

BUSINESS AND COMPANY LAW

INTRODUCTION

The syllabus comprises 40% Business Law and 60% Company Law. The emphasis is on their practical applications and the impact on the organizations for which the professionals, especially the accountants, bear the responsibility and accountability.

OBJECTIVE

To provide a sound knowledge of the core elements of Malaysian Business Law together with a thorough understanding of the Malaysian Company Law and its regulations with their applications in the management and administration of companies to the best interest of society and the profession.

LEARNING OUTCOMES

Upon successfully completing the course, candidates should be able to:

- demonstrate a sound understanding of the legal aspects of the law affecting businesses
- explain the principles of Malaysian Business Law and Company Law
- apply the principles of law in the business environment through reasoning abilities
- analyse the importance of good corporate governance and ethics

SYLLABUS WEIGHTAGE

No	Syllabus Content Area	Weighting
A	Business Law	
1.0	Malaysian Legal System	5%
2.0	Law of Contract	10%
3.0	Sale of Goods	5%
4.0	Agency and Partnership including Limited Liability Partnerships (LLP)	10%
5.0	Professional Negligence	10%
B	Company Law	
1.0	Company Formation, Constitution of Company	10%
2.0	Corporate Financing- Shares, Debentures and the Capital Maintenance rules.	10%
3.0	Corporate Management: - Rights, Duties and Liabilities of Directors, Company Secretary and other officers, including role and responsibilities of Company Auditors.	15%
4.0	Company Meetings	5%
5.0	Corporate Governance and Ethics	10%
6.0	Company Transformation, Receivership and Winding-up including other corporate rescue mechanisms when the relevant provisions in the Companies Act 2016 are implemented.	10%
	Total	100%

ASSESSMENT

Workshop	40%
Final Examination	60%
Total	100%

FINAL EXAMINATION

- A 3-hour written paper consisting of two parts:

Section A: Business Law	40%
Answer two (2) out of three (3) questions	
Section B: Company Law	60%
Answer three (3) out of four (4) questions	

SYLLABUS CONTENT

NO	CONTENT	LEVEL OF KNOWLEDGE
A	BUSINESS LAW	
1.0	The Malaysian Legal System <ul style="list-style-type: none"> - Introduction to law - Classification of Law <ul style="list-style-type: none"> o Public law o Private law o International law - Sources of Malaysian Law <ul style="list-style-type: none"> o English common law and equity o Written law o Unwritten law o Muslim law - The system of courts and administration of justice 	C
2.0	Law of Contract <ul style="list-style-type: none"> - The formation of a contract - The terms of contracts - Void/voidable/illegal contracts/agreements - Discharge of contract and remedies - E-Commerce Contracts 	A
3.0	Sale of Goods <ul style="list-style-type: none"> - Formation of the contract - Terms Implied in a contract of sale of goods - Transfer of property and risks - Transfer of title and the Nemo Dat rule - Remedies of the buyer and seller 	B
4.0	The Law of Agency and Partnership/Limited Liability Partnerships <ul style="list-style-type: none"> - Nature and creation of agency - Rights and duties of Agent and Principal - Termination of agency - Formation of partnership - Relationship of partners with one another - Relationship of partners with outsiders - Dissolution of partnership - Limited Liability Partnerships 	A

5.0	Professional Negligence <ul style="list-style-type: none"> - The tort of negligence - Duty of care - Breach of duty of care - Causality and remoteness of damage - Defences to Negligence - Professional Negligence 	A
B	COMPANY LAW	
1.0 (i)	Company Formation <ul style="list-style-type: none"> - Effect of incorporation - Principles of corporate personality - Classification of companies - Procedures for incorporation 	B
(ii)	Constitution of Company <ul style="list-style-type: none"> - What is the company constitution? - Effect of company constitution - Alteration of company constitution 	A
2.0	Corporate Financing- Share capital, loan capital and capital maintenance rules <ul style="list-style-type: none"> - Public issues of shares and the Prospectus - Capital maintenance - Purchase and financing of own shares - reduction of capital - Rules relating to payment of dividends - Loans and debentures 	A
3.0	Corporate Management - Rights, duties and liabilities of directors and company secretaries (including auditors) <ul style="list-style-type: none"> - Directors - Company Secretary - Auditors 	A
4.0	Company Meetings <ul style="list-style-type: none"> - Significance of decision making - General rules of meetings - Types of company meetings - Types of resolutions and their significance - Minutes of meetings and their significance - Board meetings 	A

<p>5.0</p>	<p>Corporate Governance</p> <ul style="list-style-type: none"> - Rules and principles based approach to corporate governance - Key issues and concepts in corporate governance - The regulatory governance framework in Malaysia and its relevancy to the accountancy profession <p>Ethics</p> <ul style="list-style-type: none"> - Key issues and concepts of ethics - Relevancy of ethics to the accountancy profession 	<p>B</p>
<p>6.0 (i)</p>	<p>Company Transformation</p> <ul style="list-style-type: none"> - Reconstruction and scheme of arrangements - Protections against winding-up - Mergers and acquisition - Code on Take-Overs and Mergers 2016 	<p>B</p>
<p>(ii)</p>	<p>Receivership and Winding-up</p> <ul style="list-style-type: none"> - Factors leading to receivership - Receivers and managers - Qualification and appointment of Receivers - Duties and liabilities of Receivers/Managers - Types of winding-up - Qualification, appointment, duties and liabilities of liquidators - Transactions and the process of winding-up 	<p>B</p>

TEXTS AND REFERENCES

Main Text

1. MIA QE Study Text

Recommended References

A. Business Law

1. Lee Mei Pheng Ivan Jeron Detta: Business Law, Oxford University Press.
2. Vohrah, Wu Min Aun: The Commercial Law of Malaysia, Longman.
3. Sihombing, Ramlah & Lokman: Business Law in Malaysia & Singapore, CCH Publications.
4. Abdul Majid bin Nabi Baksh & Krishnan Arjunan, Business Law In Malaysia, Lexis Nexis, MLJ.

5. Cheong May Fong, Contract Law in Malaysia, Sweet & Maxwell Asia.
6. Sheela Jayabalan, Understanding Law of Contract, LexisNexis.
7. J. Sheela & Rahmah Ismail, E-Commerce Contracts for Sale of Goods and Consumer Protection, Penerbit Universiti Kebangsaan Malaysia.

B. Company Law

1. Chan Wai Meng: Essential Company Law in Malaysia-Navigating the Companies Act 2016, Sweet and Maxwell.
2. Cheah Foo Seong: Guide to Company Secretarial Practice in Malaysia, Wolters Kluwer
3. Kenneth Foo Poh Kean and Lee Shih: Companies Act 2016 - The new dynamics of company law in Malaysia- CLJ Publication Companies.
4. Sagara, L. Mead and K. Bampton, Fundamentals of Ethics, Corporate Governance and Business Law, CIMA Publishing, Oxford.
5. Saleem Sheikh and W. Rees, Corporate Governance and Corporate Control, Cavendish Publishing Ltd.

Legislation, Regulations and Codes

A. Business Law

1. Contracts Act 1950
2. Sale of Goods Act 1957
3. Partnership Act 1961
4. Limited Liability Partnerships Act 2012
5. Electronic Commerce Act 2006

B. Company Law

1. Companies Act 2016.
2. Bursa Malaysia Listing Requirements.
3. Securities Commission Policy and Guidelines on Issue/Offer of Securities.
4. Malaysian Code on Corporate Governance 2017
5. Securities Commission Act 1993
6. The Financial Reporting Act (FRA) 1997
7. Accountants Act 1967
8. By-Laws (on professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants
9. Malaysian Code on Take-overs and Mergers 2016

** Candidates are to refer to the latest edition of texts and materials*

Note :

Legislation :-

Questions involving knowledge of legislation will be based on Malaysian legislation and candidates are expected to have knowledge of any current changes in legislation. However, no questions on new legislation will be set until at least six (6) months have elapsed since the last day of the month in which Royal Assent was given to the new legislation.