

## MINISTER'S MESSAGE



**SALAM SEJAHTERA.**

I am delighted to present the 2022 Annual Report of the Companies Commission of Malaysia (SSM) to provide insights into our progress and accomplishments for the year.

**Although full of challenges, 2022 was also a year full of hope as the global economy begins to recover from the effects of the pandemic. Measures to strengthen economic fundamentals and stimulate the domestic economic potential post-pandemic will be very important to produce sustainable and inclusive growth in the long term.**

The government's dedication to post-COVID-19 economic recovery is aligned with the first theme of Twelfth Malaysia Plan (12MP), which outlines two game changers in resetting the economy-catalysing strategic and high impact industries to boost economic growth as well as transforming Micro, Small and Medium Enterprise (MSMEs) as the new driver of growth. In 2022, SSM continued its active involvements in the 12<sup>th</sup> MP, signifying a crucial milestone in our ongoing efforts to advance towards a Malaysia that is more inclusive, dynamic, and competitive, with a primary focus on prioritising the well-being and interests of the people.

SSM's participation in the 12MP is specifically outlined in the Policy Implementation Plan (PPD) under Chapter 5, which is dedicated to Addressing Poverty and Building an Inclusive Society. Within this chapter, the comprehensive and integrated initiatives aimed at addressing poverty and promoting inclusivity are expected to pave the way for Malaysia to achieve developed, inclusive, and prosperous nation by the year 2030.

SSM also has a role in the Strategy and Initiative Coordination Meeting as outlined in Chapter 7: Strengthening Socioeconomic Development in Sabah and Sarawak. The ongoing effort within this chapter encompasses the conduct of an extensive study on the business registration process, aimed at identifying opportunities for streamlining and enhancing the procedures, with the goal of improving the ease of doing business in both states.

Companies and businesses are encouraged to leverage e-commerce platforms and undergo digital transformation to modernise their business processes. To further foster the rapid growth of the e-commerce industry in Malaysia, SSM is actively participating in the National E-Commerce Strategic Roadmap Task Force. Within the framework of Strategic Thrust 6, which centres on intensifying promotional activities for established online business verification programmes, SSM has been mandated on the registering of business entities, especially those operating online, and promoting the adoption of the SSM BizTrust.

Through this initiative, SSM, via SSM BizTrust, has contributed to the government's aspirations for fostering a digital economy, which is a vital component in the country's economic recovery

efforts. This initiative represents a proactive government effort to elevate e-commerce as the important platform for marketing products and services within an ethical business environment. The e-commerce sector continues to experience growth and has seamlessly integrated into the emerging societal trends within this country.

While the economic recovery in Malaysia is gaining momentum, it's crucial to avoid complacency and contentment with our current achievements to ensure sustainable growth in the future. The global events of recent years serve as a significant reminder that we must prepare for unexpected developments and be ready to adapt appropriately.

Hence, the Ministry, in collaboration with SSM, has taken various proactive measures by implementing six (6) initiatives to aid the Government's efforts in mitigating the impact experienced by the corporate sector and the national economy as a result of the COVID-19 pandemic, while also ensuring resilience in business during the post-economic recovery phase.

In the first initiative, SSM introduced an initiative to provide a compound reduction of up to 90% on the original compound value for all offences under the Companies Act 1965, effective from 1 March until 31 December 2022. This incentive reflects SSM's proactive efforts to aid companies experiencing financial difficulties attributable to the COVID-19 pandemic.

Additionally, SSM remains committed to the *Skim Pendaftaran Perniagaan Prihatin* (SPPP), which offers free business registration to entrepreneurs in the B40 group and full-time students at higher learning institutions.

As part of its commitment to support individuals with disabilities in their business and entrepreneurial pursuits, SSM continued with the implementation of the *Skim 1 OKU 1 Perniagaan* (S1O1P), which provides free business registration and business renewal for one business per individual with disabilities.

In addition, SSM also extended free registration period for SSM BizTrust until 31 December 2022. The SSM BizTrust aims to instil consumer confidence, enhance business entities' adherence to legal requirements, and raise awareness among both traders and consumers regarding ethical business practices.

In the context of enhancing legal framework, SSM is currently in the final stages of refining the Companies (Amendment) Bill 2022, specifically addressing Corporate Rescue Mechanism and Scheme of Compromise or Arrangement. The primary objective of the Companies (Amendment) Bill 2022 is to fortify and enhance the current legal framework associated with corporate

rehabilitation, thereby offering support to companies grappling with financial challenges.

SSM will also introduce the Limited Liability Partnerships (Amendment) Bill 2022, which will incorporate a Corporate Rescue Mechanism for limited liability partnership entities encountering financial challenges, with the aim of sustaining their operations and contributing to the national economy. Both bills are currently in the approval process within the Drafting Division of the Attorney General's Chambers and will be presented in the upcoming parliamentary session following approval by the Attorney General's Chambers.

As it marks its 20<sup>th</sup> year of establishment, SSM is intensifying its efforts to provide ongoing education and awareness to all stakeholders. This commitment to education was underscored by the organisation of the 11<sup>th</sup> SSM National Conference (SSMNC), held on 26 and 27 July 2022, under the theme 'Corporate Governance and Sustainability: Needed Now More Than Ever.' The objective of SSMNC this year was to fortify corporate governance and sustainability as essential components for achieving lasting value and sustainable business growth. This annual conference serves as a pinnacle event for regulatory education, in-depth discussions, and a platform for professionals and corporate groups to stay abreast of developments in an ever-evolving business landscape.

The initiatives I have highlighted are just a subset of the many initiatives implemented by SSM in 2022. I trust that the readers will find value in the information presented in this publication.

In conclusion, I have full confidence that SSM, under the oversight and guidance of SSM Commission Members and under the leadership of Executive Management, supported by the unwavering dedication of its employees, will successfully navigate the challenges that lie ahead. Through collective effort and a strong sense of unity, we can attain our envisioned objectives.

I have every confidence that SSM will continue to evolve into a more robust corporate regulator and registrar. SSM is dedicated to fostering strong collaboration with stakeholders to enhance corporate governance within Malaysian companies, ultimately making Malaysia an attractive hub for foreign investors. I firmly believe that SSM will persist in its journey towards even greater achievements in the years ahead, remaining steadfast as a future-ready regulatory agency.

Thank you.

**YB DATO SRI ALEXANDER NANTA LINGGI**

Minister of Domestic Trade and Consumer Affairs