

ANNUAL REPORT 2016



PEMUDAH
Pasukan Pelugas Khas Pemudahcara Perniagaan | The Special Task Force To Facilitate Business

Your Business
Our Priority



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A Decade of Public - Private Sector Collaboration for A World - Class Regulatory Environment

Established since 7 February 2007, PEMUDAH, the Special Task Force to Facilitate Business, is a collaboration between the public and private sector to enhance good regulatory practices in the business environment for the common good of the rakyat.

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Message From **The Honourable Prime Minister**

YAB DATO' SRI MOHD NAJIB TUN HAJI ABDUL RAZAK
PRIME MINISTER OF MALAYSIA

The Government is focussed on 2017 as being a year of delivery. We want all the projects, programmes, services and measures that have been announced to be implemented successfully for the benefit and wellbeing of the rakyat.

Much has been achieved and more is being done to improve the rakyat's livelihood and living standards through a multitude of people-centric projects and programmes, as well as medical and educational subsidies. This is in line with the 11th Malaysia Plan (2016-2020) which stresses anchoring growth on the people.

Last year we registered a growth rate of 4.2 percent despite the considerable difficulties in the global economy. To accelerate economic momentum, the Malaysia Productivity Blueprint was launched on 8 May 2017 to double labour productivity growth to 3.7 percent per annum during the 11th Malaysia Plan period, as productivity has been identified as a game changer to enable Malaysia to achieve its 2020 targets. It is imperative that Malaysia reduces reliance on input-driven growth and strives for higher productivity-driven growth.

Malaysia must also focus on the knowledge, high-technology and value-add-driven economy of tomorrow as a way to raise per capita incomes, create the next waves of high-income employment opportunities, and build a better quality of life for the rakyat.

The World Bank Doing Business Report 2017 ranks Malaysia as the 23rd easiest-to-do-business economy in the world; but our target is for Malaysia to be ranked among the top five. PEMUDAH is pursuing many public-private sector initiatives to improve regulatory quality and efficiency in key areas, with the objectives of facilitating business and improving Malaysia's competitiveness.

I congratulate PEMUDAH which was established on 7 February 2007 as the Special Task Force to Facilitate Business, for its many successes in driving improvements in service delivery and regulatory quality.

My deepest appreciation and gratitude to the current and past Chairmen, Co-Chairs, members of PEMUDAH, and all other stakeholders for their immense contributions in enhancing processes and procedures, and spurring productivity and innovation to strengthen the business ecosystem.

I am optimistic PEMUDAH will grow in stature and relevance as a special task force which will help transform Malaysia even further into a developed and top-ranked nation with inclusive and sustainable growth.



Foreword from
**The PEMUDAH
Chairman**

YBHG. TAN SRI DR. ALI HAMSA

In 2016, PEMUDAH continued to introduce and pursue a wide range of business-friendly initiatives. These initiatives have improved efficiencies across the spectrum of public-private sector service delivery to enhance the business environment in Malaysia.

Established on 7 February 2007, PEMUDAH embraces its tenth year milestone in 2017 with stronger determination, renewed commitment and greater vigour to address and resolve issues that impact on the time and costs of doing business as well as promote good regulatory practices for businesses to thrive in. Our journey is inspired by our Honourable Prime Minister's aspiration for Malaysia to be recognised as one of the top five ranked countries globally for the ease of doing business.

During the past decade, PEMUDAH members from both the public and private sector have been working together, sharing experiences and expertise to champion transformational reform bearing significant outcomes via various Focus Groups and Task Forces within PEMUDAH.

The performance of PEMUDAH, complemented by Ministries, Departments and Agencies (MDAs) and external stakeholders, contribute to Malaysia's high rankings in international competitiveness reports. The World Bank's Doing Business Report 2017 ranked Malaysia 23rd out of 190 economies. The World Economic Forum's Global Competitiveness Report 2016-2017 ranked Malaysia 25th out of 138 economies. Malaysia was ranked 24th out of 63 economies in the World Competitiveness Yearbook 2017 by the Institute for Management Development.

Reflecting on the decade long sterling achievements, I believe together we can do more for the nation. Heartfelt gratitude to our Honourable Prime Minister for entrusting PEMUDAH with the responsibility to help realise a developed, high-income nation and my sincere appreciation to all PEMUDAH members for their immense contributions towards upholding a vibrant, resilient and competitive economy for Malaysia

Foreword from
**The PEMUDAH
 Co-Chair**



YBHG. TAN SRI SAW CHOO BOON

It always gives me great satisfaction to review the latest performance of PEMUDAH in its annual report as the initiatives embarked upon are aplenty and their impacts invariably leave an indelible mark on facilitating business in Malaysia.

PEMUDAH was established to address bureaucracy in business sector interactions with government and to effect continuous improvements in the regulatory framework. The unique public-private sector collaboration in PEMUDAH is the key to the effectiveness of its initiatives.

In this tenth year since its establishment, it is pertinent to recapitulate the terms of reference set for PEMUDAH - to review the status of processes, procedures, legislation and human resource and to propose policies for improvements, benchmark best practices, improve competitiveness, monitor the implementation of policies, strategies and procedures to improve the public-private sector service delivery and address issues in line with the national philosophy of *1Malaysia, People First, Performance Now*. I believe that since its pioneering days, PEMUDAH has managed to fulfil its terms of reference to the best of its ability. Moving forward, these terms of reference will continue to guide PEMUDAH in accomplishing its work.

Malaysia has been ranked as the best country amongst 80 countries to invest in by the Wharton School of the University of Pennsylvania in the United States based on an international survey of business decision makers. This accolade when viewed together with Malaysia's consistently high yearly rankings in international competitiveness reports points to a Malaysian business environment which is friendly and supportive be it in terms of government policies and regulations or the holistic ecosystem of supporting industries and services, excellent infrastructures, an efficient and productive workforce, safety and security, healthcare, and so forth. I believe that PEMUDAH has contributed to this favourable outcome.

I wish to call upon all members and also the stakeholders collaborating in the various public and private sector initiatives to double-up your efforts, create innovative solutions, adapt to new technologies and quicken the sense of urgency in "reaching for the sky" in order for Malaysia to join the ranks of the top five countries in the world for the ease of doing business.

On behalf of the members of PEMUDAH, I take this opportunity to express our sincere appreciation to our Chairman, the Chief Secretary to the Government of Malaysia, YBhg. Tan Sri Dr. Ali Hamsa for his wise counsel and guidance given to PEMUDAH and its members that will surely stand in good stead.

To all our members from both the public and private sectors, I extend my profound gratitude and admiration for your great dedication in serving the cause espoused by PEMUDAH.

We are most encouraged and grateful that our Honourable Prime Minister, YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak continues to lend his support to PEMUDAH which greatly motivates us in the endeavour to enhance a public-private sector service delivery that will serve businesses and the people more efficiently and effectively.



CHAPTER 1

INTRODUCTION

VISION AND VALUES

To achieve a globally benchmarked, customer-centric, innovative, entrepreneurial and proactive public and private sector delivery service in support of a vibrant, resilient and competitive economy and society, driven by the following values:

- A sense of urgency;
- Proactive public-private sector collaboration;
- Facilitation, not hampering;
- No more regulation than necessary; and
- Zero tolerance for corruption.



ABOUT PEMUDAH

PEMUDAH, the Special Task Force to Facilitate Business envisioned by former Prime Minister, YABhg. Tun Abdullah Ahmad Badawi, was established on 7 February 2007 to forge closer collaboration between the public and private sectors so as to enhance public service delivery and improve the business environment in Malaysia. This dynamic collaboration has widened to address private sector efficiencies, business process re-engineering, judicial process efficiency and even urban traffic improvements.

The public-private sector collaboration within PEMUDAH continues to drive regulatory reforms to enhance efficiencies both in the public service delivery and the private sector. The enhancements are brought about by the members of PEMUDAH, who are heads of federal government ministries and departments, accomplished leaders of trade and industry and members co-opted from key public sector agencies, working in unison with the stakeholders on efficiency issues.

PEMUDAH not only consistently identifies and addresses regulatory business and policy issues that constrain, but also formulates solutions and promotes resolutions which enhance business activities. The scope of work of PEMUDAH receive impetus from the annual World Bank Doing Business Report which ranks economies on the ease of doing business.



The following is the scope by which PEMUDAH operates:

- (a) To review the status of the public and private service delivery system in terms of the processes, procedures, legislation and human resource and to propose new policies for improvement;
- (b) To benchmark best practices to improve the ease of doing business;
- (c) To enhance collaboration among public and private sector agencies to improve Malaysia's competitiveness;
- (d) To monitor the implementation of policies, strategies and procedures that would improve the efficiency and effectiveness of the public and private sector delivery system; and
- (e) To take appropriate action to address issues in line with the National philosophy of *1Malaysia, People First, Performance Now*.

PEMUDAH operationalises its initiatives through ten major Focus Groups co-chaired by a senior government head and a corporate leader and aligned with ten business regulation indicators of the annual World Bank Doing Business reports. In addition, working groups within the Focus Groups are assigned specific terms of reference to probe and clarify issues and present recommendations for decision-making within the Focus Groups. Task forces are formed, when the need arises, to resolve important issues.

The PEMUDAH Working Group on Efficiency Issues (WGEI) meets monthly to examine issues, and relevant Focus Groups will subsequently assess them in greater detail and formulate their solutions to be escalated, after obtaining WGEI sanction, to the monthly PEMUDAH meetings for endorsement before their implementation.

PEMUDAH has, in its first ten years of establishment, accomplished many initiatives that have had a significant impact on the business environment resulting in enhanced national competitiveness, productivity and economic resilience which in turn has contributed to tremendous savings in time, cost and effort. These initiatives have also enabled Malaysia to be perennially ranked among the highest percentile grouping of economies for the ease of doing business in the annual World Bank Doing Business Report.

PEMUDAH will continually roll-out more reform initiatives to enhance and update the public-private sector delivery service so as to be able to facilitate businesses effectively in order to help surmount persistent and emerging global, regional and domestic challenges and compete for opportunities.



Members of PEMUDAH



YBhg. Tan Sri Mohamad Zabidi Zainal



YBhg. Tan Sri Dr. Mohd Irwan Serigar Abdullah



YBhg. Dato' Seri Zainal Rahim Seman



YBhg. Tan Sri Dr. Ali Hamsa
Chief Secretary to the Government of Malaysia



YBhg. Tan Sri Dr. Khair Mohamad Yusof



YBhg. Dato' Sri Alwi Hj. Ibrahim



YBhg. Datuk Muhammad Ibrahim



YBhg. Datuk Seri Ahmad Zaki Ansore Mohd Yusof



YBhg. Datuk Haji Mohammad Mentek



YBhg. Dato' Dr. Sallehuddin Ishak



YBhg. Dato' Azman Mahmud



YBhg. Datuk Hj. Mhd. Amin Nordin Abd. Aziz



YBhg. Dato' Sri Adenan bin Ab Rahman
Since January 2016



YBhg. Dato' Sri Jamil bin Salleh
Since March 2016



YBhg. Datuk Jayasiri Jayasena
Since July 2016



YBhg. Datuk Seri Dr. Rahamat Bivi Yusoff



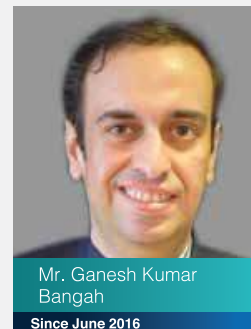
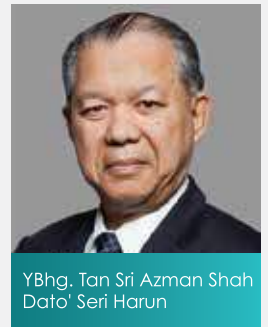
YBhg. Datuk Seri Adnan Haji Md Ikshan



YBhg. Datuk Seri Haji Saripuddin Haji Kasim



YBhg. Dato' Mohd Razali Hussain



STRUCTURE OF PEMUDAH

WORKING GROUP ON EFFICIENCY ISSUES (WGEI)

- ▶ Focus Group on Starting a Business
- ▶ Focus Group on Dealing with Construction Permits
- ▶ Focus Group on Getting Electricity
- ▶ Focus Group on Registering Property
- ▶ Focus Group on Getting Credit
- ▶ Focus Group on Paying Taxes
- ▶ Focus Group on Trading Across Borders
- ▶ Focus Group on Enforcing Contracts
- ▶ Focus Group on Resolving Insolvency
- ▶ Focus Group on Labour Market Regulation
- ▶ Focus Group on Public Relations
- ▶ Focus Group on Business Process Re-Engineering in Business Licensing

TASK FORCES DIRECTLY UNDER PEMUDAH

- ▶ Task Force on DBKL
- ▶ Task Force on Implementation of e-Payment Facilities
- ▶ Focus Group on Private Sector Efficiency and Accountability Towards Consumerism
- ▶ Focus Group on Safety and Security
- ▶ Focus Group of Education
- ▶ Focus Group on Enhancing Bumiputera Participation

COLLABORATION DRIVEN BY EQUALITY







CHAPTER 2

— A DECADE OF ACHIEVEMENTS

STARTING A BUSINESS

Companies Act 2016: Transforming Company Incorporation Processes and Procedures

The Companies Act 2016 is a culmination of more than 10 years of comprehensive study and professional consultation engagement involving various critical stakeholders championed by the Corporate Law Reform Committee (CLRC) which was established by Companies Commission of Malaysia (SSM).

The new Companies Act 2016 enforced on 31 January 2017 brings with it major reforms in the applications for, and the administration of, incorporation, with the aim of simplifying processes and reducing costs.

The Companies Act 2016 consists of 620 sections, 5 parts and 13 schedules. It will be a challenge to be familiarized with the provisions of the Companies Act 2016 given that the industry as a whole has been guided by the provisions of the now repealed Companies Act 1965 for more than 50 years.

This new Act allows for enhancements to be made in incorporation such as a single member/director company, using a form to incorporate a company without appointing a company secretary to prepare for incorporation, evidencing of incorporation done only by a notice of registration, and the optional use of a common seal.

Malaysia Corporate Identity (MyCoID) Portal and Gateway: Streamlining and Facilitating Incorporation Processes and Procedures

In 2008, SSM introduced e-Lodgement Service for business registration processes through the MyGovExchange.

2009 saw the implementation of a single reference number in 2009 (i.e. SSM's company incorporation number [MyCoID]) for the purpose of reference, registration and transaction by agencies such as the Inland Revenue Board (LHDN), Employees Provident Fund (EPF); Human Resource Development Fund (HRDF); SME Corporation Berhad and Social Security Organization (SOCSO). This entailed the introduction of a new one-stop service through the MyCoID Portal which helped to streamline the registration process.

Between 2009 and 2014, the processes and procedures of company incorporation were transformed by the introduction of a single MyCoID reference number for automatic simultaneous registration with SSM and other agencies; for company transactions involving SSM and other agencies; as well as to perform online transactions such as mandatory online incorporation.

In 2015, SSM initiated an engagement with the World Bank Doing Business to clarify that the incorporation process (via the MyCoID portal) involved a single procedure and could be completed in one (1) day.



Snapshot of Initiatives

- 2014**
 - Mandatory online incorporation is in place. Closure of over-the-counter services for incorporation of companies nationwide effective December 2014.
 - With online mandatory procedure, name search and application for registration process can be done instantaneously.
 - Savings of RM45 (for e-stamping and reduction of cost for post-incorporation items).
 - The proposed Companies Bill has been finalised and will introduce significant simplification processes and cost reductions for doing business in 2016 and beyond.
- 2015**
 - SSM initiated an engagement with the World Bank Doing Business to clarify that the incorporation process (via the MyCoID portal) involved a single procedure and could be completed within one day.
- 2016**
 - Introduction of company incorporation electronically via MyCoID portal.
 - Undertake comprehensive review of Companies Act 1965.

DEALING WITH CONSTRUCTION PERMITS

Transforming Malaysia's Performance and Ranking in Dealing with Construction Permits in the World Bank's Ease of Doing Business Reports 2007-2017

Initiatives were implemented that significantly reduced the number of procedures and the time taken in the processing of applications for permit approvals. Consequently, Malaysia's ranking in the World Bank's Ease of Doing Business Report improved from 137th position out of 175 economies in the 2007 Report to 13th position out of 190 economies in the 2017 Report.

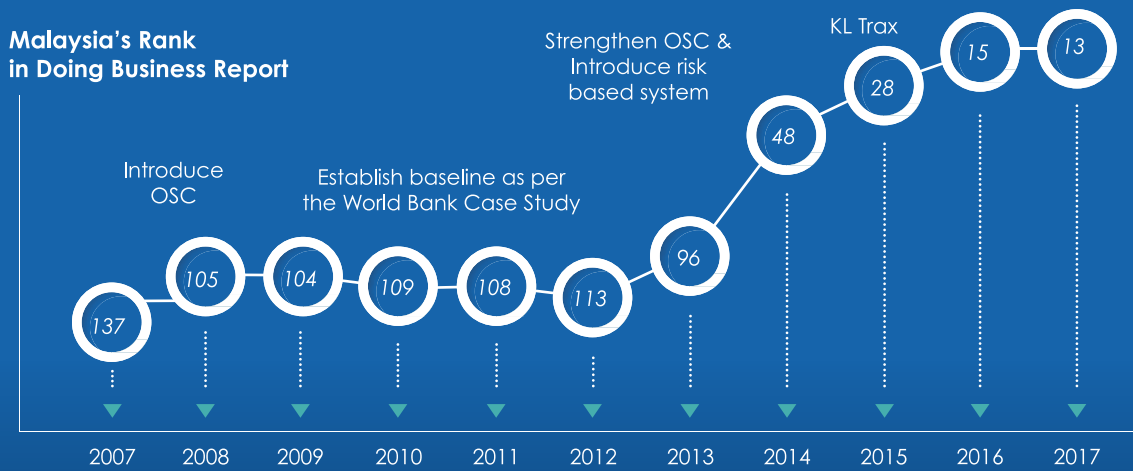


Figure 1: Leapfrogging in the World Bank: Dealing With Construction Permits

OSC 1 Submission and Joint Final Inspection

In June 2012, Kuala Lumpur City Hall implemented the OSC 1 Submission special approval lane to speed up development approval for small-scale commercial development projects through concurrent submissions of plans.

In June 2016, joint final inspection was introduced under the OSC 1 Submission applicable only for small-scale non-residential development projects which reduced the number of procedures from 10 to 3 and the time taken from 51 to 3 days.





In 2015, the KL TRAX online system was implemented in Kuala Lumpur City Hall to monitor construction permit applications from their submission dates until the issuance of the Certificate of Completion and Compliance. Applicants are able to monitor the status of the processing and identify any issues to be addressed.

KLISBEST

Kuala Lumpur City Hall launched the Kuala Lumpur Integrated Submission be Efficient, Systematic and Transparent (KLISBEST) System in 2015 as another lane to obtain permit approvals to construct complex and high-risk building projects.

Snapshot of Initiatives

- 2014

 - KL TRAX introduced as an online system to monitor construction permit applications from the date of submission until issuance of Certificate of Completion and Compliance (CCC).
 - The common template OSC 3.0 for development proposal (other than low risk development proposal category) to be adopted by all local authorities in Peninsular Malaysia for standardisation made mandatory by June 2014.
 - Introduced DCP new model for Kuala Lumpur to facilitate large and complex development using medium and fast approval 'KLISBEST'.
 - Improved the implementation of One StopCentre (OSC) 1 Submission for construction permits by Kuala Lumpur City Hall (DBKL).
 - Reduced number of procedures for approval from 15 to 13 and time taken from 130 days to 74 days.

- 2015

 - Kuala Lumpur City Hall launched the Kuala Lumpur Integrated Submission be Efficient, Systematic and Transparent (KLISBEST) System in 2015 as another lane to obtain permit approvals to construct complex and high-risk building projects.
 - FGDCP has improved the OSC 1Submission procedures in 2015 by simplifying procedures through Joint Inspection for the final inspection stage. This new procedure has led to a reduction in number of procedures from 10 to 3 and reduction in time taken from 51 days to 11 days.

- 2016

 - Improved Checklist for Joint Inspection (OSC 1Submission)
 - Enhanced competency of Principal Submitting Person (PSP)/Submitting Person(SP)and Processing Officer for Submission Requirement.
 - KL TRAX , Online Submission for Construction Permit Application.

GETTING ELECTRICITY

Accessible, Efficient and Reliable Electricity Supply

The World Bank Doing Business Report 2017 awarded the maximum score for Malaysia on the Reliability of Supply and Transparency of Tariffs Index indicator. Malaysia ranked in 8th Getting Electricity.

Increased capital investments made by Tenaga Nasional Berhad (TNB) improved the System Average Interruption Duration Index (SAIDI) and the System Average Interruption Frequency Index (SAIFI) in 2015.

A web-based electricity bill calculator has enabled residential, commercial and industrial customers to self-estimate electricity costs based on the voltage level and the subscribed capacity.

The electricity connection process was simplified and became more efficient when TNB dispensed with the requirement for a customer to hire a certified electrical engineer to certify the connection.

Snapshot of Initiatives

2014

- The number of procedures and time taken to get electricity are maintained at 5 procedures and 32 days respectively while cost in terms of percentage of income per capita reduced to 46.3% from 49.1%.
- TNB's involvement in early introduction of OSC 1 Submission and OSC 3.0 for electricity connections enabled its internal processes to be more efficient in reducing the time to get connection.
- TNB established Transformation team to review and improve its internal process and delivery. Dealing with Construction Permits and Getting Electricity initiatives are part of TNB's transformation programmes.

2015

- Cost reduction was achieved via improvement in stakeholders' (TNB/local authority/owner/consultant/project engineer) communication and the use of electronic document management with risk-based resources management.
- The "Deal from Home" concept powered by the TNB Payment Gateway has provided a breakthrough in pilot project collaboration between TNB and the Kuala Lumpur City Hall (DBKL). It has shortened the permit application period through a Service Level Agreement (SLA) Automation by Service. This improvement was subsequently expanded to Selangor, Putrajaya and Pulau Pinang.
- TNB has succeeded in scoring the highest score of 8 under the reliability of supply and tariffs transparency index in World Bank DB 2016 Report via the following initiatives:
 - » Significant improvement has been made in the System Average Interruption Duration Index (SAIDI) and the System Average Interruption Frequency Index (SAIFI) in 2015 through increased capital investment made by TNB.
 - » TNB provides a web-based bill calculator for residential, commercial and industrial customers for them to estimate their electricity costs as based on the voltage level and subscribed capacity.

2016

- Launched e-application in KL.
- Developed training module for Industry, TNB and DBKL on the usage of e-application.
- Conducted training sessions to Electrical contractors, developer, consultants, PAM/ACEM/IEM.
- Monitored e-application performance (TNB) and excavation.

REGISTERING PROPERTY

Modernisation of Land Administration

New Legislation

The Department of Director General of Lands and Mines (JKPTG) has modernised land administration as the Parliament had passed the National Land Code (Amendment) Act 2016, the Strata Titles (Amendment) Act 2016 and the Land Acquisition (Amendment) Act 2016.

These amendments enhance the capability of the delivery system and raise its efficiency to better serve property transactions and facilitate the use of electronic features in land administration.

Applications submitted for State Authority's consent for land ownership transfers throughout Peninsular Malaysia are processed in an online system which reduces process time from about two months to about 30 days.

Simplified Process and Procedures

In 2015, the Focus Group on Registering Property (FGRP) together with JKPTG introduced a web-based 42-item e-Consent form that can be downloaded and once completed, be submitted online to replace the previous 72-item manual form.

FGRP and JKPTG have also collaborated to simplify and standardise the consent form and standard operating procedures for obtaining consent which have expedited transfers, the creation of charges and leases and reduced the number of supporting documents from 40 to between 8 and 19 documents.

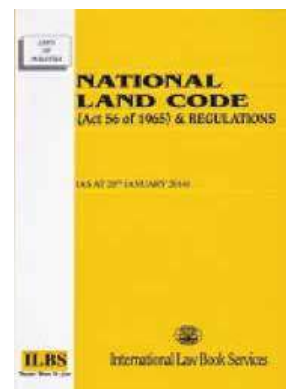


Figure 2: New National Land Code (Amendment) Act 2016

Snapshot of Initiatives

- 2014**
 - Management of e-Consent.
 - To improve the registration of transfer of strata titles within 14 working days (if it is fit for registration) when the e-Tanah system is implemented in Kuala Lumpur. However, currently the registration of transfer of strata titles is done manually, and the process would be improved from 3 months to less than 2 months.
 - Review the National Land Code to ensure land dealing procedures are safeguarded from fraud.
 - Roll-out of SELAMAT as a standard procedure for most land offices when receiving applications for land dealings and non-dealings.
- 2015**
 - An online system is being used throughout Peninsular Malaysia to process applications for State Authority's consent to transfer the ownership of land. The processing of applications with this system takes on average about 30 days which is a significant improvement over the previous period of about 60 days.
 - A web-based 42-item e-Consent form (previously a 72-item manual form) can be downloaded and the completed form submitted online.
 - The introduction of the Simplification and Standardisation of Consent Form and the Standard Operating Procedure for Consent expedited transfers, charging and lease and also reduced the number of supporting documents from 40 to between 8 and 19 documents.
 - The implementation of a Guideline for Data Maintenance of Land Records for Computerised Land Registration System on March 1, 2015 to enhance data storage and record keeping procedures.
- 2016**
 - Management of e-Consent - this is designed to simplify and standardize the implementation of Consent form and procedure.
 - Expand the implementation of standardization on e-consent management system at state level.
 - Study on the effectiveness of e-consent - the impact and effectiveness of implementation e-consent form and procedure.

GETTING CREDIT

Enhancing Access to Finance and Safeguarding Interests of Financiers

The World Bank ranked Malaysia 20th among 190 economies in the Getting Credit indicator of the Doing Business Report 2017.

Getting Credit measures the legal rights of borrowers and lenders in secured transactions and the reporting of credit information. The features within the collateral and bankruptcy laws that facilitate lending activities are assessed.

The coverage, scope and accessibility of credit information available through credit reporting service providers such as credit bureaus and credit registries are also assessed.

The Focus Group on Getting Credit formulates initiatives which will further strengthen the legal framework for secured credit transactions that will protect the rights and interests of all stakeholders in the providing and the obtaining of financing in accordance with international best practices.

Snapshot of Initiatives

- 2015**
- A preliminary study was conducted by Companies Commission of Malaysia (SSM) and Central Bank of Malaysia (BNM) to identify the gaps and make recommendations to address the shortcomings highlighted in the DB 2015 Report

- 2016**
- Initiated the devt of end to end electronic services for registration of charges/ securitised created by companies

PAYING TAXES

Facilitating Tax Filing and Payment

The time taken by employers to prepare, file and pay labour-related taxes and contributions to IRB, EPF, SOCSO and HRDF was significantly reduced from 77 hours to 40.8 hours after a baseline study and a laboratory were conducted in 2014 and revisions were implemented.

The submission of annual tax returns by individuals under Forms B and BE was simplified in 2013. The introduction of the new Section 77A Income Tax Act 1967 enabled companies to submit tax returns via electronic means (e-Filing).

The payment due dates for SOCSO, HRDF and IRB were consolidated into a single common date, the fifteenth day of the following month, which reduced administrative burden for employers.

Snapshot of Initiatives

2014

- Baseline study on time taken to file 4 labour taxes: PCB, EPF, SOCSO, HRDF - to reduce by 50% time taken to pay labour tax from the initial 77 hours and reduce administrative burden faced by businesses in complying with tax payment based on current process.
- Consolidation of payment date - SOCSO, HRDF and IRB.
- e-Filing and e-Payment for withholding tax.
- Strengthened the utilisation of bank payroll system by businesses as a mode to reduce time taken to prepare, file and pay labour tax in Malaysia.

2015

- EPF introduced payment kiosks at 12 of their office locations with 50,097 transactions recorded in 2015.

2016

- Implemented recommendation to prepare labour tax by using payroll system – promote usage of payroll software to reduce time taken.
- Replicated the EPF model on e-Filing and e-Payment to SOCSO.
- Reduced number of pages of Form C (IRB).
- Payment Kiosks.
- Implementation of iPerkeso 2.0.
- Improved post filing audit for income tax.
- Improved refund procedures for GST.



TRADING ACROSS BORDERS

Boosting Exports and Enabling Imports

Since 2008, the Focus Group on Trading Across Borders (FGTAB) has undertaken initiatives to bridge gaps and remove barriers in international mercantile trade coming out of and into Malaysia by streamlining export-import processes and procedures. The objective is to reduce the time taken, the number of documents involved and the costs incurred in exporting and importing.

Malaysia's ranking in the Trading Across Borders indicator of the World Bank Doing Business Reports improved substantially from 37th position in 2011 to 11th position in 2015 due to a reduction in the number of documents from 6 to 4 for the exporting and importing of 20-foot containers by ocean transport.

FGTAB used the Reducing Unnecessary Regulatory Burden (RURB) methodology and introduced a new Customs procedure to facilitate movements of goods and raw materials into companies based in Free Zones for value-adding activities. Compliance cost savings of at least RM150 million a year was achieved and the time taken was reduced by 90 per cent of the previous expended time.

FGTAB together with the stakeholders streamlined the Atomic Energy Licensing Board's and the Department of Civil Aviation's processes to halve the time taken to approve a permit for Dangerous Goods.



Prior to the introduction of World Bank's new methodology in 2015, Malaysia's ranking in TAB improved tremendously between 2011-2015 (from 37th to 11th place) due to reduction in:

- number of documents involved for export and import of 20ft container by ocean transport from 6 to 4 documents; and
- time taken to export and import of 20ft container by ocean transport from 17 days to 11 days for export, and 14 days to 8 days for import.



To facilitate Trading Across Borders, FG TAB implemented 2 initiatives using the Reducing Unnecessary Regulatory Burden (RURB) methodology:

- introduced a new Customs procedure to facilitate the movements of goods and raw materials for companies into the Free Zone for value added activities; and
- streamlined the Atomic Energy Licensing Board's (AELB) and Department of Civil Aviation's (DCA) processes to reduce the overall time taken for the approval of the permit for Dangerous Goods by 50%.

Snapshot of Initiatives

2014

- Outreach Programme on Authorised Economic Operator (AEO) including awareness, capacity building and consultation. In 2014, 52 operators have been accredited as AEOs and benefitted from the AEO programme in Malaysia.
- Customer Centric Service Delivery for Customs. Pillars A, B, C, D, E and F were completed in 2014.
- In order to improve Malaysia's ranking for Trading Across Borders in 2015, Focus Group Trading Across Borders identified the following initiatives to be implemented :
 - Reduce the number of documents needed for import and export from 4 (Bill of Lading, Customs Declaration, Commercial Invoice and Packing List) to 2 documents only; and
 - Reduce the time required for export involving inland transport and handling from 3 days to 1 day.

2015

- Movement of Free Zone Dutiable Goods for Farming Out for All Free Zone Companies: Savings of a total of RM 1.5 million a year in compliance costs and 90% of the time that was previously expended. A new Customs procedure was introduced to facilitate the movements for farming out of goods and raw materials.
- Obtaining the DCA Permit for Dangerous Goods: AELB and DCA streamlined their processes to reduce the overall time taken for the approval of Dangerous Goods permits by 50%.
- Worked closely with the Ministry of Transport to reduce time and expenses for inland transportation to complement the Logistics and Trade Facilitation Masterplan 2015-2020 in enhancing inland transportation efficiency, improving last-mile connectivity at Port Klang and addressing bottlenecks at the Padang Besar Terminal.

2016

- Trade Facilitation Efficiency: Reduction of time for inland transportation and handling - Upgrade Junction at Bandar Sultan Sulaiman / Northport Gate 2.
- Trade Facilitation Efficiency: Reduction of time for inland transportation and handling.


ENFORCING CONTRACTS

Strengthening Business Confidence

New Commercial Courts

The resolution of commercial disputes through the judicial process was remarkably expedited by the introduction of the New Commercial Courts (NCCs). This initiative was launched in September 2009 at the Kuala Lumpur High Court.

Timelines were set in the NCCs for the hearing and disposal of cases within nine (9) months at the High Court, three (3) months at the Court of Appeals and three months at the Federal Court. These timelines are still being generally complied with to the present day as shown below:



**DISPOSAL OF NCVC CASES
(CASES REGISTERED IN JANUARY, FEBRUARY & MARCH 2016)
HIGH COURT OF MALAYA**

REGISTRATION & ADDITIONAL MONTH	DISPOSED WITHIN 9 MONTHS	DISPOSAL PERCENTAGE WITHIN 9 MONTHS (%)
January 2016	January 2016 - October 2016	94.41%
179	169	
February 2016	February 2016 - November 2016	92.69%
219	203	
March 2016	March 2016 - December 2016	94.83%
213	202	

Table 1: Disposal of NCVC Cases Registered Between January and March 2016, High Court of Malaya

e-Filing System

The e-Filing System (EFS) was introduced at the Kuala Lumpur Courts in March 2011 and was subsequently extended to Courts in other locations. The EFS has improved Court efficiency in handling civil cases.

The EFS enables lawyers to perform online registrations, fee payments and lodgements of originating process and Court documents. This significantly improves data retrievals, eliminates manually-intensive Court administrative tasks, helps manage efficient storage of judicial papers and provides great savings of time for Court officials, staff and lawyers.

Guidebook

The Guidebook of Malaysian Courts (Civil Cases at Lower Courts) was published to be a quick reference and to create greater public awareness of the Courts and court procedures.

Snapshot of Initiatives

- 2014**
 - A study was conducted at Shah Alam High Court to review the effectiveness of the judiciary process and was completed in February 2014.
 - Published a court guidebook - *Buku Panduan Mahkamah Malaysia (Kes-kes Sivil di Mahkamah Rendah)* to be used as a quick reference and for public awareness.
 - A benchmarking visit to the Legal Execution Department and few courts in Bangkok, Thailand to benchmark other economies with higher rankings on Enforcing Contracts.
- 2015**
 - A task force formed in collaboration with the Office of Registrar of Lower Court of Malaya to prepare a draft Practice Direction on payment of deposits upon any application for enforcement of judgements.
- 2016**
 - Development of Judicial e-Lelong System - to simplify and enhance the process of auction by Malaysia Courts.

RESOLVING INSOLVENCY

Rehabilitation, Expeditious Liquidation and Maximum Recovery

The new Companies' Act 2016 was passed by Parliament in 2016 which allowed for the reform of corporate insolvency law provisions by introducing the new Corporate Rescue Mechanism (CRM) known as Judicial Management and Corporate Voluntary Arrangement. The Focus Group on Resolving Insolvency is collaborating with the Companies Commission of Malaysia (SSM) to expedite the implementation of CRM which is scheduled to be in 2018.

The implementation of CRM is expected to bring about a significant improvement in Malaysia's ranking in the Resolving Insolvency indicator which is at 46th position in Doing Business Report 2017.



Snapshot of Initiatives

- 2014**
 - Introduction of the corporate rescue mechanisms of 'Judicial Management' and 'Corporate Voluntary Arrangement' as well as overall improvements on insolvency laws such as shorter winding-up processes under the Companies Bill.
 - The new framework will provide more avenues to resolve insolvency rehabilitation process, where companies emerge as a going concern as opposed to being wound-up and sold off as piecemeal.
- 2016**
 - Mapping out on Resolving Insolvency procedures.
 - Reduced Cycle Time by simplifying Resolving Insolvency procedures.



LABOUR MARKET REGULATION

Enhancing Court Efficiency

Digital Recording System

The Digital Recording System (DRS) was installed in 11 Industrial Court of Malaysia courtrooms between August 2013 and August 2015 for use in proceedings.

The use of the DRS expedites the trial process by not requiring Court staff to prepare typewritten notes of proceedings, not requiring the Court Chairman to record notes of proceedings, speeding up case disposals and also saving on time and costs. Speech recognition technology is used in the DRS to transcribe notes of proceedings.



Snapshot of Initiatives

2014

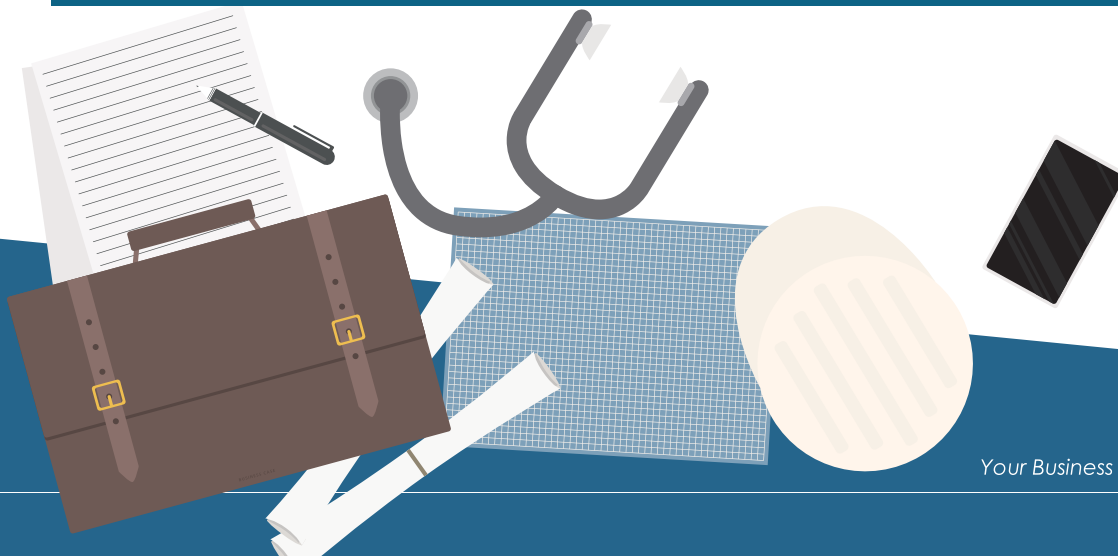
- e-labour court.
- Modernising the Industrial Court Procedure.
- Amendments to the Employment Act, 1955.

2015

- MOHR together with other relevant agencies came out with a guideline requiring employers to provide minimum standard of accommodation and amenities for their foreign workers so as to comply with Convention 29 of the International Labour Organisation (ILO) and Chapter 19 of the TPPA.
- The 3 task forces established under the Focus Group on Labour Market are Task Force on Automation and Reduction of Foreign Workers, Task Force on Recruitment of Expatriates Category 3, and Task Force on Transformation of Technical and Vocational Education Training (TVET) Curriculum.

2016

- Automation and reduction of foreign workers in the following subsectors namely:
 1. Car Wash
 2. Car Park
 3. Petrol Stations
- Reduced cost of doing business and dependency on foreign workers.



BUSINESS PROCESS RE-ENGINEERING IN BUSINESS LICENSING

Towards a Sound Regulatory Environment where Businesses thrive

An efficient regulatory process nurtures a sound regulatory environment for business activities to thrive and grow in.

The Focus Group on Business Process Re-Engineering in Business Licensing (FGBPR) promotes the simplifying and the expediting of submissions of licence applications, the streamlining and standardisation of the processing and approval of applications and the enforcement of regulations within reasonable compliance costs.

Modernising Business Licensing (MBL) Initiative to Reform Licensing System

The FGBPR led by the Implementation Coordination Unit (ICU) of the Prime Minister's Department, the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) and Malaysia Productivity Corporation (MPC) are driving MBL initiatives since 2011 for licensing improvements in federal ministries and agencies state and local authorities.

Enhancements	Objectives	Expected Outcomes
System efficiencies	Reduce number of licence	Productivity
Accessibility	Review & revise licence approval process & procedures	Savings
Transparency	Reduce regulatory burden Review licence relevancy	GRP in rule-making
Public service delivery	Quality new licences	Transparency in licence administration

Table 2: MBL Initiatives for Licensing Improvement

Between 2012 and 2014, MBL initiatives accounted for an increase of 21 per cent in efficiency, a reduction of 41 per cent in the number of procedures and a reduction of 78 per cent in the application time taken. Substantial business licensing compliance cost savings are also being achieved, for example in an exercise completed in 2012 which involved the elimination and the simplification of 395 licences at 23 Ministries and agencies, compliance costs totalling an estimated RM729 million were saved.

Business Licensing Electronic Support System (BLESS)

The ICU introduced BLESS as a one-stop online portal for the submission of applications for business licences, permits and approvals, the online tracking of applications and online fee payments.

Phase 1 of BLESS commenced in 2007 to serve the manufacturing sector only and nine other sectors were included in 2015 under Phase 2. Between 2011 and 2016, a total of 171,707 applications were received through BLESS from 169,921 registered BLESS users.

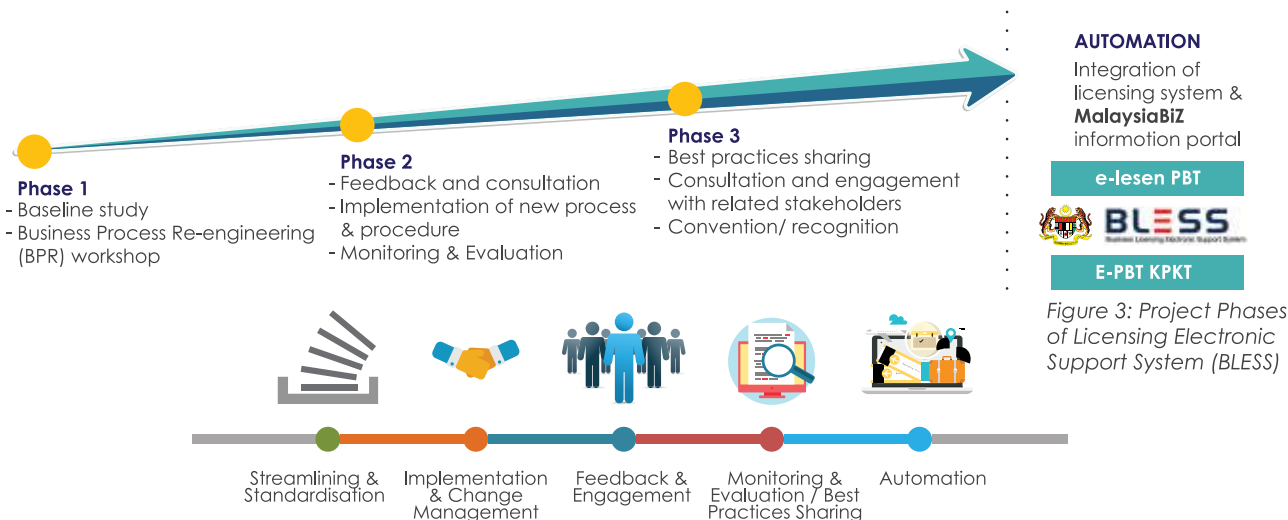


Figure 3: Project Phases of Licensing Electronic Support System (BLESS)

Snapshot of Initiatives

2014

- At the federal level, 843 business licences for 23 ministries and two agencies under the Prime Minister's Office were revised as well as 2,546 licenses for 13 states, including Sabah and Sarawak.
- The estimated total compliance cost incurred by the business community at federal and state levels was RM900 million.
- This initiative was made possible by Malaysia Productivity Corporation (MPC), Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) and the Implementation Coordination Unit (ICU) under the Prime Minister's Department.
- In order to improve the existing initiatives, the development of gateway registration and licensing is being developed under the High Impact Programme (HIP) to provide access to information and online application for business licences.
- It is an initiative under the SME Master Plan and is monitored by the National SME Development Council.

2015

- FGBPR has streamlined, standardized and improved the efficiency of businesses. The initiatives taken to support the local authorities are as follows:
 - Eliminated overlapping or conflicting requirements by different licensing authorities to ensure better coordination;
 - Collected information on the impact of licences on various businesses for the business community to comply with regulatory requirement;
 - Updated information provided by license approval authorities on compliance at online portal;
 - Provided lenient regulatory treatment or exemptions to the business community;
 - Reduced work cycle by improving work systems, eliminating non value-added activities and procedures and
 - Developed a composite form based on 3 categories of licenses, namely Business Premises and Advertising License, Hawker License and Businesses Permit.

2016

- Developed Manual Pelesenan Perniagaan for state of Selangor, Johor, Wilayah Persekutuan, Perak, Melaka, Negeri Sembilan, Pulau Pinang, Kedah, Perlis, Kelantan and Terengganu.
- Objectives of this Manual are:-
 - To provide guidance and references by applicants and local authorities regarding the process and procedures for business license applications in the state.
 - To inform the applicant of the requirements, procedures, conditions and regulations required when applying for a business license
 - To enhance the transparency and trust of the people to the government and further enhance the local authority service delivery system
- In addition, FGBPR is also involved in the SME HIP1 initiative to integrate business registration and licensing information in Malaysia Biz Portal to enhance ease of doing business.

TASK FORCE ON e-PAYMENT FACILITIES

Implementation of e-Payment Facilities

Efficiency and Convenience through e-Payments

Since 2008 there has been a marked 391% increase in the use of e-Payment services. Accreditation of Malaysia Trustmark Sektor Awam (MTSA) certificates by MAMPU to the government agencies portal to promote greater use of the e-Payment services has raised the public's confidence since 2011.

Category	Year	
	2008	2016
Agency	88	402
Services	148	727

Table 3: Achievement on e-Payment Services

Public sector e-payment strategic planning and implementation have succeeded in increasing the number of federal agencies, state agencies, universities, government-linked companies and local authorities that provide e-Payment services to the public from 116 in 2010 to 402 in 2016. The number of e-Payment services has also increased from 281 in 2010 to 727 in 2016. With the implementation of the Goods and Services Tax (GST) on 1 April 2015 and the MyGST System, the remittances of GST payments have to be done online.

The various initiatives implemented by the Task Force on Implementation of e-Payment Facilities as guided by the Government's Public Sector E-Payment Strategic Plans provide convenience to contributors and taxpayers, reduce administrative and compliance costs and increase efficiency of revenue collection .

Snapshot of Initiatives

2014

- Debit card as another mode of payment at counters was introduced.
- Treasury circular now known as 1PP included debit card as mode of payment.
- MOF agencies (EPF, IRB and RMCD) dramatically improved receipts by e-Payment due to Task Force engagement.
- MyGST system impacts e-Payment landscape of public sector in a big way. From April 1, 2015 all GST payments remitted online.
- MOF submitted single e-Payment gateway (B2G) proposal to SOCSO, IRB and EPF for implementation consideration as alternative payment gateway.
- Mandatory policy direction set for PBTs to provide e-Payment gateway on common public payments such as compounds, rent, licence and assessment tax.
- 402 agencies implemented 712 e-Payment services.
- The take-up rate in 2014 was 38% for 24 federal agencies compared with 34% in 2013 for 22 federal agencies.
- KPKT introduced e-PBT system to encourage local authorities to escalate e-Payment.

2015

- 422 agencies, local authorities and institutions implemented a total of 742 e-Payment services which is an increase from the 402 similar entities that offered a total of 712 e-Payment services in 2014.
- The level of e-Payment utilization among 36 selected Federal Agencies was recorded at 36 per cent in 2015. A total of 99 mobile payment services were also made available to the public.
- A Public Sector e-Payment Conference 2015 to increase awareness and share best practices on e-Payment was held on 26 February 2015 with 350 participations from various ministries, departments, statutory bodies, local councils, public higher learning institutions and private sectors.
- Achieved one of the three KPI's of the e-Payment Strategic and Direction Plan for the Public Sector (2010-2015) which recorded a 164% increase in appropriate e-Payment services for government agencies.
- Promoted the greater usage of e-Payment facilities by having MAMPU awarding the Malaysia Trustmark Sektor Awam (MTSA) to more eligible e-Payment services. 20 government agencies providing 22 applications were awarded the MTSA trustmark as at 31 December 2015.

2016

- 402 agencies have implemented 727 e-Payment services compared to 422 agencies which implemented 742 services in 2015.
- Published **Pelan Strategik e-Pembayaran Sektor Awam (PSPSA) 2016-2020** and was uploaded via e-book in MAMPU's portal ► <http://www.mampu.gov.my/ms/pengumuman/565-pelan-strategik-e-pembayar-an-sektor-awam-pspsa-2016-2020>



CHAPTER 3

KEY ON - GOING INITIATIVES



STARTING A BUSINESS

Key On-Going Initiatives

SSM held a series of Corporate Tea Talks in 2016 on the Companies Act 2016 and the Interest Schemes Act 2016 to create awareness and educate corporate professionals and entrepreneurs on regulatory developments.

The Royal Malaysian Customs Department (RMCD) has announced that businesses can register with the GST System within a day.

SSM will continue to hold its Annual Dialogues and Corporate Practice Consultative Forums (CPCF) in 2017 for stakeholders, professional bodies and organisations to understand and be updated on issues, services, policies and technicalities related to the Companies Act 2016.



Figure 4 : Corporate Tea Talk in Kota Kinabalu, Sabah on 11th August 2016



Figure 5 : CPCF on Company Secretarial Practice and Audit and Accounting Practice on 21th November 2016



Figure 6 : CPCF on Insolvency Practice on 24th November 2016

DEALING WITH CONSTRUCTION PERMITS

Key On-Going Initiatives

OSC 1 Submission and Joint Final Inspection

Joint final inspection was introduced under the OSC 1 Submission in June 2016 which was applicable only for small-scale non-residential development projects.

This new initiative reduces the number of procedures and the time taken in processing an application for the approval of a construction permit.

Before Joint Final Inspection	After Joint Final Inspection
10 procedures	3 procedures
51 days	3 days

Table 4: Achievement on Joint Final Inspection

In order to further reduce the number of procedures and days involved in the processing of applications for approval of construction permits, the Focus Group on Dealing With Construction Permits is conducting a study on the feasibility of technical agencies applying risk-based inspections at the final inspection stage as another mode of pre-approval due diligence.



GETTING ELECTRICITY

Key On-Going Initiatives

OSC 1 Submission and Joint Final Inspection

Updates on improvement of rankings in the World Bank Doing Business Report in Getting Electricity process at Kuala Lumpur:

i. Getting Electricity Ranking in DB 2017

Getting Electricity in Malaysia has been ranked 8th out of 190 economies with a DTF score of 93.34. The indicator in Getting Electricity that has shown improvement is the number of procedures which has been reduced from 5 to 4. As a result, the number of days to obtain an electricity connection has also reduced from 32 days to 31 days and the cost in terms of income per capita has been reduced from 30.7 per cent to 26.6 per cent.

The indicators for DB 2017 remain the same as DB 2016. Two new indicators have been introduced in DB 2016 for Getting Electricity i.e. the reliability of supply and transparency of tariffs index, and the price of electricity so as to offer a holistic view of the electricity distribution sector. The first indicator is included in the DTF score while the second indicator (the price of electricity) is excluded. Malaysia has scored the highest on the reliability of supply and transparency of tariffs index, 8 out of the maximum 8.

ii. The Reform from DB 2016 - DB 2017

The significant improvement in Malaysia's ranking can be attributed to the high index score achieved and also to the initiative undertaken by Tenaga Nasional Berhad (TNB) to eliminate hiring certified electrical engineers as it is now obsolete since this is interaction between customer and customer's representative.

iii. Past Ranking for Getting Electricity

Figure 8 shows Malaysia's improvement in rankings on Getting Electricity in World Bank Doing Business Reports 2011 to 2017.



Getting Electricity ranking has improved for the last 7 years
 The result for Getting Electricity is based on 190 economies worldwide

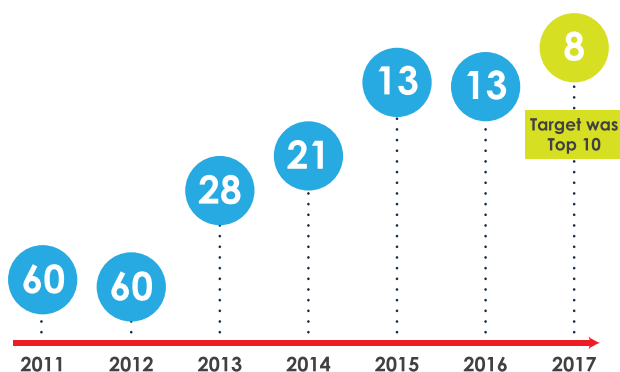


Figure 8: Getting Electricity Rank in Doing Business Report

TNB's initiatives on enhancing their own communication and information system technologies such as "Deal from Home", Corporate Geographical Information System (CGIS), Mobile Field Force Automation (MFFA) and remote meter reading and smart meter has definitely made Getting Electricity a lot easier.

iv. Way Forward

The PEMUDAH Focus Group on Getting Electricity (FGGE) proposes to work with TNB to widen their capability by focusing on energy efficiency and the quality of power supply. Moreover, the FGGE team is emphasizing its commitment to introduce initiatives to obtain a higher ranking for GE and to acknowledge the seriousness of the matters relating to Getting Electricity to businesses. In order to achieve the target of top five, TNB has set up new features in upgrading their server to eliminate the site visit procedure such that the customer will be able to upload all application documents without visiting TNB.

Moving forward, the Energy Commission will continue to monitor and improve coordination with Tenaga Nasional Berhad (TNB) and other agencies for continuous improvement.

REGISTERING PROPERTY

Key On-Going Initiatives

The Focus Group on Registering Property in collaboration with the Companies Commission of Malaysia (SSM) and the Department of Director General of Lands and Mines (JKPTG) has introduced and is fine-tuning an initiative to integrate the current practice of separate searches made on land titles at JKPTG and on companies and their solvency status at SSM into a single composite search to be performed at JKPTG via the e-Tanah electronic online system linked with the database at SSM.

The integration of the searches will result in greater administrative efficiency that will allow for great savings in time and costs for stakeholders. The e-Tanah System is expected to go live in the latter half of 2017.

e-Tanah System

The benefits of the e-Tanah System are:

1. A single-point-of-contact counter for all land administration transactions.
2. Online land searches.
3. Status checking of transactions.
4. Online submissions of applications.
5. Authenticity of information through integration.
6. Expediting the process.

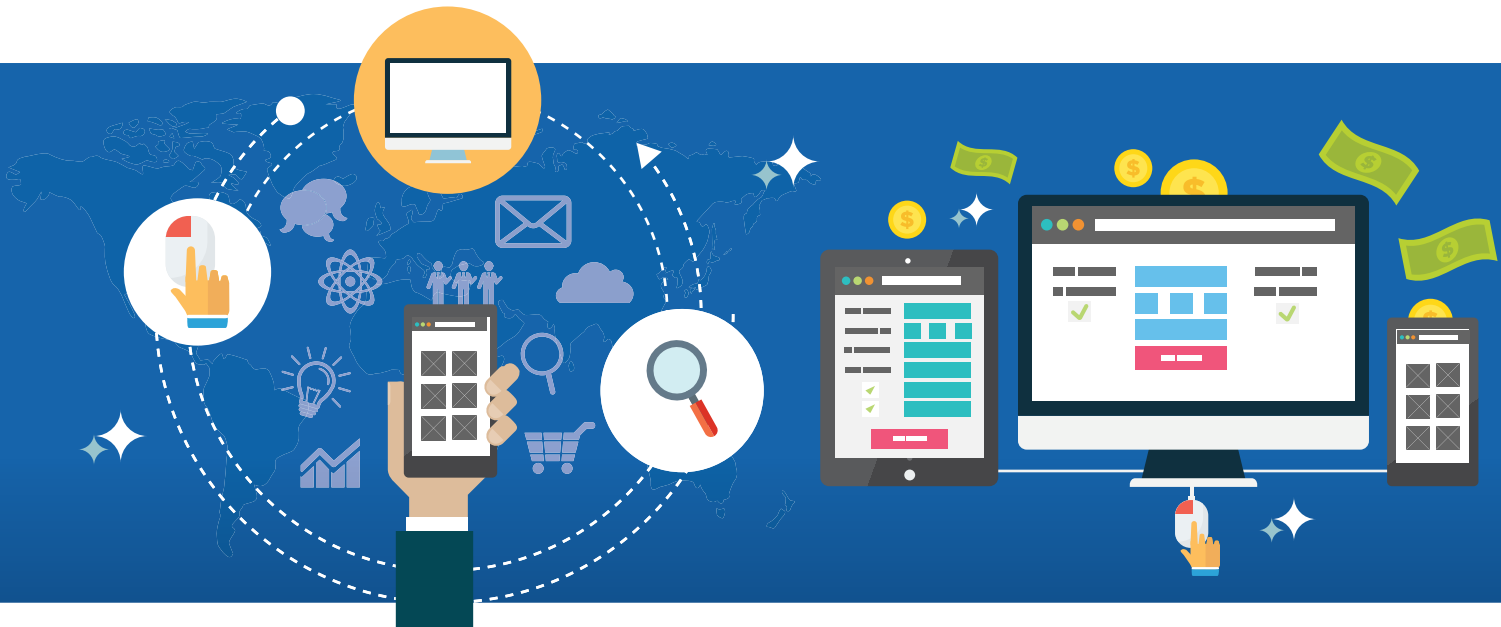
GETTING CREDIT

Key On-Going Initiatives

The Companies Commission of Malaysia (SSM) is championing a new reform initiative in collaboration with the Focus Group on Getting Credit to enhance access to financing and protect the interests of financiers.

This initiative is to create and maintain a collateral registry of the types of assets of both incorporated and unincorporated entities through an electronic database indexed by the names of debtors.

SSM will hold public consultations on the proposed Personal Property Securities Registration Law in 2017 prior to the drafting of a bill to be tabled in Parliament for its approval.



PROTECTING MINORITY INVESTORS

Key On-Going Initiatives

On 24 March 2016, various amendments to the Bursa Malaysia Securities Berhad Main Market and ACE Market Listing Requirements (collectively "the Listing Requirements") were made to raise the standards of disclosure and corporate governance practices ("Disclosure and CG Amendments").

Enhancement of shareholders rights under the new Companies Act 2016 which was passed by Parliament on 28 April 2016. Amongst new provisions introduced includes, on members' rights for management review, the lowering of threshold of members' entitlement to require circulation of written resolution which will make it easier for members to propose for agenda at AGM and enhanced penalty of up to 5 years imprisonment or a fine of RM3 million or both for offences relating to non-disclosure and fraudulent transactions.



PAYING TAXES

Key On-Going Initiatives

iPERKESO 2.0

SOCSCO in collaboration with the Focus Group on Paying Taxes has activated the iPERKESO 2.0 Portal "live" on 1 March 2017 as an employer self-service portal. More than 8,000 employers have subscribed to this portal.

1.	Saves costs	Reduces printing of Borang 8A. Increases data accuracy to avoid reconciliation. Reduces postage cost.
2.	Mitigates risk	Online payments eliminate cheque problems. No misplaced, damaged or illegible Borang 8A.
3.	Reduces/eliminates use of Borang 8A	Ultimate aim is to end the use of hard copy Borang 8A.
4.	Saves time	Online payment saves employer's travel time to make offline payment.
5.	Enhances data quality	Employee data is made more accurate.
6.	Provides greater convenience	Replaces Sistem Caruman Perkeso.

Table 6: The Benefits of iPERKESO 2.0

Use Payroll System for Preparation of Labour Tax Returns

The Focus Group on Paying Taxes in cooperation with the Inland Revenue Department (IRD) is pursuing the initiative to have employers use a payroll system to prepare labour tax returns which will halve the time required to prepare such returns. Initial emphasis is being given to creating awareness and acceptance among the business community, in particular the SMEs.



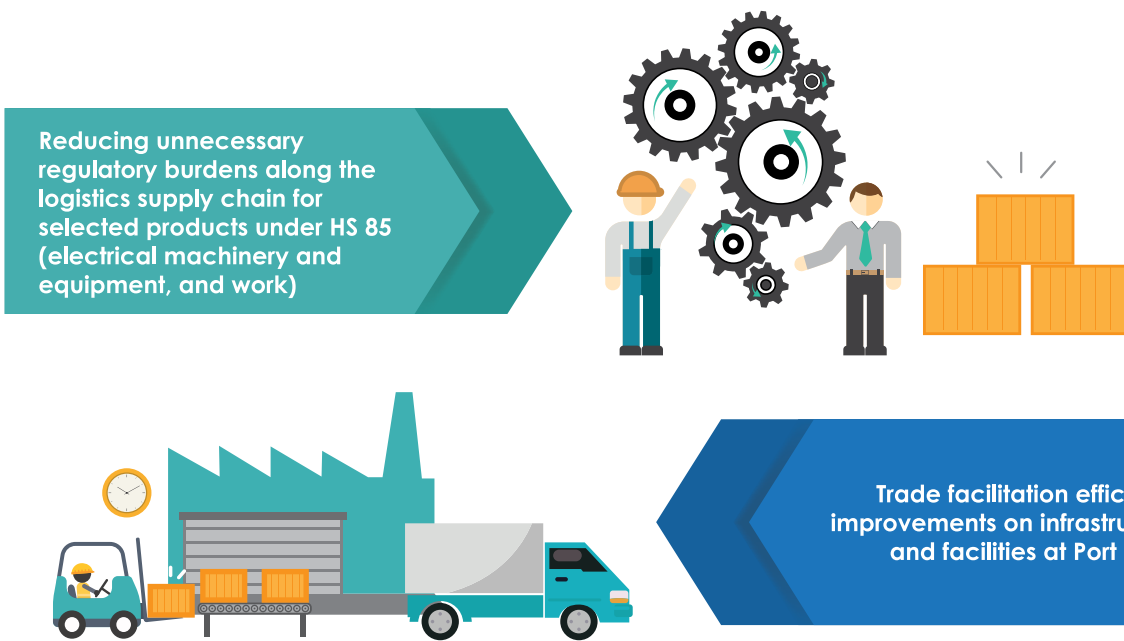
TRADING ACROSS BORDERS

Key On-Going Initiatives

In 2015, the World Bank introduced a new methodology with 12 new indicators to measure time and costs incurred for documentary and border compliance in exporting and importing selected products.

In the case of Malaysia, the selected products are HS 85 (Electrical Machinery and Equipment) for exports and HS 8708 (Parts and Accessories of Motor Vehicle) for imports. The introduction of the new performance measurement impacted many economies, including Malaysia which slipped from 48th position in 2015 to 49th in 2016.

In an effort to improve Malaysia's performance in the Annual Doing Business Report, FGAB reviewed regulations and regulatory procedures along the logistics supply chain to identify gaps for products under HS 85. The final outcome led to improving export closing time at Port Klang.



The Royal Malaysian Customs Department (RMCD) is preparing to commission a Time Release Study (TRS) to be conducted on the time required for the release of goods from Port Klang.

The findings from the TRS will be analysed by RMCD and the Focus Group on Trading Across Borders in relation to Malaysia's performance in the Trading Across Borders indicator in the World Bank Doing Business Report 2017 and will form the basis to launch further initiatives to enhance border and document compliances in the port operations.



ENFORCING CONTRACTS

Key On-Going Initiatives

The Judicial e-Bidding System known as e-Lelong is an initiative undertaken by the Focus Group on Enforcing Contracts to simplify and enhance the efficiency in Court-administered judicial auctions for greater transparency, faster process time to recovery and higher public confidence. Purchase bids are to be submitted online.

The initial phase of e-Lelong is scheduled to be soft-launched in mid-2017 at the Court Complex in Kuantan, Pahang. It is envisaged that e-Lelong will be implemented in all the relevant Courts in Peninsular Malaysia.



RESOLVING INSOLVENCY

Key On-Going Initiatives

Expediting Resolving Insolvency

The Focus Group on Resolving Insolvency (FGRI) is collaborating with the Federal Court of Malaysia on an initiative to expedite the resolving insolvency process by reducing the number of days for the holding of a Court hearing for the dissolution of a company and the granting of the Court Order as well as for the effecting of the dissolution of the company itself and the issuance of a clearance letter for the discharge of the liquidator.

Trial to Judgement Process

The FGRI will continue to have engagements with the World Bank Group to clarify issues related to Malaysia's performance on the Resolving Insolvency indicator of the Doing Business Report primarily on the time taken from trial commencement to the awarding of judgement in a typical case and in respect of the Court practice directions.



LABOUR MARKET REGULATION

Key On-Going Initiatives

Development of Digital Recording System (DRS) in Industrial Court of Malaysia (ICM)

Introduction

Upon the recommendation of PEMUDAH, MOHR instructed ICM to conduct feasibility studies on the implementation of a recording system during court proceedings in the Industrial Courts. Between November 2010 and October 2011, ICM carried out a pilot project to test and evaluate the Audio & Video Recording System in Court 19.

Objectives of the DRS

- i To expedite the trial process by eliminating the need for preparation of typewritten notes of proceedings by the Court staff;
- ii To save time and cost and increase the disposal of cases;
- iii No recording of lengthy notes of proceedings by Chairman; and
- iv Notes of proceeding generated using speech recognition technology.

Impact of the DRS Implementation

The project commenced on 2 August 2013 and was completed on 1 August 2015 at an estimated cost of RM 4,190,800 and involved 11 courtrooms (6 in MPKL and one in every branch). In 2015, 1 court room was upgraded and the maintenance of the system has been extended until 24 June 2018. In 2016, DRS court managed to handle 2236 cases and disposed 751 of these cases compared to 1536 cases handled by manual court with 593 cases disposed.

Issues & Problems

- i Chairman still takes down the notes of proceeding; inaccurate transcript and delay in generating it and frequent repetitive questions by counsel;
- ii Unclear pronunciation of words and use of mixed languages during trial proceedings; and
- iii Parties talking simultaneously during trial proceedings and do not speak at normal speed (either too fast, stammer) etc.

Conclusion

With the DRS, the trial duration is shortened and more cases are completed. However, this will cause the increase in the number of awards required to be written and handed down by the Chairman within a short period of time; as well as incomplete notes of proceeding due to the transfer of part - heard cases which were tried in non DRS - Court previously to DRS Court and vice versa.



IMPLEMENTATION OF e-PAYMENT FACILITIES

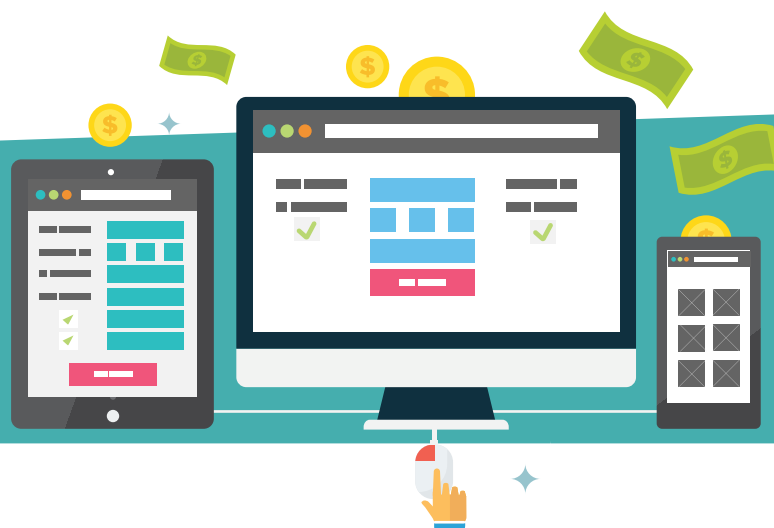
Key On-Going Initiatives

The Task Force on Implementation of e-Payment Facilities identifies and promotes initiatives that are in accordance with the main objectives of the Public Sector e-Payment Strategic Plan (2016-2020).

The Plan aims to increase the number of agencies that provides e-Payment services to the public by an additional 20 agencies, step up the usage of e-Payment services to at least 60 per cent of the total number of payment transactions made by the public with the agencies and achieve a client satisfaction level of at least 80 per cent on e-Payment services.

1.	Increased the number of agencies that will implement e-Payment services.
2.	Increased the usage level of e-Payment services.
3.	Increased the number of agencies using the Malaysia Trustmark Sektor Awam (MTSA).
4.	Promoted e-Payment services through the use of mobile devices.
5.	Completed performance reports on e-Payment utilisation.
6.	Conducted an e-Payment awareness programme with the agencies.

Table 7: Implementation of e-Payment Facilities: 2016 Improvements



KUALA LUMPUR CITY HALL (DBKL)

Key On-Going Initiatives

Improvements At Jalan Tun Razak

Jalan Tun Razak is a very important trunk road of Kuala Lumpur also referred to as Middle Ring Road I, in the overall road network of Kuala Lumpur. Motorists use Jalan Tun Razak to travel to the south and north, hence Jalan Tun Razak acts as a main dispersal road of the city. Priority needs to be given to vehicles travelling along the Jalan Tun Razak main flow so that traffic can be dispersed quickly out of the Kuala Lumpur city centre, especially during the peak hours. A strategy is adopted to stop or minimise the weaving of traffic, thus allowing free uninterrupted flow on the main line of Jalan Tun Razak to facilitate faster traffic dispersal out of the city.

Realising the importance of Jalan Tun Razak, the Special Committee on Easing Traffic Congestion, or Traffic Management Task Force (TMTF) of PEMUDAH / DBKL, with members from the Royal Malaysian Police and Kuala Lumpur City Hall, embarked on a plan to improve traffic flow at various stretches along Jalan Tun Razak.

High Impact Improvements At Jalan Tun Razak



Figure 9: MEX Highway landing on Jalan Tun Razak. Lanes increased from 2 to 3 lanes for flow from MEX Highway / Jalan Sg. Besi on Jalan Tun Razak.



Figure 10: Jalan Tun Razak in front of US Embassy, Physical barrier to overcome weaving problem in front of the US Embassy

Others Improvements At Jalan Tun Razak



Figure 11: Physical barrier to overcome weaving problem near Titiwangsa Monorail Station



Figure 12: Physical barrier to overcome weaving problem in front of completed of IJN (North Bound).



Figure 13: Removal of exclusive U-turn facility at Jalan Tun Razak / Jalan Bukit Bintang intersection.



Figure 14: Physical barrier to overcome weaving problem at Jalan Tun Razak / Jalan Bukit Bintang underpass (RHB).



Figure 15: Physical barrier to overcome weaving problem in front of Fraser Park (Metro Pudu).



Figure 16: Installation of Ramp Metering System (RMS) at ramp up from Jalan Yew roundabout.



Figure 17: Ban right turning from Jalan Tun Razak to Jalan Yap Kwan Seng.



Figure 18: Channelisation of Jalan Bukit Bintang / Jalan Kia Seng slip into Jalan Tun Razak main flow.



Figure 19: Physical barrier to overcome weaving problem near Double Tree Hilton.



Figure 20: Implement single file exit for vehicles coming up from Kg. Pandan roundabout.



Figure 21: Implement single file exit for vehicles coming out from AKLEH



Figure 22: Reconfigure lanes on Jalan Tun Razak to accommodate an acceleration lane for AKLEH traffic.





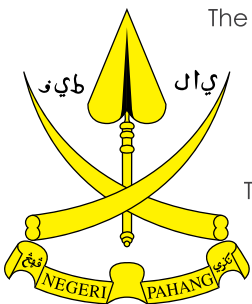
CHAPTER 4

THE COLLABORATION CASCADES

PEMUDAH AT STATE LEVEL

State-level initiatives are also undertaken through PEMUDAH to enhance service delivery to spur ease of doing business and benchmark with federal level initiatives.

PEMUDAH PAHANG Cutting Red Tape Programme (CURE)



The Pahang State Secretariat in collaboration with Malaysia Productivity Corporation (MPC) is introducing the CURE Programme to state agencies in Pahang to improve their public service delivery. This initiative is prompted by the need to address issues highlighted to PEMUDAH Pahang that involved applications submitted by the private sector to obtain approvals for projects from the state authorities.

The CURE Programme is used to review inter-agency work procedures in the processing of an application for approval with the aim of raising organisational productivity. The implementation of the programme will be effective in enhancing work process efficiencies and the quality of service in the state government departments.

The Housing Division and the Local Government Division of the State Secretariat, Temerloh Town Council, Land and Mines Office, Islamic Religious Affairs Department, Town and Country Planning Department and the Tioman Development Board are the state agencies selected to participate in the CURE Programme. The first CURE workshop for the participating state agencies was conducted from 6 to 8 December 2016 on Pulau Langkawi. A second workshop was held on 21 and 22 February 2017 in Kuantan. Initially, six CURE projects will be identified. CURE will be implemented at the agencies after the review process and the consolidation of work processes are completed.



Figure 23: GRP Workshop Series

PEMUDAH NEGERI SEMBILAN

Implementation of Good Regulatory Practices (GRP)



The Negeri Sembilan State Government launched an initiative in February 2016 to implement GRP within its administration in line with the National Policy on the Development and Implementation of Regulations (NPDIR) for modernising business regulation through participation from state governments and local authorities.

The objective of the initiative is to ensure that the process in the development of regulations at the state level is effective in supporting the national aspiration and competitiveness. Quality regulations are required to promote good governance. The initiative is to be implemented at all state monitoring agencies and local authorities which regulate trading and commercial activities as well as investments.

A GRP committee was formed in March 2016 to oversee the implementation of GRP across the state agencies. A series of workshops were held throughout 2016 to raise GRP awareness and build GRP capacities. Several pilot projects have been identified to be undertaken under the initiative. A state policy for the development and implementation of regulations is being drafted.

The implementation of GRP is expected to raise productivity in Negeri Sembilan, bring benefits to industries and the people, and also contribute to national competitiveness.



Figure 24: Negeri Sembilan GRP Committee Members



Figure 25: Launching Workshop on Good Regulatory Practices (GRP)

PEMUDAH JOURNALISM COMPETITION 2016

The PEMUDAH Journalism Competition 2016 fosters greater awareness and understanding among journalists about PEMUDAH and its reform initiatives to enhance the business and investment environment in Malaysia for international competitiveness, national economic resilience and sustainable growth and development.

The competition in 2016 met with good response as 69 entries were received in total over four categories as compared to 29 entries submitted in the competition held in 2015.

Twenty-five articles were judged under the Mandarin category, 23 under the English category, 12 under the Bahasa Melayu category and 9 under the Broadcasting category. The entries came from a wide spectrum of the media industry such as The New Straits Times, The Star, Berita Harian, Utusan Malaysia, Nanyang Siang Pau, Malaysia SME, Focus Malaysia, Busy Weekly, Astro Awani, TV3, RTM, and Malay Mail Online.

The Star's Mr. Lim Wing Hooi won the first prize in the English printed/online category with his article entitled "SMEs Need Good Rules to Stay Ahead". Encik Azman Anuar from Utusan Malaysia took the first prize in the Bahasa Melayu printed/online category with his article entitled "Senyap Saja Isu Penambahbaikan Pengurusan Pekerja Asing". Ms. Wu Suet Wah's article entitled "Government and Corporate Should Be Responsible to Attract and Retain Talents" that was published in The Busy Weekly of Oriental Daily News won the first prize in the Mandarin printed/online category. The TV3 team and Astro Awani's Ms. Pitravanimalan received consolation prizes for their entries made to the Broadcasting category.



First Prize :
Printed/Online
English Category

Title :
SMEs need good rules
to stay ahead

By :
Mr Lim Wing Hooi
Media Organisation:
The Star



SMEs need good rules to stay ahead

Pemudah chief says regulations must be practical, reasonable and in pace with current conditions

By LIM WING HOOI
winghooi@thestar.com.my

IMPROVING the regulatory environment for small- and medium-sized enterprises is a work in progress, said Pemudah co-chairman Tan Sri Saw Choo Boon.

"It used to take months and years to register a business, obtain a construction permit, get electricity, or register a property.

"Today, a business can be started in four days, construction permits can be obtained in 80 days, electricity can be connected in 30 days and property can be registered in 13 days. Further reductions of these timelines are on the horizon," he said.

Such achievements are some of the results of looking at the regulatory burden that affects businesses.

Regulatory burden is one of the areas which the Government and private sector are continuously working on to make the regulatory environment more conducive for businesses to remain competitive in the ever-changing business landscape.

Saw, who is also Federation of Malaysian Manufacturers president since 2014, added that the private sector recognised the need for regulations to help level the playing field, prevent abuse and exploitation, and ensure sustainable development.

"As important as they are, they need to be transparent, clear, consistent and credible," he said.

Regulations are important as they allow government agencies to monitor and control developments such as recruitment of foreign workers in the country, inspection of selected imported products to



Saw says SMEs can play their role by reporting any problems they face with compliance to regulatory matters.

contain biosafety risks, registration of drugs to ensuring compliance with standards such as health, environmental and labour standards as well as collection of revenue through fees to duties.

This means they have to be easily understood, practical and reasonable while taking into consideration about keeping up with business conditions.

Otherwise, issues may arise. For example, applications that are submitted could be rejected because of unclear instructions which could then lead to a long to-and-fro process, prolonging approval time.

"Regulatory burden must be viewed in the perspective of competitiveness as Malaysia needs to

compete with other countries in terms of exports and attracting investments. If it is less costly and easier to comply with regulatory requirements in other competing nations, we must then reform to be as good or even better than our competitors in order to stay competitive," Saw said, adding that unnecessary regulatory burden also increases the cost of doing business which, in turn, increases cost for consumers.

The World Bank Doing Business 2016 exercise ranks Malaysia as 18th out of 189 countries in terms of ease of doing business. This includes assessment of regulatory compliance in areas such as Starting A Business, Dealing With Construction Permits and Registering Property.

"We need to be in the top 10. We have improved in all these areas, but we need to improve further," Saw said.

To stay ahead in the competitive business environment, regulators need to continuously examine every rule and regulation, and make them as efficient as possible and pertinent to today's needs. But they cannot do it alone.

"The days of 'government knows best' are over. Calls by people for greater participation, accountability and transparency are picking up pace all over the world with an increasingly educated and informed citizenry, stronger civil society, watchdogs and rising Internet and e-governance," he said.

The Government realised this need and in 2007, the then prime minister Tun Abdullah Ahmad Badawi established a Special Task Force to Facilitate Business

(Pemudah) to look into the ease of doing business.

Pemudah, chaired by the then chief secretary to the Government, Tan Sri Mohd Sidek Hassan, consists of senior representatives from the public and private sectors which worked collaboratively to improve the regulatory environment.

"At the inaugural meeting of Pemudah, the then chief secretary called on the public service to every segment of the people, and adapt to the changing needs of customers and the nation. The essence was 'One Service, One Delivery and No Wrong Door'," Saw said.

In addition to the main Pemudah council, there are numerous focus groups consisting of public and private sector members looking at various regulations.

One of the first focus groups formed in 2007 is the Business Licensing Re-engineering Focus Group. It starts off by challenging the existence of every licensing requirement.

"If the responsible department or agency cannot justify its need, the licensing requirement will be abolished. Hundreds of licences have been abolished or consolidated into single licensing applications," he said.

There is also a Focus Group looking into putting all licensing requirements into one common computer system for access through a single window and for online use called BLESS (Business Licensing Electronic Support System).

Launched in 2008, many licences in some states can already be applied online, with more licences being put into the system. The aim

is to include all licenses and cover the whole country.

Apart from that, any new changes or introductions of new regulations need to be properly done.

In July 2013, Chief Secretary to the Government, Tan Sri Dr Ali Hamsa, launched the National Policy on the Development and Implementation of Regulations (NPDIR) which promotes a regulatory process that will achieve coherence across ministries and agencies.

A practice adopted by most developed countries, Saw said the policy required the proposer of changes or introduction of new regulations to carry out a Regulatory Impact Analysis (RIA) on businesses and the public.

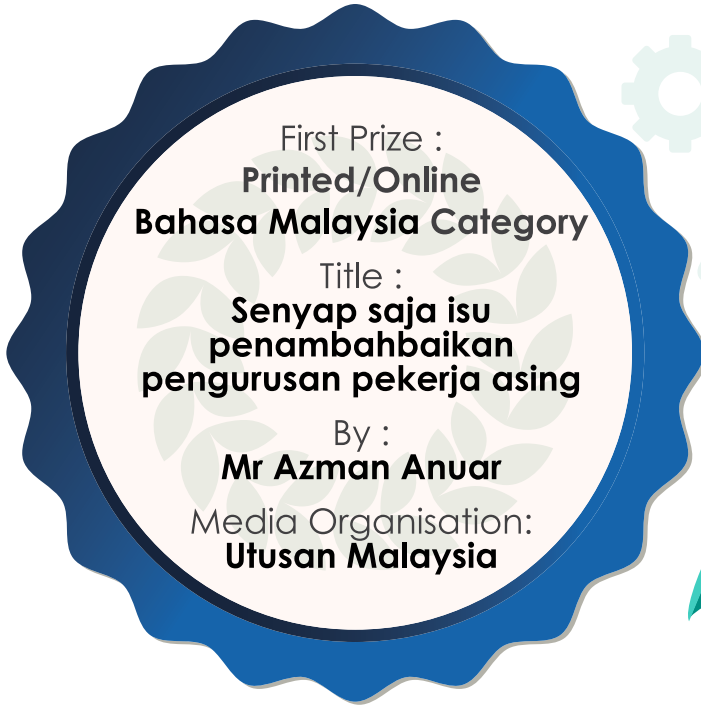
This include providing adequate notice and public consultation, assessment of ease of implementation and enforcement and post implementation review.

"Extensive training has been carried out on the new policy with increasing adoption of the policy by departments and agencies.

"This policy will help to ensure that the country's rules and regulations remain as efficient as possible," he said, adding that SMEs could play their role by reporting any problems they face with compliance to regulatory matters to www.pemudah.gov.my.

"But the journey is not over; it is continuous. We cannot stand still as other countries are also improving their regulatory environment.

"I believe the Malaysian public service has responded well to the call for greater engagement with the people, but we are in early days of comprehensive and effective engagement," he concluded.



Senyap saja isu penambahbaikan pengurusan pekerja asing
 PEDAS-PEDAS KARI

AZMAN ANUAR (ZMAN_EELASIH@YAHOO.COM) | 23 April 2016 6:21 PM

Like 0 | Share 0 | Tweet 0 | Google+ 0

Jerebu datang lagi. Sekarang bolehlah kita anggap jerebu sebagai salah satu musim yang berkaitan dengan cuaca di negara kita. Kita sudah ada musim panas dan hujan sepanjang tahun, kini tambah satu lagi - jerebu sepanjang tahun.

Macam isu jerebu, datang dan pergi, nampaknya begitu juga dengan isu pekerja asing.

Senyap sepi sekarang, bagaimana isu pekerja asing sudah selesai. Samalah dengan isu jerebu, sampai hari ini tidak tahu macam mana hendak menyelesaikannya.

Saya tertarik dengan satu e-mel daripada M. Zul. Dia nampaknya prihatin dengan masalah pekerja asing. Banyak juga sebelum ini dia hantar e-mel meluahkan kebimbangannya tentang pekerja asing.

Saya lontarkan apa yang ingin dicadangkannya.

Pengumuman 'dasar tutup pintu' kepada pengambilan pekerja asing baru ini wajar dimanfaatkan agar semua pihak mencari jalan untuk menyelesaikan masalah berkaitan lambakan pekerja asing di negara kita. Sebenarnya peraturan yang sedia ada di atas kertas sudah cukup baik. Cuma masalahnya bilangan pekerja asing dan pendatang asing tanpa izin terlalu ramai di negara kita.

Contohnya statistik bancian di Thailand pada awal tahun ini memberi angka berikut: Rakyat Thailand berjumlah 64,930,085 orang manakala warga asing hanya 799,013 orang sahaja! Di negara kita pula pekerja asing sahaja berjumlah 6.7 juta orang memetik sumber akhbar tahun 2014. Kita sebenarnya telah terlebih pekerja asing.

Isu-isu yang perlu diambil kira

Peningkatan Tenaga Kerja Tempatan di Sektor Kritikal (Pembuatan, Perladangan dan Pembinaan). Tiga sektor ini adalah penggerak kepada pembangunan negara. Tenaga kerja tempatan di ketiga-tiga sektor ini mungkin sekitar 10-25 peratus (%) pada masa ini. Sektor ini penting kepada negara dan kita tidak boleh terlalu bergantung kepada pekerja asing semata-mata. Jika pekerja asing yang mendominasi sektor-sektor ini mogok, bagaimana? Negara kita boleh lumpuh. Kita tidak boleh selamanya bergantung kepada orang luar dalam sektor kritikal ini.

Jadi, M Zul mencadangkan supaya laksanakan segera langkah jangka panjang untuk tingkatkan bilangan pekerja tempatan di sektor kritikal iaitu pembinaan dan perladangan daripada 10%-15% sekarang kepada 50% dalam RMK-11. Langkah ini boleh dicapai melalui pengenalan sistem moden IBS dan jentera moden di ladang selain menambah bilangan pusat latihan dalam bidang pembinaan dan perladangan.

Selain itu tingkatkan bilangan belia India, Cina, Orang Asli, bumiputera Sabah dan Sarawak menyertai Latihan Teknikal dan Vokasional (TVET). Sebagai contoh, sejumlah 40% daripada 880,000 belia India sukar mendapatkan pekerjaan kerana tidak cemerlang dalam pelajaran. Jika 352,000 belia India dapat dilatih dalam TVET, kita sudah dapat mengurangkan nekerti asing sedikit sebanyak.

Mengehadkan Bilangan Sektor Boleh Mengupah Pekerja Asing.

Rakyat berasa tidak puas hati kerana peluang kerja mereka di luar sektor kritikal turut disaingi warga asing. Jika kita alpa dan leka, tidak mustahil warga asing akan memonopoli sektor ini. Ketika ini sektor peruncitan dan perhotelan sudah terlalu ketara bergantung kepada pekerja asing.

Kalau sebelum ini, restoran makanan segera tidak dibenar menggaji warga asing. Maka, dicadangkan perluas peraturan ini kepada restoran, perkhidmatan catering, kafe atau kopitiam, kedai serba aneka 24 Jam, pasar raya besar atau hypermarket tidak dibenarkan menggaji warga asing sebagai penyelia dan juruwang.

Syarikat kawalan keselamatan tidak dibenarkan menggaji warga asing selain etnik Gurkha (ex-military personel). Kadang-kadang syarikat keselamatan ambil pekerja Nepal bukan etnik Gurkha yang tiada pengalaman dan tidak mampu berkomunikasi dalam BM/BI. Kerajaan boleh bekerjasama dengan PERHEBAT untuk membuka peluang pekerjaan kepada bekas tentera bekerja di sektor kawalan keselamatan.

Di samping perhatian dan tindakan diambil dalam urusan kebersihan dan kesihatan serta peluang perniagaan melibatkan warga asing, M Zul mengemukakan cadangan lain.

Cadangan Tambahan

- 1) Memastikan pekerja asing yang tamat permit kerja pulang kembali ke negara asal mereka bagi menghapuskan terus masalah PATI di negara kita. Kepakaran Singapura dalam hal ini mungkin boleh ditagih. Kerajaan boleh mengenakan denda berat dan hukuman sebat kepada syarikat pembekal dan majikan yang gagal memastikan pekerja mereka pulang mengikut tempoh ditetapkan.
- M Zul mencadangkan agar kerajaan membayar atau memberi insentif khas kepada ejen dan majikan bagi setiap pekerja asing yang mematuhi tempoh permit. Jauh lebih baik daripada menghabiskan masa, wang dan tenaga bagi mengadakan operasi memburu PATI.
- 2) Syarikat ejen pembekal tenaga kerja asing turut terbabit mencari pekerja untuk rakyat menganggur. Syarikat ini boleh bekerjasama dengan Jabatan Buruh untuk mengenal pasti belia yang masih belum bekerja terutama di Sabah, Sarawak dan negeri Pantai Timur seperti Kelantan.
- 3) Mengetatkan pemberian Entry Permit yang membolehkan pekerja asing tidak mahir dan separuh mahir begitu mudah memohon taraf penduduk tetap (PR) dan kewarganegaraan. Apa faedahnya kepada negara dengan memberi keistimewaan ini kepada tukang sapu, cleaner, pekerja kontrak warga asing? Taraf ini sepatutnya diberi kepada golongan profesional seperti ahli kewangan, jurutera, saintis dan lain-lain kerana negara memerlukan kepakaran mereka. Mohon kerajaan mengetatkan pemberian taraf Pemastautin Tetap (PR) kepada pekerja asing. Pekerja asing tidak boleh dibenarkan bekerja terlalu lama di Malaysia yang melayakkan mereka memohon PR.
- 4) Tidak membenarkan bilangan pekerja asing daripada sesebuah negara melebihi angka 500 ribu orang dalam satu-satu masa. Contoh paling baik sekarang ialah bilangan pekerja Indonesia yang mungkin telah melebihi 1 juta orang. Banyak masalah akan timbul terutama dari segi masalah sosial, soal keselamatan.

Saya fikir elok kita teliti dan sokong cadangan daripada M Zul ini, adakah anda setuju?



First Prize :
Printed/Online
Mandarin Category

Title :
Government and corporate
should be responsible to
attract and retain talent

By :
Ms. Wu Suet Wah

Media Organisation:
Oriental Daily News

PICK OF THE WEEK 本週精選

圖表1: 大馬2016年失業率

圖表2: 2016年1-3月職安局2016年4月情況

圖表3: 高失業率地區之比較

圖表4: 比較學生畢業生

圖表5: 2016年全球人才發展指數比例

外國月亮比較圖？
招才留才 政府企業皆有責

「招才留才」大馬為「人才流失」大馬最高關注之「人才流失」大馬。在人才流失大馬中，政府與企業均有責任。政府應提供良好之就業環境，企業則應提供具競爭力之薪酬及福利。此外，政府亦應加強對人才流失之監管，企業則應加強對人才流失之預防。只有政府與企業共同努力，才能有效吸引及留住人才。

去或留? 考量因素多

在考慮去或留時，應考慮以下因素：薪酬福利、工作環境、發展機會、生活成本、社會穩定、文化差異等。政府應提供良好之就業環境，企業則應提供具競爭力之薪酬及福利。此外，政府亦應加強對人才流失之監管，企業則應加強對人才流失之預防。

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PICK OF THE WEEK 本週精選

圖表1: 高失業率地區之比較

圖表2: 比較學生畢業生

圖表3: 本地企業需相應配合

政策配套有改善空間

政府應提供良好之就業環境，企業則應提供具競爭力之薪酬及福利。此外，政府亦應加強對人才流失之監管，企業則應加強對人才流失之預防。只有政府與企業共同努力，才能有效吸引及留住人才。

全國政府競相留才攬才

政府應提供良好之就業環境，企業則應提供具競爭力之薪酬及福利。此外，政府亦應加強對人才流失之監管，企業則應加強對人才流失之預防。只有政府與企業共同努力，才能有效吸引及留住人才。

本地企業需相應配合

政府應提供良好之就業環境，企業則應提供具競爭力之薪酬及福利。此外，政府亦應加強對人才流失之監管，企業則應加強對人才流失之預防。只有政府與企業共同努力，才能有效吸引及留住人才。

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PEMUDAH PORTAL



Portal Dynamics

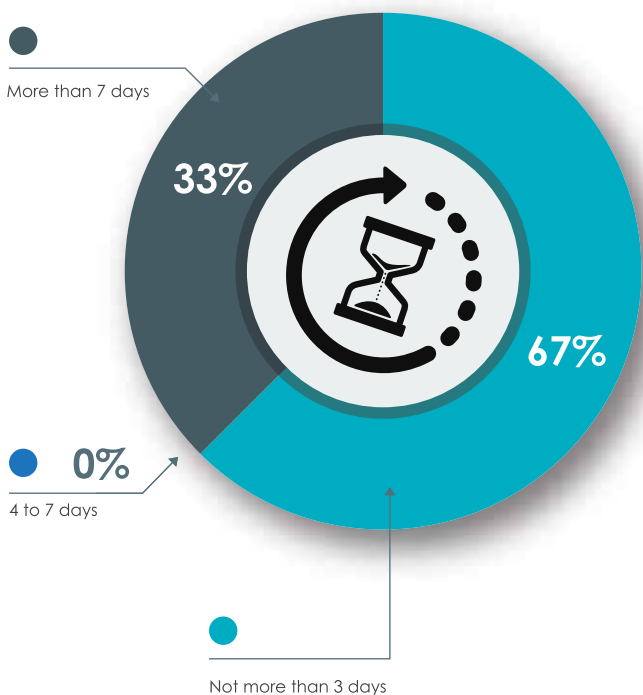
The PEMUDAH portal not only provides information about facilitating business, online services and resources but also serves as an interactive platform with the business sector and the public.

The profile of PEMUDAH, updates on current issues, initiatives and events, completed efficiency improvements, business reports such as the World Bank Doing Business Report 2017 and publications such as PEMUDAH Annual Reports and Doing Business in Malaysia are available in the portal which also accepts enquiries and feedback. Complaints can also be lodged through the portal with an online form under Sistem Pengurusan Aduan Awam (SISPAA) PEMUDAH.

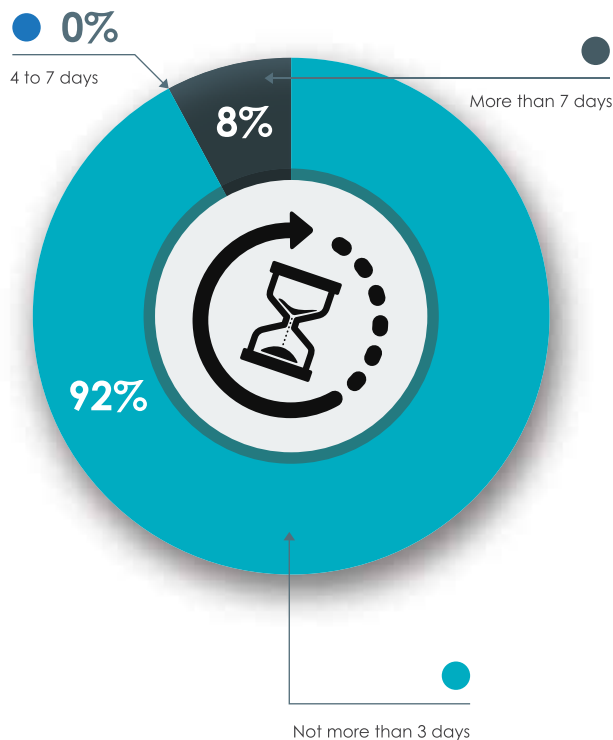
Portal accessibility was good and server performance was stable throughout 2016. This enabled a total of 55,342 hits to be registered year-round by the portal of which 65 per cent were new visitors. There were 15,330 interacted sessions with the portal via mobile devices on Mobile Web PEMUDAH.

Business-related feedback received were mainly related to starting a business. Non-business-related feedback were also dealt with.

Time Taken to Resolve Business-Related Feedback



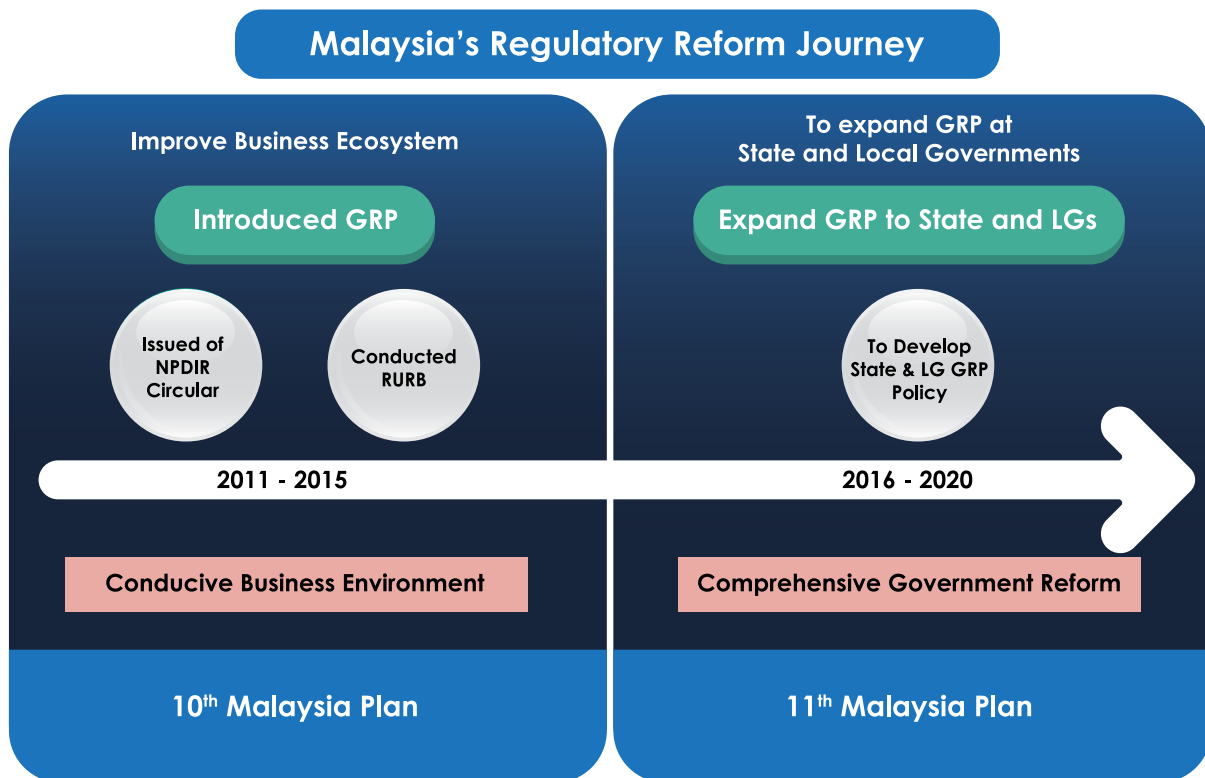
Time Taken to Resolve Non-Business-Related Feedback



GOOD REGULATORY PRACTICES (GRP) IMPLEMENTATION IN MALAYSIA

The development and implementation of GRP started in Malaysia in 2011 and has successfully gone through the start-up phase with the engagement and consultation both in the government and private sector on the proposal of GRP implementation.

Malaysia's regulatory reform journey is illustrated in the diagram below:



Cognisant of the fact that reforming Malaysia's regulatory system is essential to support the country's aspirations to become a high-income and progressive nation by 2020, the government launched the National Policy on the Development and Implementation of Regulations (NPDIR) in 2013. This policy introduces the Regulatory Process Management requirements which include principles of GRP, the need for regulatory impact analysis (RIA), regulatory impact statement (RIS) and public consultation in order to enhance the transparency and credibility of regulatory actions.

The introduction of the National Policy for the Development and Implementation of Regulations (NPDIR) has had a significant impact on the development of the regulatory framework of the Government. While varying approaches to good regulatory practices have been adopted by regulators in the past, the Government has developed and implemented a systematic approach to ensure quality regulations. The implementation of GRP through the NPDIR also requires a change in the mindset of regulators as well as the regulated or the impacted parties, particularly with regards to public consultation.

The introduction of NPDIR aims to improve the regulatory management system by embedding GRP in the policy-decision making processes of the government. A summary of the achievements and progress undertaken from 2014-2017 is shown in the Table below:

Status of Regulatory Proposal Received	2014	2015	2016	2017	Total
• RN Received	40	55	75	46	216
• Exemption (RIA is not required)	8	15	16	2	41
• RN Withdrawn	0	5	18	3	26
• RN In Progress	5	2	11	22	40
• Proposal Undertaking RIA Process	27	33	30	19	109
• RIS Submission	11	15	12	4	42
• RIS In Progress	16	18	18	15	67
• Regulatory Coordinators Registered	297	319	357	332	332
• Number of Regulators Submitted RN	17	11	18	12	58
• Number of Regulators Submitted RIS	8	3	6	4	21

*as at 31st May 2017

RN = Regulatory Notification
 RIA = Regulatory Impact Analysis
 RIS = Regulatory Impact Statement

Table 8: Summary of the Achievement and Progress undertaken from 2014-2017



Figure 26: Launching of Annual Report on Modernisation of Regulations 2016

The increasing trend in the number of regulatory notifications received over the years indicates that there has been an increase in the awareness among the ministries and agencies in the implementation of GRP. Many initiatives have been undertaken by MPC that help intensify the implementation of GRP

Out of 216 Regulatory Notifications received from 2014 to May 2017, 109 underwent the RIA process, 41 proposals were exempted from RIA, 40 proposals are in progress where some modifications and improvements need to be done by the regulators and 26 were withdrawn by the regulators. Exemption is given when RIA is not required as the amendments have minor impact on the business community and are merely administrative in nature and thus would not substantially alter the existing regulatory arrangements.

With the implementation of GRP, the Government is seeking to reinforce the key elements of accountability, transparency, and evidence-based informed decision-making in the rule-making process to ensure quality regulations which address the concerns of stakeholders is carried out in an effective and equitable manner through Public Consultation process. This is a two-way process through which the government seeks and receives the views of stakeholders such as the business community and the general public on proposed changes in policy or regulations that affect them directly or in which they may have a significant interest.

The Eleventh Malaysia Plan (2016-2020) reiterates the Government's commitment to regulatory reform through efforts to transform the public services for greater efficiency and productivity. MPC has outlined the way forward for GRP as follows:

Encourage GRP implementation as one of the ministry's 6 corporate wide long term strategy, to be embedded in Key Performance Indicators of every ministry

Strengthen the cooperation and coordination among ministries and agencies in efforts to integrate RIA with the policy-making process

Create awareness and accelerate GRP at State Levels and Local Authorities. MPC will increase the take up rate of NPDIR to ensure improved regulatory environment by accelerating the roll-out to all ministries and agencies

Create mechanisms for evaluation review in measuring regulatory performance to ensure effective compliance to the defined requirements in policy-making strategy

Implementation of GRP at regional levels to strengthen regulatory coherence

INTERNATIONAL COMPETITIVENESS

There are three major international reports which analyse competitiveness among countries and are the following :



• **Doing Business 2017 Report, The World Bank**

• **The Global Competitiveness Report 2016-2017, World Economic Forum**

• **World Competitiveness Yearbook 2016, Institute for Management Development**

Highlights of Malaysia's Performance

A. WORLD BANK DOING BUSINESS REPORT 2017

Malaysia is placed 23rd out of 190 economies with a Distance-to-Frontier (DTF) score of 78.11 in DB 2017, compared to 22nd out of 189 economies in DB 2016, with a DTF score of 78.18. DB 2017 ranks Malaysia at 23rd position ahead of economies such as Thailand (46th), Indonesia (91st), Japan (34th), China (78th), France (29th), Switzerland (31st) and India (130th). Among ASEAN countries, Malaysia ranks second after Singapore.

Table 9 : DB 2017 - Top 30 Economies

Economy	2017		2016 (Revised)	
	Rank	Overall DTF	Rank	Overall DTF
New Zealand	1	87.01	1	86.96
Singapore	2	85.05	3	84.5
Denmark	3	84.87	2	84.85
Hong Kong SAR, China	4	84.21	5	83.77
Korea, Rep	5	84.07	4	83.86
Norway	6	82.82	8	82.3
United Kingdom	7	82.74	6	82.73
United States	8	82.45	7	82.46
Sweden	9	82.13	9	81.61
Macedonia, FYR	10	81.74	16	79.19
Taiwan, China	11	81.09	10	81.08
Estonia	12	81.05	11	81.01
Finland	13	80.84	12	80.85
Latvia	14	80.61	17	79.14
Australia	15	80.26	13	80.25
Georgia	16	80.2	23	77.72
Germany	17	79.87	14	79.88
Ireland	18	79.53	15	79.25
Austria	19	78.92	18	78.88
Iceland	20	78.91	19	78.88
Lithuania	21	78.84	21	78.6
Canada	22	78.57	20	78.79
Malaysia	23	78.11	22	78.18
Poland	24	77.81	25	77.04
Portugal	25	77.4	24	77.12
United Arab Emirates	26	76.89	34	74.83
Czech Republic	27	76.71	26	76.43
Netherlands	28	76.38	27	76.33
France	29	76.27	28	76.21
Slovenia	30	76.14	30	75.44

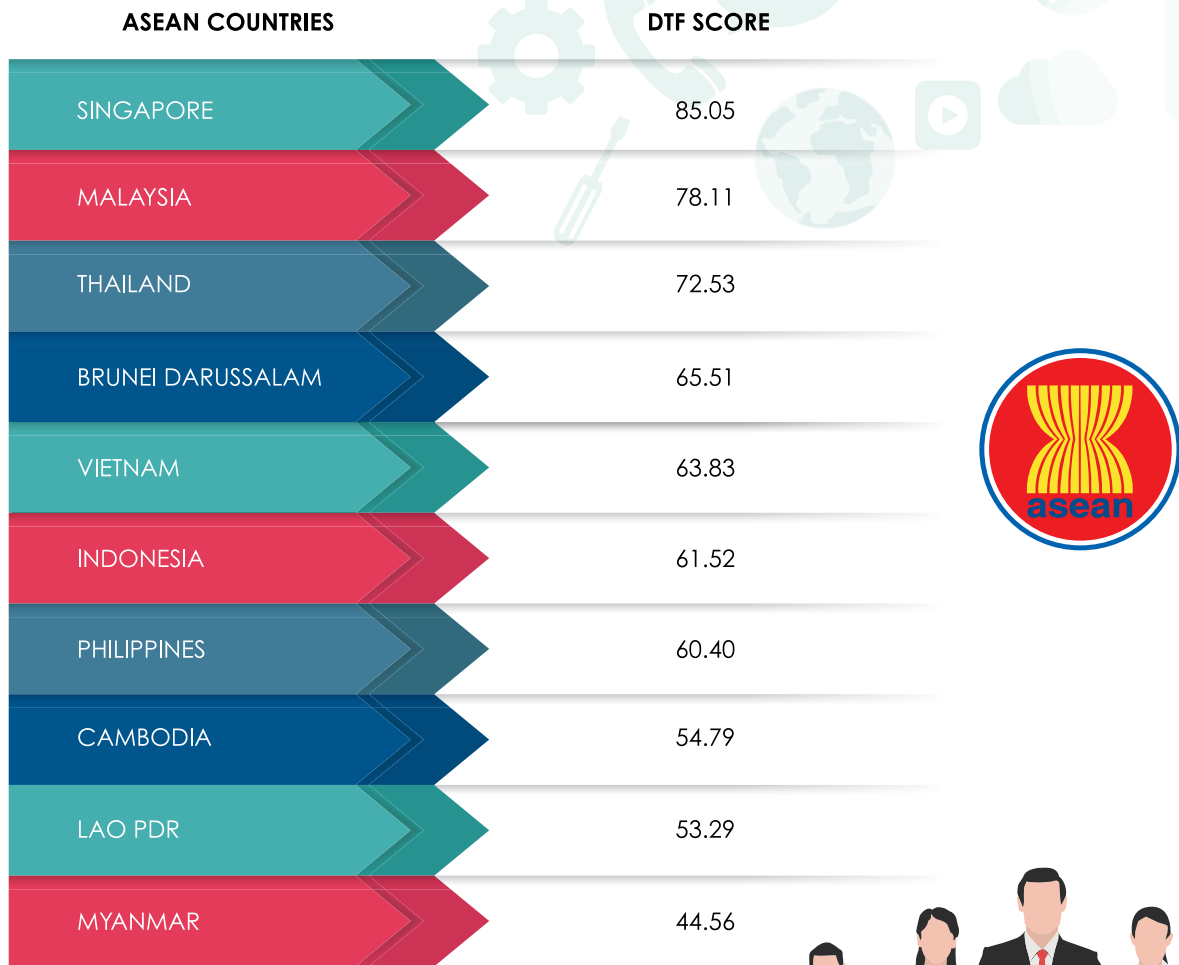
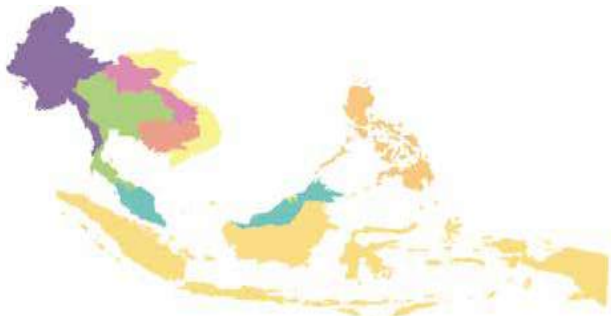


Table 10: DB 2017 - Distance to Frontier



Distance to Frontier (DTF) which was introduced in DB2015, continues to feature prominently. The DTF scoring identifies the gap between an economy's performance and best practices across the entire sample of 45 sub-indicators in DB2017 compared to 36 sub-indicators in DB2016 where a maximum score of 100 represents the frontier and a zero score is the furthest from the frontier.

Malaysia achieved a country-high distance to the frontier score for the Getting Electricity indicator, with a score of 94.34. For other indicators covered in the report, the distance to frontier scores are Starting a Business (83.67), Trading Across Borders (82.38), Dealing with Construction Permits (81.10), Protecting Minority Investors (80.00), Paying Taxes (79.20), Registering Property (76.29), Getting Credit (75.00), Enforcing Contracts (66.61) and Resolving Insolvency (62.49).

DOING BUSINESS REPORT 2017

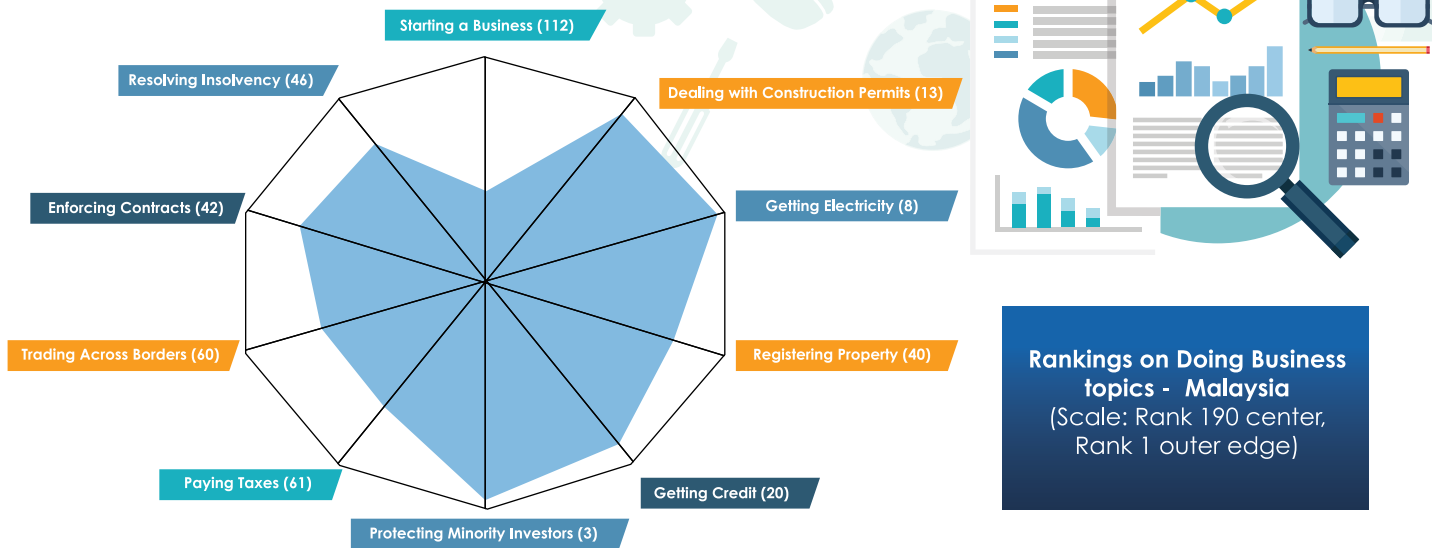


Figure 27: Doing Business 2017 - Malaysia's Performance in the 10 Areas

Malaysia is credited alongside 45 other countries such as Germany, Hong Kong SAR (China) and the United Kingdom as being the best performers in the "Reliability of Supply and Transparency of Tariffs Index" under the "Getting Electricity" indicator. Malaysia is one of the best performers on this index for two consecutive years. Malaysia is also acknowledged in DB 2017 as having made Paying Taxes easier by enhancing the electronic system for filing and paying the goods and services tax (GST).

Areas	2017	2016	Change
Overall Performance	23	22	↓
Distance to Frontier (DTF Score)	78.11	78.18	↓
Starting business	112	59	↓
Dealing with construction permits	13	13	
Getting electricity	8	7	↓
Registering property	40	39	↓
Getting credit	20	29	↑
Protecting minority investors	3	3	
Paying taxes	61	59	↓
Trading across border	60	58	↓
Enforcing contracts	42	40	↓
Resolving insolvency	46	45	↓

Table 11: Performance by Areas

B. WORLD ECONOMIC FORUM THE GLOBAL COMPETITIVENESS REPORT 2016 - 2017

The Global Competitiveness Report (GCR) 2016 - 2017, released by the World Economic Forum (WEF) ranked Malaysia 25th out of 138 economies with a score of 5.16 (GCR 2015 - 2016: 5.23) compared to 18th position out of 140 countries previously. 7 economies overtook Malaysia namely Belgium (17th), Austria (19th), Luxembourg (20th), France (21st), Australia (22nd), Ireland (23rd), and Israel (24th) while Switzerland, Singapore and the United States remain the world's most competitive economies.

Figure 28: GCR 2016 - 2017 - Malaysia's Performance and Top 10 Countries

MALAYSIA'S PERFORMANCE AND TOP 10 COUNTRIES



The GCR has used the Global Competitiveness Index (GCI) methodology since 2006 to measure competitiveness through 12 pillars of competitiveness with 114 indicators. Analytical measurement data is compiled from statistical data employing 34 criteria which forms the basis of 30 per cent of the GCR while data compiled from an Executive Opinion Survey employing 80 criteria provides the remaining 70 per cent.

In the GCR 2016 - 2017, Malaysia recorded improvements in 2 pillars, maintained 2 while declined in 8 pillars. Goods Market Efficiency and Financial Market Development are the best performing pillars achieving 12th and 13th position respectively.

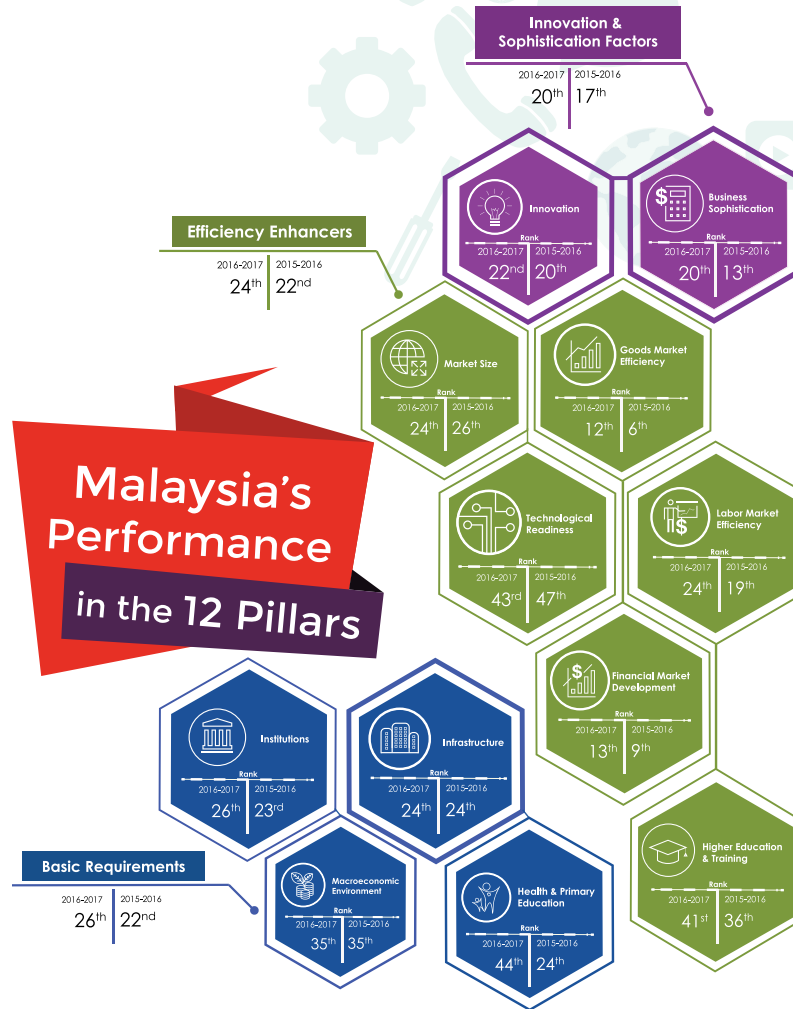


Figure 29 : GCR 2016/2017 - Malaysia's Performance & Rankings in GCI Competitiveness Pillars

Among ASEAN economies, Malaysia continues to lead the region, despite losing some ground this year following six years of improvement. Malaysia was also ranked at 7th among Asia Pacific region, behind Singapore, Japan, Hong Kong, New Zealand, Taiwan and Australia.

Global Competitiveness Report 2016-2017 | Malaysia's Trend - 6 years of Improvements

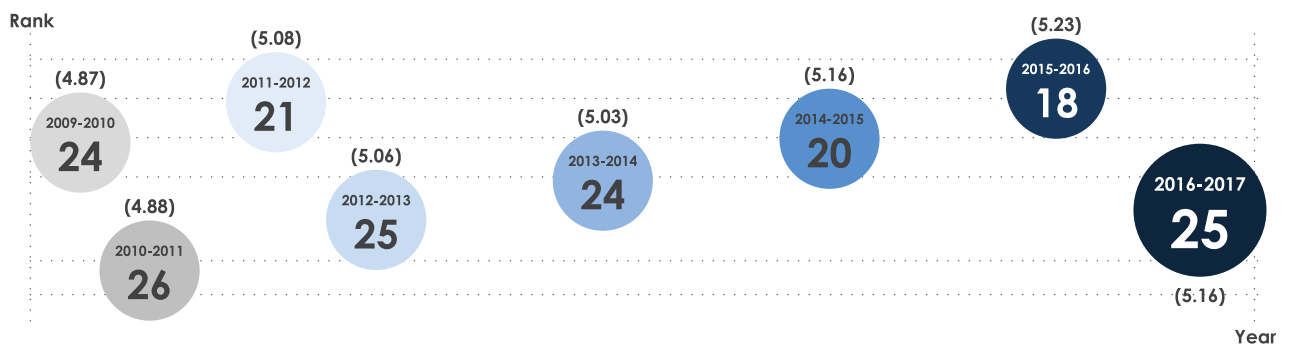











Figure 30 : GCR 2016/2017 - Malaysia's Performance Trend

- 133 countries
- 139 countries
- 142 countries
- 144 countries
- 148 countries
- 140 countries
- 138 countries

Table 12 : GCR Competitiveness Rankings by Asia-Pacific Region & ASEAN

Economy	GCI 2016-2017		GCI 2015-2016	
	Rank	Score	Rank	Score
Singapore 	2	5.72	2	5.68
Japan	8	5.48	6	5.47
Hong Kong SAR	9	5.48	7	5.46
New Zealand	13	5.31	16	5.25
Taiwan, China	14	5.28	15	5.28
Australia	22	5.19	21	5.15
Malaysia 	25	5.16	18	5.23
Korea, Rep.	26	5.03	26	4.99
China	28	4.95	28	4.89
Thailand 	34	4.64	32	4.64
Azerbaijan	37	4.55	40	4.5
India	39	4.52	55	4.31
Indonesia 	41	4.52	37	4.52
Kazakhstan	53	4.41	42	4.49
Philippines 	57	4.36	47	4.39
Brunei Darussalam 	58	4.35	-	-
Vietnam 	60	4.31	56	4.3
Sri Lanka	71	4.19	68	4.21
Tajikistan	77	4.12	80	4.03
Cambodia 	89	3.98	90	3.94
Lao PDR 	93	3.93	83	4
Bhutan	97	3.87	105	3.8
Nepal	98	3.87	100	3.85
Mongolia	102	3.84	104	3.81
Bangladesh	106	3.80	107	3.76
Kyrgyz Republic	111	3.75	102	3.83
Pakistan	122	3.49	126	3.45

C. THE INSTITUTE FOR MANAGEMENT DEVELOPMENT WORLD COMPETITIVENESS YEARBOOK 2016

Malaysia was ranked 19th among 61 economies recording a decline of 5 positions from the previous year. Malaysia remains among the top 20 most competitive nations that include China Hong Kong, Switzerland, USA, Singapore, Sweden, Denmark, Ireland, Netherlands, Norway, Canada, Luxembourg, Germany, Qatar, Taiwan, UAE, New Zealand, Australia and United Kingdom.

Malaysia continues to be ahead of Finland (20th), Israel (21st), Belgium (22nd), Iceland (23rd), Austria (24th), China Mainland (25th), Japan (26th), Czech Republic (27th), Thailand (28th), and Republic of Korea (29th).

In its summary, the WCY listed Malaysia as the most competitive nation among 31 economies with GDP per capita less than US\$20,000, retaining its number one position for three consecutive years. Among 28 countries with populations above 20 million, Malaysia is ranked 7th. In ASEAN, Malaysia remains in the second position, and is ranked 6th among 14 countries in the Asia-Pacific region.

WCY 2016 measured competitiveness of the Malaysian economy in terms of Economic Performance, Government Efficiency, Business Efficiency, and Infrastructure.

Malaysia's performance by categories of GDP per capita less than US\$ 20,000, population size greater than 20 million and selected regions is shown in Figure 6.

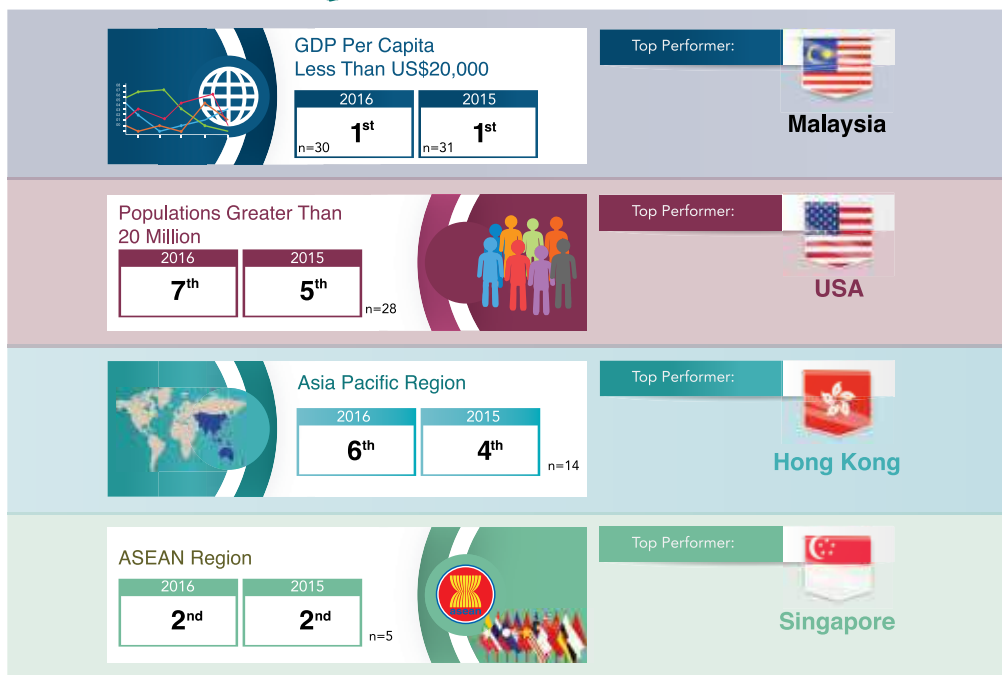
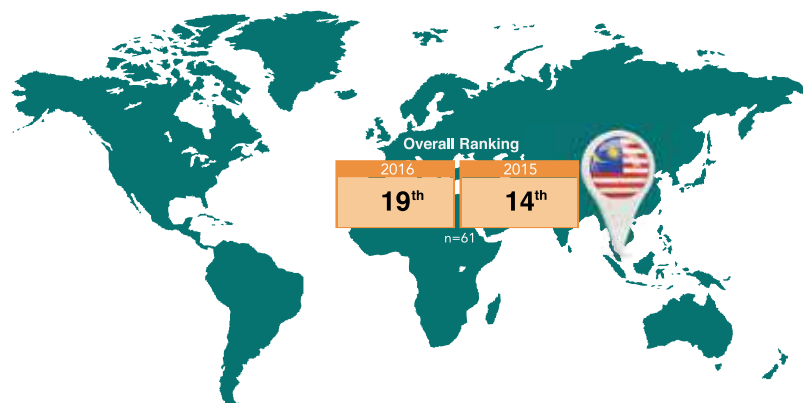
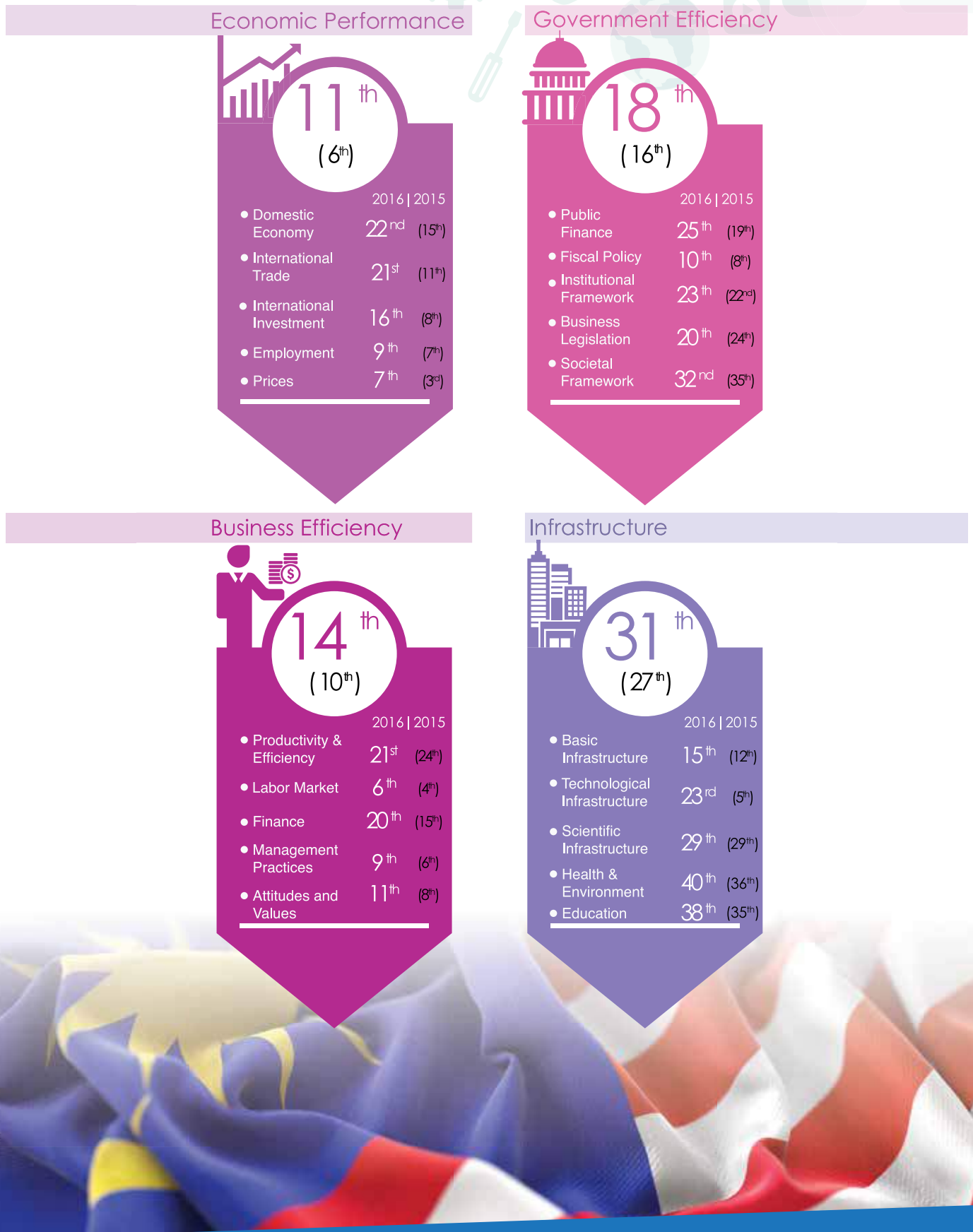


Figure 31 : WCY 2016 - Malaysia's performance by categories

Figure 32: WCY 2016 - Malaysia's Performance by Factors and Sub-factors



Competitiveness Performance Among ASIA PACIFIC COUNTRIES

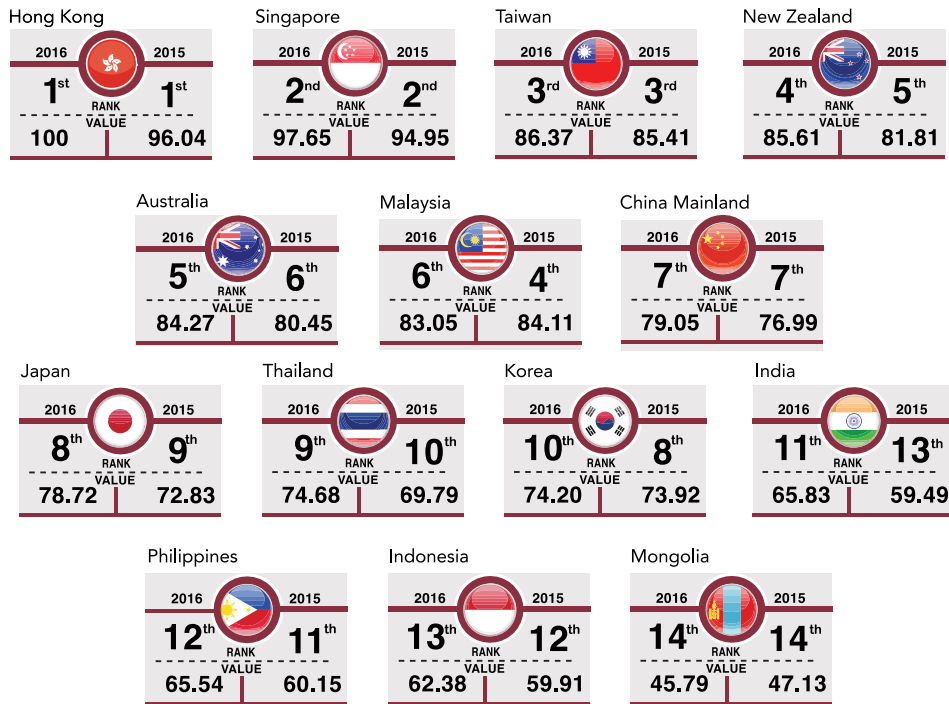
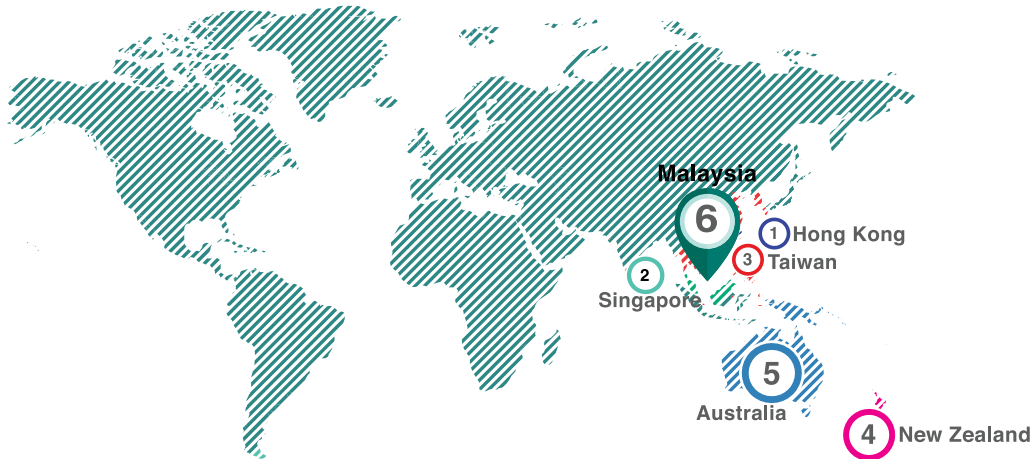


Figure 33 : WCY 2016 - Competitiveness Performance Among Asia Pacific Countries

OUTREACH PROGRAMMES

Public Relations Outreach Programmes

Focus Group on Public Relations (FGPR)'s task is to promote the role and objectives of PEMUDAH by enhancing awareness and understanding among the public and facilitating greater stakeholder participation in PEMUDAH programmes and initiatives. The approach taken by FGPR are through outreach programmes, engagement sessions and media coverages.

Among the programmes and activities organized by FGPR were:

- a. **PEMUDAH Journalism Competition 2016**
- b. **PEMUDAH Challenge 2016**

Engagements with the media were conducted on several occasions such as during the media briefing of World Competitiveness Yearbook, Global Competitiveness Report, and Doing Business Report launching, PEMUDAH's events and workshop as well as during the launching of the Annual Report on Modernisation of Regulations.



Figure 34: Media Engagement during Open Day on the Importance of the Payroll System

The Focus Group is also involved in producing a publication entitled Handbook on Regulatory Reform: A Case Study on Dealing with Construction Permits as well as a brief version of Doing Business 2017 for Malaysia in a booklet form.

Engagements have also been held with the World Bank to explore extensively into the areas for improvement in order to reduce the costs and time in doing business. The enhanced service delivery is essential towards ensuring Malaysia remains among the most attractive investment destinations.

The series of workshops, meetings and engagement sessions held throughout 2016 had enabled better understanding on the methodology of the World Bank for each of the 10 indicators, identified the issues and challenges and guided the formulation of improvement initiatives for Malaysia in the Doing Business Report.



Figure 35: Enhancing Doing Business 2017 - The Way Forward for Malaysia



THE WAY FORWARD

BUILDING A BETTER TOMORROW

We have reached the first decade milestone. PEMUDAH moves forward on an interminable journey in which Malaysia aspires to achieve whole-class distance-to-frontier scores in business regulatory excellence to guide business activities that will transform Malaysia into one of the most attractive investment destinations.

The competitiveness and resilience of the Malaysian economy are strengthened by good regulatory reforms. PEMUDAH will introduce ever more reform initiatives to facilitate greater and sustainable national economic growth and inclusive development through the infusion of high technology, productivity, innovations, and best practices.

Driving reform initiatives proactively to prioritise a robust business environment through sectoral improvements.

Engaging stakeholders to implement Reducing Unnecessary Regulatory Burden (RURB) initiatives to reduce the number of business-related licences.

Accelerating the imbedding of Good Regulatory Practices (GRP) at all Ministries and Agencies and at the state level.

Monitoring and fine-tuning the efficiency of implemented improvements.

Enhancing transparency, accountability, efficiency, productivity, technology and innovation within the public and private sectors for excellence in service delivery.





NOTES



**A Decade of Public-Private Sector
Collaboration For A World-Class
Regulatory Environment**

PEMUDA Secretariat Office
Malaysia Productivity Corporation (MPC)
Lorong Produktiviti, Jalan Sultan
46200 Petaling Jaya, Selangor

Tel: +603 7955 7266 Fax: +603 7954 0795