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Decrease in number of companies winding-up

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THE number of companies which has initiated action to wind-up their businesses has decreased steadily over the past three months.

Registrar of Companies (ROC) Datuk Ramly Ali said announcements made over the past three months relating to "salvage schemes" and the appointment of Tun Daim Zainuddin as Special Functions Minister in the Prime Minister's Department may have triggered confidence among Malaysians.

Speaking at a news conference in Kuala Lumpur yesterday on the 100-year celebration of the ROC, he said while April saw 212 companies initiating action to wind-up, the figure fell to 184 in May and dropped to 170 in June.

All the companies, he added, were private limited companies.

"The trend is a decreasing number of companies and this could be due to two reasons. Firstly, creditors may not be getting their payments at the end of the day as a result of falling asset values.

"Secondly, it could be due to the announcements made by the Government relating to liquidity and Pengurusan Danaharta which is a good sign that there is a solution to non-performing loans," he said.

Ramly also said the number of companies which has been incorporated has also seen an increase.

"In April 1,546 companies were incorporated. In May it decreased to 1,487 but in June it increased to 1,713.

"If one were to look at the number of companies which have initiated a name search, there is also a rising trend. In April it was 5,025, in May it was 5,022 while in June it rose to 5,225," he said.

A company that is interested in incorporating a business usually begins with a name search with the ROC, he said.

On enforcement, Ramly said for the first six months of this year, 29,450 compound notices were issued to companies which failed to comply with the time limit to convene an annual general meeting or failed to prepare and submit its accounts or submit its annual returns. So far, RM3.47 million have been collected in compounds.

He added that last year, 62,000 compound notices were issued and RM11 million was collected.

Ramly also said that companies which have been inactive for less than six years and have no assets or liabilities can apply to be struck off the registrar.

He added that at present, there are 82,000 companies which are inactive.

On the celebrations to mark the ROC centennial, Ramly said Prime Minister Datuk Seri Dr Mahathir Mohamad will launch the centennial celebrations and conference on Corporate Governance.

The launch will be held on Tuesday in Kuala Lumpur.

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