

According validly required in any needed members

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According to the old Companies Act 1965, Annual General Meeting (AGM) is enforced to hold by an incorporation once in each year (SSM, 2017).

However, the requirement for AGM for private companies has been abolished under the New Companies Act. When CA 2016 has come into force effective on 31 January 2017, all Sendirian Berhad (Sdn Bhd) are not required to hold AGM in each year, excluding required by the constitution or either validly required in any needed members (q3solutions, 2017). There is different between the old act 1965 as all meetings of private companies are known as meeting of memberships in the new provision. The process of decisions for the Sdn Bhd can be made done by the written resolutions.

However, a resolution to remove an auditor or a director before the expiration of his term of office cannot be passed as a written resolution (Kensington, 2017). On the other hand, public companies remains the same that are compulsory to hold an AGM in each year (q3solutions, 2017). The changes in the new CA is important to ensure that the responsibilities of the boards are carried out and to run into their fiduciary duties. Also, the changes made in the CA 2016 is to enhance the internal control, corporate governance as well (Nee. E, 2017).

Formerly, shareholders have limited right, thus it is to encourage the shareholders involved in the daily operational of the company (Nee. E, 2017).

The purposes of New Act is to provide all the process and provisions necessary for the smooth running of a company. Under the new CA, there are various policies that have effect on the Sdn Bhd. For instance, all the necessary process and procedure has to distribute separately such as the selection of auditors and/ or directors, lodgment of annual returns and the

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tabling of audited financial statements, but not tied to the holding of an AGM for Sdn Bhd (Zico law, 2015).

Besides that, even though the members do not have the benefit of the forum of a general meeting to discuss the board of directors on such statements, but they still have a right to obtain audited financial statements (Zico law, 2015). Furthermore, the requirement of unanimous consent for members' written resolutions for Sdn Bhd has been removed in the CA 2016. It is compulsory to pass a written resolution that is signed by the required majority of eligible members (Zico law, 2015). When the AGM is removed from the new CA 2016, it allowed Sdn Bhd to reduce cost of doing businesses. As it is not necessary to pay to appoint a company secretary at the point of incorporation (Nee. E, 2017).

As the Sdn Bhd do not need to set up AGM, then all the decision can be made by written resolution and the notice for the meeting can be sent through electronically (Nee. E, 2017). This can be clarified as the cost-effective measures. Moreover, the abolition of AGM for Sdn Bhd that drive the positive impact is to examine the entire process and simplify the rules relating to meeting procedures as well as provides flexibility in managing affairs of companies in order to have the efficiency incorporation process and procedure (Isa. A, 2017).