

ICSA International Qualifying Scheme (IQS): Professional Part 2

CORPORATE SECRETARYSHIP

SYLLABUS

A core responsibility of the Chartered Secretary is as Secretary to the Board. The aim of the module is to specify and assess the essential knowledge and skills involved in taking overall responsibility for the corporate secretarial function in small, medium and large scale organisations. The practice of corporate secretaryship in this module extends to both the strategic and functional contexts, in advising the Board, in leading teams in secretarial best practice, in ensuring compliance with law and regulation, and in establishing efficient internal communication of Board decisions and external reporting.

LEARNING OUTCOME

At the conclusion of this module, the candidate will be able to:

- Understand the scope, role and functions of corporate secretaryship and apply them within the employing or client organisation.
- Understand the law and best practice in meetings, apply them in the secretaryship function, and ensure corporate compliance.
- Ensure effective communication and dissemination of information to and from the Board, both internally and externally, for the optimum benefit of the organisation and its needs.
- Be aware of the ongoing responsibilities of the Secretary as an independent professional practitioner within the organisation, and be responsible for continuing personnel development within the secretariat.
- Be aware of, and be responsible for continuing self-development in corporate secretaryship as a professional practitioner.

PRE-REQUISITE LEARNING

Evidence of assessed pre-requisite knowledge and understanding in the following disciplines must be demonstrated through the Institute's examinations, or those of equivalent qualifications which have been approved as meeting the Institute's required curriculum and standards:

- Malaysian Corporate Law
- Strategic and Operations Management

LEARNING CONTENT

Business Registration

Types of business entities. Sole proprietorship, partnership and company. Classification of companies. Company limited by shares. Company limited by guarantee. Unlimited company. Holding and subsidiary companies.

Registration of Company

Basic steps in registration of a company. Search as to the availability of a name for company. Incorporation documents. Memorandum and Articles of Association. Registration fees and filing of documents. Certificate of incorporation. Registration of a public company. Statutory meeting and statutory report. Conversion from private to public company. Conversion from public to private company. Post incorporation documents. First board of directors meeting. Registration of

a foreign company. Foreign company. Agent of foreign companies. Documents and returns to be lodged. Books of accounts. Cessation of business in Malaysia.

Company Secretary

The company secretary. Core duties of a company secretary. Board meetings. General meetings. Memorandum and Articles of Association. Bursa Malaysia Securities Berhad's Requirements. Statutory registers. Statutory returns. Shareholders and share capital. Appointment and removal of secretary. Qualification for company secretary. Disqualification as company secretary. Appointment. Resignation and removal of secretary. Vacation of office. Code of Ethics. Liabilities. The governance role of company secretary.

Directors

Types of directors. Executive and Non-executive director. Alternate director/Substitute director. Managing Director. Associate director/special director. Independent directors. appointment of directors. Casual vacancy. Vacation of office. Death. Provisions in the Articles. Statutory provisions in the Act. Removal of a director. Retirement by rotation. Persons deemed connected with a director. Loan to directors and connected persons. Limit number of directorship. Related party transactions. Directors' duty of disclosure. Director's duties and responsibilities. Code of Ethics. Corporate Directors Training Programme.

Members and Shareholders

Definition of a member. Classes of shares. Ordinary shares. Preference shares. Members rights. Register of members. Capital structure. Raising of share capital in private companies. Application and allotment of shares. Allotment of shares for a consideration otherwise than for cash. Issue of shares to the public. Public issue. Offer for sale. Rights issue. Special issue. Bonus issue. Prospectus. Reduction of capital. Shares buy back. Share certificates. Loss or destruction of share certificates. Transfer and transmission of shares. Transfer procedure in a private company. Transfer of shares in a public listed company. Transmission of shares. Malaysian Central Depository Sdn Bhd. CDS functionalities. Dividends. Profits available for the payment of dividend. Procedure of payment of dividend for private company and non-listed public company. Payment of dividend in a public listed company. Unclaimed dividend. Employees Share Scheme.

Memorandum and Articles of Association

Statutory clauses of the Memorandum of Association. Alteration to Memorandum of Association. Change of name. Change of registered office. Change to the object clause. Conversion from unlimited company to limited company. The capital clause. Articles to the Articles of Association.

Statutory Books, Audited Accounts and Auditors Statutory Books

Register of members. Register of directors, managers and secretaries. Register of debenture holders. Register of substantial shareholders. Register of directors' shareholdings, debentures and interests. Register of charges. Minute book. Books of accounts. Profit and loss account and balance sheet. Directors' report. Directors' statement. Auditor's report. Listed companies requirements. Annual return. Auditors. Qualification of auditors. Appointment of auditors.

Vacation of office. Removal of auditors. Resignation of auditors. Appointing auditors other than retiring auditors. Rights of auditor. Duties of auditors. Audit Committee. Terms of Reference.

Regulation of Listed Companies

Demutualisation of The Kuala Lumpur Stock Exchange. Companies Commission of Malaysia. Supply of corporate information. Surveillance and enforcement. Filing returns. Bursa Malaysia Berhad. Regulatory functions of Bursa Malaysia. Going public. Reasons companies get listed on Bursa Malaysia. Bursa Malaysia Listing Rules. Application procedure and admission process. Prospectus. Corporate disclosure policy. Continuing obligations. Periodic disclosures.

Meetings and Resolutions

Requisites of a valid meeting. Annual general meeting. Extraordinary general meeting. Statutory meeting. Class meeting. Company secretary's duties for annual general meetings. Directors meeting. Company secretary's duties for board meetings. Resolutions. Directors' resolution. Members' resolution. Resolutions coupled with special notice. Circular resolutions.

Deregistration and Liquidation (*will be examined with effect from December 2011 onwards*)

Deregistration of companies under section 308. Deregistration procedure. Modes of winding up. Voluntary winding up. Effects of voluntary winding up. Members' voluntary winding-up. Creditors' voluntary winding-up. Compulsory winding-up. Grounds for ordering compulsory liquidation.

RECOMMENDED READING

1. **MAICSA STUDY MANUAL** – Corporate Secretaryship
2. **Zubaidah, Z.A. (2008)**, *Corporate Secretaryship and Governance*, University Publication Centre (UPENA) UiTM
3. **Kang, Shew Meng (2007)**, *Company Secretarial Practice in Malaysia*, (Looseleaf), Issue 5, Kuala Lumpur: Lexis Nexus Business Solutions.
4. **Kang, Shew Meng (2005)**, *Handbook on Company Secretarial Practice in Malaysia*, 4th Edition. Kuala Lumpur: Lexis Nexus Business Solutions.
5. **Lawton, P. & Rigby, E. (1992)**, *Meetings: Their Law and Practice*, UK: M & E Handbooks

FURTHER READING

1. Company Secretarial Practice Manual, Kuala Lumpur: MAICSA
2. Malaysia & Singapore Company Secretary's Practice, Singapore: CCH
3. MAICSA Best Practice Guide Series
4. **Yap, Priscilla P.Y. (2001)**, *Company Meetings: Law & Practice in Malaysia*, Singapore: CCH
5. Code of Ethics for Directors and Code of Ethics for Secretaries: ROC
6. Malaysian Code on Corporate Governance
7. Statutes, Regulations and Guidelines:
 - Companies Act 1965
 - Companies Regulations 1966
 - Companies Commission Act 2001
 - Securities Commission Act 1993
 - Policies and Guidelines of the Securities Commission Securities Industry Act 1983 Securities

Industry Regulations

- The Bursa Securities Berhad Listing Requirements & Practice Notes
- Rules of the Malaysian Central Depository Sdn Bhd
- Malaysian Code on Take-overs and Mergers 1998
- Foreign Investment Committee Guidelines
- Unclaimed Moneys Act 1965
- Journals of ICSA and MAICSA