

3. Formal Rescue Measures

With strategic implementation, a good corporate rescue plan can greatly maximize a business' chances of continuity on a solvent basis. In fact, a solid corporate rescue plan should yield better returns for the company's creditors or shareholders, as compared to an immediate liquidation of the business. Below are the formal measures laid out in various pieces of legislation by the government.



Companies (Exemption) Order 2020 applicable for the Covid-19 period during which legal action may not be taken against debtors

- ✓ Applicable to debts which are not able to be paid from RM10,000 to RM50,000
 - ✓ Settlement period for payment of debt is increased from **21 days to 6 months** after the notice of demand is being served
- This Order is valid for the period from **23.04.2020 to 31.12.2020** during which creditors are restrained from legal action against debtors