UK
4.0 *MASB standards*

5.0 MANAGEMENT ACCOUNTING (3 HOURS)

AIM: *To examine the candidate's knowledge and understanding of the principles of cost accounting and the ways in which cost accounting data are collected and used to assist management in the planning, control performance measurement in the short-term and long-term of business organisations.*

SYLLABUS

5.1 Cost Accounting

5.1.1 Principles of Cost Accounting

Costing as a management information system; the functional analysis; activity analysis of cost and cost behaviour; yielding data for control and decision making.

5.1.2 Elements of Cost

Classification of costs into material, labour and overheads; the establishment of cost centres; direct and indirect costs; fixed and variable costs.

5.1.3 Cost Accounting Methods

Valuation methods of raw material, work-in-process and finished goods; direct labour remuneration and costing; allocation and absorption of overheads; costing methods for jobbing, process and service industries, contract costing and ascertainment of profit on uncompleted contracts; reconciliation of cost ledger to financial ledger.

5.1.4 Cost Accounting Techniques

Marginal costing and the contribution concept; break-even analysis and cost-volume-profit analysis; break-even charts and profit charts; differential cost analysis; stock valuation using marginal costing techniques and absorption techniques.

5.1.5 Budgetary Control and Standard Costing

The nature of budgets and the purpose of budgetary control; cash and production budgets; spending budgets; the master budget and sectional budgets; capital budget; objectives of standard costing; preparation of standards; the design, recording and setting of standards for material, labour and overheads; calculation and interpretation of cost variances.

5.2 Management Accounting

5.2.1 Nature and Objectives of Management Accounting

The functions of management and the role of the management accountant in an organisation; design of financial management system for the planning, control, performance measurement and decision-making process in a business organisation.

5.2.2 Application of Cost Accounting Methods and Techniques

Principles of cost ascertainment; job, batch, contract, process and product costing techniques; the significance of conversion cost and the concept of added value; accounting for normal & abnormal losses; problems of common cost, joint products and by-products costs; use of activity-based management (ABM) system for continuous improvement.

5.2.3 Information for Decision-Making Process

Incremental and relevant costs analysis; the concepts of opportunity and its relevance in make versus buy decisions analysis; product life cycle and discontinuing operations; outsourcing versus adding production capacity on a short-term and long-term analysis.

5.2.4 Management Reporting

Form and presentation techniques of cost accounting information to management; form, content and frequency of reporting; performance evaluation and the interpretation of cost accounting information for short, medium and long term planning and control.

5.2.5 Standard Costing

Setting standards; variance analysis; sales and cost variances including input mix variances; flexible budget and cost centre variance; planning and operational variances; short and long term standards; critical appraisal of standard costing; use of activity-based management techniques to evaluate the relationships of resources and activities to cost objects.

5.2.6 Performance Education and Control

Measurement of performance; cost, profit and responsibility centres; segment reporting; transfer pricing methods and purposes; returns on investment; decentralisation and impact of head office overheads allocation.

RECOMMENDED READING LIST

- 1.0 *Costing: An Introduction*, C. Drury - Chapman & Hall
- 2.0 *Cost Accounting*, Blocker & Walmar – McGraw - Hill
- 3.0 *Management and Cost Accounting*, Colin Drury – Chapman & Hall
- 4.0 *Accounting for Managerial Decisions*, J. Arnold & A. Hope – Prentice Hall
- 5.0 *Relevance Cost*, Johnson & Kaplan – Harvard Business, School Press
- 6.0 *Advanced Management Accounting*, R. Kaplan – Prentice Hall
- 7.0 *Common Cents – The ABC Performance Breakthrough*, Peter B. Turney – Cost Technology Inc.
- 8.0 *1st Course in Cost & Management Accounting*, T. Lucey - DPP Publications

6.0 INFORMATION TECHNOLOGY (3 HOURS)

AIM: *To examine the candidate's appreciation and understanding of the role of information technology in business and his ability to apply system techniques and to demonstrate knowledge of the functional characteristics of business equipment and applications together with the principles involved in the selection and use of for particular purposes.*

SYLLABUS

6.1 Information Technology in Business

Development in micro-electronic, distributed data processing, telecommunication networks and office automation.

6.2 Computer Hardware

Categories of computer; mainframe; mini and microcomputer; memory and back-up store; input and output devices; communications; local area networks; developments in information technology and selection criteria.

6.3 Software

The concept of software; principles of programming; operating systems; languages; application packages including spreadsheets and word processing; modular and structured programmes (ability to write programmes is not required); application packages for accounting use.

6.4 System Design

Objective of total system; contribution of each sub-system, avoiding sub-optimisation; rationalisation of information flows, timing and accuracy; output and effect of time lag; inputs and deviation from standard; files and files organisation.

6.5 Design of Simple Business Systems

Data capture and input; file creation (form design is not required); file processing; operation; output format and documentation; security and integrity of data.

6.6 System Selection and Installation

Meeting the information needs of the organisation; office automation and its effect on business; justification; dealing with manufacturers and suppliers; contracts and tailor-made and packaged software; evaluation and benchmarking; user training; system testing; data conversion and changeover; manuals; human factors in implementation; systems maintenance; flexibility and adaptability; costing of different system options; cost benefit analysis.

RECOMMENDED READING LIST

- 1.0 *Management Information Systems*, T. Lucey – DPP Publications
- 2.0 *Data Processing*, CS French – DP Publications
- 3.0 *Management Information Systems: Managing the Digital Firm*, Kenneth C. Laudon & Jane P. Laudon - Prentice Hall
- 4.0 *Management Information Systems*, James A. O'Brien & George M. Marakas - McGraw-Hill
- 5.0 *Managing Information Technology*, E. Wainright Martin, Carol V. Brown & others - Prentice Hall
- 6.0 *Managing Information Systems: An Organisational Perspective*, David B., Albert B. & Graham K. - Prentice Hall

7.0 BUSINESS ORGANISATION AND MANAGEMENT (3 HOURS)

AIM: *To examine the candidate's understanding and ability to explain management and organisation theory and its application in various types of organisations and in all levels and functions of management.*

SYLLABUS

7.1 Organisation Theory

The social theory of the firm, relationship between individual and the group; formal and informal organisations; leadership, motivation, attitude and morale.

7.2 Types of Business Organisation

Types of business organisations and other institutions in the private and public sector; role, objectives, social and economic responsibilities (including manufacturing and commercial businesses, public authorities, nationalised undertakings, government agencies, trade unions and social service organisations).

7.3 Organisation Psychology and Sociology

Social groups and their functions; organisation, nature and purpose in business.

7.4 Organisation Structure

Organisation structure and its generation and purpose, types of organisation structure; organisational relationships; the basic problems of organisation; organisation charts, its implementation and changes; management training and development; the prime functions with business and other institutions; management structure including its terms of reference.

7.5 Personnel Management

Manpower planning and selection; job evaluation; remuneration and policy; conditions of employment; method of appraisal; education and training including re-training the workforce; relationship with trade unions; labour productivity and total quality management.

7.6 Production Management

The nature of the production function; factory layout and safety; production methods and production planning, scheduling and control; total quality and just-in-time production management; store controls; procurement and inventory planning.

7.7 Marketing and Physical Distribution Management

Marketing objectives including marketing mix; the role of market research; field sales management; brand policy, advertising; channel of distribution including packaging warehousing and transportation; functions involved in the marketing of goods and services; aspects of customer behaviour; the role of advertising and sales promotion; the planning and control of marketing, selling and distribution costs.

7.8 Strategic and General Management

The hierarchy of business objectives and their determination in relation to a changing economic, technological, legal, social and human environment; formulation of strategies for expansion and diversification; the role of general management in formulating strategies for expansion and diversification; the role of the chief executive in planning and controlling the effective and efficient performance of the organisation.

RECOMMENDED READING LIST

- 1.0 *Management Theory & Practice*, Cole, G. A. - Thomson
- 2.0 *Management*, Robbins, S.P. & Coulter, M. - Prentice Hall
- 3.0 *Management, 2nd Asia-Pacific edition*, Campling, J., Poole, D., Wiesner, R. & Schermerhorn, J.R. - John Wiley
- 4.0 *Management in Malaysia* - Malaysian Institute of Management, MIM

8.0 HUMAN RESOURCE AND INDUSTRIAL RELATIONS (3 HOURS)

AIM: *To examine the candidate's knowledge and understanding of the theory and practice of personnel and industrial management of human resource functions of the organisation.*

SYLLABUS

8.1 Overview of the Role of Personnel and Industrial Functions:

The role of personnel and industrial management functions in an organisation; objectives, principle and practice; the functional elements, staff roles, line roles, structure and activity areas.

Personnel and Industrial Relations issue in organisational development; quality of working life and participative management; quality control circle; empowerment; open communication; skills development; future role of the personnel and industrial relations management in a dynamic and changing labour market.

8.2 Human Resources Planning

Determine the manpower needs of the organisation; line and staff functions; manpower requirements, job analysis and manpower selection; recruitment procedures and policies; job training and re-training.

8.3 Compensation and Benefits Administration

Wage and salary administration; establishing the compensation and benefits package with productivity and total quality objectives; matching fringe benefits and incentives with the organisation's financial and operational objectives; determining the retirement and redundancy packages in accordance with established rules and/or legislations; collective bargaining.

8.4 Performance Appraisal and Human Resource Development

Evaluating and measuring employee performance with established goals and objectives; performance appraisal; matching performance with clearly defined goals and objectives; job rotation; job expansion; job enrichment; quality control circles; career development and dual career pathing; organisation support in developing human resource developing programmes.

8.5 Labour and Management Relations

Grievances and grievances procedure; board of inquiry; disciplinary action including dismissal; industrial dispute and conciliation including arbitration; the Industrial Relations Court; Industrial safety; collective bargaining; rights of employees and confidentiality; recognition of trade unions of employees; conciliation; collective agreements.

RECOMMENDED READING LIST

- 1.0 *Malaysian Human Resource Management*, Alex K.B.Yong - MIM
- 2.0 *Human Resource Management*, Dessler, G. - Prentice Hall
- 3.0 *Managing Human Resources*, Bolander, G.W. & Snell, S.A. - South-Western
- 4.0 *A Handbook of Human Resource Management Practice*, Armstrong, M., Kogan Page
- 5.0 *Malaysian Industrial Relations and Employment Law*, Maimunah Amiruddin - McGraw-Hill

9.0 MALAYSIAN BUSINESS LAW (3 HOURS)

AIM: *To examine the candidate's understanding of the basic principles of law which affect business relationship generally and its application to commercial situations with particular reference to negotiable instruments, contract, agency and employment.*

SYLLABUS

9.1 The Malaysian Legal System

Sources of law: written laws, judicial decisions, customary law; English Common Law and rule of equity; civil and criminal law; structure of courts; the Supreme Court, the High Court, the Subordinate Court and other Federal Courts.

9.2 Law of Contract

The nature of a contract; intention to create legal relations; agreement; certainty; consideration; form and capacity; contractual terms, standard form of contracts and exemption clauses; mistakes; misrepresentation; illegality and contract contrary to public policy; discharge of contract with special reference to frustration and breach; remedies for breach; privacy and limitation of actions.

9.3 Law of Agency / Sales of goods

Principles of agency with special reference to the authority of persons to act on behalf of others, particularly companies and partnerships; sales of goods; hire purchase and credit sales; transfer of property and of titles, rights & duties of buyers and seller; contract of insurance and classification of insurance.

9.4 Negotiable Instruments

Types of negotiable instruments; functions of a bill of exchange; negotiation of bills; acceptance endorsements and delivery; liability of parties; holder in due course and holder for value; forged signatures and payment; procedure on dishonour; cheques and types of crossings of cheques; alteration and protection of paying and collecting banker; banks as holders in due course; termination of bankers' authority to pay.

9.5 Law of Employment

Contract of employment; implied and statutory terms; letter of appointment; dismissal and redundancy; terms of employment; wages and provision of safe working conditions including health and safety legislations.

9.6 Law of Negligence

The nature of liability in torts; negligence with special reference to professional advice, dangerous goods, industrial accidents and dangerous premises; the doctrine of strict liability; breach of statutory duties; defence in tort particularly 'volenti non fit injuria' and contributory negligence; remedies.

9.7 Hire Purchase Law

General concept, duties of owner particularly in repossession and the rights of hirer.

9.8 Partnership Law

Nature and definition of partnership; basic differences between partnership and company limited by shares; formation of partnership; rights and obligations; and relation of partners and dissolution of partnership.

RECOMMENDED READING LIST

- 1.0 *Business Law in Malaysia*, Abdul Majid bin Nabi Baksh & Krishnan Arjunan - Lexis Nexis, Malayan Law Journal
- 2.0 *The Commercial Law of Malaysia*, Wu Min Aun & Beatrix Vohrah – Longman
- 3.0 *General Principles of Malaysian Law*, Lee Mei Pheng – Fajar Bakti
- 4.0 *Malaysian Law of Sale of Goods – Cases & Materials*, ER Hardy-Ivamy & Vincent Powell-Smith - Butterworths
- 5.0 *Malaysian Industrial Relations and Employment Law*, Maimunah Aminuddin – McGraw-Hill
- 6.0 *Partnership Law in Malaysia*, Dr. Samsar Kamar Latif – International Law Book Services
- 7.0 *Malaysian Legal System*, Wu Min Aun – Longman, Malaysia

10.0 MALAYSIAN TAXATION I (3 HOURS)

AIM: *To examine the candidate's broad understanding of the principles of the Malaysia Tax System. This covers knowledge about the basis principles relating to taxation of income, computation of income tax liability for individuals and the rights and responsibilities of the taxpayers.*

SYLLABUS

10.1 Development of the Malaysian Income Tax Act 1967

Brief history of taxation in Malaysia; role of direct and indirect taxation; interpretation of statutes; administration of the Income Tax Act.

10.2 Basis of Income Tax System

The income tax structure: derived basis; remittance residence of individuals, companies and bodies of persons; importance of residence, self assessment.

10.3 Computation of Income

Gross adjusted, statutory and total incomes; personal relief and rebates: rate of taxation, capital allowances, deductions, etc.

10.4 Taxation of Employment Income

Basis period; profits and gains from employment; gift, perquisites; meaning of gain or profits from employment; annual value of accommodation provided by employers; expense allowances and benefits in kind; retirement benefits and compensation for loss office.

10.5 Taxation of Individuals and Partnerships

Computation of tax liability of individuals including repayment claims; computation of business profit including the basis of assessment; change in accounting date and treatment of losses; treatments of dividends, interests, rent and royalty income; meaning and existence of partnership, ascertainment of provisional adjusted income; allocation of divisible income, capital allowance and IBA and changes in partnership.

10.6 Submission, Assessment and Appeals

Submission of tax return, payment of tax instalments and revision of estimated income tax (including withholding taxes); tax recovery, offences and penalties; assessment and appeals.

RECOMMENDED READING LIST

- 1.0 *Malaysian Taxation: Principles and Practice*, Dr. Choong Kwai Fatt - Infoworld, Malaysia
- 2.0 *Malaysian Taxation: Administrative and Technical Aspects*, Dr. Veerinderjeet Singh - Malaysia: Pearson/Longman
- 3.0 *A Comprehensive Guide to Malaysian Taxation*, Dr. Kasipillai, J. - McGraw-Hill, Malaysia
- 4.0 *Business Taxation*, Yeo, M. C. - Professional Advancement Achievement Centre, Malaysia
- 5.0 *Fundamentals of Malaysian Taxation*, Ahmad, Faridah & Loo, E. C. - Prentice Hall, Malaysia
- 6.0 *Personal Income Tax in Malaysia*, Adam Malik Farouk, Hassan Md. Ali, Humayun Begum Ibrahim & Ummu Kolsome Farouk - McGraw-Hill

STATUTE BOOKS

1. Malaysian Income Tax Act, 1967 – Malaysian Government

11.0 COMPANY ACCOUNTS AND REPORTING (3 HOURS)

AIM: *To examine the candidate's knowledge and professional competence in the application of the relevant accounting standards for the preparation of financial statements of limited liability companies in compliance with the requirements of the Companies Act, Financial Reporting Act and the Bursa Malaysia Rules and Listing Requirements.*

SYLLABUS

11.1 Financial Reporting

Disclosure requirements under the Ninth Schedule of the Malaysian Companies Act, 1965 and the Malaysian Accounting Standard Board's standards; the accounting and disclosure requirements of the Bursa Malaysia Rules and Listing Requirements; SC Guidelines.

11.2 Group Accounts

Statutory provisions of holdings and subsidiary company; Consolidated Financial Statements and Accounting for Investments in Subsidiaries, Associated Company and joint venture.

11.3 Financial Statement And Analysis

Balance sheet; income statement; statement of changes in equity; statement of cash flow; accounting ratios in financial analysis; inflation accounting and deficiency of historical cost accounting; merger accounting; shares buy-backs; valuation of companies.

11.4 Accounting for the Effects on Changes in Foreign Exchange Rates

Foreign exchange rates; methods of translating the financial statements of foreign operations; translation of balance sheet items; translation of income statement and treatment of translation gains and losses; tax effect accounting.

11.5 Take-Overs, Mergers and Business Combinations

Legal requirements governing take-overs; the Malaysian Code on Takeovers and Mergers; synergy and economics of takeover and source of finance on takeover; statutory provisions on reconstruction, absorption and amalgamation.

11.6 Liquidation of Companies

Liquidation proceedings; mode of winding up; duties and powers of liquidators; statement of affairs, claims and rights of creditors; rights of contributories; proof of debt; priority of payments; Liquidator's accounts; accounting treatment for liquidation; receivers and managers and official management.

RECOMMENDED READING LIST

- 1.0 *Advanced Accounting Practice*, LR Howard – Van Nostrand Reinhold
- 2.0 *Consolidated Financial Statements*, Dr. Tan Liong Tong (PAAC)
- 3.0 *Financial Reporting Standards for Malaysia*, Jane Lazar, Huang Ching Choo & Roshayani Arshad – McGraw-Hill

- 4.0 *Company Accounting in Malaysia and Singapore*, RC Clift & V Navaratnam – Prentice Hall
- 5.0 *Company Accounts and Reporting*, Jane Lazar & Tan Lay Leng – Pearson/Prentice Hall
- 6.0 *Malaysian Code on Take-Overs & Mergers 1998*
- 7.0 Capitals Issues Committee – New Issues of Securities and the Valuation of Public Limited Companies
- 8.0 *Company Accounting & Finance*, Han Kang Hong, Sng Gek Neo & Pang Yang Hoong – Longman
- 9.0 *Financial Accounting & Reporting in Malaysia*, Dr. Tan Liong Tong (PAAC)
- 10.0 MASB Standards
- 11.0 *Financial Reporting Act, 1997*
- 12.0 *Advanced Accounting*, Shaari Isa - Pearson/Prentice Hall
- 13.0 *A Practical Guide to Financial Reporting Standards (Malaysia)*, Ng Eng Jaan - CCH
- 14.0 Best Practices in Corporate Disclosure - MAICSA
- 15.0 Legal and Accounting Implications of Section 67A, CA 1965 – The Scope and Strategic operation of share-buyback, Philip Koh and Dr Tan Liong Tong

12.0 MALAYSIAN TAXATION II (3 HOURS)

AIM: *To examine the candidate's broad understanding of the advanced aspects of the Malaysian Tax. This covers knowledge about the computation of income tax liability for company and other entities, incentives and allowances, tax treaties, real property gains tax, tax planning, tax audit and investigation, customs, excise and stamp duties.*

SYLLABUS

12.1 Taxation of Companies

Principles of current year assessment and collection of tax; computation of income and treatment of losses; capital allowances and deductions; self assessment system; income arising abroad e.g. profit, dividends, interest and royalties including relief for foreign tax paid on such Income; withholding tax.

12.2 Taxation of Clubs, Trade Association, Societies and Specialized Industries

Taxation of trade associations and clubs, sea and air transport undertakings; insurance companies; co-operative societies, trusts and settlements, unit trusts; mining companies, agriculture industry, timber industry, leasing companies, property developers and investment holding companies.

12.3 Investment Incentives

Principle and scope of investment incentives under the Income Tax Act, 1967 and Promotion of Investment Act, 1986 including Multimedia Super Corridor and Venture Capital incentives.

12.4 Taxation Treaties

Computation of non-residence and double taxation relief including the principles of avoidance of double taxation agreements.

12.5 Tax Planning

The relevance of knowledge of income tax for management decision making and identifying opportunities for corporate tax planning; utilization of investment incentives; tax avoidance principles; restructuring of business operations; tax planning for individuals on remuneration packages; anti-avoidance provisions; utilization of unabsorbed losses and capital allowances.

12.6 Tax Audit and Investigation

Tax compliance strategies, process of tax audit, categories of tax audit, distinction between tax audit and investigation, tax avoidance and tax evasion.

Objects of tax investigation and the procedures in a tax investigation; Indicators of fraud and decision to investigate; period of investigation, methods of computing omitted income, negotiation for settlement, terminating of investigation and issuance of composite assessment.

12.7 Real Property Gains Tax

Principle, scope, administration and computation of RPGT, including the taxation of RPC shares transaction.

12.8 Indirect Taxes

The powers of the Royal Customs and Excise Department; Basis, scope, administration and computation of Sales Tax, Service Tax, Import, Export and Excise duties including Stamp and Customs duties.

RECOMMENDED READING LIST

- 1.0 *Malaysian Income Tax Act 1967, Promotion of Investments Act 1986, Real Property Gains Tax Act 1976 and Public Rulings and Guidelines issued by IRBM; Sales Tax Act 1972, Service Tax Act 1975 and Stamp Act 1949* – Malaysian Government
- 2.0 *Malaysian Taxation: Administrative and Technical Aspects*, Dr. Veerinderjeet Singh - Malaysia: Longman
- 3.0 *Malaysian Taxation: Principles and Practice*, Dr. Choong Kwai Fatt - InfoWorld, Malaysia
- 4.0 *Advanced Malaysian Taxation: Principles and Practice*, Dr. Choong Kwai Fatt - InfoWorld
- 5.0 *A Comprehensive Guide to Malaysian Taxation*, Dr. Kasipillai, J. - McGraw-Hill, Malaysia
- 6.0 *Business Taxation*, Yeo, M. C. - Professional Advancement Achievement Centre, Malaysia
- 7.0 *Fundamentals of Malaysian Taxation*, Ahmad, Faridah & Loo, E. C.- Prentice Hall, Malaysia
- 8.0 *Malaysian Master Tax Guide* – CCH
- 9.0 *Tax Implications of Liquidations and Receiverships*, Ali bin Tan Sri Kadir - The Malaysian Tax Journal

13.0 FINANCIAL MANAGEMENT (3 HOURS)

AIM: *To examine the candidate's knowledge and understanding of the role of the corporate financial environment within which the manager and enterprise operate; the means by which resources are efficiently deployed and controlled; the methods used to evaluate performance.*

SYLLABUS

13.1 Financial Objective

The theory business finance; relationship between financial and other objectives; shareholders, management and other interest groups; the need for finance; the need for profit; profit and cash flow; the role of the corporate financial manager.

13.2 Financial Institutions

Capital markets; The Bursa Malaysia; MESDAQ; public companies, the role of merchant banks and other financial Institution and issuing houses; Government finance and assistance.

13.3 Source of Finance

Source of funds; internal and external sources of funds; the sourcing and management of short, intermediate and long-term financing; bank credit hire purchase; capital and operating leases.

13.4 The Cost of Capital and Capital Structure

The importance of cost of capital; weighted average cost of capital; dividend policy and share values; level of financing and the marginal cost of capital.

13.5 Long-Term Debt

Selection of long-term debt Financing Needs; mortgages, bond, debt and bond refinancing.

13.6 The Investment Decision

Methods of investment appraisal; capital budgeting and discounted cash flow; risk and uncertainty; lease versus buy decisions; internal and external growth strategies; preparation of feasibility reports.

13.7 Performance Evaluation and Business Valuation

The use of financial ratios; inter-firm comparison; valuation techniques; assets based, earnings based, combined methods and cash flow methods; dividends and retention policies.

13.8 Management of Working Capital

Role of working capital in the financial structure of the company; funds low and liquidity; cash budgeting; inventory control and management; credit control and collections; the treasury function of the corporate financial manager.

13.9 Dividend Policy

Dividend policy and factors that influence dividend policy; bonus share and share split.

13.10 Foreign Currency and Hedging Activities

Foreign currency and exchange rate risk; the fair pricing of foreign currency; foreign currency transaction, hedges, options and swap; disclosure requirements; offshore financing in foreign currencies.

13.11 Problem of Small Business

Special financial problems of the small firm; availability of facilities and special schemes export credit financing.

RECOMMENDED READING LIST

- 1.0 *Financial Management and Policy*, James C. Van Horne - Prentice Hall
- 2.0 Central Bank of Malaysia: *Ordinance 1958, Banking Act 1973*
- 3.0 *Financial Management*, RJ Chambers – Sweet & Maxwell
- 4.0 *The Economics of Capital Budgeting*, M. Broomwick – Penguin
- 5.0 *Investors Digest*, **KLSE** – Art Printing Works Sdn. Bhd.
- 6.0 *The Bursa Malaysia Rules and Listing Requirements*
- 7.0 *Central Banking in Malaysia*, Lee Hock Seng – Butterworths
- 8.0 *Malaysian Code on Take-Overs & Mergers, 1998*
- 9.0 New Issues of Securities and the Valuation of Public Limited Companies
- 10.0 *Business Mathematics and Statistics*, A. Francis - DPP Publ
- 11.0 *The Analysis and Use of Financial Statements*, Gerald I. White, Ashwinpaul C. Sondhi & Dov Fried, John Wiley & Son

14.0 PROFESSIONAL PRACTICE & ETHICS (3 HOURS)

AIM: *To provide the candidate's with an understanding of how to apply professional practice as a company secretary towards his employer or as a practitioner and to be aware of ethical issues which management faces. Understanding of business ethics, issues and techniques which will be helpful to the profession. Candidates are expected to know the Association's Code of Ethics.*

SYLLABUS

14.1 Professional Service, integrity and objectivity

What makes a professional service to public and employer? Extensive educational program, continuing professional development/training, Represents core area of expertise, Discipline and standards of expectation, Integrity and objectivity.

14.2. Values, honesty and integrity

What are the values necessary to discharge duties and maintain rights of a company secretary. Honesty, Integrity, Objectivity based on independent judgement. Exercising due care and diligence. Competence, confidentiality, Commitment to place needs of public first, the profession, employer and personal self-esteem.

14.3 Ethics and philosophy

What is ethics in business? Ethics and philosophy, Ethics and authority, Ethics and individuals, Ethics and the Law, Ethics and religion, What makes an ethical issue, Ethical dilemma – cheating (right or wrong). Deception, Manipulation, breaking agreement, conflict of interest, Code of Ethics of Company Secretary.

14.4 Professional practice defences

Professional practice defences against litigations. Due diligence and due care, contributory negligence. Engagement letter provision, record keeping and documentation. Legal counsel.

14.5 Practice Administration

Professional ethics; setting up a practice; development of strategy, financial management and control; employment law: staff training and deployment, planning for partnership; partnership law and taxation; time budgeting and fees; client-practitioner relation; practice expansion and professional indemnity insurance; information system and control.

14.6 Professional Assignments

Appointment of Company Secretary; advisory services to clients; corporate restructuring, purchase of business, credit check; tax planning; management consultancy; internal control systems; information technology; executive search.

14.7 Company Management

Formation procedures; secretarial practice and procedures; the practice and procedures involved in providing a registrar's service; convening and conduction meetings; company registration; registration of charges; filing of annual returns and documentation.

14.8 Trust Management

Type of trust and uses; duties of trustees; accounts, books, records and taxation implications; winding up procedures.

RECOMMENDED READING LIST

- 1.0 *Business & Professional Ethics for Directors, Executives, & Accountants*, Leonard J. Brooks - South-Western College Publishing
- 2.0 *Morality and the Professional Life: Values at Work*, Brincat, C.A. and Wike, V.S.- Prentice Hall
- 3.0 *Business Ethics: Concepts and Cases*, Velasquez, M.G. - Prentice Hall
- 4.0 *Business Ethics: Case Studies and Selected Readings*, Jennings, M.M. - South Western
- 5.0 *A Practical Guide to Company Secretarial Practice*, William Fok - Leeds Publications
- 6.0 *Handbook on Company Secretarial Practice in Malaysia*, Kang Shew Meng, MAICSA
- 7.0 *The Company Secretary's Code of Ethics*, by Companies Commission of Malaysia and Ministry of Domestic Trade and Consumer Affairs
- 8.0 MACS Code of Ethics

15.0 COMPANY SECRETARIAL PRACTICE (3 HOURS)

AIM: To examine the candidate's knowledge and understanding of the principles and procedures of conducting a professional practice and its underlying regulatory framework and the demonstration of his ability to deal with many different types of assignment.

SYLLABUS

15.1 Incorporation of a Company

Procedure and practice in respect of the incorporation of different types of companies, documents to be lodged with the CCM:- Statutory Declaration by a Director, Declaration by Secretary, Declaration of Compliance; drafting of the Memorandum and Articles of Association; Certificate of Incorporation; Post-incorporation returns and Commencement of Business; Procedures in change of company's name, objects and Articles; conversion from public to private limited company and vice-versa; Memorandum and Articles of Association: Effects, the Ultra-Vires Doctrine and its limitations, the "indoor management rule" in Turquand's case" and limitations, restrictions on alteration.

15.2 Shares, Debentures and Charges

Different types of share, debentures and convertible securities; Methods and procedures of raising new capital – Private Companies; Methods and procedures of raising new capital – Public Companies; Prospectus and abridged prospectus; Rights issues, bonus issues and Employee Share Option Scheme (ESOS); Alteration to share capital; Requirements of the Bursa Malaysia Listing Requirements, Securities Commission's Issue Guidelines and Guidelines of the Foreign Investment Committee.

15.3 Member of a Company

Distinction between a member and a shareholder of a Company; rights and duties of different types of shareholders as set out in the Memorandum and Articles of Association of a Company; issue, allotment, call, forfeiture and surrender; registration of shares and issue of share certificates; transfers and transmission; Central Depository System; procedure for payment of dividends; substantial shareholdings and disclosure requirements under Companies Act & Securities Law.

15.4 Directors

Appointment and qualification of directors; Resignation, Retirement, vacation and removal from office; Powers, statutory duties and responsibilities; Company Directors' Code of Ethics; Disclosure of Directors' interests and share dealings; Restrictions: tax-free payments, loans to directors and substantial property transactions; Provisions indemnifying Directors or officers.

15.5 Company Secretaries

Appointment, qualifications, vacation, removal. Secretary's powers, statutory duties and responsibilities; Company Secretaries' Code of Ethics and Malaysian Business Ethics; Obligations and responsibilities under the Anti-Money Laundering Act 2001; Duties of Secretary before, during and after all types of general meetings of public-listed, public and private companies:- Dealing with shareholders requisitions, Board and Committee meeting procedures, including drafting of minutes and resolutions; Custody of Common Seal and authentication of documents.

15.6 Company Meetings and Proceedings

Statutory Meeting and Statutory report; Annual General Meetings, Extra-ordinary General Meetings, Class Meetings and Meetings convened by Court; Convening of Meetings and Requisitioned Meetings; Notice of Meeting; Chairman's duties and casting vote; Quorum; Adjournment and postponement; Proxies and corporate representatives; Members' rights at meetings; Voting and rights to demand a poll; Resolutions – types of resolutions, resolutions requiring special notice, registration of certain resolutions, circular resolutions; Minute of proceedings; Inspection of minute books.

15.7 Company Registers

Register of Members; Register of Directors, Secretaries and Managers; Register of Directors' shareholding; Register of Substantial Shareholders; Register of Debenture Holders; Register of Charges; Register of Holders or Participatory Interests; Register of Options.

15.8 Borrowing Powers of a Company

Powers to borrow and statutory requirements and restrictions; Public debentures and the registration of charges; Trust deed and trustees for debenture holders; Obligation of borrowing Company; Procedure for issue and redemption of debentures; Private debentures; Fixed and Floating charges.

15.9 Accounts and Audit

Accounts to be kept; Preparation and the filing of Income Statement, Balance Sheet and Directors' Report in accordance with the statutory provisions; Lodgment of Annual Returns and Accounts; Accounting periods of Companies within the same group; Auditors:- Appointment, qualification, remuneration and removal of auditors; Powers, rights and duties of Auditors, duties of Auditors to trustee for Debenture holder; Auditor's qualified privilege; Auditors' Report; Audit Committee.

15.10 The Securities Industry

Outline of the role and function of Bursa Malaysia; Procedure for obtaining listing or quotation; Listing requirements of the Main Board and Second Board; Bursa Malaysia Securities Berhad's regulations, post-listing and continuing listing obligations; Function and Powers of Securities Commission.

15.11 Arrangements, Reconstruction and Amalgamations

Power to compromise with creditors and members, Schemes of Arrangement; Power of courts to restrain proceedings; Provisions for facilitating reconstruction and amalgamation of companies; Power to acquire shares of dissenting minority shareholders; Takeovers and mergers.

15.12 Receivership and Winding-up

Receivership: Appointment, disqualification and remuneration of Receivers, difference between Receiver and Receiver and Manager, duties, responsibilities and liabilities of Receivers, procedures, records and returns to be maintained; **Winding-up:** Members'

Voluntary winding-up, compulsory winding-up, creditors' voluntary winding-up; Striking off a Company under S.308 and its procedures.

RECOMMENDED READING LIST

- 1.0 *Handbook on Company Secretarial Practice in Malaysia*, Kang Shew Meng, Lexis Nexis Butterworths, Kuala Lumpur
- 2.0 *Malaysian Company Secretarial Practice*, Zubaidah Zainal Abidin – Pearson/Prentice Hall, Malaysia
- 3.0 *Concise Principles of Company Law*, Rachagan, Shanthi, et al.- Malayan Law Journal, Kuala Lumpur
- 4.0 *Step-By-Step Guide to Company Formation in Malaysia*, Goh Cheng Chuan - Leeds Publication, Malaysia
- 5.0 *Malaysian Institute of Corporate Governance & Malayan Law Journal, Malaysian Code on Corporate Governance, Malaysia*
- 6.0 *Company Directors – Their Duties, rights, Responsibilities and Liabilities*, Goh Cheng Chuan - Leeds, Kuala Lumpur
- 7.0 MAICSA Series: *Directors & Corporate Officers – Case Summaries* - CCH Asia Pte Ltd, Kuala Lumpur
- 8.0 *Perspective on Corporate Governance and Management – Vol. I*, MAICSA & STAR Publication, Malaysia
- 9.0 *Perspective on Corporate Governance and Management – Vol. II*, MAICSA & STAR Publication, Malaysia
- 10.0 *Company Meetings: Law and Practice in Malaysia*, Priscilla Yap Poi Yok - CCH Asia, Kuala Lumpur
- 11.0 *Hands-On Guide on Company Secretarial Practice* - CCH Asia Pte Ltd, Kuala Lumpur
- 12.0 *Winding Up of A Solvent Private Company*, Stirling Horne & Petr Vrsecky - Thomson Professional Information Asia Pacific Pty. Ltd, Australia

STATUTE BOOKS

1. *Companies Act 1965* (together with Companies Regulations and Winding-up Rules)
2. *Malaysian Code on Takeovers & Mergers 1998* and any amendments
3. *Securities Commissions Act 1993* and any amendments
4. *Securities Industry Act 1993* and any amendments

OTHER REGULATORY GUIDELINES

1. Listing Requirements, Practice Notes, amendments. Bursa Malaysia Securities Bhd (BMSB)
2. Practice Notes & Guidance Notes, and any amendments. Securities Commission Guidelines

16.0 MALAYSIAN COMPANY & SECURITIES LAW (3 HOURS)

AIM: To examine the candidate's broad understanding of the principles of Company Law, disclosure obligations of Securities Law through understanding of the regulations and by-laws of limited liability companies and the statute and case law which a Company Secretary must be conversant with.

SYLLABUS

16.1 Introduction of Malaysian Company Law

Source of Malaysian Company Law; Nature and types of Companies formed under the Malaysian Companies Act; The concept of separate legal entity; Effect of incorporation - Limited liability of shareholders, Perpetual succession, Transferability of shares and control by shareholders; Lifting the Corporate Veil and Statutory Lifting of the Corporate Veil; External regulatory bodies: Companies Commission of Malaysia, Securities Commission, Bursa Malaysia and Foreign Investment Committee.

16.2 Incorporation of a Company

Pre-incorporation contracts and position of promoters; Formation procedure and post-incorporation; The Memorandum and Articles of Association; The Doctrine of Ultra-Vires and limitation under the Malaysian Companies Act; Relationship between the Company and shareholders in the Memorandum and Articles of Association; Effect of the Memorandum and

Articles between:- the Company and members, between members inter se and effect on third parties.

16.3 Share and Loan Capital

Types of shares and class rights; Methods and procedure of raising new capital by private and public issues; Prospectus, Statement in lieu of Prospectus and Abridged Prospectus under the Securities Commission Act 1993; Compliance with the Listing Requirements of the Bursa Malaysia, guidelines of the Capital Issues Committee and the Foreign Investments Committee; Transfer and Transmission of Shares – Pre-emption, Directors' Discretion, Forged Transfers; Alteration of Capital and Capital maintenance; Purchase, Redemption and financing of own Shares; Dividends – Definition, types, profits available for dividends and effects of contravention; Loans, debentures and other convertible securities; Debentures and Company Charges – Fixed and floating charges; Company charges – crystallization, priority of charges, registration and effect of non-registration.

16.4 Control & Management

Division of powers between Directors and General Meeting; Types of Directors, Appointment and Termination; Duties and Powers of Director; Fiduciary duties :- Duty of Skill, Care and Diligence, Statutory Duties and Self-Dealings by Directors – S. 131, 132A, 132B, 132C, 132D, 132E, 132G, Loans to Directors and Persons Connected – S.122 and S.122A, Directors' disclosure of share dealings and disclosure of share interests of Chief Executive, Insider Trading Law; Contractual Capacity of Directors and Protection of Outsiders – *Turquand's Rule* and Holding Out; Board Meetings and significance of decision-making; Company Secretary – appointment, qualification, remuneration, removal; Roles, duties and limitation of administrative authority of the Company Secretary; Statutory books, records, minutes, resolutions and returns.

16.5 Membership of Company

Distinction between a member and a shareholder of a Company; Duties, rights and limited powers of shareholders; Meaning of substantial shareholders; Disclosure obligations of Substantial Shareholders of public-listed companies under Companies Act 1965 and Securities Industry (Substantial Shareholdings) Regulations 1998; Rights and Protection of Minority Shareholders; Modes of action against company; The Rule in *Foss v Harbottle* and the exception to this rule; Statutory protection against oppression and form of relief including just and equitable winding-up under S.218(1)(i) and S.181 Companies Act 1965.

16.6 Shareholders' Meetings and Proceedings

Types of Company Meetings - Annual General Meetings, Extra-ordinary General Meetings, Class Meetings, requisitioned meeting; Procedure for convening and requisitioning a meeting – notice and quorum; General rules of meetings – rights at meetings, proxies, voting procedures; Type of Resolutions and their significance; Recording of proceedings - Minutes of Meetings, Statutory Requirements, minutes as evidence.

16.7 Annual Return, Accounts and Audit

The accounts of a Company; Accounting periods of Companies within the same group; Directors' responsibilities for accounts - the annual accounts, compliance with the Ninth Schedule, filing of Returns; Contents and statutory requirements of the Directors' Report; Contents and statutory requirement of the Auditors' Report; The concept of true and fair view and the statutory requirements; Auditors: Appointment, approved auditor, eligibility for appointment, statutory requirements for appointment; The function and independence of auditors; Remuneration, rights, duties and liabilities of auditors, Auditors' Qualified Privilege; Removal and resignation from office; The Company's obligations to its auditors; Auditors' liability to the Company and third parties.

16.8 Arrangements, Reconstructions, Amalgamations and Take-overs

Difference between Reconstruction and Amalgamation; Schemes of Restructuring; Scheme of Arrangements; The Statutory Framework and provisions of S.176(1); Power of Courts to make restraining orders and protections against winding up under S.176(10) and 176(10A) Companies Act 1965; Mergers and Acquisitions, Malaysian Code on Take-Overs and Mergers 1998.

16.9 Receivers, Managers and Investigation

Factors leading to receivership; Appointment of Receivers – by court, out of court; Qualification and remuneration of Receivers; Functions and Roles of Receiver or Receiver & Manager; Powers, duties and liabilities of Receivers and Receiver & Manager; Rational and order for Investigation; Application for an order and elements of Investigation; Powers of investigators, Inspector's Report, Cost of an Investigation; Securities Commission's power to recover loss or damage on behalf of a Company under S.155 Securities Commission Act 1993.

16.10 Winding Up

Types, mechanics and modes of Winding-up; Voluntary winding-up – types, circumstances, grounds and consequences; Creditors and Members' voluntary winding-up; Insolvency and Compulsory winding-up – process, persons who may petition, winding-up petition; Grounds for Compulsory winding-up order; Effects of Winding-up; Qualification, appointment of Liquidators; Functions, duties, powers and liabilities of Liquidators in a winding-up; Transactions, Recovery and Division of Assets

RECOMMENDED READING LIST

- 1.0 *Concise Principles of Company Law*, Rachagan, Shanthy, et al. - Malayan Law Journal, Kuala Lumpur
- 2.0 *Commercial Applications of Company Law in Malaysia*, Aiman Nariman Sulaiman & Aishah Bidin - CCH
- 3.0 *Principles of Company Law*, Rachagan, Shanthy, et al. - Malayan Law Journal, Kuala Lumpur
- 4.0 *Company Meetings: Law and Practice in Malaysia*, Priscilla Yap Poi Yok - CCH Asia Pte Ltd, Kuala Lumpur
- 5.0 MAICSA Series: *Directors & Corporate Officers – Case Summaries* - CCH Asia Pte Ltd, Kuala Lumpur
- 6.0 *General Principles of Malaysian Law*, Lee Mei Pheng - Fajar Bakti
- 7.0 *Company Law (Student Edition)*, Walter Woon - Sweet & Maxwell
- 8.0 *Sourcebook of Singapore & Malaysia Company Law*, Phillip N. Pillai - Singapore University Press
- 9.0 *Malaysian Company Law*, FTMS Tutors, Singapore
- 10.0 *Company Law in Malaysia - Cases and Commentary*, Krishnan Arjunan - Malayan Law Journal
- 11.0 *Commercial Applications of Company Law in Malaysia*, Pamela Hanrahan, Ian Ramsay, Geof Stapledon, Aiman Nariman Mohd Sulaiman & Aishah Bidin - CCH

STATUTE BOOKS

1. *Companies Act 1965* (together with Companies Regulations and Winding-up Rules).
2. *Malaysian Code on Takeovers & Mergers 1998* and any amendments
3. *Securities Industry Act 1993* and any amendments

OTHER REGULATORY GUIDELINES

1. Listing Requirements, Practice Notes, amendments. Bursa Malaysia Securities Bhd (BMSB)
2. *Insolvency Guidance Notes 4 & 5 (IGN 4 & 5)*, MIA
3. *Insolvency Suggested Checklist No. 1 (ISC1)*, MIA