

UNIVERSITI TEKNOLOGI MARA

**THE ACCEPTANCE OF THE NEW
COMPANIES ACT 2016 (ACT 777) &
REGULATIONS AMONG
PRACTITIONERS IN MALAYSIA**

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ABSTRACT

Malaysia had faced major changes on the regulations that governs the Company's affairs. In 31st January 2017, the new Companies Act 2016 (Act 777) & Regulations had come into operation after 13 years of review and amendment done by the Corporate Law Reform Committee (CLRC). This committee had been established by Companies Commission of Malaysia (CCM) in 2003 in order to review back the Companies Act 1965 that had been used for more than 50 years. The purpose of this study is to examine the level of acceptance on the Companies Act 2016 (Act 777) & Regulations among practitioners in Malaysia. This study also examines the factors that influence the level of acceptance on the Companies Act 2016 (Act 777) & Regulations among the practitioners. This study used the factors such as the interpretation of the Act, the practitioners' competencies and the implementation time as the independent variables. This study used the quantitative measures in data collection. The unit of analysis covers the Company Secretary, Auditors and other parties related to Companies Act 2016 (Act 777) & Regulations in Selangor and Kuala Lumpur. The findings from this study proposed that the level of acceptance of the Act is medium. All the three independent variables used had been proven to have influence on the acceptance level of the Companies Act 2016 (Act 777) & Regulations. Finally, the interpretation of the Companies Act 2016 (Act 777) & Regulations is the most influential factor to the acceptance level.

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CHAPTER 1

INTRODUCTION

1.1 PREAMBLE

Not everyone in the industry do really understand the real task of a Company Secretary. Thus, many did not see the importance of having secretarial study in the university (Adam, 2015). When we talk about a Company Secretary, the society always refer the Company Secretary to those who did the typewriting task, tea lady task and nothing else. The fact is that, the Company Secretary is one of the important position in a company that assist the Board of Directors in performing the policies and laws governing the corporate business (Adam, 2015). ‘Secretarial Practice’ is a term that has been used normally to combine the knowledge, skills, procedures and methods that need to be taken by the Private Secretary or Office Assistant in performing their task (Adam, 2015).

The role of Company Secretary had been existed for over 5,000 years in various forms. In the year 1841, through the English Case Law reports, the concept of Company Secretary had appeared as the “secretary of the society” (Kakabadse, Khan, & Kakabadse, 2016). The term Company Secretary itself has been recognized legally in 1845 (Kakabadse, et.al, 2016). There are many roles and regulations of a company secretary in Malaysia. One of it is the Company Secretary has a responsibility to advise the Board of Directors on the statutory compliance matters under the Companies Act and ensuring sound corporate governance (Daruwish, 2013). Other than that, the Company Secretary has the responsibilities to keep all the statutory books of the company at the registered office of the company (Kakabadse, et.al, 2016).

In the Companies Act 1965, it had sets out the legal basis on the company’s formation, its operation and the management. Besides, it also provides a set of rules that the directors and shareholders need to comply in exercising their rights and power (Securities Commission Malaysia, n.d). The Companies Act 1965 had been updated from time to time since its enactment in 1965. Approximately, the Companies Act 1965 had been amended for 35 times (Securities Commission Malaysia, n.d). The latest exercise is the Companies Act 1965 had been review and change to the Companies Act 2016 (Act 777) & Regulations.