

SECTION T – SALE AND TRANSFER OF ASSETS

If an insolvent corporate debtor is under one of the types of insolvency procedure described previously, the sale of assets or of the business of an insolvent corporate borrower would require the following approvals, without which the transfer or sale would be prohibited or restricted. These may pose difficulties in practice and lead to delays because the process of obtaining such approvals takes time, particularly where more than one regulatory body is involved:

- ❑ Sale/purchase of assets/businesses/securities in general – the approval of the Foreign Investment Committee is required if the purchase price exceeds RM5 million or in relation to 15% or more voting interest
- ❑ Sale/Purchase of businesses/securities in a manufacturing company – the approval of the Ministry of International Trade and Industry is required.
- ❑ Sale/Purchase of securities resulting in a person having 5% or more interest in a financial institution – the approval of the Minister of Finance through Bank Negara Malaysia is required.
- ❑ Sale/Purchase of securities in a licensed dealer, fund manager, investment adviser, futures dealer – the approval of the Minister of Finance and Securities Commission if license requires it is required.
- ❑ Sale/Purchase of securities resulting in a person having 5% or more interest in an insurance company or controller of an insurance company – the approval of the Minister of Finance through Bank Negara Malaysia is required.
- ❑ Sale/Purchase of securities resulting in a person having 5% or more interest in an insurance broker or adjuster or controller of an insurance broker or adjuster – approval of Bank Negara Malaysia is required.
- ❑ Sale/purchase of assets/businesses/securities by a listed company - if relative figures exceed 5% in respect of (i) value of assets acquired/disposed compared with total assets of acquiring/disposing company, or (ii) net profits (after deducting all charges except taxation and extraordinary items) attributable to the assets acquired or disposed of compared with those of the acquiring or disposing

