

## Corporate/M&A

### Practice Directive on Lodgement of Beneficial Ownership Information

On 27 May 2024, the Companies Commission of Malaysia issued a revised practice directive on the lodgement of beneficial ownership information. This revised practice directive supersedes the previous practice directive that was released on 13 May 2024.

A change in the revised directive is the introduction of paragraph 10A, which mandates both (a) existing foreign companies and (b) new foreign companies to lodge their beneficial ownership information with the Registrar of Companies through the Electronic Beneficial Ownership System (“e-BOS”).

The revised practice directive can be accessed [here](#).

### Publication of the Enforcement Approach

On 28 May 2024, the Prime Minister of Malaysia, YAB Dato’ Seri Anwar Ibrahim, delivered a keynote address at the opening session of the Global Forum on Islamic Economics and Finance.

In his speech, he reiterated Malaysian Government’s commitment towards supporting Islamic social finance initiative, and a few initiatives have been mentioned in his speech including, amongst others, the following:

- a. fundraising for waqf developments through P2P financing and equity crowdfunding platforms, with the Government providing matching funding through Malaysia Co-Investment Fund (“MyCIF”) at 0% financing rate; and
- b. establishment of Malaysia’s first Social Exchange (“SE”), a structured approach for participation of private capital in projects with positive social outcomes which will benefit entities such as NGOs, social enterprises and State Islamic Religious Councils.

# Legal Updates

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As the above two initiatives are related to capital market, the Securities Commission Malaysia (“SC”) has on the same day released a media release welcoming the two initiatives.

It is stated that the SC will come out with the detailed framework on the implementation of the SE in due course, especially in providing governance and assurance requirements to ensure funds raised in the SE will be properly used as intended. New incentives under MyCIF will also be introduced to benefit MSMEs, undertaking waqf-related projects, especially in the development of waqf land in the upstream agriculture and bio-economy segment.

The keynote address delivered by the Prime Minister of Malaysia can be found [here](#), whereas the media release of SC can be found [here](#).

## **Companies Commission of Malaysia extends the time frame for the lodgement of beneficial ownership information**

On 26 June 2024, the Companies Commission of Malaysia (“CCM”) issued the following documents:

- a. revised Practice Directive No. 9/2024 in respect of Lodgement of Beneficial Ownership Information Under the Companies Act 2016 Through e-BOS (“Revised Practice Directive”); and
- b. Frequently Asked Questions on the Extension of Time Frame to Lodge Beneficial Ownership Information Under Practice Directive No. 9/2024 (“FAQ”).

The Revised Practice Directive is an update of and supersedes the previous revised Practice Directive No. 9/2024 issued on 27 May 2024 which, in turn, had superseded the initial Practice Directive No. 9/2024 issued on 13 May 2024.

Pursuant to the Revised Practice Directive, the CCM has extended the initial three (3) months’ time frame from 1 April 2024 to 30 June 2024 for another three months to 30 September 2024 to update and lodge the beneficial ownership information with the CCM.

Pursuant to the Revised Practice Directive and the FAQ, as a result of the extension, during the extended six (6) months’ time frame:

- a. a company may lodge and update the beneficial information with the CCM anytime during the six (6) months’ period and is not required to adhere to the fourteen (14) days’ lodgement period in respect of any notice on change to the

particulars in the register of beneficial owners of the company pursuant to subsection 60B(4) of the **Companies Act 2016**; and

- b. no rectification or late lodgement fees will be imposed.

The Revised Practice Directive can be accessed [here](#) and the FAQ can be accessed [here](#).

## Practical Guide on Venture Capital and Private Equity in Malaysia

The SC has issued the first edition of the *Practical Guide on Venture Capital and Private Equity in Malaysia* on 13 June 2024. This guide provides prospective venture capital (“VC”) and private equity (“PE”) fund managers, service providers, and investors with comprehensive knowledge to navigate Malaysia's policy landscape governing VC and PE operations.

Key contents of the guide include information on local capital market regulations pertaining to the VC and PE industries, foreign exchange policy, tax matters, fund structuring considerations and other areas critical to fund operations.

The guide is now available for download [here](#).

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