

Guidebook

on the Employment
of Expatriates

Processes and Procedures





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October 2007

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Introduction



●●●●● Malaysia's globalised economy has facilitated her growth and development through the years. As an open economy, Malaysia takes her national competitiveness seriously in her efforts to continue to attract foreign direct investments, sustain her domestic investments, and maintain her position in the global trading environment.

The Malaysian Government sees the private sector as the main driving force of economic growth and development in the country, while the Government itself takes on the role of facilitating business. As such, efforts have been made to continuously improve the Government's delivery system and to enhance the cost-effectiveness of doing business in Malaysia.

Among the Government's efforts to facilitate doing business in Malaysia is the publication of this "Guidebook on the Employment of Expatriates", which brings together in one bound copy the relevant information from the various agencies that are responsible for approving expatriate posts in the sectors of manufacturing and manufacturing related services; information technology; finance, insurance and banking; securities and futures market, and others.

With globalisation, capital, goods, ideas, and people move increasingly freely across a borderless world. As such, although placing great emphasis on the development of the country's own human capital, the Malaysian government has always welcomed foreign talents, recognising the fact that Malaysian workers would benefit from this interaction. These talents will invariably add value to the work force.

It is hoped that the information provided in this guidebook will be a useful reference tool for Malaysian-owned and foreign-owned companies operating in or planning to set up business in this country.



Employment of Expatriates



There are two stages in the employment of expatriates: Application for an expatriate post and an endorsement of employment pass.

Stage 1: Application for Expatriate Post

This is the stage where a company submits its application for expatriate posts. The Government has appointed the following agencies to evaluate and approve expatriate posts.

- Malaysian Industrial Development Authority (MIDA) for the manufacturing and its related services sectors.
- Multimedia Development Corporation (MDeC) for the information technology sector, specifically companies that have been awarded Multimedia Super Corridor (MSC) Status.
- Central Bank of Malaysia (BNM) for the financial, insurance and banking sectors.
- Securities Commission (SC) for the securities and futures market.
- Malaysian Biotechnology Corporation (BiotechCorp – BC) for the biotechnology industry. BC facilitates immigration and employment related matters to biotechnology companies. Applications supported by BC will be forwarded to the Expatriate Committee for approval.
- Expatriate Committee (EC) for expatriate posts in sectors other than the above mentioned sectors. The Employment Pass Division of the Immigration Department of Malaysia is the secretariat for EC.

Stage 2: Endorsement of Employment Pass

Upon approval of the expatriate posts by the approving agency, the company must submit an application to the Immigration Department for endorsement of the Employment Pass. Once the Employment Pass has been endorsed, the expatriate can be hired.

Types of Expatriate Posts

Applicants can apply for the following expatriate posts:

1. Key Posts

These are high level (1st level) managerial posts in foreign-owned private companies and firms operating in Malaysia. Key posts are posts essential for companies to safeguard their interests and investments. The expatriates are responsible in determining the company's policies in achieving its goals and objectives.

Example: Executive Chairman, Chief Executive Officer, Managing Director, General Manager, Technical Director, Production Manager, Project Manager or Factory Manager.

2. Executive Posts

These are intermediate level (2nd level) managerial and professional posts. The posts require academic qualifications, practical experience, skills and expertise related to the respective jobs. The expatriates are responsible for implementing the company's policies and supervision of staff.

Example: Management functions such as Marketing Manager, Logistics Manager, Investment Manager and Quality Control Manager. Professional such as Chief Engineer, Engineering Manager, Lecturer, Doctor, Architect etc.

3. Non-Executive Posts

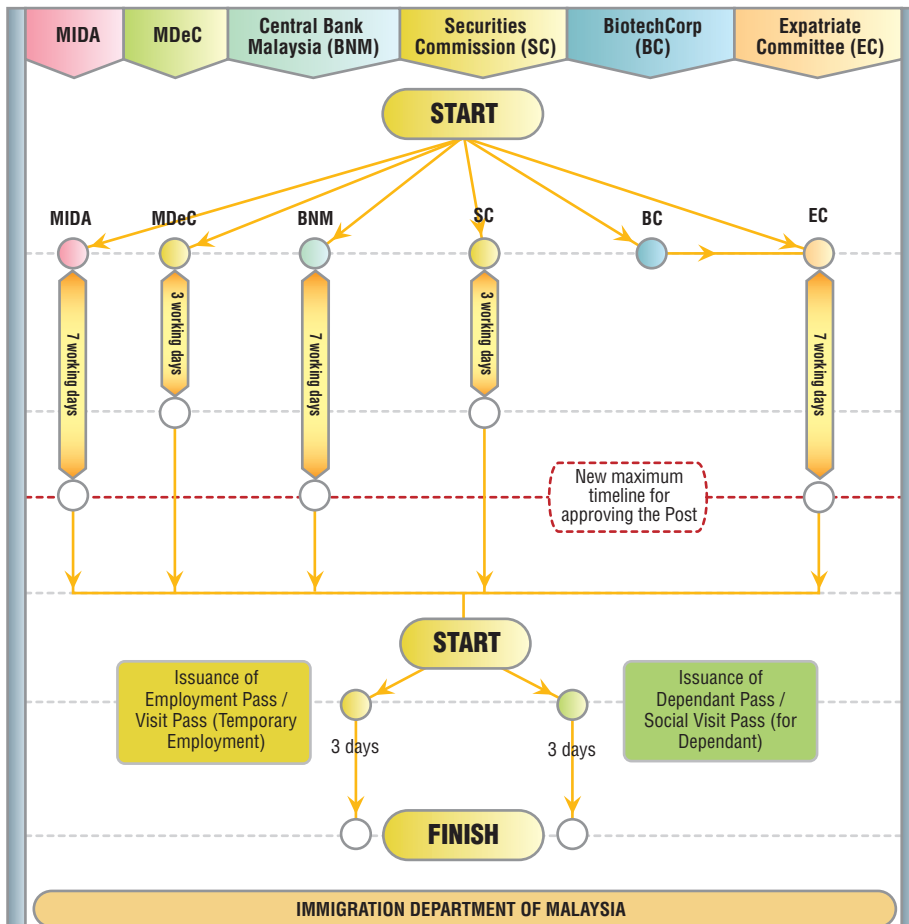
These are posts for the performance of technical jobs that require specific technical or practical skills and experience.

Example: Welder, Mould Maker, Mould Designer, Tool & Die Maker, Manufacturing Systems Designer, Food/Nutrient Technologist, Fashion Designer, Specialist in Furniture Design & Ergonomics, Heat Setting Technician, Sewing Specialist, Craftsman/Engraving and Product/Flavouring Specialist.

Process Flow chart for the Employment of Expatriate Posts

The overview of the process flow chart for the employment of expatriates is shown in Diagram 1.

Diagram 1: FLOW CHART FOR THE EMPLOYMENT OF EXPATRIATES



The following sections will provide more information on the employment of expatriates.



Employment of Expatriates in the Manufacturing & Manufacturing Related Services Sectors

The Malaysian Industrial Development Authority (MIDA) is the first point of contact for investors who intend to set up projects in the manufacturing and manufacturing related services sectors in Malaysia, with the exception of the financial and utilities sectors.

MIDA's main functions are to:

- Promote foreign and domestic investments in the manufacturing and manufacturing related services sectors.
- Promote cross-border investments.
- Undertake planning for industrial development in Malaysia.
- Evaluate applications for manufacturing licenses, expatriate posts, tax incentives for manufacturing activities, manufacturing related services, tourism, R&D, training institutions and software development, and duty exemption on raw materials, components and machinery.
- Assist companies in the implementation and operation of their projects and offer assistance through direct consultation with the relevant authorities at the federal and state levels.
- Recommend policies and strategies on industrial promotion and development to the Minister of International Trade and Industry.

Applications for Expatriate Posts

All applications for expatriate posts from companies in the manufacturing and manufacturing related services sectors have to be submitted to MIDA.

Applications under the following categories will be processed within seven working days:

- New or additional expatriate posts by existing manufacturing companies, Operational Headquarters (OHQ), International Procurement Centres (IPC) and Regional Distribution Centres (RDC).
- Change of conditions for the approved expatriate posts such as academic qualifications and years of experience for OHQ, IPC and RDC companies.
- Extension of the duration of posts.
- Change of name of posts.
- Transfer of posts to a related or sister company following the restructuring of the company.
- Surrender of the posts approved but not filled.

Guidelines for the Manufacturing Sector

Manufacturing companies with foreign paid-up capital of US\$2 million and above:

- Automatic approval for up to 10 expatriate posts, including five key posts.

Manufacturing companies with foreign paid-up capital of more than US\$200,000 but less than US\$2 million:

- Automatic approval for up to five expatriate posts, including at least one key post.

Manufacturing companies with foreign paid-up capital of less than US\$200,000:

- Key posts can be considered where the foreign paid-up capital is at least RM500,000.
- The number of key posts, executive posts and non-executive posts allowed depends on the merits of each case.

Guidelines for the Manufacturing Related Services Sector

Regional Establishments

- For Operational Headquarters (OHQ), International Procurement Centres (IPC) and Regional Distribution Centres (RDC), the approval for expatriate posts including key posts will be granted according to the company's requirements subject to the condition that the company has a minimum paid-up capital of RM500,000.

Support Services

- For Integrated Logistic Services (ILS), Integrated Market Support Services (IMS), Central Utility Facilities (CUF) and Cold Chain Facilities (CCF), key posts can be considered subject to the condition that the company has a minimum paid-up capital of RM500,000.

Contract Research & Development (R&D) Company, R&D Company and In-House R&D

- For foreign-owned companies, the number of expatriate posts considered is based on the ratio of one expatriate to one Malaysian R&D personnel. For Malaysian-owned companies, the number of expatriate posts considered is based on the company's request.

ICT (Software Development Companies)

- Key posts are considered subject to the ratio of one key post to five Malaysians in the relevant technical field.
- The company is required to employ at least five full-time Malaysian staff with technical or degree qualifications in the field of software development.
- Academic qualifications and working experience as proposed by the company will be imposed as conditions of approval.

Hotel & Tourism Projects, Technical & Vocational Training Institutions & Other Services (Storage, Treatment And Disposal Of Toxic And Hazardous Wastes, Energy Conservation, Renewable Energy Resources And Film Or Video Production & Post Production)

- All applications for expatriate posts will be considered by MIDA subject to similar conditions stipulated for the manufacturing sector.

For all executive and non-executive posts, Malaysians must be trained to eventually take over.

All executive and non-executive posts approved will be subject to conditions on qualifications and/ or experience as proposed by the company.

Companies whose applications have been rejected can submit an appeal to the Chairman of MIDA.

Chairman

Malaysian Industrial Development Authority (MIDA)

5th Floor, Block 4, Plaza Sentral
 Jalan Stesen Sentral 5
 50470 Kuala Lumpur, Malaysia

Tel: 603-2267 3633
 Fax: 603-2274 7970 / 2273 4204
 E-mail: mida@mida.gov.my

Submission of Applications for Expatriate Posts

Application forms for expatriate posts can be downloaded from MIDA's website at <http://www.mida.gov.my> or obtained from MIDA's headquarters in Kuala Lumpur, MIDA's State Offices, or MIDA's Overseas Centres (please visit MIDA's website for the relevant address).

Applications should be submitted in three copies to MIDA's headquarters to:

Director-General

Malaysian Industrial Development Authority (MIDA)

5th Floor, Block 4, Plaza Sentral
 Jalan Stesen Sentral 5
 50470 Kuala Lumpur, Malaysia

Tel: 603-2267 3633
 Fax: 603-2274 7970 / 2273 4204
 E-mail: mida@mida.gov.my

For projects located in the States of Sabah and Sarawak, three copies of the form should also be submitted to the relevant MIDA offices as follows:

Director

MIDA Sabah

Lot D9.4 & D9.5,
 9th Floor, Block D,
 Bangunan KWSP, Karamuning
 88100 Kota Kinabalu,
 Sabah, Malaysia

Tel: 6088-211 411
 Fax: 6088-211 412
 E-mail: midasbh@tm.net.my

Director

MIDA Sarawak

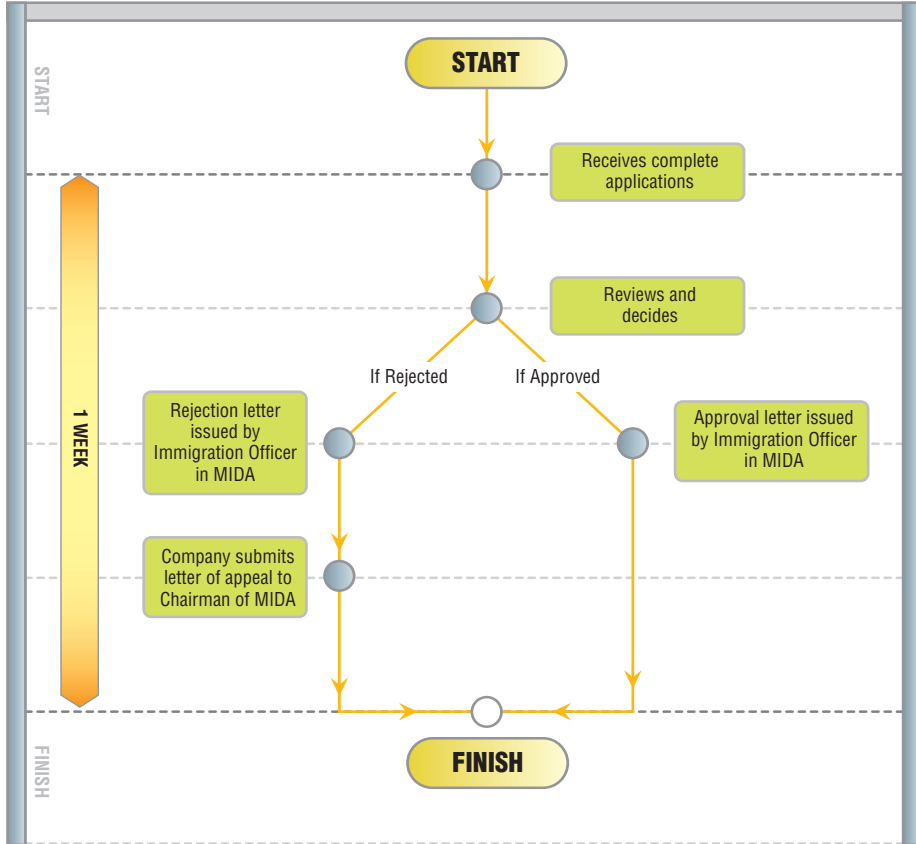
Room 404, 4th Floor,
 Bangunan Bank Negara Malaysia,
 No. 147, Jalan Satok,
 P.O. Box 716,
 93714 Kuching,
 Sarawak, Malaysia

Tel: 6082-254 251
 Fax: 6082-252 375
 E-mail: mida_kch@tm.net.my

Process

The flow chart for the application of expatriate posts to MIDA is shown in Diagram 2.

Diagram 2: FLOW CHART OF EXPATRIATE POST APPLICATION FOR THE MANUFACTURING AND MANUFACTURING RELATED SERVICES





Employment of Expatriates in the Multimedia Super Corridor

Malaysia's Multimedia Super Corridor (MSC Malaysia) is the country's initiative for the global information and communication technology (ICT) industry. Conceptualised in 1996, MSC Malaysia has since grown into a thriving dynamic ICT hub, hosting more than 900 multinationals, and foreign-owned and home-grown Malaysian companies that are focused on multimedia and communications products, solutions, services, and research and development. For more information about MSC Malaysia, please go to this link, www.msc.com.my

The Multimedia Development Corporation (MDeC), the gateway to MSC Malaysia, is a one-stop agency focused on ensuring the success of MSC Malaysia and the companies operating in it. Through MDeC, the Malaysian Government awards companies that undertake ICT activities in MSC Malaysia with MSC Malaysia status.

MSC Malaysia status companies enjoy incentives and benefits from the Malaysian Government backed by its Bills of Guarantee. To know more about obtaining MSC Malaysia status, go to www.msc.com.my/business

Guidelines on the Employment of Expatriate Posts

MSC Malaysia-status companies may employ any number of expatriates. These expatriates are defined as individuals possessing any of the following qualifications:

- Five or more years of professional working experience in multimedia or information and communication technology (ICT) business or in a field that is a heavy user of multimedia.
- A university degree (any discipline) or a graduate with a diploma in multimedia or ICT from a technical college, plus two or more years of professional working experience in multimedia or ICT business or in a field that is a heavy user of multimedia.
- A masters degree or higher in any discipline.

Special consideration will also be given to expatriates who do not meet the above criteria but are to be employed by MSC Malaysia-status companies categorised in the Creative Multimedia and Shared Services industries.

Applications for Expatriate Posts

The MSC Malaysia-status company has to submit the application form and relevant documents for the employment of expatriates to MDeC. A decision will be made within three working days from the date of submission of the required information. Online applications by expatriates and MSC Malaysia-status companies can also be made via the "e-Xpats" system. "e-Xpats" allows for a more efficient and friendlier process and is linked to systems in the Immigration Department, Malaysian missions abroad, and the Inland Revenue Board. Please contact 603-83137283 for details on 'e-Xpats'.

As a one-stop-centre, MDeC further provides end-to-end, value-added services where there are provisions of door-to-door logistical arrangements in collection/delivery of passports/relevant document, provides review/consultancy and performs submissions on behalf of MSC Malaysia-Status companies to the Immigration Department of Malaysia for issuance and endorsement of passes.

The required fee and supporting documents for the application of posts are:

- A processing fee of RM50 for new Employment Pass application or renewal.
- A copy of the applicant's passport (all pages).
- For new applications, a copy of the applicant's educational certificates (to be translated and certified if they are in languages other than English).
- Latest or updated resume stating the applicant's designation, job scope, duration and skills/exposure in IT environment.
- For renewals, a copy of MDeC's previous approval letter.
- For renewals, a copy of the applicant's employment contract that had been submitted to the Immigration Department.

If the application of post is rejected, MSC Malaysia-Status companies can appeal to the Chairman of MDeC by providing the following:

- a. Appeal Letter to MDeC
- b. Supporting documents
 - i.e. Recommendation Letter from university, Testimonial from previous company etc.

The required supporting documents and payment for the endorsement of pass are:

- a. Original passport
- b. DP11 Form
- c. Photo – 3 pieces, size 3.5cm x 4.5cm
- d. Offer of Employment Letter
- e. Payment to Immigration Department
- f. Service charges for provision of advisory services, client management, and door-to-door logistical arrangements.

Note: MSC Malaysia-status companies may opt to apply directly to the Expatriate Committee (EC), Ministry of Home Affairs for the applications of expatriate posts and subsequently, to the Immigration Department for the endorsement of passes of the approved posts. Processes, procedures and criteria for the approval of posts will be in accordance with the EC requirements - Refer Chapter 7 and 8 of this Guidebook.

All enquiries and applications to the MDeC can be addressed to:

**MSC MALAYSIA CLIENT CONTACT CENTRE (CLiC)
MULTIMEDIA DEVELOPMENT CORPORATION SDN BHD**

MSC Headquarters, 2360 Persiaran APEC,
63000 Cyberjaya,
Selangor Darul Ehsan,
Malaysia

E-mail: clic@mdec.com.my

Tel: 1-800-88-8338 (within Malaysia)

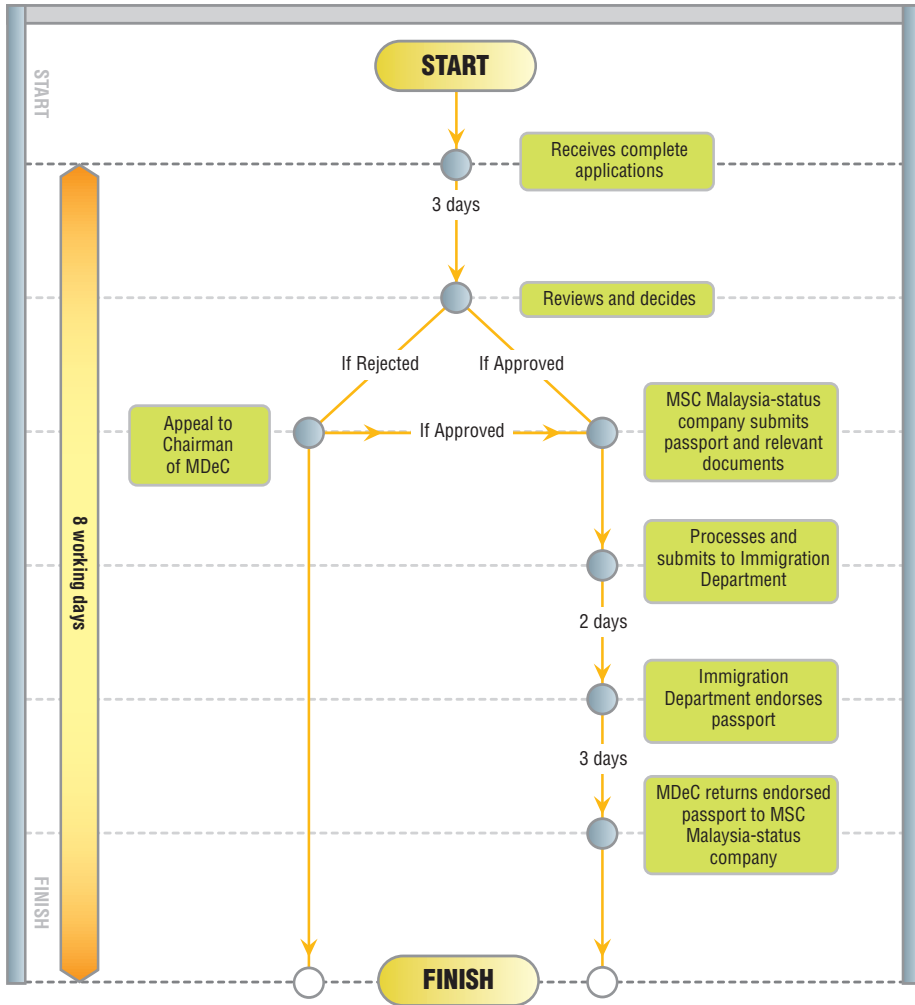
Tel: 603-8315 3325 / 3193 (outside Malaysia)

Fax: 603-8318 8520

Process

The flow chart for the employment of expatriates to MDeC is shown in Diagram 3.

Diagram 3: FLOW CHART OF EXPATRIATE POST APPLICATION FOR THE MSC COMPANIES



Appeal can be sent to:

**Chairman
Multimedia Development Corporation Sdn Bhd**

MSC Headquarters, 2360 Persiaran APEC,
63000 Cyberjaya,
Selangor Darul Ehsan, Malaysia

Tel: 1-800-88-8338 (within Malaysia)
Tel: 603-8315 3325 / 3193 (outside Malaysia)

Application Form

 <p>Multimedia Super Corridor Multimedia Development Corporation</p>	<p>Pass Application Form (MSC-Status Companies)</p>	<p>STAGE I MDC.WVF.6/05</p>
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Please use a pen, and write neatly in English using **Block Letters**.

*Tick where required.

- Employment Pass (EP) - please fill section A & C
- Dependant Pass (DP) - please fill section A, B & C
- Professional Visit Pass (PVP) - please fill section A & C (If accompanied by family, please fill Social Visit Pass form)

Where is the applicant Inside Malaysia Outside Malaysia

Details of the Foreign Knowledge Worker (FKW)

SECTION A

New Application **Renewal**

1. Full Name (as in passport)

2. Sex Male Female

3. Nationality

4. Passport No.

Expiry Date Place Issued

5. Date of birth Day Month Year
 / /

6. Place of birth

7. Professional Experience

Years Multimedia/IT provider
 Heavy user or Multimedia/IT

8. Position to be held

9. Monthly Basic Salary
 RM

10. Education

Master's Degree or above
 Bachelor's Degree
 Diploma from Technical College

11. i. Intended Period of Stay in Malaysia (For EP/DP)
 1 yr 2 yrs 3 yrs

ii. Intended Period of Stay in Malaysia (For PVP ONLY)
 3 months 6 months

12. If the applicant is from one of the countries listed below, please indicate which Malaysian High Commission/Embassy will he/she collect the reference visa from? Please tick **ONE**.

<p>India</p> <p><input type="checkbox"/> Chennai <input type="checkbox"/> New Delhi</p> <p>Philippines</p> <p><input type="checkbox"/> Manila <input type="checkbox"/> Davao City</p> <p>Pakistan</p> <p><input type="checkbox"/> Islamabad</p> <p>Myanmar</p> <p><input type="checkbox"/> Yangon</p> <p>Bangladesh</p> <p><input type="checkbox"/> Dhaka</p> <p>Others</p> <p><input type="checkbox"/> For non-commonwealth countries <input style="width: 100px;" type="text"/></p>	<p>China</p> <p><input type="checkbox"/> Shanghai <input type="checkbox"/> Guangzhou <input type="checkbox"/> Beijing <input type="checkbox"/> Hong Kong</p> <p>Sri Lanka</p> <p><input type="checkbox"/> Colombo</p> <p>Vietnam</p> <p><input type="checkbox"/> Hanoi <input type="checkbox"/> Ho Chi Minh City</p> <p>North Korea</p> <p><input type="checkbox"/> Pyongyang</p>
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13. Please attach the following document during submission:

- a. Processing Fee – RM50 (new/renewal) – EP only
Cash/cheque/bank draft payable to MSC Management Services Sdn Bhd
- b. Copy of the passport – **All Pages**
- c. Copy of Educational Certificates for new application (If other language, please get it translated and certified)
- d. Latest/Updated Resume stating the Designation/Job Scope/Duration/What IT environment
- e. A copy of previous MDC Approval Letter (for renewal ONLY)
- f. A copy of the Applicant's **Employment Contract** which was submitted to Immigration Department (for renewal ONLY)
- g. For Security Clearance checklist (please click [here](#))



Employment of Expatriates in the Securities and Futures Industries

The Securities Commission was established under the Securities Commission Act 1993 (SCA) to regulate and develop the Malaysian capital market. One of its main regulatory functions is to ensure investor protection. It is directly responsible for supervising and monitoring the activities of market institutions, including exchanges and clearing houses, and regulating all persons licensed under the Securities Industry Act 1983 (SIA) and Futures Industry Act 1993 (FIA). Besides its regulatory role, the Securities Commission also focuses on encouraging and promoting the development of the securities and futures markets in Malaysia.

Guidelines for the Applications for Expatriate Posts

The Securities Commission's "Guidelines for the Employment of Non-Malaysian Citizens in the Securities and Futures Industries" (please view the Securities Commission's website <http://www.sc.com.my>) was formulated with the aim of providing a framework to protect investors and facilitate the orderly development of the securities and futures industries. These guidelines ensure that expatriates employed are fit and able persons, and such employment takes into account the national development and economic policies of the Malaysian Government.

Securities and futures intermediaries are required to comply with these guidelines. However, the Securities Commission may allow exemptions and variations based on the merits of each case.

When the application for employment is approved by the Securities Commission, the applicant has to attach the letter of approval to the application form for the issuance of work permit (Form DP 11 from the Immigration Department) together with the relevant documentation.

However, if the application is rejected by the Securities Commission, the applicant may within 14 days after being notified of such decision, make an appeal to the Minister of Finance whose decision shall be final.

All enquiries and applications to the Securities Commission can be addressed to:

The Licensing Department

Securities Commission
3, Persiaran Bukit Kiara
50490 Kuala Lumpur,
Malaysia

Tel: 603-6204 8000

Fax: 603-6201 5282

Website: <http://www.sc.com.my>

The appeal application can be addressed to:

Minister of Finance

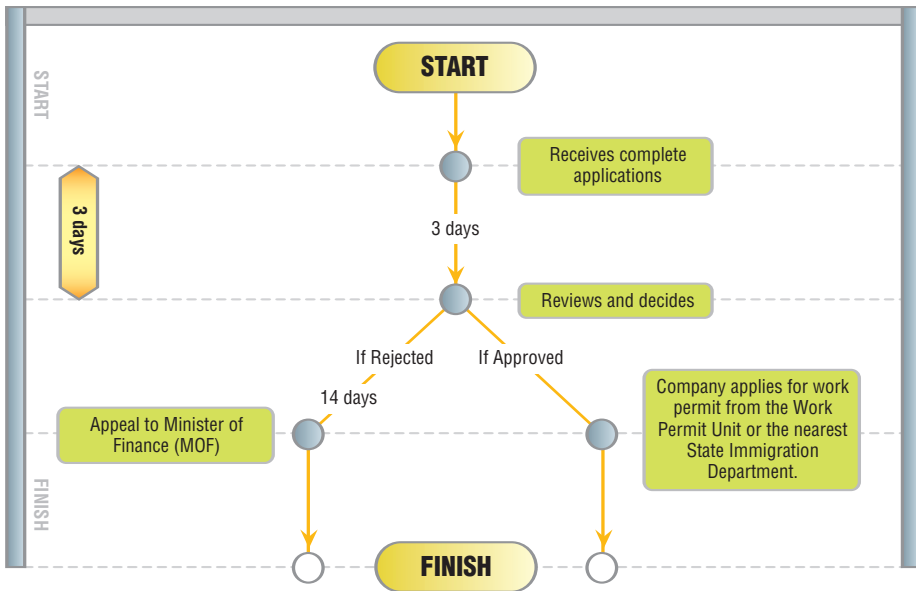
11th Floor, Middle Block
 Ministry of Finance Complex
 Persiaran Perdana, Presint 2
 Federal Government Administration Centre
 62592 Putrajaya

Tel: 603-8882 3000
 Fax: 603-8882 3787 / 4118

Process

The flow chart for the employment of expatriates in the securities and futures industries is shown in Diagram 4.

Diagram 4: FLOW CHART OF EXPATRIATE POST APPLICATION FOR SECURITIES AND FUTURES INDUSTRIES



Applications shall be made to the Securities Commission by completing the following application forms:

1

Form 1 entitled “Application for the Employment of Non-Malaysian Citizens in the Securities and Futures Industries – To be Filled by the Principal Company”,

Supporting documents:

- a) Organisation structure of the applicant’s company
- b) Details of understudies
- c) Any other information or documents to support the application to be included as additional appendices.

2

Form 2 entitled “Application for the Employment of Expatriates in the Securities and Futures Industries – To Be Filled by the Expatriate” – separate application form for each candidate.

Supporting documents:

- a) A copy of the applicant’s recent passport-size colour photograph;
- b) A certified true copy of the applicant’s passport;
- c) A certified true copy of the applicant’s academic or professional certificates; and
- d) Referral letters from two individuals.

For the purpose of this application, a referee shall be a person:

- (i) with whom the applicant has had regular contact for the past five years,
 - (ii) who has no interest in the success or otherwise of this application;
 - (iii) who is not a relative of the applicant;
 - (iv) who:
 - is a government officer
 - is a member of a professional body
 - is a member of the academic staff of a university or other tertiary educational institution, or
 - occupies a managerial position in any corporate body, and
 - (v) of whom the SC may make a reference on the character and reputation of the applicant.
- e) A certified true copy of marriage certificate (if the applicant is married to a Malaysian citizen); and
 - f) Any other information or documents to support the application shall be included as additional appendices.

A copy of documents referred to in (b), (c) and (e) shall be certified as a true copy by:

- (aa) a Commissioner for Oaths, or
- (bb) an Advocate or a Solicitor.

If the documents referred to in (b), (c), (d), (e) and (f) are in a language that is neither the national language of Malaysia or English language, there should be an attachment to this application, in addition to the duly certified copies of the documents, a translation in either the Malaysian national language or the English language that has been certified as a correct translation of the documents by the relevant Embassy or High Commission of the country for whom the said foreign language is an official language.





Employment of Expatriates in Financial Institutions

Malaysia's central bank, Bank Negara Malaysia (BNM), is responsible for maintaining monetary stability, promoting a sound financial system, issuing of currency, managing the country's international reserves, and promoting an effective and efficient payment system.

BNM is the regulator for financial institutions established under the Banking and Financial Institutions Act 1989, the Islamic Banking Act 1983, the Insurance Act 1996, Takaful Act 1984, and the Development Financial Institutions Act 2002. As such, all commercial banks, investment banks, Islamic banks, insurance companies, Takaful operators, international Islamic banks and international Takaful operators are required to seek approval from Bank Negara Malaysia for the appointment of any expatriate.

Applications for Expatriate Posts

Banking Institutions, Insurance Companies and Takaful Operators

These financial institutions submit their applications for the employment of expatriates to BNM. The maximum processing period is seven working days if complete documentation has been submitted and there are no adverse comments from agencies such as foreign central banks, the Royal Malaysian Police and other relevant agencies. BNM may also conduct an interview with the applicant where necessary.

International Islamic Banks and International Takaful Operators

The Immigration Department has granted a "Green Lane" to the Malaysian International Islamic Financial Centre (MIFC) Secretariat to expedite the process of granting immigration facilities, particularly employment passes and multiple entry visas, to expatriates to be employed by Islamic financial institutions in Malaysia. The Islamic financial institution is to submit its application to the MIFC Secretariat, which will obtain approval from BNM for the employment of the expatriates and from the Immigration Department for the granting of immigration facilities for the expatriates and their family members. The maximum processing period is seven working days.

General Conditions for the Employment of Expatriates

Banking Institutions

Banking institutions, including Islamic banks, are allowed to employ foreign specialists or experts in critical areas. For capital market related areas applicable to investment banks, applications should be submitted by the investment banks to the Securities Commission for approval.

Foreign specialists or experts may also be employed under an international exchange programme or appointed to senior management positions, including chief executive officer and director. For the appointment of a chief executive officer or director, specific approval is required from BNM for both Malaysian citizens as well as expatriates.



Insurance Companies and Takaful Operators

Insurance companies including Takaful operators are allowed to employ expatriates in areas of specialisation. However, the number of foreign expatriates allowed may vary in the case of direct insurance companies and reinsurance companies based on specific requirements. For the appointment of a chief executive officer or director, specific approval is required from Bank Negara Malaysia for both Malaysian citizens as well as expatriates.

International Islamic Banks and International Takaful Operators

The Islamic financial institution is to submit its application to the MIFC Secretariat, which will obtain approval from BNM for the employment of the expatriates and from the Immigration Department for the granting of immigration facilities for the expatriates and their family members.

Criteria for the Employment of Expatriates

The following criteria are applicable to expatriates to be employed by financial institutions, international Islamic banks and international Takaful operators.

Banking Institutions

The critical areas where the employment of expatriates as specialists/experts or under an international exchange programme is allowed include trade, finance, corporate finance, treasury, and information technology. For other areas that are deemed to be of critical significance to the banking institution, special consideration can be sought from BNM.

Insurance Companies and Takaful Operators

Specialists, experts and technical advisers to be employed must possess the relevant expertise and be competent on advising the insurer on specific aspects of business. The areas of specialisation where the employment of specialists, experts and technical advisers is allowed include underwriting of specialised classes of general business, information technology, and actuarial functions. For other areas that are deemed to be of critical significance to the financial institution, special consideration can be sought from BNM.

International Islamic Banks and International Takaful Operators

There is no limitation on the number of expatriates that can be employed by institutions licensed as international Islamic banks and international Takaful operators under the MIFC initiative.

All enquiries and applications can be addressed to:

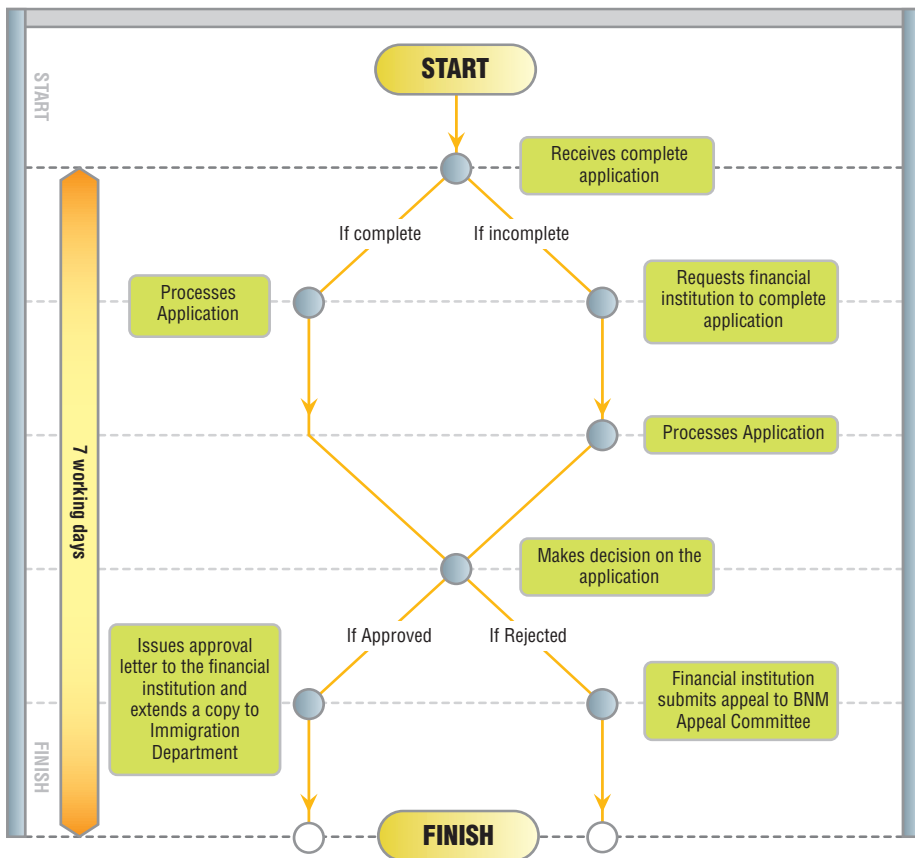
Director
Corporate Communication Department
Bank Negara Malaysia
 Jalan Dato' Onn
 50480 Kuala Lumpur, Malaysia

Tel: 603-2698 8044
 Fax: 603-2693 6919
 Email: info@bnm.gov.my
 Website: http://www.bnm.gov.my

Process

The flow chart for the application of expatriate posts in the Financial Institutions is shown in Diagram 5.

Diagram 5: FLOW CHART OF EXPATRIATE POST APPLICATION FOR THE FINANCIAL INSTITUTIONS







Employment of Expatriates in the Biotechnology Industry

Malaysian Biotechnology Corporation (BiotechCorp)

BiotechCorp is an agency under the purview of the Ministry of Science, Technology and Innovation and is wholly-owned by the Ministry of Finance Incorporated. BiotechCorp is governed by the Biotechnology Implementation Council and advised by the Biotechnology International Advisory Panel, both chaired by the Prime Minister of Malaysia.

The objective of the establishment of BiotechCorp amongst others is to identify value propositions in both R&D and commerce and support these ventures via financial assistance and developmental services.

BiotechCorp's key mandates are as follows:

- Act as a one-stop-centre for the biotechnology industry
- Nurture and accelerate growth of Malaysian biotechnology companies
- Create conducive environment for biotechnology
- Actively promote foreign direct investments in biotechnology

Services provided by BiotechCorp

BiotechCorp acts as a one-stop-centre providing support, facilitation and advisory services for biotechnology companies that are keen to establish their presence in Malaysia. The following are amongst others, services provided by the Company:

- Provision of first point of contact for all clients dealing with enquiries related to BiotechCorp and the BioNexus Status
- Processing and evaluation of BioNexus Status and the tax incentive applications
- Facilitation of services for immigration as well as employment related matters
- Oversees the development of human capital for BioNexus Status companies
- Processing and evaluation of applications for the Biotechnology Grants & Programmes
- Provision of advice and assistance for companies seeking funding options from government agencies, venture capitalists and financial institutions
- Provision of assistance in the areas of product registration/licensing and clinical trials
- Provision of support and advice to companies regarding options on office space availability, land area for setting up laboratories or manufacturing facilities, etc
- Nurturing of Biotechnology companies in Malaysia as well as promoting foreign direct investments

Guidelines on the Employment of Expatriate Posts in BioNexus Companies

BioNexus Status companies may employ any number of expatriates whose experience, expertise and skills are relevant to and required by the business of the BioNexus companies. The expatriates may fit into one of the following categories:

1. Biotechnology expatriates – Management or Subject Matter Experts
 - Five (5) or more years of experience in managing (or serving a post in management capacity) a biotechnology business or venture.
 - For subject matter experts, five (5) or more years of direct experience in areas relevant to the biotechnology industry (covering agricultural, healthcare and industrial biotechnology), including, but not limited to, the following:
 - product discovery and development, e.g. pre-clinical and clinical development,
 - biomedical engineering
 - bio-processing,
 - quality assurance,
 - regulatory affairs,
 - international business development, and
 - accreditation and certification.
 - A Bachelor's degree or higher in biotechnology or life sciences or a discipline that is relevant to biotechnology business.
2. Biotechnology expatriates – Researchers or Technical Experts
 - Five (5) or more years of research or technical experience in a field relevant to the business being conducted by the BioNexus Status company.
 - Preferably with a Bachelor's degree or higher in biotechnology or life sciences or related disciplines.

Any variation or exemption to the Guidelines will be at the sole discretion of BiotechCorp.

Required documents

The following set of documents must be submitted to BiotechCorp for the application of expatriate posts:

1. Resume of applicant
2. Academic certificates of applicant
3. Copy of Passport
4. Passport sized photo
5. Letter of Authorization from company
6. Job Description for the position applied
7. Latest print-out from Companies Commission of Malaysia, Form 9, 24 and 49.
8. Form DP 10.
9. Copy of Commentary Letter from related agency e.g. MITI, Ministry of Domestic Trade and Consumer Affairs

Submission of Application

Companies should submit their applications by hand to:

**People Services Unit
Client Support Services Division
Malaysian Biotechnology Corporation**

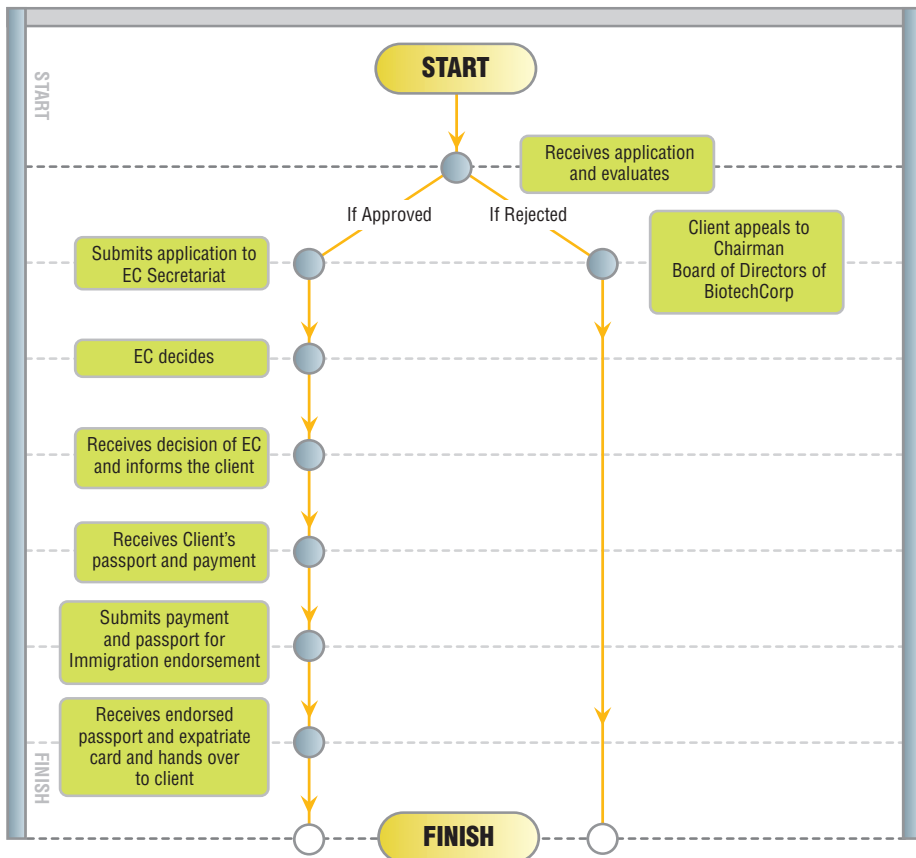
Level 20, Menara Naluri
161 Jalan Ampang
50450 Kuala Lumpur

Tel: 603-2116 5588
Fax: 603-2116 5528

Process

The flow chart for the application of expatriate posts in the biotechnology industry is shown in Diagram 6. BioNexus companies whose application for expatriate posts has been rejected by BiotechCorp can make a written Appeal to the Chairman of the Board of Directors of BiotechCorp within 30 days of receiving the Letter of Rejection. The decision by the Chairman of the Board shall be final and conclusive.

Diagram 6: FLOW CHART FOR THE EMPLOYMENT OF EXPATRIATES IN THE BIOTECHNOLOGY INDUSTRY



Note: EC: Expatriate Committee Ministry of Home Affairs





Employment of Expatriates in Other Sectors

The Expatriate Committee (EC) was established to simplify and expedite the process of approval of expatriate posts in sectors other than the manufacturing and manufacturing related services sectors; information technology sector, finance, insurance and banking sectors, and the securities and futures market. EC is under the Ministry of Home Affairs. The Immigration Department's Employment Pass Division acts as the Secretariat for EC.

Applications for Expatriate Posts

Companies should submit their applications by hand or by post to the Expatriate Committee:

**Expatriate Committee
Employment Pass Division
Immigration Department of Malaysia (Headquarters)**

Level 3, Block 2G4 (Podium)
Precinct 2, Pusat Pentadbiran Kerajaan Persekutuan,
62550 Putrajaya, Wilayah Persekutuan, Malaysia

Tel: 603-8880 1423 / 1424 / 1431

Fax: 603-8880 1394

Website: <http://www.imi.gov.my>

The Secretariat then processes the completed applications and checks for compliance with the Form DP10 checklist as follows:

1. Form DP10.
2. Authorisation letter from the company.
3. Cover letter explaining the company's activities and justifications for the posts.
4. Latest print-out from the Companies Commission of Malaysia (CCM), forms 9, 24 and 49.

Where applicable:

- A recommendation letter from the relevant agency if the job is related to any of the sectors below:

Sector	Agency
Education	- Ministry of Higher Education or Ministry of Education
Health (Modern/Traditional)	- Ministry of Health
Tourism (Travel Agencies)	- Ministry of Tourism Malaysia
Civil Aviation Services	- Department of Civil Aviation (DCA)
Sports	- National Sports Council of Malaysia (NSC)
Football	- Football Association of Malaysia (FAM)



- Business license from the Local Authority
- For construction sector
 - The Construction Industry Development Board License / Letter of award
- For wholesale and retail sectors
 - Wholesale license from the Ministry of Domestic Trade and Consumer Affairs
- For wholesale and retail sectors and restaurants with foreign equity
 - Wholesale and Retail Trade (WRT) approval from the Ministry of Domestic Trade and Consumer Affairs

Criteria

The decision to approve the expatriate post will be based on the following criteria:

■ Minimum Paid-up Capital

No.	Equity	Minimum Paid-up Capital
1.	100% local (Malaysian) owned	RM 150,000.00
2.	Local + Foreign owned	RM 200,000.00
3.	100% Foreign owned	RM 250,000.00

■ Recommendation from Monitoring Agencies

A recommendation letter from the related monitoring agencies is required if the company's activity falls under the purview of these agencies. It is the responsibility of the applicant (company) to get the recommendation letter and submit it together with the application for the post of expatriates. The application for the recommendation letter will be processed by the relevant agencies within one week. The related agencies and sectors are shown below:

No.	Agency	Sector
1.	a) Ministry of Higher Education Department of Higher Education, Ministry of Higher Education, Private Higher Education Management Sector, Ground Floor & Level 5, Block 1, Menara PJH, Precinct 2, Pusat Pentadbiran Kerajaan Persekutuan, 62100 PUTRAJAYA	Higher Education (Diploma level and above)
2.	b) Ministry of Education Private Education Division, School Department, Ministry of Education, Level 3, Block E2, Complex E, Pusat Pentadbiran Kerajaan Persekutuan, 62604 PUTRAJAYA	Primary and Secondary Education
3.	Ministry of Health a) Malaysian Medical Council, Ministry of Health, Level 2, Block E1, Parcel E, Pusat Pentadbiran Kerajaan Persekutuan, 62950 PUTRAJAYA	Modern Medical Practices and Health Care

No.	Agency	Sector
	b) Nursing Board Malaysia, Ministry of Health, Level 3, Block E1, Parcel E, Precinct 1, Pusat Pentadbiran Kerajaan Persekutuan, 62950 PUTRAJAYA	Nursing
	c) Traditional and Complementary Medicine Division, Ministry of Health, Block E, Level 1&2, Jalan Cenderasari, 50590 KUALA LUMPUR	Traditional and Complementary Medicine and Health Care
4.	Football Association of Malaysia (FAM) FAM Building, Jalan SS5A/9, Kelana Jaya, 47301 Petaling Jaya, SELANGOR	Football Club / Association Affiliated With FAM
5.	National Sports Council of Malaysia (MSN) National Sports Council of Malaysia, National Sports Complex, Bukit Jalil, Seri Petaling, 57000 KUALA LUMPUR	Sports
6.	Department of Civil Aviation (DCA) Department of Civil Aviation Malaysia, Level 1-4, Block Podium, Lot 4G4, Precinct 4, Pusat Pentadbiran Kerajaan Persekutuan, 62604 PUTRAJAYA	Civil Aviation and Civil Aviation related services
7.	Ministry of Tourism Malaysia Ministry of Tourism Malaysia, Level 6, 21-23, 32-36, Menara Dato Onn, Pusat Perdagangan Dunia Putra (PWTC), 45, Jalan Tun Ismail, 50695 KUALA LUMPUR	Travel Agencies related to tourism industry

■ Registration with Monitoring Agencies

Registration with monitoring agencies is required for the construction industry, wholesale and retail businesses (including restaurants) and direct-selling companies:

- The Construction Industry Development Board (CIDB) for companies related to construction sectors.
- The Ministry of Domestic Trade and Consumer Affairs for companies with foreign equity that are involved in wholesale and retail business (including restaurants) and direct selling.

■ Other Criteria

- The appropriateness of the scope of the job in relation to the company's activity.
- Minimum monthly salary to identify whether the applicant is an expatriate or a foreign worker.
- Age and working experience of expatriate, i.e., the applicant is of an age suitable for the job and has the working experience.

All applications for expatriate posts will be processed within seven days. The status of applications will be informed via letter. The applicant can also call Tel: 03-88801571 or visit the Immigration Department's website, <http://www.imi.gov.my>

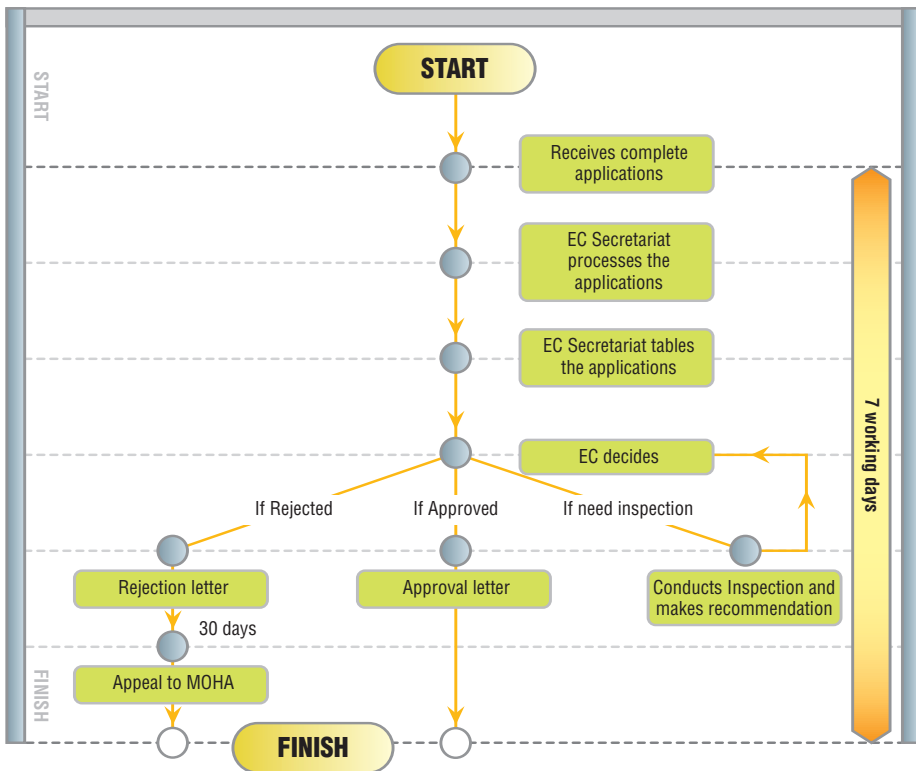
In the case of rejected applications, all appeal letters should be sent to:

**Secretary-General
Ministry of Home Affairs,
Immigration and National Registration Division,**
Level 5, Block D2, Parcel D,
Pusat Pentadbiran Kerajaan Persekutuan,
62570 Putrajaya

Process

The flow chart for the application of expatriate posts through the Expatriate Committee is shown in Diagram 7.

Diagram 7: FLOW CHART FOR THE APPLICATION OF EXPATRIATE POST THROUGH EXPATRIATE COMMITTEE (EC)



Note: EC: Expatriate Committee
MOHA: Ministry of Home Affairs



Endorsement of Employment Pass

The second stage in the process of employing expatriates is the endorsement of employment pass. The issuance of employment pass or passes related to expatriate posts is solely under the jurisdiction of the Immigration Department. After getting approval from the approving agencies, i.e., the Malaysian Industrial Development Authority (MIDA) for the manufacturing and manufacturing related services sectors; the Multimedia Development Corporation (MDeC) for companies that have been awarded Multimedia Super Corridor (MSC Malaysia) Status; the Central Bank of Malaysia (CBM) for the financial, insurance and banking sectors; and Securities Commission (SC) for the securities and futures market, the endorsement of related passes can be made at any Immigration Office.

Companies will submit their applications by hand to:

Employment Pass Division
Immigration Department of Malaysia (Headquarters),
Level 3, Block 2G4 (Podium),
Precinct 2, Pusat Pentadbiran Kerajaan Persekutuan,
62550 Putrajaya, Wilayah Persekutuan, Malaysia

Tel: 603-8880 1571 (call centre)

Fax: 603-8880 1394

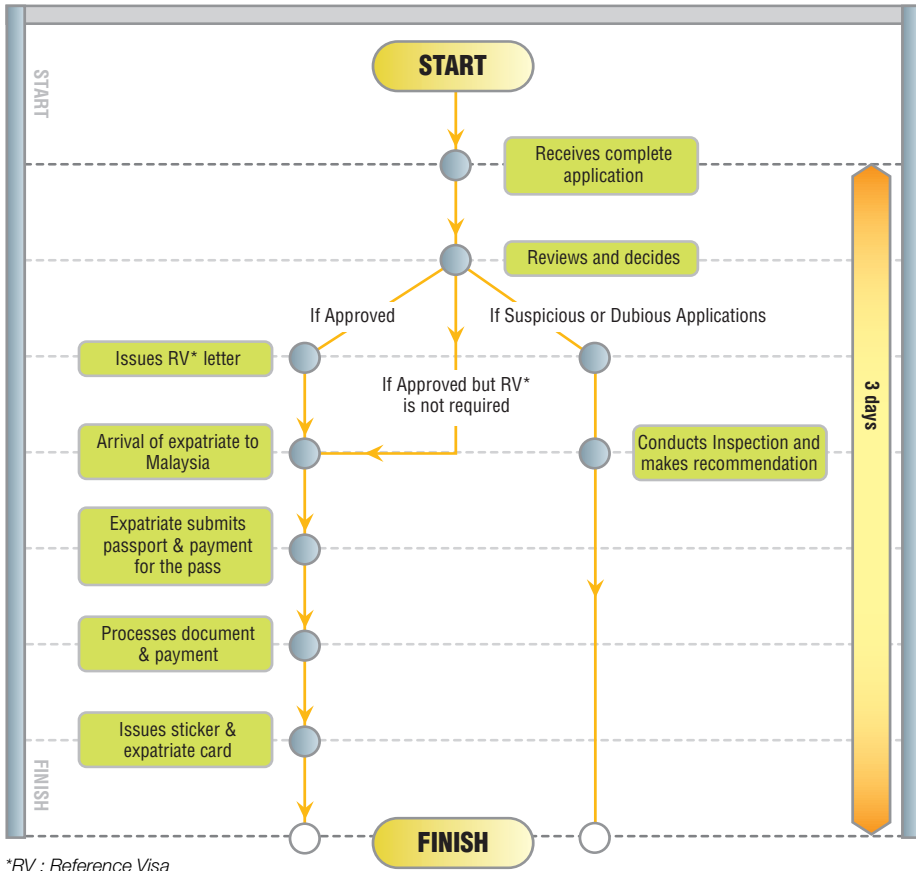
Website: <http://www.imi.gov.my>

Or the nearest State Immigration office.

Process

The flow chart of getting endorsement of employment pass and visit pass (temporary employment) is shown in Diagram 8.

Diagram 8: FLOW CHART FOR THE APPLICATION OF EMPLOYMENT PASS



The Immigration Department processes the completed applications and checks for compliance with the Form DP11 checklist as follows:

1. Identification as the company's officer / authorisation letter.
2. Completed Form DP11 attached with a photograph of the expatriate.
3. Offer and acceptance letter or employment contract (stamped RM10.00 at the Duty Stamp Office) or personal bond (stamped RM10.00 at Duty Stamp Office) for visit pass (temporary employment) / Social Visit Pass (for dependant).
4. Photocopy of the latest passport of the expatriate or dependant(s) (if applicable).

If applicable:

- a. To attach the approval letter from MIDA, CBM or SC whichever is applicable (not applicable for approvals from the Expatriate Committee and MDeC).
- b. To attach a company's corporate information's print out from Companies Commission of Malaysia (CCM), forms 9, 24 and 49 for MIDA and Expatriate Committee approval (if there is conditional approval from the Expatriate Committee to increase the paid-up capital).
- c. To attach the expatriate's resume, a photocopy of certificate, diploma or degree for MIDA approval of posts other than key posts (if MIDA's approval is for both the post and the expatriate, the document is not necessary).
- d. To attach the release letter from a previous employer when switching to a new employer.

For applications for extension of term, items no. 4 and c. and d. are not applicable.

All applications will be processed within three days. Suspicious or dubious applications will delay the processing time.

The following are conditions and criteria taken into consideration before issuing employment passes:

■ **Validity of passport or travel document**

The validity of the passport or travel document must be at least six months and the validity of the pass must not exceed the validity of the passport or travel document.

■ **Having a valid pass (not overstay)**

Overstaying is an offence.

■ **Reference Visa**

Nationalities of certain countries are required to have a Reference Visa (RV) to facilitate their entry into Malaysia for purposes of employment. This visa is obtainable at any Malaysian Mission abroad on application after getting approval from the Immigration Department in Malaysia. Mentioned below are names of countries whose nationals need Reference Visa (RV) and those countries whose nationals do not need Reference Visa (RV) for purposes of employment:

COUNTRIES WHOSE NATIONALS REQUIRE REFERENCE VISA (RV) FOR PURPOSES OF EMPLOYMENT

MIDDLE EAST

1. BAHRAIN	8. OMAN
2. IRAN	9. PALESTINE
3. IRAQ	10. QATAR
4. ISRAEL	11. SAUDI ARABIA
5. JORDAN	12. SYRIA
6. KUWAIT	13. UNITED ARAB EMIRATES
7. LEBANON	14. YEMEN



**COUNTRIES WHOSE NATIONALS REQUIRE REFERENCE VISA (RV)
FOR PURPOSES OF EMPLOYMENT**

EUROPE (EASTERN EUROPE, NORTHERN EUROPE, WESTERN EUROPE, SCANDINAVIA)

1. ALBANIA	20. LITHUANIA
2. AUSTRIA	21. LUXEMBOURG
3. BELARUS	22. MACEDONIA
4. BELGIUM	23. MALTA
5. BOSNIA-HERZEGOVINA	24. MOLDOVA
6. BULGARIA	25. MONACO
7. CROATIA	26. NORWAY
8. CZECH REPUBLIC	27. POLAND
9. DENMARK	28. PORTUGAL
10. ESTONIA	29. ROMANIA
11. FINLAND	30. SLOVAKIA
12. FRANCE	31. SLOVENIA
13. GEORGIA	32. SPAIN
14. GERMANY	33. SWEDEN
15. GREECE	34. TURKEY
16. HUNGARY	35. UKRAINE
17. ICELAND	36. VATICAN CITY
18. ITALY	37. YUGOSLAVIA
19. LATVIA	

AFRICA (NORTH AFRICA, SUB-SAHARA AFRICA)

1. ALGERIA	21. GUINEA-BISSAU
2. ANGOLA	22. LIBERIA
3. BENIN	23. LIBYA
4. BURKINA FASO	24. MADAGASCAR
5. BURUNDI	25. MALI
6. CAMEROON	26. MAURITANIA
7. CAPE VERDE	27. MOROCCO
8. CENTRAL AFRICAN REPUBLIC	28. MOZAMBIQUE
9. CHAD	29. NIGER
10. COMOROS	30. NIGERIA
11. CONGO DEMOCRATIC REPUBLIC	31. RWANDA
12. CONGO REPUBLIC	32. SAO TOME AND PRINCIPE
13. COTE D'IVOIRE	33. SENEGAL
14. DJIBOUTI	34. SIERRA LEONE
15. EGYPT	35. SOMALIA
16. EQUATORIAL GUINEA	36. SUDAN
17. ERITREA	37. TOGO
18. ETHIOPIA	38. TUNISIA
19. GABON	39. UGANDA
20. GHANA	40. WESTERN SAHARA

**COUNTRIES WHOSE NATIONALS REQUIRE REFERENCE VISA (RV)
FOR PURPOSES OF EMPLOYMENT**

AMERICA (CENTRAL AMERICA, NORTH AMERICA, SOUTH AMERICA, CARIBBEAN)

1. ARGENTINA	12. HONDURAS
2. BOLIVIA	13. MEXICO
3. BRAZIL	14. NICARAGUA
4. CHILE	15. PANAMA
5. COLOMBIA	16. PARAGUAY
6. COSTA RICA	17. PERU
7. CUBA	18. SURINAM
8. EL SALVADOR	19. UNITED STATES OF AMERICA
9. EQUADOR	20. URUGUAY
10. GUATEMALA	21. VENEZUELA
11. HAITI	

ASIA (EASTERN ASIA, WESTERN ASIA, SOUTHEAST ASIA, SOUTH CENTRAL ASIA)

1. AFGHANISTAN	18. MACAO (TRAVEL PERMIT/ PORTUGAL CI)
2. ARMENIA	19. MONGOLIA
3. AZERBAIJAN	20. MYANMAR
4. BANGLADESH	21. NEPAL
5. BHUTAN	22. NORTH KOREA
6. CAMBODIA	23. PAKISTAN
7. CHINA	24. PHILIPPINES
8. HONG KONG (C/I OR D/I)	25. RUSSIA
9. HONG KONG SAR/BNO	26. SOUTH KOREA
10. INDIA	27. SRI LANKA
11. INDONESIA	28. TAIWAN
12. JAPAN	29. TAJIKISTAN
13. KAZAKHSTAN	30. THAILAND
14. KIRGYSTAN	31. TIMOR – LESTE (EAST TIMOR)
15. KYRGYZ REPUBLIC	32. TURKMENISTAN
16. LAOS	33. UZBEKISTAN
17. MACAO SAR	34. VIETNAM

**COUNTRIES WHOSE NATIONALS DO NOT REQUIRE REFERENCE VISA (RV)
FOR PURPOSES OF EMPLOYMENT**

EUROPE (EASTERN EUROPE, NORTHERN EUROPE, WESTERN EUROPE, SCANDINAVIA)

1. CYPRUS	5. SAN MARINO
2. IRELAND	6. SWITZERLAND
3. LIECHTENSTEIN	7. UNITED KINGDOM
4. NETHERLANDS	



COUNTRIES WHOSE NATIONALS DO NOT REQUIRE REFERENCE VISA (RV) FOR PURPOSES OF EMPLOYMENT

AFRICA (NORTH AFRICA, SUB-SAHARA AFRICA)

1. BOTSWANA	9. SEYCHELLES
2. GAMBIA	10. SOUTH AFRICA
3. GUINEA REPUBLIC	11. SWAZILAND
4. KENYA	12. TANZANIA
5. LESOTHO	13. ZAIRE
6. MALAWI	14. ZAMBIA
7. MAURITIUS	15. ZIMBABWE
8. NAMIBIA	

PACIFIC OCEANIA (MICRONESIA, MELANESIA, POLYNESIA)

1. AUSTRALIA	7. SAMOA
2. FIJI	8. SOLOMON ISLANDS
3. KIRIBATI	9. TONGA
4. NAURU	10. TUVALU
5. NEW ZEALAND	11. VANUATU
6. PAPUA NEW GUINEA	12. WESTERN SAMOA

AMERICA (CENTRAL AMERICA, NORTH AMERICA, SOUTH AMERICA, CARIBBEAN)

1. ANTIGUA AND BARBUDA	8. GUYANA
2. BAHAMAS	9. JAMAICA
3. BARBADOS	10. SAINT KITTS AND NEVIS
4. BELIZE	11. SAINT LUCIA
5. CANADA	12. SAINT VINCENT AND THE GRENADINES
6. DOMINICA	13. TRINIDAD AND TOBAGO
7. GRENADA	

ASIA (EASTERN ASIA, WESTERN ASIA, SOUTHEAST ASIA, SOUTH CENTRAL ASIA)

1. BRUNEI
2. MALDIVES
3. SINGAPORE

OTHER COUNTRIES

Countries that do not fall under either category should be treated as countries that need Reference Visa (RV) for purposes of employment.



This guidebook is an initiative of PEMUDAH

PEMUDAH is a high-level Special Task Force established by the Government of Malaysia to Facilitate Businesses. It is entrusted to review the public service delivery system and make appropriate changes to policies, strategies and procedures in order to improve the business environment.



The guidebook is a collaborative effort of:

**Implementation Coordination Unit
Prime Minister's Department**

Bangunan Perdana Putra
62502 Putrajaya, Malaysia

Ministry of Home Affairs

Block D1 and D2, Parcel D
Pusat Pentadbiran Kerajaan Persekutuan
62546 Putrajaya, Malaysia

Immigration Department of Malaysia

Level 3, Block 2G4 (Podium),
Precinct 2, Pusat Pentadbiran Kerajaan Persekutuan,
62550 Putrajaya, Malaysia

Malaysian Industrial Development Authority (MIDA)

5th Floor, Block 4, Plaza Sentral
Jalan Stesen Sentral 5
50470 Kuala Lumpur, Malaysia

Multimedia Development Corporation Sdn Bhd

MSC Headquarters, 2360 Persiaran APEC,
63000 Cyberjaya,
Selangor Darul Ehsan, Malaysia

Securities Commission

3, Persiaran Bukit Kiara
50490 Kuala Lumpur, Malaysia

Bank Negara Malaysia

Jalan Dato' Onn
50480 Kuala Lumpur, Malaysia

Malaysian Biotechnology Corporation

Level 20, Menara Naluri
161 Jalan Ampang
50450 Kuala Lumpur

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