What is a Company Secretary and What do They Do?

One drawback of setting up a private limited company in Malaysia is the relatively strict requirements – one of which is to appoint a Company Secretary. This has led many to ask:

"What the heck is a Company Secretary?"

Seriously – what is a Company Secretary?

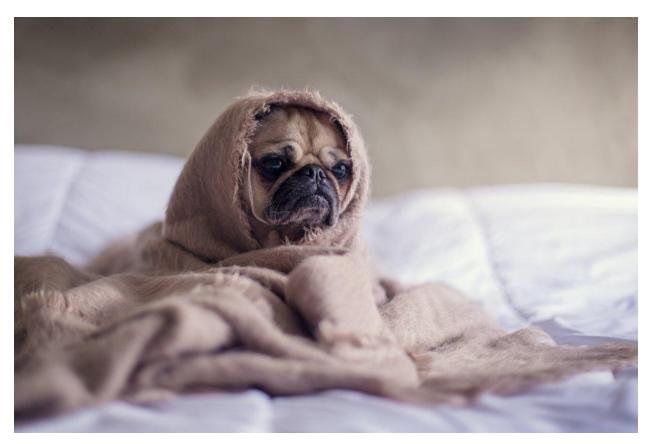
Short answer: A company officer whose appointment is mandated by Malaysian law to ensure compliance with the Companies Commission of Malaysia (SSM).

You *could* stop reading here, **hire MISHU**, and be done with it, but we advise reading on for the full picture.

Expanded answer:

Entrepreneurs running private limited companies in Malaysia must submit to the Companies Act 2016, a regulatory framework that governs the incorporation, operation, and administration of companies in the country.

The act consists of 620 sections, 577 pages, and hundreds of thousands of words written in migraine-inducing legalese.



Someone get me an aspirin.

Regardless of size and maturity, all companies must fully comply with the act or face legal consequences – a bit like letting kids design a rocket, then getting mad when it explodes and bits of astronaut rain down from the sky.

Fortunately, Section 236(1) of the Companies Act 2016 makes it mandatory for companies to appoint a qualified Company Secretary within thirty days of incorporation. At a high level, the Company Secretary's function is to know the Companies Act inside out and translate it into simple and actionable insights for everyday individuals running their businesses.

Let's take a look at what that means in terms of job scope:

Top duties of a Company Secretary

Your Company Secretary keeps the organisation running smoothly and compliant with the law. They hold various responsibilities, of which the following are most crucial:

1. Advising directors on corporate governance

As mentioned above, the Company Secretary ensures that the leadership of the company does not run afoul of the law. If a director is the one who thinks up grand plans to grow the business, the Company Secretary is the party pooper who steps in if an idea is about to get everyone arrested.

2. Monitoring legislation changes

Laws change all the time, and your Company Secretary must have their finger on the pulse – including updates in company law, corporate governance requirements, tax laws, employment regulations, and industry-specific regulations.

3. Managing and updating statutory documents

The Company Secretary maintains statutory registers as prescribed by Companies Act 2016, including details about shareholders, directors, debenture holders, etc.

4. Filing Annual Returns

They also prepare annual returns and submit them to SSM within the given period. The less you hear from SSM, the better.

5. Organising and attending meetings

The Company Secretary coordinates and schedules board meetings, prepares agendas, and takes detailed minutes of proceedings.

6. Maintaining ties between company and SSM

They are the first point of contact for inquiries and concerns raised by SSM, ensuring timely and appropriate responses.

Additional duties of a Company Secretary

In addition to the core functions listed above, an especially qualified (And well-paid) Company Secretary may take on additional duties, which include:

- Assisting in drafting and reviewing contracts, agreements, and legal documents
- Supporting the company in corporate restructuring, mergers, acquisitions, or other transactions
- Assisting in the preparation and distribution of company reports
- Facilitating communication between the company directors and shareholders

Considering how important these functions are to the running of a company, be wise when appointing a qualified individual. As a director, this is part of due diligence that you ignore at your own risk – penalties, reputation loss, and even closure of operations awaits. Look to your Company Secretary to predict and avoid potential problems – leaving you free to grow the business.

Qualities to look for in your Company Secretary

First and foremost, only candidates that have registered with SSM and obtained a Practising Certificate can act as a Company Secretary in Malaysia.

An official list of registered Company Secretaries can be found on SSM's portal. Note that certificates are issued to individual Secretaries, not companies they work for. So if you're dealing with a firm, be sure to get a person's name before cross-checking against the list.

Beyond that, it's your job not to mistake an education with intelligence!

The ideal candidate should demonstrate proficiency in handling administrative duties and possess strong communication and interpersonal skills. Knowledge of legal and regulatory frameworks is crucial, as is the ability to understand the implications of new laws for the client.

The impact of technology on Company Secretaries

Digital Company Secretaries have taken traditional functions and made them available online, allowing practically every step of the incorporation process to be done digitally. Such scalable practices means more value-added services to clients without bloodsucking fees.



Then again, can you really put a price on her smile?

Compared to just a few years ago, technology has led to major changes in the way professionals work, and Company Secretaries have adapted to stay relevant.

- Cloud-based systems are used for record-keeping and documentation
- Al-powered tools help reduce human error and improve operational efficiency.
- Board meetings are held remotely via video calls
- Government agencies now have online portals (that can be even more difficult to navigate than their real-life counterparts)

Of course, there's no free lunch, and this convenience comes at the cost of increased cyberthreats. As companies are expected to take necessary measures to safeguard sensitive data, a modern-day Company Secretary bears the responsibility of advising directors on how to leverage technology while remaining fully compliant with statutory demands.

Conclusion: a Company Secretary is essential to corporate governance

The Company Secretary is critical for a company's compliance with rules and best practices. They are a vital part of corporate governance, making sure the organisation meets legal requirements and keeps records. Plus, they manage board meetings and decisions.

Furthermore, the Company Secretary is the bridge between the board, shareholders, investors, and government bodies such as SSM. They help with corporate governance, communications and disclosure. Above all, they offer strategic advice to the board.



With that in mind, consider appointing **MISHU's Company Secretaries** as your guide to total compliance. We're friendly, digital-first, and deliver professional services at affordable prices.