

### LEGAL STRUCTURE

The most usual manner in which companies with existing businesses outside the country seek to establish a business presence in Malaysia is by incorporating a private company as a legal entity. The name of the company will carry a suffix “*Sendirian Berhad*” or the more common short form “*Sdn. Bhd.*”, which, literally translated, indicates that the company is a private company and its shareholders have limited liability. The maximum number of shareholders of a private company is 50, and the transfer of shares is restricted, and typically the constitution of the company will state that the transfer of shares is subject to the discretion of the Board of Directors of the company.

Alternatively, an existing company incorporated outside of Malaysia may be registered as a branch in Malaysia. Upon registration, the foreign company will be able to carry on business in Malaysia.

Other arrangements for carrying on business include sole proprietorships, partnerships, limited liability partnerships and public limited companies. The legal structure which is appropriate will depend on to your business requirements and objectives.

### SHARE CAPITAL

In general, a company may be incorporated with share capital of as little as RM1.00. However, there may be regulatory or policy requirements specific to certain industries, such as banking and financial services, oil and gas, manufacturing etc., and depending on any licensing or registration requirements.

### EQUITY CONDITIONS

Generally, foreign investors may hold 100% of the equity in all investments in new projects, as well as investments in expansion/diversification projects by existing companies, irrespective of the level of exports and without excluding any product or activity. However, specific equity conditions may be imposed for specific approvals, operating licences, permits issued by, or for registration with, the regulating Ministries/governmental agencies, depending on the activities undertaken.

### INCORPORATION / REGISTRATION

A company may be incorporated online. It will typically take a week or so from receiving all the necessary information, to both apply for approval of the Malaysian Companies Commission for the company name and to incorporate the company. Where the name of the company to be incorporated is similar to the name of the parent company, evidence of the consent of the parent company will be required by the Malaysian Companies Commission.