

Country (Region) Guides for Outward Investment Co- operation

Malaysia

(2022 edition)

Ministry of Commerce, Institute of
International Trade and Economic Co-
operation Embassy of China in Malaysia
Economic and Commercial Affairs Division
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fore word

The report of the twentieth CPC National Congress points out that it is important to promote a high level of opening up to the outside world, to enhance the quality and level of trade and investment cooperation, to accelerate the building of a strong trading nation, to promote the high-quality development of the "One Belt, One Road", to participate deeply in the division of labour and cooperation in the global industry, and to safeguard a diversified and stable international economic pattern and economic and trade relations.

Guided by Xi Jinping's thought of socialism with Chinese characteristics in the new era, the Ministry of Commerce comprehensively implements the spirit of the 20th CPC National Congress, and in accordance with the principle of "government-guided, enterprise-led, and market-orientated operation", it encourages and supports strong, reputable and internationally competitive enterprises to go out to carry out outward investment and cooperation in a steady and orderly manner, and actively participate in the construction of the "Belt and Road". It will also actively participate in the co-construction of the "One Belt, One Road", guide and serve China's enterprises to actively integrate into the global industrial chain supply chain, and continuously improve the quality and level of outward investment and co-operation. In 2021, China's outward foreign direct investment flow will reach US\$178.82 billion, an increase of 16.3 per cent over the previous year, ranking second in the world;

Seventy-nine Chinese enterprises have been listed in the Engineering News Record (ENR) 2022 "Top 250 International Contractors" list, and continue to top the list. Chinese-funded enterprises are making rational and effective use of resources in overseas markets, actively engaging in international cooperation and competition, contributing to the economic and social development of host countries, and injecting vitality into the global economic recovery.

In order to better help enterprises understand and familiarise themselves with the local business environment and effectively prevent and resolve various risks, the Institute of International Trade and Economic Cooperation (IITEC) of the Ministry of Commerce (MOFCOM) and the business agencies of embassies and

consulates in foreign countries have compiled the 2022 edition of the "Country (Place) of Outward Investment Co-operation" (COIC).

The Guide covers 129 countries and regions. The Guide covers 129 countries and regions, reflecting comprehensively and objectively the macroeconomic situation, laws and regulations, economic and trade policies, business environment and other matters of concern to enterprises going abroad in the countries (regions) where OFDI cooperation takes place, as well as paying further attention to relevant policies and regulations, current development status and international cooperation on digital economy and green development in the relevant countries (regions), and adjustments in economic and trade policies since the epidemic.

We hope that the 2022 edition of the Guide will be helpful to enterprises that intend to go global and carry out outbound investment and cooperation, and we welcome criticisms and valuable opinions from all walks of life. At the same time, we will seriously absorb the useful suggestions and continuously improve our work, so as to make the Guide better and better, and to play a greater role in enhancing the ability and level of enterprises' international operation, coping with all kinds of risks and challenges, and promoting the high-quality development of outward investment and cooperation.

We will be based on the new stage of development, complete, accurate and comprehensive implementation of the new development concept, serve to accelerate the construction of a new development pattern, focus on promoting high-quality development, and innovate in the preparation of the Guide, so as to more accurately and efficiently provide high-quality information services for enterprises going abroad, and to help them go abroad steadily and make progress.

Office for the Preparation of Country
(Regional) Guides for Outward Investment
Co-operation

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Message from the Counsellor

Malaysia is located in the centre of Southeast Asia, guarding the Strait of Malacca, connecting ASEAN on the sea and ASEAN on the land, with obvious advantages in location. China and Malaysia have a high degree of strategic economic and trade dependence, and economic and trade cooperation is large in scale and deep in foundation. In the process of promoting the construction of the "Belt and Road" and international production capacity cooperation, Malaysia has taken the lead in responding to and actively participating in it, and has become an important node country of the "21st Century Maritime Silk Road". At present, China's enterprises and the Malaysian side to carry out investment, contracting, labour cooperation to speed up the pace of mutually beneficial cooperation projects continue to emerge, showing a "flagship lead, a hundred boats compete for the flow of Western Malaysia upgrade, East Malaysia to expand the" trend.



Bilateral trade is booming. According to China Customs, bilateral trade in 2021 will reach \$176.8 billion, an increase of 34.5 per cent year-on-year. Malaysia is our second largest trading partner in ASEAN, while China has remained Malaysia's largest trading partner for 13 consecutive years, as well as its top source of imports and top export destination.

In recent years, China's investment in Malaysia has maintained a high rate of growth, more diversified areas of investment, in addition to the manufacturing industry, but also covers new energy, electricity, petrochemicals, rail transport, ports, agriculture and fisheries, finance and other fields. According to the Malaysian Investment Development Authority (MIDA) statistics, in 2021, its approval of Chinese enterprises in Malaysia's manufacturing sector investment amounted to 4 billion U.S. dollars, under the impact of the new coronavirus epidemic still maintains the scale of the overall stability. Projects such as the "Two Countries Double Park",

Edra Power Company, Sinotruk ASEAN Manufacturing Centre, Shandong Daiyin Spinning Mill, United Iron and Steel Plant, and Shandong Hengyuan's acquisition of Shell's Malaysian refinery are progressing well.

The contracting business of Chinese-funded enterprises in Malaysia is an important part of practical cooperation between China and Malaysia. Chinese-funded enterprises in Malaysia mainly focus on infrastructure construction, and actively realise the transformation of construction and operation integration, with the projects under construction mainly focusing on hydropower stations, bridges, railways, real estate and other fields. The scope of projects contracted by Chinese-funded enterprises in Malaysia has covered the entire territory of East and West Malaysia, and progress has been made in such important fields as communications, metro, highways, power stations and petrochemicals.

Financial cooperation has been deepening. The Central Bank of Malaysia has included RMB in its foreign exchange reserves, and the two countries have expanded the scale of local currency swap and set up a RMB clearing bank in Kuala Lumpur, which further facilitates trade exchanges and investment cooperation between the two sides. Currently, Chinese banks that have opened sub-banks in Malaysia include Bank of China, Industrial and Commercial Bank of China and China Construction Bank. China Construction Bank also opened a Labuan branch in 2019.

The digital economy and green economy are areas of co-operation between China and Malaysia that have vast scope for development. In the midst of the epidemic, Ma

Malaysia's digitalisation process has accelerated significantly, with the launch of a digital economy development blueprint for 2021 and a new energy development plan, which are expected to help Malaysia quickly recover its economy, reduce carbon emissions and create new growth momentum. Chinese companies have good technical accumulation and practical experience in 5G infrastructure construction, data centres, e-commerce, artificial intelligence, etc., and have actively and extensively participated in Malaysia's digital transformation. Green economy is a trend in the world's economic development, and Chinese companies overseas are increasingly focusing on adopting more environmentally friendly and efficient technologies and on low-carbon and cleaner areas of cooperation. Malaysia, with its abundant solar energy and hydropower resources, is an ideal destination for green economy cooperation and is expected to explore more cooperation opportunities in the future.

At present, China-Malaysia relations enjoy solid political mutual trust, profound integration of interests and broad space for cooperation. Promoting China-Malaysia cooperation and development is in the fundamental and long-term interests of the two countries and peoples. Looking ahead, both countries stand at a new starting point in the history of their respective countries' development, with huge potential and broad prospects for cooperation. Under the new situation, China will continue to align the Belt and Road Initiative with Malaysia's national development strategy, further expand practical cooperation in various fields, build model projects on connectivity and capacity cooperation, and promote common economic and social development between the two countries.

Zhang Peidong, Minister Counsellor for
Economic and Commercial Affairs, Chinese
Embassy in Malaysia

June 2022

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INTRODUCTION What will this guide tell you?

Do you know enough about the investment and co-operation environment in Malaysia (hereinafter referred to as "Malaysia") before you go there for investment and co-operation? What is the political, economic, social and cultural environment? What industries are suitable for investment co-operation? Is the cost of doing business in Malaysia competitive? How should I go through the relevant vetting procedures? What are the local laws and regulations governing foreign investment co-operation? What should I pay special attention to in order to carry out investment co-operation in Malaysia? What should I do if I encounter difficulties? How to deal with the local government, parliament, labour unions, residents, media and law enforcement agencies? Country (Regional) Guides for Foreign Investment Co-operation series

Malaysia will give you the basic information and be your guide to Malaysia.

1. Country profile

1.1 A Brief History of Development

The Malacca Dynasty, which began in 1403, was the first recorded kingdom in Malaysian history. During the Ming Dynasty of China, Zheng He made seven expeditions to the West, and was stationed in Malacca on five occasions, and after the 16th century, the Malay Peninsula was colonised by Portugal, Holland and the United Kingdom, and during the Second World War, the Malay Peninsula was occupied by Japan. During World War II, the Malay Peninsula was occupied by Japan, and on 31 August 1957, the President of the Union, Tunku Abdul Rahman, proclaimed the independence of the Federation of Malaya from the United Kingdom, and in the same year, it joined the General Agreement on Tariffs and Trade (GATT), the predecessor of the World Trade Organisation (WTO), and became a founding member. On 16 September 1963, the Federation of Malaya, along with Singapore, Sabah, and Sarawak, formed Malaysia (Singapore became independent on 9 August 1965). Singapore became independent from Malaysia on 9 August 1965). Malaysia is a founding member of ASEAN and is a member of the United Nations, the Indian Ocean Rim Association for Regional Cooperation (IORARC), the Commonwealth, the Non-Aligned Movement (NAM), the Islamic Conference (IC) and the Asia-Pacific Economic Cooperation (APEC), among others.



Malacca Ancient Battery

Malaysia has vigorously pursued economic diplomacy, actively promoting South-South cooperation and opposing trade protectionism by Western countries. Malaysia hosted the Sixth Asia-Pacific Economic Cooperation (APEC) Leaders' Informal Meeting in 1998 and successfully hosted the APEC Summit and Finance Ministers' Meeting in 2020. Malaysia favours APEC remaining a loose economic forum and opposes its development into a regional bloc.

Malaysia attaches importance to East Asian cooperation and advocates the establishment of the East Asian Community, hosting the first informal meeting of leaders of ASEAN and China, Japan and South Korea (10+3) in 1997, and the first East Asia Summit at the end of 2005. It is actively committed to the construction of the ASEAN Free Trade Area (AFTA) and cooperation in the economic development of the Mekong River Basin. In 2015, as the Chair of ASEAN, it hosted the ASEAN Summit, ASEAN and Dialogue Partner Countries Meeting, and the East Asia Summit, etc. In March 2022, Malaysia formally entered into force of the Regional Comprehensive Economic Partnership Agreement (RCEPA); and in May, Malaysia became one of the 13 founding members of the Indo-Pacific Economic Framework (IPEF).

Malaysia advocates for the preservation of the United Nations as the central international organisation and is concerned with the establishment of a new international political and economic order, having been elected as a member of the United Nations Commission on Human Rights for the period 2005-2007 in May 2004, and as a member of the Human Rights Council for two three-year terms in May 2006 and May 2010, and as a non-permanent member of the United Nations Security Council for the period 2015-2016, as well as a member of the United Nations Human Rights Council.

1.2 environment

1.2.1 geographic location

Malaysia is located in Southeast Asia and consists of Malaya in the southern part of the Malay Peninsula and Sarawak and Sabah in the northern part of Kalimantan Island. The whole territory is divided by the South China Sea into East Malaysia (referred to as East Malaysia) and West Malaysia (referred to as West Malaysia). West Malaysia is located in the southern part of the Malay Peninsula, bordering Thailand in the north and Singapore in the south across the Straits of Johor, with the South China Sea in the east and the Straits of Malacca in the west; East Malaysia is located in the northern part of the island of Kalimantan, and is bordered by Indonesia, the Philippines, and Brunei; the closest point of West Malaysia and East Malaysia is 600 nautical miles away.

The total land area of Malaysia is about 330,000 square kilometres. Of this,

132,000 square kilometres are in West Malaysia and 198,000 square kilometres in East Malaysia. The coastline is 4,192 kilometres long.

Malaysia is in the Eastern 8 time zone, with no time difference from Beijing and no daylight saving time.

1.2.2 natural resources

Malaysia is rich in natural resources. Agricultural products include palm oil, rubber, cocoa, timber, pepper and tropical fruits. Malaysia has abundant oil and natural gas reserves to meet domestic consumption and export demand. In addition, Malaysia also has certain minerals such as iron, gold, tungsten, coal, bauxite and mastodon.

1.2.3 climatic conditions

Located near the equator, Malaysia has a tropical rainforest climate and a tropical monsoon climate with high temperatures and high rainfall throughout the year, with no distinct seasons. There are no distinct seasons, and the temperature variations throughout the year are small. Rainfall is abundant throughout the year, with an average annual rainfall of 2,000-2,500 millimetres. The rainy season lasts from October to March and the dry season from April to September.

1.3 Population and administrative divisions

1.3.1 Population distribution

According to the Sixth National Population and Housing Census Report of the Government of Malaysia, as at the end of 2020, the total population of Malaysia is about 32.45 million. Of these, there are approximately 17 million males and 15.45 million females, with a sex ratio of 110:100. The top 5 states in terms of population are Selangor, Johor, Sabah, Perak and Sarawak.

Table 1-1 Distribution of Population by State and Federal Territory

State	Number of population (10,000)	State	Number of population (10,000)
Johor (state of Malaysia at south of Malayan peninsul a)	401.0	Perak	249.6
Selangor (state in Malaysia)	699.4	Selangor (Malaysi a)	699.4
Sabah	341.9	Sembila n, state of southwe st Malaysia	120.0
Putrajaya and Labuan (federal territory)	159.1	Dengjial ou, famous building in Hunan, famous for its	114.9



Administrative divisions of Malaysia



View of the city from KL Tower

Other major economic centre cities in Malaysia include Georgetown (capital of Penang State), Johor Bahru (capital of Johor State), Kuantan (capital of Pahang State) and Kuching (capital of Sarawak State).

1.4 political climate

1.4.1 political system

Malaysia is a federal state with a constitutional monarchy and parliamentary democracy, and its political system is modelled on the British Westminster system. For historical reasons, the states of Sarawak and Sabah have a large degree of autonomy.

[Congress]

The Supreme Legislature of Malaysia consists of the Supreme Head of State, the Upper House and the Lower House.

[Supreme Head of State]

It rotates among the hereditary sultans of the nine states for a non-renewable five-year term. The Supreme Head appoints the Majority Leader of the Lower House as the Prime Minister and, on the Prime Minister's nomination, appoints Cabinet Ministers, the President of the Federal Court, the Attorney General, the Chief of General Staff of the Armed Forces, the Chairman and Commissioners of the Election Commission, the Auditor General of the Nation, and other key national administrators. In exercising his various powers, the Supreme Head of State is also required to take into account the advice and decisions of the Cabinet Ministers. Sultan Abdullah of Pahang State, Malaysia, is sworn in as the 16th Head of State of Malaysia on 31 January 2019 at the National Palace in Kuala Lumpur.

[House of Lords]

There are 70 Members of Parliament (MPs), 2 elected by each of the 13 State Assemblies and 44 appointed by the Supreme Head of State on the recommendation of the Cabinet (2 from the Federal Territory of Kuala Lumpur (FTKL) and 1 each from Labuan and Putrajaya FTKL), who are appointed for a three-year term renewable for two consecutive terms, and are not subject to dissolution of Parliament. The Upper House has a Speaker and a Deputy Speaker.

[House of Commons]

It consists of 222 elected members of Parliament, who are elected at general elections every five years and may be re-elected, with the party with a majority of seats in the House of Commons gaining the right to form the Cabinet. The Speaker of the House of Commons is elected from among the members of the House of

Commons.

[Cabinet]

The highest executive authority in Malaysia. The Cabinet is headed by the Prime Minister, all Cabinet members must be Members of Parliament, and the Supreme Head of State appoints Cabinet Ministers and Deputy Ministers on the advice of the Prime Minister. The Cabinet is accountable to Parliament.



Prime Minister's Office, Putrajaya

[Conference of Rulers]

It consists of the hereditary sultans of the nine states of Johor, Pahang, Selangor, Negeri Sembilan, Perak, Terengganu, Kelantan, Kedah, and Perlis and the state heads of the four states of Melaka, Penang, Sarawak, and Sabah, and its main functions are to: elect the supreme head of state and the deputy supreme head of state among the nine hereditary sultans by rotation; to consider and promulgate national laws and regulations; to have the final say on matters of national significance relating to the Islamic religion; and to consider major issues involving the privileged status of the Malays and the indigenous peoples of Sabah and Sarawak. No law relating to the privileged status of the ruler may be passed by Parliament without the consent of the Assembly. The Prime Minister of the Cabinet and the Ministers of State (in states with sultans) and Chief Ministers (in states without sultans) assist the Conference.

[Supreme Court]

Established on 1 January 1985 and renamed the Federal Court in June 1994, it has the High Court of Malaya (for West Malaysia) and the High Court of Borneo (for East Malaysia), and the High Court of Kuala Lumpur, which is divided into the Intellectual Property Division, the Construction Division, the Admiralty Division and the Cyber Division to hear specialised matters. There are local courts and tribunals in all states. There are also Special Military Courts and Shariah Courts (governed by

Shariah law).

[Military]

The Supreme Head of State is the Supreme Commander of the three armed forces. The decision-making body for national defence is the National Security Council, chaired by the Prime Minister. The Commander-in-Chief of the Armed Forces, who is appointed by the Supreme Head of State, is the supreme commander of the armed forces and holds the rank of General. Malaysia has a 10-year voluntary military service.

1.4.2 Main parties

There are 55 registered political parties in Malaysia, but not many of them are truly active and influential. The National Front (BN), comprising UMNO, MCA and the Indian National Congress (INC), was in power for a long time, and in May 2018, the Alliance of Hope (AOH), comprising the People's Justice Party (PJP), the Democratic Action Party (DAP), the National Integrity Party (NIP) and the Indigenous Solidarity Party (ISP), took power after defeating the BN in the 14th National Election. At the end of February and beginning of March 2020, some members of the People's Justice Party and the Indigenous Unity Party announced that they would withdraw from the Alliance of Hope and form a "national alliance" with the BNP and the Islamist party to take power.

["National Alliance"]

The "National Alliance" is composed mainly of political parties, including the Indigenous Unity Party, the National Front parties and the Islamist party.

[Indigenous Solidarity Party]

The Indigenous Unity Party was founded in September 2016 by former Prime Minister Mahathir. It is a predominantly Malay and indigenous political party, non-indigenous and Malay people can be affiliated members but cannot run for high positions in the party. There are about 130,000 party members.

[Agency for Malay National Unity]

The Malay National Unity Body (MNUB) was established in May 1946. It is the largest political party and Malay political party in Malaysia. It was organised to form the National Front in 1973 and was in power for a long time until 2018. There are about 3.5 million members of the party.

[Malaysian Chinese Association]

Founded in February 1949, the Malaysian Chinese Association (MCA) is the largest Chinese political party in Malaysia. There are about 1.1 million members in the party.

[Malaysian Indian National Congress]

The Malaysian Indian National Congress (MINC) was founded in August 1946 and consists mainly of Malaysian Indians and Pakistanis, among others. There are about 550,000 members in the party.

[Hizb ut-Tahrir]

Founded in August 1951, Parti Islam is a religious party with a Malay Muslim majority, with a major presence in North Malaysia. In 2019, Islamabad and UMNO signed a "Charter of National Consensus" (Muafakat Nasional) to establish a co-operative relationship. It has approximately one million members.

[Alliance for Hope]

The Alliance of Hope was formed in September 2015 by the People's Justice Party (PJP), the Democratic Action Party (PDA), and the National Integrity Party (NIP), and was joined by the Indigenous Unity Party (PIS) in March 2017. The PJP came to power in May 2018, when it won the 14th National Elections. At the end of February 2020, the Azmin faction of the People's Justice Party (PJP) announced that it was withdrawing from the party, and at the same time PIS announced its withdrawal from the Alliance of Hope, which brought about the downfall of the Alliance of Hope government.

[People's Justice Party]

The People's Justice Party (PJP) was founded in April 1999 under the leadership of former Deputy Prime Minister Anwar and describes itself as a multi-ethnic party. Party members

About 840,000 names.

[Democratic Action Party]

The Democratic Action Party (DAP), founded in March 1966, is a multi-ethnic political party with a predominantly Chinese membership. There are about 170,000 members in the party.

[National Integrity Party]

The National Integrity Party (NIP) broke away from the Hezb-e-Islami party in September 2015 and formed a new party. There are about 100,000 members of the party.

1.4.3 government organisation

On 16 August 2021, Muhyiddin resigned as Prime Minister, and on 21 August, former Deputy Prime Minister UMNO Vice-President Ismail Shabiri was sworn in as the ninth Prime Minister. The new Cabinet includes the Ministries of Trade and Industry, Finance, Home Affairs, Defence, Rural Development, Housing and Local Government, Transport, Communications and Multimedia, Human Resources, Agriculture and Health.

1.5 sociocultural

1.5.1 nation

Malaysia is a multi-ethnic country, with Malays accounting for 69.4 per cent of the total population, Chinese for 23.2 per cent, Indians for 6.7 per cent and other ethnic groups for 0.7 per cent. The Malay Peninsula is dominated by three major ethnic groups: Malays, Chinese and Indians; Sarawak is dominated by Dayaks, Malays and Chinese; and Sabah is dominated by Kadazans, Chinese and Malays.

1.5.2 multilingualism

Bahasa Malaysia is the official language, English is commonly spoken, and Chinese is more widely spoken. Malaysian Chinese can basically talk in Mandarin or dialects, and the commonly used dialects include Cantonese, Minnan, Hakka, Teochew, Hainanese and Fuzhou. Tamil is commonly spoken by the Indian community.

1.5.3 Religion and customs

Islam is the state religion of Malaysia and is predominantly Sunni. There are also Buddhism, Taoism, Hinduism, Christianity and Sikhism. Generally speaking, Malays follow Islam, Chinese follow Buddhism and Taoism, Indians follow Hinduism; a small number of Chinese, Eurasians and ethnic minorities in Sabah and Sarawak follow Christianity or Catholicism.



National Muslim Church of Putrajaya

As a result of multi-ethnic people living together for a long time, a diversified cultural characteristic has been formed. The main religious festivals include Eid al-Fitr, Hazi Festival, Tu Bun Festival, Dabo Sen Festival, Christmas Day, Wesak Day, and so on.

There are many differences between Malay customs and Chinese customs, so it is important to pay attention to avoid inadvertently violating taboos, causing rudeness or causing misunderstanding and unnecessary disputes. Mainly: the Malays generally prefer spicy food, avoid eating pork; Malay men generally do not take the initiative to shake hands with women, unless the women take the initiative to shake hands; the left hand is considered dirty by the Malays, so in the receiving, handing items should be right-handed; avoid using the index finger to point to people or pointing the way, do not cross your legs, shall not use your hand to touch the child's head; Malay prohibition of alcohol, but also taboo in the goods printed with animal or human patterns. Mosques are places where Muslims hold religious ceremonies, and when they are open to the public, women are required to wear a long gown and a headscarf, otherwise they will be turned away.



Independence Square, Kuala Lumpur

1.5.4 Education and health

[Education]

After Malaysia's independence, the Government endeavoured to shape a national culture based on Malay culture by vigorously pursuing a national education programme with a uniform curriculum in all national schools. The national language was Malay, which was commonly used as the medium of instruction in national schools, and in 1961, many Chinese and Tamil secondary schools were converted into national secondary schools, where the medium of instruction was changed from the mother tongue to Malay, and mother-tongue learning was taught only as one of the language subjects. The mother tongue continued to be the medium of instruction in the converted national primary schools, namely the National Primary Schools (Malay), National Chinese Primary Schools (Mandarin) and National Tamil Primary Schools (Tamil), before the Government changed its policy in 2003 to adopt English as the medium of instruction for Mathematics and Science subjects in national schools. In 2009, the Government decided to abolish the policy of teaching Mathematics and Science in English and to revert to teaching Mathematics and Science in the mother tongue in primary schools and in Malay in secondary schools by phases from 2012 onwards.

Malaysia's national education system is dominated by public education, but in

the field of higher education, both public and private education co-exist. Famous public universities in Malaysia include University of Malaya, Universiti Kebangsaan Malaysia, Universiti Putra Malaysia, Universiti Teknologi Malaysia, etc. In 1997, the Malaysian government passed the Private Education Act, which provides legal protection for the development of private higher education. Malaysian private colleges and universities generally adopt credit transfer and twinning programmes in collaboration with institutions of higher learning in Europe, America, Australia and New Zealand. These private institutions of higher education enrol hundreds of thousands of national and foreign students every year. In order to ensure that private institutions of higher education develop in a standardised manner, the Ministry of Education of Malaysia has set up the Private Education and National Academic

The Accreditation Authority (MQA), which monitors and evaluates the curriculum, tuition fees and teaching standards of private educational institutions.

[Medical]

The Malaysian health system inherited the British National Health Service (NHS) system, which provides basic free medical services to the population, and the Government has therefore established a relatively comprehensive health care delivery system consisting of three levels of institutions, namely, health clinics and community health centres, secondary hospitals and tertiary hospitals. Since the 1970s, with the accelerated privatisation of the economy and the constraints of the government's health budget, a series of privatisation reform initiatives have been taken in the Malaysian health sector, resulting in the rapid development of private healthcare institutions and private health insurance. Overall, the current Malaysian health system is a mix of public and private systems.

In 2021, Malaysia's life expectancy per capita will be 75.6 years, with male life expectancy at 72.8 years and female life expectancy at 78.5 years.

[Disease]

The main infectious disease is dengue fever.

1.5.5 Trade unions and other non-governmental organisations

[Trade unions]

The Government of Malaysia encourages the development of responsible trade unions. Membership of trade unions is restricted by law to employees within a particular enterprise, business, profession or trade, and all trade unions must be registered. The national trade union organisation is the General Union of Public Employees and Civil Workers of Malaysia.

[non-governmental organisations]

Environmental organisations and religious interest groups are among the more influential NGOs, and the Consumers' Association of Malaysia (CAM) is an NGO with strong business ties. In addition, various types of associations and organisations are very well developed in Malaysia, and the major business associations related to China include the Malaysia-China Business Council, the Malaysian Chinese Chamber of Commerce, the Malaysia-China General Chamber of Commerce, the Malaysian Chamber of Small and Medium Industries, the Federation of Malaysian

Manufacturers, and the National Chamber of Commerce and Industry of Malaysia, among others.

[Strike]

In July 2021, the worsening situation of the New Crown Pneumonia epidemic led to a sharp increase in work pressure on healthcare workers, triggering thousands of doctors to go on strike to protest to the government against the underpayment of healthcare workers and the short-term employment system.



PICC International Exhibition Centre, Putrajaya

1.5.6 Main media

[News Agency]

The Malaysian National News Agency (MNNA), or MAS, was established in 1968 as a semi-official news agency. It has 33 branches in the Asia-Pacific region.

[Television broadcasts]

Malaysia's national television stations, RTM1 and RTM2, as well as the cable television station ASTRO, are the main television media in Malaysia, while RTM Radio is a widely listened to radio station.

[Press and Publication]

Chinese-language newspapers include Sin Chew Daily, Nanyang Siang Pau and Oriental Daily News; Malay-language newspapers include The Daily News. The Fatherland and The Malaysian Herald; English-language newspapers include The Star, The Malay Mail and The New Straits Times.

1.5.7 public security

Malaysian society is generally stable, but security and criminal cases occur from time to time, road traffic accidents are more frequent, and the security risk is higher in some remote areas. Chinese nationals travelling, doing business,

studying and living in Malaysia should raise their awareness of risks, strengthen safety precautions, pay attention to understanding the local security situation, and avoid travelling alone at night or going to remote islands and other off-the-beaten-track areas as far as possible. In case of emergency, please report to the police and contact the local Chinese Embassy (Consulate).

Pavilion for assistance.

Malaysian law prohibits the possession of firearms by individuals other than professionals.

1.5.8 holidays

Malaysia has a five-day working week, with public holidays on Saturdays and Sundays. The main national holidays set by the government are New Year's Day, Muhammad's Birthday, Chinese New Year (Chinese), Labour Day, Wesak Day, the Supreme Head's Birthday, Eid al-Fitr (Muslims), National Day (also known as Independence Day), Malaysia Day, Haji (Muslims), Hijri Day, and Christmas Day. Except for a few dates which are fixed, the specific dates are announced by the government uniformly in the previous year. In addition to national holidays, each state has its own prescribed holidays.

2. Economic overview

2.1 macro-economic

Since 2004, the Malaysian economy has been growing steadily. In September 2021, the Government submitted the Twelfth Malaysian Plan (2021-2025) to Parliament, which focuses on revitalising the economy affected by the CKP epidemic, enhancing social well-being, safety and inclusiveness, and promoting environmental sustainability, with a view to achieving the following objectives. The Plan's key development objectives are to: - Build a "Prosperous, Inclusive and Sustainable Malaysia". The key development objectives of the plan include achieving an average annual gross domestic product (GDP) growth rate of 4.5 per cent to 5.5 per cent between 2021 and 2025, achieving an average household income of 10,000 ringgit per month by 2025, narrowing the development gaps between different regions of the country, and reducing energy consumption and emissions, among others.

[GDP]

In 2021, Malaysia's Gross Domestic Product (GDP) stood at MYR1,386.7 billion (real GDP at constant 2015 prices), a year-on-year growth of 3.1 per cent, with a National Income per Capita (Per Capita Income) of approximately MYR45,874 (approximately US\$11,066).

Table 2-1. Macroeconomic data for Malaysia, 2018-2021

vintages	GDP (MYR billion, at constant 2015 prices)	Economic growth rate (per cent)	Per capita income (RM)
2018	13615	4.7	43086
2019	14205	4.3	45034
2020	13419	-5.6	42496
Source: Bank Negara Malaysia 2021	13867	3.1	46051

[GDP industrial structure]

In 2021, the share of agriculture, mining, manufacturing, construction and services in GDP was 7.2 per cent each, 6.7 per cent, 24.3 per cent, 3.7 per cent and 57.0 per cent.

Table 2-2 Malaysia's Industrial Structure, 2021

	Value of output (MYR billion)	GDP share (%)	Year-on-year increase (%)
agricul ture	998	7.2	-0.2
minin g indust ry	929	6.7	0.7

service industry	3370	24.3	9.5
building industry	513	3.7	-5.2
services sector	7904	57.0	1.9

Source: Bank Negara Malaysia

[International reserves]

At the end of March 2022, Malaysia had foreign exchange reserves of US\$115.6 billion.

[Balance of external debt]

At the end of 2021, Malaysia's external debt was MYR107.03bn (about US\$258.2bn), which is a percentage of that year's GDP

77.2 per cent.

[Inflation rate]

Malaysia's inflation rate is 2.5 per cent in 2021.

[National unemployment rate]

Malaysia's national unemployment rate is 4.6 per cent in 2021.

[Sovereign credit rating]

In January 2021, the international rating agency Moody's assigned Malaysia a sovereign credit rating of A3 with a stable outlook. Moody's has also assigned "A3" ratings to Malaysia's sovereign bonds, debt securities and Global Takaful; the senior senior unsecured bonds issued by Treasury Holdings are also rated "A3".

In February 2022, Fitch International assigned Malaysia's sovereign credit rating of BBB+ with a stable outlook.

2.2 Focus/Speciality Industries

[Agriculture]

In 2021, the value of Malaysia's agricultural output was MYR99.8 billion, down 0.2 per cent year-on-year, and accounted for 7.2 per cent of GDP. Malaysia's agricultural products are mainly cash crops, mainly palm oil, rubber, cocoa, rice, pepper, tobacco, pineapple and tea.

[Mining]

In 2021, Malaysia's mining industry was worth MYR92.9 billion, up 0.7% year-on-year, and accounted for 6.7% of GDP. Malaysia's mining industry is dominated by the extraction of oil and gas.

[Manufacturing]

In 2021, Malaysia's manufacturing sector was valued at MYR337 billion, up 9.5 per cent year-on-year, and accounted for 24.3 per cent of GDP. The manufacturing sector is one of the main drivers of Malaysia's national economy, with major industry sectors including electronics, petroleum, machinery, iron and steel, chemicals and automotive manufacturing.

[Construction]

In 2021, the value of construction completions in Malaysia continued its downward trend from 2020, decreasing by 5 per cent year-on-year. Rising costs, labour shortages and financing difficulties are the main constraints to the recovery of the construction industry. The 12th Malaysia Plan (2021-2025), released in 2021, proposes to increase investment in infrastructure in less developed areas and to establish the PPP 3.0 model to address financing in the infrastructure sector.

[Services]

In 2021, Malaysia's services sector was valued at MYR790.4 billion, up 1.9 per cent year-on-year, and accounted for 57.0 per cent of GDP. The services sector is the largest industrial sector in the Malaysian economy, absorbing more than 60% of the total number of employees employed in Malaysia. Among them, tourism is one of the key sectors in the services industry.

2.3 infrastructure

Malaysia's infrastructure is relatively well-developed, and the government attaches importance to investment in and construction of infrastructure such as motorways, ports, airports, communication networks and electricity. The existing infrastructure in Malaysia can better serve all kinds of investors, while the Government's future infrastructure programme also provides opportunities for foreign investors to invest in infrastructure and carry out engineering contracting.

2.3.1 motorway

Malaysia has a well-developed network of highways connecting major urban centres, ports and important industrial areas. The motorways are divided into two parts: government-constructed and privately developed, but the design, construction and management are under the responsibility of the National Highway Authority (NHA). Currently, the Malaysian highway network is centred on

the north-south thoroughfares.

2.3.2 railways

The Malaysian railway network runs north-south across the peninsula, connecting to the Thai railway in the north and providing access to Singapore at the southern end. Responsible for its operation is the Malaysian Railway Corporation (KTMB), which has the capacity to carry a wide range of goods.

Currently, there is no completed high-speed railway in Malaysia.

2.3.3 airfreight

Currently, there are eight international airports in Malaysia, namely, Kuala Lumpur International Airport, Penang International Airport, Langkawi International Airport and the Kuala Lumpur International Airport.

International Airport, Kota Kinabalu International Airport, Kuching International Airport, Malacca International Airport (no domestic flights), Johor Snai International Airport, and Kuala Terengganu Sultan Mamud Airport (which opened in April 2014 for flights to Singapore). These airports, together with other domestic airports, form the backbone of Malaysia's air transport network.

China has a wide choice of routes to Malaysia with airlines such as Air China, Malaysia Airlines, China Southern Airlines, China Eastern Airlines, Xiamen Airlines, Shenzhen Airlines and Hong Kong's Cathay Pacific Airways, with regular weekly flights between China's Beijing, Shanghai, Guangzhou, Xiamen, Kunming, Hong



Kong and Macau and Malaysia's Kuala Lumpur, Penang, Langkawi and Kota Kinabalu.

Kuala Lumpur International Airport

2.3.4 waterborne transport

Malaysia's river transport is underdeveloped and 95 per cent of trade is done by sea, with major international ports including Port Klang, Penang, Johor, Tanjung Pelepas, Kuantan, Gemabang and Bintulu, etc. In November 2015, China and Malaysia established a port alliance, and in 2017, the membership of the alliance was increased from 16 to 21 ports. Currently, there are 12 Chinese ports, including Dalian Port, Taicang Port, Shanghai Port, Ningbo Zhoushan Port, Fuzhou Port, Xiamen Port, Guangzhou Port, Shenzhen Port, Beibu Gulf Port, Haikou Port, Jingtang Port and

Tianjin Port, as well as nine Malaysian ports, including Port Klang, Bintulu Port, Johor Port, Kuantan Port, Malacca Port, Penang Port, Gemalbah Port, Sabah Port and Kuching Port.

2.3.5 digital infrastructure

[Communication]

At the end of 2020, the number of residential fixed-line telephone subscribers in Malaysia was 6.48 million. The fixed-line operator is Telekom Malaysia (TM). Malaysia's mobile phone network covers most of the country, and by the end of 2020, there will be 39.99 million mobile phone subscribers. The main mobile phone operators are Celcom, Maxis and DiGi.

[Internet]

As of early 2021, Malaysia had 27.43 million internet subscribers, with an internet penetration rate of 84.32 per cent. In December 2020, the average downlink internet speed for fixed broadband in Malaysia was 93.7Mbps, slightly lower than the global average of 96.4Mbps, while the average downlink internet speed for mobile broadband was 25.6Mbps, significantly lower than the global average of 47.2Mbps.

[E-commerce]

E-commerce in Malaysia has grown rapidly in recent years, with national e-commerce revenues reaching RM1.09 trillion in 2021, an increase of 22 per cent year-on-year. The major local e-tailing platforms are Shopee and Lazada, which together account for 83.58 per cent of website traffic. Bank transfers and card payments remain the main payment methods for online purchases in Malaysia, while major e-commerce players are also actively developing their own mobile payment platforms.

2.3.6 electrical power

By the end of 2019, Malaysia's power sector will have a total installed capacity of 36GW, with a high power system reserve capacity ratio of 37%. 176 TWh of electricity generation for the full year 2019.

Electricity in Malaysia is provided by public energy companies (98 per cent, including the National Energy Company (TNB) and State Energy Corporation) and independent private power plants (2 per cent). Currently, there are small localised power interconnections between Singapore and Malaysia, and Indonesia and Malaysia.

In 2019, Malaysia unveiled a ten-year blueprint plan for the power sector, the "Malaysia Power Reform 2.0 Programme", which proposes to progressively liberalise the fuel sources, generation, transmission, and distribution and retail

markets for electricity in Peninsular Malaysia, moving away from power purchase. The plan is to gradually liberalise Peninsular Malaysia's electricity fuel sources, generation, transmission, and distribution and retail markets, moving away from power purchases and towards capacity and energy markets, and allowing more independent companies to enter the electricity sector. In 2021, the Malaysian government announced a new energy development plan that aims to reduce dependence on fossil fuels, reduce carbon emissions, and increase the share of renewable energy in power generation, with a plan to achieve a 31% share of installed renewable energy capacity by 2025.



Kuala Lumpur Cityscape

2.4 price level

Bank Negara Malaysia data shows a 2.5 per cent increase in the consumer price index in 2021. There are some differences in the price levels of basic living goods in urban, suburban and rural areas of Malaysia, with the capital city of Kuala Lumpur having a price level of consumer goods close to that of the country's second-tier cities, while prices in other areas are generally lower than those in Kuala Lumpur.

2.5 development project

In 2016, the Malaysian government introduced the National Transformation Plan 2050 (TN50), which aims for Malaysia to become a top 20 global economy in 30 years.

In May 2019, the Malaysian Government launched its new vision "Shared Prosperity 2030", which aims to raise the incomes of people of all races, classes and regions by restructuring and strengthening the country's business and industrial ecosystems, expanding into new areas, improving the job market and labour wages, consolidating social cohesion, creating a nation of compatibilites, upgrading the mindset of society, and reforming human resources. Income of people of all races, classes and regions.

In October 2019, the Government of Malaysia announced the National Transport Policy 2019-2030, which proposes to develop more efficient, integrated as well as safe transport, to enhance the sustainability of the transport sector, to promote the development of Malaysia's logistics industry by accelerating the development of the land, rail, air and shipping sectors, and to establish Malaysia as a regional logistics hub.

In February 2021, the Malaysian government launched the Malaysian Digital Economy Blueprint, or MyDIGITAL, a comprehensive plan that strives to drive Malaysia's digital transformation with the goal of increasing business productivity across all sectors by 30 per cent by 2030, making the digital economy contribute 22.6 per cent to Malaysia's GDP.

In June 2021, the Malaysian government announced a new energy development plan aimed at reducing dependence on fossil fuels, reducing carbon emissions and increasing the share of renewable energy in power generation. The plan includes three main objectives: first, to increase the installed capacity of domestic renewable energy generation from the current 8GW to 18GW by 2025, and the share of renewable energy generation from the current 16 per cent to 31 per cent, and to further increase the share to 40 per cent by 2040. Secondly, to reduce the carbon emission factor of the domestic energy sector by 45 per cent in 2030 and further achieve a 60 per cent reduction in 2035, based on 2005 levels, in line with Malaysia's Nationally Determined Contribution (NDC) as stipulated in the United Nations Framework Convention on Climate Change (UNFCCC). Thirdly, not to build any new coal power projects and to decommission coal-fired power stations with a total installed capacity of 7GW by 2033.

In September 2021, the Government of Malaysia submitted the Twelfth Malaysian Plan (2021-2025) to Parliament entitled Reset the Economy; Enhance Security, Well-being and Inclusion; and Advance Sustainability. The plan focuses on boosting economic growth, strengthening catalysts for growth, improving the well-being of Malaysian families, enhancing law and order, eradicating extreme poverty and narrowing income disparities, accelerating green growth, boosting the development of underdeveloped regions, and improving the efficiency of the public service, and sets the targets of annual GDP growth of between 4.5 and 5.5 per cent, labour growth rate of 3.6 per cent per annum, national income per capita in 2025 of RM57,882 in 2025, and raising the Resident Happiness Index by 1.2 per cent per year, among other specific targets.

3. Economic and trade cooperation

3.1 trade agreement

[Multilateral trade agreements]

Malaysia acceded to the General Agreement on Tariffs and Trade (GATT) in 1957 and is a founding member of the World Trade Organisation (WTO).

[Regional trade agreements]

Malaysia is a founding member of the Association of Southeast Asian Nations (ASEAN, established on 8 August 1967). At the 4th ASEAN Summit in Singapore in January 1992, it was decided that the ASEAN Free Trade Area (AFTA) would be completed over a period of 15 years from 1 January 1993. At the 27th ASEAN Summit in November 2015, ASEAN leaders signed the Kuala Lumpur Declaration 2015, announcing the formal establishment of the ASEAN Community by the end of 2015. The meeting also adopted the vision document ASEAN 2025: Moving Forward Together, charting the way forward for the next 10 years. On 31 December 2015, the then Chair of ASEAN, Malaysian Foreign Minister Anifah, issued a statement announcing the official inauguration of the ASEAN Community on that day.

Malaysia has constructed for itself an extensive network of free trade agreements (FTAs) covering its major trading partners. As of June 2022, Malaysia has signed a total of 17 FTAs. Of these, 15 FTAs have come into force and are being implemented, including bilateral FTAs with seven countries, including Australia, Chile, India, Japan, New Zealand, Pakistan and Turkey, and eight regional FTAs with China, South Korea, Japan, Australia, New Zealand, India, and Hong Kong, China, as members of ASEAN.

Against the backdrop of the world's impact of the new Crown Pneumonia epidemic and the rise of unilateralism and protectionism, 15 parties, including China and Malaysia, worked together to formally sign the Regional Comprehensive Economic Partnership (RCEP) on 15 November 2020. The RCEP came into force in Malaysia in March 2022. The RCEP agreement consists of a preamble, 20 chapters (Including: Initial Provisions and General Definitions, Trade in Goods, Rules of Origin, Customs Procedures and Trade Facilitation, Sanitary and Phytosanitary Measures, Standards, Technical Regulations and Conformity Assessment

Procedures, Trade Remedies, Trade in Services, Temporary Movement of Natural Persons, Investments, Intellectual Property Rights, Electronic Commerce, Competition, Small and Medium-sized Enterprises (SMEs), Economic and Technological Co-operation (ETOs), Government Procurement, General Provisions and Exceptions, Institutional Provisions, Dispute Settlement, RCEP, as the world's most populous FTA with the largest economic and trade scale and the most potential for development, will boost confidence in economic growth, significantly enhance East Asian regional economic integration, and promote regional industrial chains and supply chains. level, and promote the integration of the regional industrial chain, supply chain and value chain.

In May 2022, the United States announced the launch of the Indo-Pacific Economic Framework (IPEF) and Malaysia became one of the 13 founding members of the framework. Malaysia had on 8 March 2018, along with Australia, Brunei, Canada, Chile, Japan, Mexico,

New Zealand, Peru, Singapore and Viet Nam co-sign the Comprehensive and Progressive Trans-Pacific Partnership Agreement (Comprehensive and Progressive Agreement for Trans-Pacific Partnership, CPTPP), formerly known as The Trans-Pacific Strategic Economic Partnership (The Trans-Pacific Partnership, TPP), but as of now the The Malaysian government has not yet ratified the agreement. In addition, Malaysia is in the process of negotiating the Malaysia-European Free Trade Association (MEFTA) Economic Partnership Agreement with Europe.

[Geographic Radiation]

Malaysia is located in the centre of Southeast Asia, and its main radiated markets range from other ASEAN countries, Muslim countries in the Middle East, as well as its major trading partners, such as the United States, Japan, China, the European Union, South Korea, Australia and India. At the same time, Malaysia is rich in resources such as oil and gas, palm oil, rubber, etc., and the electronic and electrical industry is relatively developed, the market with a greater demand for the above resources and products is also within its radiation range.

3.2 foreign trade

[Total trade]

In 2021, Malaysia's total external trade in goods was MYR 2.27 trillion, an increase of 24.8 per cent year-on-year; of this, exports were MYR 1.24 trillion, an increase of 26 per cent year-on-year; imports were MYR 987.2 billion, an increase of 23.3 per cent year-on-year; and there was a trade surplus of MYR 252.56 billion, an increase of 37.7 per cent year-on-year. Malaysia has had a trade surplus for 24 consecutive years since 1998. Despite the blow to global trade as a result of the new Crown Pneumonia outbreak, Malaysia's foreign trade had a very bright year, fuelled by strong external demand and high prices for staple goods.

[Major trading partners]

In 2021, China, Singapore and the United States of America continued to be

Malaysia's top three export destinations and sources of imports. For the thirteenth consecutive year, China is Malaysia's largest trading partner, and in 2021, Malaysia will be China's tenth largest trading partner and second largest among ASEAN countries.

[Structure of traded goods]

In 2021, Malaysia's top five export categories are electrical and electronic products, petroleum products, palm oil and products, chemical and chemical products, and rubber products; and the top five import categories are electrical and electronic products, chemical and chemical products, petroleum products, machinery, equipment and parts, and metal products.

Table 3-1 Malaysia's Main Import and Export Products, 2021

(In billions of RM)

Top five export commodities				Top five imported goods			
Categories of exported goods	export amount	percentage (per cent)	year-on-year (per cent)	product category	import amount	percentage (per cent)	year-on-year (per cent)
Electronic and electrical products	4557	36.5	18.0	Electronic and electrical products	3143	31.8	24.3
petroleum product	956	7.7	54.6	Chemicals and chemical	965	9.7	29.9
Top 10 export destinations				Top 10 sources of imports			
rankings	Country (region)	export amount	Percentage (%)	rankings	Country (region)	import amount	Percentage (%)
1	Singaporean products	706	19.2	1	Mechanicals and parts	685	21.0
2	Singaporean products	1734	14.0	2	Singaporean products	937	9.5
3	United States of America	1422	11.5	3	China-Taiwan	752	7.6
4	Hong Kong, China	766	6.2	4	United States of America	749	7.6
5	Japanese	753	6.1	5	Japanese	737	7.5
6	Thailand	524	4.2	6	Indonesia	559	5.7
7	Vietnam	455	3.7	7	South Korea (Republic of Korea)	501	5.1
8	India	452	3.6	8	Thailand	456	4.6
9	China-Taiwan	405	3.3	9	German	255	2.6
10	Indonesia	392	3.2	10	India	245	2.5

Source: Collated by the Economic and Commercial Section of the Chinese Embassy in Malaysia.

Source: Collated by the Economic and Commercial Section of the Chinese Embassy in Malaysia.

3.5 absorb foreign capital

The World Investment Report 2022 released by UNCTAD shows that in 2021,

The flow was US\$11.62 billion; Malaysia's stock of FDI absorption stood at US\$187.38 billion by the end of 2021.

According to data released by the Malaysian Investment Development Authority (MIDA), a total of MYR309.4 billion of investment was approved in 2021 in the manufacturing, services and primary sectors. Of this, domestic direct investment (DDI) of MYR100.8 billion, or 32.6 per cent, and foreign direct investment (FDI) of MYR208.6 billion, or 67.4 per cent, were approved by the Malaysian government in 2021 for a total of 4,568 investment projects.

In terms of investment sectors, investment in the service sector accounted for RM97 billion, or 31.3 per cent, up 45.4 per cent year-on-year; investment in the manufacturing sector accounted for RM195.1 billion, or 63.1 per cent, up 113.7 per cent year-on-year; and investment in the primary sector accounted for RM17.3 billion, or 5.6 per cent, up 188.3 per cent year-on-year.

The Malaysian government encourages foreign investment in the manufacturing sector, and foreign investment has now become an important factor in driving Malaysia's economic development. In 2021, foreign investment in Malaysia's manufacturing sector is mainly concentrated in the electronics and electrical appliances, basic metal products, chemical products, rubber products and food processing industries.

Table 3-3 Overall Approved Manufacturing Investment in Malaysia

	2020		2021	
	RM (billion)	United States dollars (billions)	RM (billion)	United States dollars (billions)
total investment	913	226.5	1951	470.6
domestic capital	347	86.1	1796	433.2
foreign capital	566	140.4	155	37.4

Source: Malaysian Investment Development Authority

In terms of the country of origin of investment, the Netherlands is the largest

source of foreign investment approved in Malaysia in 2021 in the manufacturing sector, with an investment of RM74.9 billion, followed by Singapore and Austria, and China is the fourth largest source of foreign investment in Malaysia with an investment of RM16.6 billion.

3.4 Foreign aid and aid received

[Foreign Aid] Malaysia is currently primarily an external aid donor and receives less aid. Historically, Malaysia has received development assistance from other countries mainly as a recipient of European Union official development assistance (ODA), with very little external development assistance. However, from the late 1980s to the mid-1990s, Malaysia's role in aid shifted from being a recipient to a donor as the country moved from relative poverty to upper-middle-income status and became an emerging economy in Asia. Malaysia's foreign development assistance follows the concept of partnership rather than "donor-recipient", with assistance based mainly on the needs of the recipient country, while at the same time focusing on bilateral cooperation, with technical assistance projects as the main focus of development assistance.

The Development Assistance Model (DAM) has become its main form of foreign aid and South-South cooperation.

[Aid received] According to OECD statistics, in recent years Malaysia has received official development assistance (ODA) in two main areas, namely social infrastructures & services and education.

Since the outbreak of the epidemic, the Chinese Government, upholding the concept of a community of human destiny and the principle of putting life and people first, has repeatedly provided assistance to Malaysia in the fight against the epidemic. China has provided Malaysia with a total of 3.5 million doses of vaccine, as well as a large number of medical supplies, including nucleic acid testing reagents, masks, protective clothing and portable ventilators, and has dispatched a team of medical experts to Malaysia to provide support. In addition to official assistance, private organisations, including Chinese-funded state-owned enterprises, private enterprises and universities, have donated anti-epidemic materials to relevant government departments, hospitals and associations in Malaysia.

3.5 China-Malaysia economic and trade relations

3.5.1 bilateral agreement

[China and Malaysia signed a bilateral investment protection agreement]

On 21 November 1988, China and Malaysia signed the Agreement between the Government of the People's Republic of China and the Government of Malaysia on Mutual Encouragement and Protection of Investment.

[China and Malaysia signed a double taxation agreement]

On 23 November 1985, China and Malaysia signed the Agreement between the Government of the People's Republic of China and the Government of Malaysia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, which entered into force on 1 January 1987.

[Other agreements signed between China and Malaysia]

China and Malaysia have a long history of economic and trade relations. In addition to the above-mentioned agreements on investment protection and avoidance of double taxation, in recent years the two Governments have signed the

Maritime Transport Agreement, the Trade Agreement, the Civil Air Transport Agreement and the Memorandum of Understanding on Information.

More than 10 cooperation agreements, including the Agreement on Cooperation in Science and Technology, the Agreement on Sports and the Memorandum of Understanding on Education.

On 31 May 1999, China and Malaysia signed the Agreement between the Government of the People's Republic of China and the Government of Malaysia on Moving Towards

Framework Document for All-Round Cooperation in the 21st Century.

On 12 April 2000, China and Malaysia signed the Bilateral Agreement between the Government of the People's Republic of China and the Government of Malaysia on China's Accession to the WTO.

On 8 February 2009, China and Malaysia signed the China-Malaysia Bilateral Local Currency Swap Agreement.²⁰²¹ In November 2021, the People's Bank of China (PBOC) and Bank Negara Malaysia (BNM) renewed the agreement for the fourth time for a period of three years.

On 3 June 2009, China and Malaysia signed the Agreement between the Government of the People's Republic of China and the Government of Malaysia on Partial Mutual Assistance and Cooperation.

Agreement on Visa Exemption for Persons Holding Diplomatic, Service (Official) Passports.

On 28 April 2011, China and Malaysia signed the Agreement between the Government of the People's Republic of China and the Government of Malaysia on Expanding and Deepening Economic and Trade Cooperation.

On 15 June 2012, China and Malaysia signed the Agreement between the Government of the People's Republic of China and the Government of Malaysia on Cooperation in the Malaysia-China Kuantan Industrial Park.

On 4 October 2013, China and Malaysia signed the Five-Year Plan for Economic and Trade Cooperation (2013-2017) between the Government of the People's Republic of China and the Government of Malaysia.

On 23 November 2015, China and Malaysia signed the Cooperation Plan on Further Promoting the Development of China-Malaysia Economy, Trade and Investment.

On 23 November 2015, China and Malaysia signed the Agreement on Strengthening Cooperation in Production Capacity and Investment.

On 23 November 2015, China and Malaysia signed a Memorandum of Understanding (MOU) on cooperation in the field of access to government market entities and trademarks.

On 23 November 2015, China and Malaysia signed a Memorandum of Understanding (MOU) on the quality and safety of Malaysian palm oil exported to China.

On 1 November 2016, China and Malaysia confirmed, through a joint progress report, the Five-Year Plan for Economic and Trade Cooperation (2013-2017).

In May 2017, during the First Belt and Road Summit Forum for International Cooperation, China and Malaysia signed a Memorandum of Understanding (MOU) on China-Malaysia Belt and Road Co-operation, Guiding Principles on Financing, a MOU on China-Malaysia Transport Infrastructure Co-operation, a MOU on China-Malaysia Water Resources and a Protocol on Phytosanitary Requirements for Malaysian Pineapple Exports to China. "Financing Guiding Principles", "China-Malaysia Memorandum of Cooperation on Transport Infrastructure", "China-Malaysia Memorandum of Understanding in the Field of Water Resources" and "Protocol on Phytosanitary Requirements for Malaysian Pineapple Transfers to China".

In August 2018, China and Malaysia signed the Protocol between the General Administration of Customs of the People's Republic of China and the Ministry of Agriculture and Agro-based Industry of Malaysia on the Inspection and Quarantine Requirements for the Export of Frozen Durian from Malaysia to China, and renewed the Bilateral Local Currency Swap Agreement between the People's Bank of China and Bank Negara Malaysia.

In July 2005, the China-ASEAN Comprehensive Economic Co-operation Framework Agreement on Trade in Goods was formally implemented, and by January 2007, tariffs on 60 per cent of goods in China and the six ASEAN member countries (Thailand, Malaysia, Indonesia, the Philippines, Singapore and Brunei) were reduced to less than 5 per cent; in 2010, the China-ASEAN Free Trade Area was fully completed. ASEAN Free Trade Area (AFTA) was fully completed in 2010, with normal tariffs on the vast majority of products reduced to zero. In order to further improve the level of trade and investment liberalisation and facilitation in the region, in October 2013, Premier Li Keqiang initiated the launch of China-ASEAN FTA upgrade negotiations at the China-ASEAN Leaders' Meeting. In August 2014, the China-ASEAN Economic and Trade Ministers' Meeting formally announced the launch of the upgrade negotiations. After four rounds of negotiations, on 22 November 2015, in the presence of Premier Li Keqiang and the leaders of the ten ASEAN countries, the Minister of Commerce of China and the ministers of the ten ASEAN countries, on behalf of the China

The Government and the governments of 10 ASEAN countries formally signed the outcome document of the China-ASEAN Free Trade Area (FTA) upgrading negotiations in Kuala Lumpur, Malaysia.

-Protocol between the People's Republic of China and the Association of Southeast Asian Nations on the Amendment of the Framework Agreement on Comprehensive Economic Co-operation between China and the Association of Southeast Asian Nations (ASEAN) and Some of the Agreements Thereunder. The Protocol entered into force on 1 July 2016.

-2021 In November, the People's Bank of China (PBOC) and Bank Negara Malaysia (BNM) renewed the China-Malaysia (Malaysia) Bilateral Local Currency Swap Agreement (BLCSA), with the size of the BLCSA remaining at RMB180bn/Malaysian Ringgit 110bn, with the aim of facilitating bilateral trade and investment. The agreement is valid for three years and can be extended by mutual consent.

3.5.2 bilateral trade

In 2021, Malaysia's export growth to China will mainly stem from electrical and electronic products, palm oil, rubber products, and agricultural and fishery products. China-Malaysia trade has rebounded strongly from the epidemic, with double-digit growth in both imports and exports.

According to China's customs statistics, for the whole of 2021, China-Malaysia bilateral trade in goods totalled \$176.8 billion, a year-on-year increase of 34.5 per cent, with Malta retaining China's position as the second-largest trading partner in ASEAN. China's exports to Malaysia were valued at US\$78.74 billion, up 39.9 per cent year-on-year, while imports from Malaysia were valued at US\$98.06 billion, up 30.4 per cent year-on-year.

China has been Malaysia's largest trading partner for 13 consecutive years, and is also the country's top source of imports and top export destination.

Table 3-4. Trade in goods statistics between China and Malaysia, 2017-2021

(in billions of United States dollars)

vintage	import	Chinese	Chinese	Cumulative \pm per cent over the same period of the
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s	and export	exports	imports	previous year		
				import and export	exit	inlet
2017	960.3	417.2	543	10.5	10.8	10.2
2018	1086.3	454	632.2	13.0	8.9	16.2
2019	1239.6	521.3	718.3	14.2	14.9	13.6
2020	1311.6	564.3	747.3	5.7	8.2	3.9
2021	1768.0	787.4	980.6	34.5	39.9	30.4

Source: General Administration of Customs, China

3.5.3 Chinese investment in Malaysia

According to China's Ministry of Commerce, China's direct investment flows to Malaysia in 2021 were US\$1.34 billion; as of 2021

At the end of the year, the stock of Chinese direct investment in Malaysia was US\$10.36 billion.

Table 3-5. Statistics on Chinese Direct Investment in Malaysia, 2017-

	2017	2018	2019	2020	2021
annual flow	172,214	166,270	110,954	137,441	133,625
Year-end stock	491,470	838,724	792,369	1,021,184	1,035,515*

Source: Ministry of Commerce, National Bureau of Statistics and State Administration of Foreign Exchange, China's Outward FDI Statistical Bulletin 2021 Note: "*" indicates that the stock data at the end of 2021 includes adjustments to previous historical data.

3.5.4 Contractual engineering and labour cooperation

According to China's Ministry of Commerce, in 2021, Chinese enterprises signed 180 new contracted engineering contracts in Malaysia, with a new contract value of US\$8.175 billion and a completed turnover of US\$6.328 billion. A total of 3,206 labourers of various types were dispatched, with 7,837 labourers in Malaysia at the end of the year. The newly signed large-scale contracted projects include the Queen's Bay World City Project in Penang, which was constructed by Tiejian International Group Company Limited, and the COSCO Warehouse and Plant Project in Port Klang, Malaysia, which was constructed by Sinohydro Construction Group International Engineering Company Limited.

3.5.5 Offshore Parks

The Malaysia-China "Binational Twin Parks" is a landmark project under the framework of China-ASEAN Strategic Co-operation, which is a bilateral economic and trade co-operation project in the form of sister industrial parks between the China-Malaysia Qinzhou Industrial Park in Qinzhou, Guangxi, China and the Malaysia-China Kuantan Industrial Park in Kuantan, Pahang, Malaysia. It is a bilateral economic and trade co-operation project in the form of sister industrial park between "China-Malaysia Qinzhou Industrial Park" located in Qinzhou, Guangxi, China and **"Malaysia-China Kuantan Industrial Park" located in Kuantan, Pahang, Malaysia.** The **"China-Malaysia Qinzhou Industrial Park"** was opened in April 2012 and the **"Malaysia-China Kuantan Industrial Park"** was launched in February 2013, and over the past 10

years, the "two parks" project has been based on In the past 10 years, the "Two-Parks" project has aimed to build a cross-border international production capacity co-operation demonstration zone and drive the development of industrial clusters in the two countries.

-ASEAN, facing the Asia-Pacific region, creating special industries and effectively promoting bilateral all-round cooperation in various fields.

The "Malaysia-China Kuantan Industrial Park" has a planned area of about 12 square kilometres, comprising three zones, and will be constructed in two phases. As of May 2022, the park has completed the development of 9 square kilometres, with a cumulative development investment of about RMB 1.38 billion, and 12 projects have been signed, with an agreed investment of over RMB 40 billion. Among them, 2 projects have been put into operation, 2 projects are under construction, 8 projects are on the ground, completing industrial investment of about 12 billion yuan, creating 15,000 temporary jobs and 5,000 permanent jobs, and driving the Kuantan Port to increase throughput by 18 million tonnes. Enterprises and projects that have already settled in the park include United Steel I and II projects, Xindi Tyre, Jianhui Paper, Bosai Mining, China Harbour, and so on. Relying on the unique advantages of the port and its location in the centre of ASEAN countries, the park is striving to develop port logistics and port-related industries by making use of Malaysia's rich resources, perfect supporting facilities, convenient transportation network and superior natural environment, and strive to build the park into the largest port logistics centre in Malaysia.

The eastern gateway for opening to the outside world, a high-level modern manufacturing cluster and logistics base, which in turn will build a new platform for the strategic development of Malaysia-China economic and trade co-operation, a new high ground for investment and entrepreneurship in the Asia-Pacific region, and a demonstration zone for China-ASEAN regional economic co-operation.

3.5.6 China-Malaysia Production Capacity Co-operation

[Important cooperation projects]

The key projects and enterprises invested by Chinese enterprises in Malaysia mainly include United Iron and Steel Works, Bank of China Malaysia Branch, Industrial and Commercial Bank of China Malaysia Branch, China Construction Bank Malaysia Branch, Edra Electricity Holdings Limited, Huawei Technologies Limited, ZTE Communications Malaysia Limited, Shandong Daiyin Textile Malaysia Limited, Shandong Hengyuan Acquisition of Shell Oil Refinery Project, China Motor Bus Railway equipment ASEAN Manufacturing Centre project, the new Shengda paper mill, Nine Dragons Paper paper base project, Flagship Solar Glass Industry Project, Orient Sunrise photovoltaic module project, Guangken Rubber Planting Cultivation Project, Xiamen University Malaysia Campus, and so on.

Malaysia's large-scale contracted projects under construction mainly include the East Coast Railway, Kuala Lumpur MRT Line 2, Bale hydropower station, etc., and the relevant projects are progressing smoothly.

4. Investment environment

4.1 investment appeal

The Malaysian government welcomes and encourages foreign investors to invest in its manufacturing and related service industries, and in recent years has been committed to improving the investment environment, perfecting investment laws and strengthening investment incentives in order to attract foreign investment into the relevant industries in Malaysia. Due to the Malaysian investment legal system is complete, with the international standards, the operation process of the industry is more standardised, coupled with its unique geographical advantages, attracted enterprises from various countries, including China, to invest in Malaysia. The competitive advantages of Malaysia's investment environment are mainly reflected in five aspects: superior geographic location, located in Southeast Asia, the core of the country's economic development. The heartland can serve as a bridge to the ASEAN market and to the Middle East, Australia and New Zealand; the economic base is solid, with better prospects for economic growth; raw material resources are abundant; human resources are of high quality, with low wage costs; and ethnic relations are cordial, with the three major ethnic groups living together in harmony with a low risk of political turmoil.

According to the World Bank's Doing Business 2020 report, Doing Business in Malaysia is ranked 12th out of 190 economies globally, second only to Singapore in the ASEAN region.

The Malaysian Government is also actively promoting innovation by providing incentives such as tax breaks and capital expenditure against taxable income to encourage growth for high-tech companies belonging to the Multimedia Super Corridor (MSC) or investing in MSCs involved in Industry 4.0 model technologies and digital transformation (AI, blockchain, fintech, etc.), as well as for companies in the Economic Development Corridor (EDC) and for Small and Medium-sized Enterprises (SMEs). The Global Innovation Index 2022 published by the World Intellectual Property Organisation (WIPO) ranked Malaysia 36th out of 132 countries and territories in its composite index.

The Malaysian Investment and Development Authority (MIDA) under the Ministry of International Trade and Industry (MITI) is the foreign investment

authority in Malaysia, and foreign projects are approved by MIDA before they are finalised. Visit the MIDA website

(<https://www.mida.gov.my/zh-hans/>) for information on Malaysia's investment policies and related industries.

4.2 financial environment

The Asian financial crisis of 1997 hit the Malaysian financial system hard, and on 2 September 1998, the Malaysian Government implemented a fixed exchange rate system and imposed strict controls on foreign exchange outflows. As economic conditions improved, on 21 July 2005, the Malaysian Government implemented a managed floating exchange rate system, and foreign exchange control measures were substantially relaxed, creating a favourable environment for foreign investment.

4.2.1 Local currency

The Malaysian currency is the Malaysian Ringgit (also known as Ringgit or RM, Ringgit Malaysia). Foreigners can exchange RM at banks and money changers, and travellers cheques can be cashed at all banks in Malaysia. The Chinese Yuan is currently directly convertible to the Malaysian Ringgit. The median exchange rate of RMB to MYR as announced by the State Administration of Foreign Exchange of China on 20 June 2022 is 100:65.583.

4.2.2 Foreign exchange management

Malaysia's Exchange Control Regulations provide that foreign enterprises registered in Malaysia may open foreign exchange accounts with local commercial banks for the purpose of making payments for international business transactions. No approval is required for foreign exchange to and from Malaysia under the Catalogue of Encouraged Investments under Capital. Foreign exchange remittances out of Malaysia are not subject to special taxes.

In principle, Malaysia requires foreign nationals to make a declaration to the Customs Department if they are carrying more than US\$10,000 or its equivalent in other currencies when entering or leaving the country.

Foreigners working in Malaysia are allowed to transfer all their legitimate after-tax income abroad.

4.2.3 Banks and insurance companies

[Central Bank]

Bank Negara Malaysia (Central Bank of Malaysia) is the national bank and is primarily responsible for maintaining the stability of the country's currency, regulating and supervising banking, financial and insurance institutions and issuing the national currency.

[Commercial Bank]

The major local commercial banks in Malaysia are: Bank Negara Malaysia, CIMB Bank, Public Bank, Hong Leong Bank and Industrial Bank.

[Foreign banks]

The main local foreign banks in Malaysia are: Citibank, HSBC, Standard Chartered Bank, Bank of America, Deutsche Bank and OCBC Bank.

Major local banks that have more cooperation with Chinese domestic banks

include: Malayan Banking Berhad, Hong Leong Bank, and Indigenous CIMB Bank.

[Chinese banks]

The main Chinese banks in Malaysia are Bank of China, Industrial and Commercial Bank of China and China Construction Bank.

4.2.4 Financing channels

In terms of financing conditions, Malaysian commercial banks review the financing requirements of domestic and foreign enterprises based on their performance, creditworthiness, development potential and specific financing projects in order to decide whether to grant financing or credit support.

In January 2017, Bank Negara Malaysia issued enhanced criteria for the Kuala Lumpur Interbank Offered Rate (KLIBOR) rate-setting policy document, which incorporated measures to further strengthen the integrity of the KLIBOR reference rate.

In July 2020, Bank Negara Malaysia lowered its overnight policy rate to 1.75 per cent, the lowest level since 2004. In May 2022, Bank Negara Malaysia raised its overnight policy rate from 1.75 per cent to 2 per cent.

4.2.5 Credit Card Usage

Credit cards are widely used in Malaysia, including VISA, MasterCard, China UnionPay, American Express and JCB.

4.3 financial market

Bursa Malaysia Berhad (Bursa Malaysia) is the only stock exchange in Malaysia, dealing in stocks, bonds, derivatives, etc. It is divided into two parts: the Main Market and the ACE Market.

In April 2020, Shenzhen Stock Exchange and Bursa Malaysia signed a Memorandum of Understanding (MOU), under which the two sides will further broaden the areas and channels of cross-border co-operation, jointly play the role of China-Malaysia capital market hub, enhance market confidence, serve the real economy of the two countries and deepen the practical co-operation in the construction of the "One Belt, One Road".

4.4 factor cost

4.4.1 Water, electricity, gas and oil prices

Malaysia is well supplied with water, electricity and gas as well as fuel oil at low cost.

[Water Prices]

Water tariffs in Malaysia vary from state to state according to different water consumption standards, with a minimum charge per user per month. Residential water consumption up to 15-20 cubic metres is priced at RM0.30-0.60 per cubic metre; 20-35/40 cubic metres is priced at RM0.60-1.10 per cubic metre; and over 35/40 cubic metres is priced at RM0.66-2.96 per cubic metre. In Selangor, for

example, where there are many industrial enterprises, industrial/commercial users are charged a minimum of MYR 36 per household per month; industrial/commercial users are charged a unit price of MYR 2.07 per cubic metre for water consumption of up to 35 cubic metres; and over 35 cubic metres, a unit price of MYR 2.28 per cubic metre.

[Sewage charges]

Residential users are charged RM2-8 per month according to the type of house, industrial users are charged RM2-2.5 per month per person according to the structure of the plant, commercial users are charged a basic charge and an overage charge per month according to the place of business, and the volume of use exceeds 100 cubic metres, beyond the Department of

An additional RM 0.3 per cubic metre for each cent; and RM 0.45 per cubic metre for each cubic metre in excess of 200 cubic metres.

[Electricity tariffs]

Electricity tariffs in the east and west parts of Malaysia are slightly different.

(1) The Western Horse Peninsula has a new tariff from 2017:

Commercial electricity, which is divided into three categories: low voltage, medium voltage and medium voltage peak and valley, is charged at a monthly basic rate of MYR 7.2-600 and a unit price of MYR 0.224-0.509 per unit;

Industrial electricity, which is divided into 3 types of programmes depending on the voltage and type of industry, is charged at a basic rate of MYR 7.2-600 per month and a unit price of MYR 0.183-0.441 per unit;

(2) In Sabah, East Malaysia, from 2014 onwards: commercial electricity consumption is divided into three categories: low voltage, medium voltage and medium voltage peak and valley, with a monthly basic charge of MYR15-1,000 and a unit price of MYR0.195-0.395 per unit; industrial electricity consumption is divided into three categories: low voltage, medium voltage and medium voltage peak and valley, with a monthly basic charge of MYR15-1,000 and a unit price of MYR0.18-0.376 per unit;

(3) Sarawak: Commercial electricity is divided into 3 categories, with a monthly basic charge of RM10-20 per kilowatt at RM0.139-0.32 per unit; industrial electricity is divided into 3 categories, with a monthly basic charge of RM10 or RM16-20 per kilowatt at RM0.139-0.26 per unit.

Details of the fees can be found on the relevant pages of the Malaysian Investment Development Authority (MIDA) website.

(<https://www.mida.gov.my/wp-content/uploads/2021/01/FINAL-CODB-MANDARIN-2020-4.pdf>) to view.

[Fuel prices]

From January 2019, Malaysia has implemented a weekly fluctuation mechanism for retail fuel prices, whereby new fuel prices are announced every Friday and implemented on the following day (Saturday). From 2 June to 8 June 2022, the retail price of unleaded petrol 95 will be RM2.05 per litre and unleaded petrol 97 will be RM4.70 per litre; and the retail price of diesel will be RM2.15 per litre.

Table 4-1 Fluctuations in retail fuel prices in Malaysia in recent years

(Unit: RM/litre)

dates	95 unleaded petrol	97 unleaded petrol	diesel oil
1 March 2015	1.95	2.25	1.95
1 December 2016	1.90	2.25	1.85
1 December 2017	2.30	2.58	2.23
1 March 2018	2.20	2.47	2.18
14th December 2019	2.08	2.64	2.18
8 May 2020	1.25	1.55	1.4

27th May 2021	2.05	2.61	2.15
2 June 2022	2.05	4.70	2.15

Source: Ministry of Domestic Trade, Cooperatives and Consumer Affairs, Malaysia.

4.4.2 Labour wages and supply and demand

[Labour supply]

The Malaysian labour market has remained stable in recent years. In 2021, the Malaysian labour force will be approximately 15.8 million. The unemployment rate is 4.6 per cent.

[Labour prices]

In the first quarter of 2022, the per capita monthly wage in the manufacturing sector in Malaysia was RM3,429.

[Minimum wage system]

According to the Wages Act 2022, the minimum wage in Malaysia will be RM1,500 per month from 1 May 2022 onwards.

The minimum wage system aims to ensure that employees' salaries are guaranteed to meet daily expenses, encourage employers to shift to high-tech development, and improve the skills and productivity of their employees. It is expected to encourage more local employment and reduce dependence on imported labour.

[Mandatory employer liability]

With effect from 1 January 2017, Malaysia has implemented **the** Employer Compulsory Liability Scheme (EMC), which requires employers to pay the full amount of the poll tax on foreign workers, and not to make any further deductions from the salaries of foreign workers to cover the tax. The main objective of this policy is to ensure that employers assume full responsibility for their foreign workers from the time they apply to come to Malaysia to the time they return home.

There is a shortage of industrial workers and service sector labour at the lower end of the spectrum in Malaysia. As at the end of 2021, there were 2.7 million legal non-citizens in Malaysia, of which about 2 million were foreign workers, with a high number of Indonesian, Nepalese, Bangladeshi and other nationalities.

Currently, the Malaysian government is only open to foreign labour in 5 areas, namely, construction, plantation, agriculture, services and manufacturing, and allows the importation of general labour from 15 countries and territories, of which 12 countries, namely, Thailand, Cambodia, Nepal, Myanmar, Laos, Vietnam, the Philippines (males only), Pakistan, Sri Lanka, Turkmenistan, Uzbekistan and Kazakhstan, are fully open to foreign labour in all of the 5 areas, while Indian labour is limited to construction and some areas of services, as well as agriculture and plantation. All of them are open, Indian labourers are limited to some areas of construction and services as well as agriculture and plantation, Indonesian women are allowed to work in the above five areas, Indonesian men are allowed to work in the remaining four areas except manufacturing, and labourers from Bangladesh are allowed to work in the area of plantation according to the inter-governmental agreement.

Malaysia has not fully opened its general labour market to China, and only allows a small amount of Chinese technology to be imported under certain conditions.

Workers. The work permits issued also specify the type of work and the name of the employer. Labourers who enter Malaysia legally and work in different jobs or for different employers are regarded as illegal workers.

4.4.3 Land and housing prices

[Price of industrial land]

Land prices in Malaysia vary widely due to economic development and geographical location. Industrial land prices range from RM18-65 per square foot in Penang, which is more economically developed, RM8.5-70 per square foot in Selangor, RM8-38 per square foot in Johor and RM2.0-60 per square foot in Terengganu, which is less economically developed. In addition, land tax and industrial tax of varying amounts are added annually.

[Office rentals]

Office rental rates vary depending on the city and region in which they are located. In recent years, monthly rents in the Kuala Lumpur metropolitan area have ranged from RM64.6 - RM102.3 per square metre, in the more economically developed Penang from RM27 - RM30 per square metre, in Selangor from RM37.7 - RM53.8 per square metre, and in the less economically developed Terengganu from RM21.5 - RM27.0 per square metre.

[Residential rent]

Rental rates vary depending on the type of property and location. Please refer to the table below for monthly rental rates in Kuala Lumpur city centre and suburbs:

Table 4.2 Monthly rents in Kuala Lumpur city centre and

	Monthly rent for city centre		Suburban monthly rent	
room type	Malaysia n dollar	Conversion to United States dollars	Malaysian dollar	Conversion to United States dollars
one bedroom	2380-3495	598-878	1000-2000	313-625
three	4168-8061	1047-2025	1500-4500	469-1406

Since the second half of 2020, the prices of construction materials in Malaysia have entered an upward trend, with the prices of major building materials such as steel and cement rising by more than 50 per cent. Currently, the price of cement in Malaysia is MYR20/bag (50kg/bag) and the price of steel is MYR3,600/tonne. At the same time, Malaysia's construction industry labour costs have also risen sharply, the average monthly wage of labourers from

RM2,700 to RM4,000. The significant increase in the price of construction materials

and labour costs has also significantly pushed up the cost of construction in

Malaysia. The average cost of factory construction in Malaysia is as follows: the construction price of a factory constructed with reinforced concrete is MYR 65-230

/The construction price for a factory with a steel portal frame on reinforced concrete is RM75-250/sq ft; and RM120-130/sq ft for a factory with a dust-free clean space.

The price of steel in Malaysia is around RM2,180-2,280/tonne and cement is around RM16.80/bag (50kg/bag).

5. Regulatory policy

5.1 Trade regulations and policies

5.1.1 Trade authorities

The government department responsible for foreign trade in Malaysia is the Ministry of International Trade and Industry (MITI), whose main responsibilities are: to formulate policies relating to investment, industrial development and foreign trade; to formulate strategies for industrial development; to promote bilateral and multilateral trade cooperation; to plan and coordinate the development of small and medium-sized enterprises (SMEs); and to promote and enhance the managerial and operational capabilities of the private business community and indigenous peoples.

5.1.2 Trade regulation system

Malaysia's main foreign trade laws are the Customs Act, the Customs Import Control Regulations, the Customs Export Control Regulations, the Customs Valuation Regulations, the Phytosanitary Act, the Protection of New Varieties of Plants Act, the Countervailing and Anti-Dumping Act, the Countervailing and Anti-Dumping Enforcement Regulations, the Safeguard Measures Act 2006, and the Foreign Exchange Control Act.

5.1.3 Relevant provisions on trade regulation

Malaysia has a free and open foreign trade policy and the import and export of some goods are subject to licensing or other requirements.

[Import management]

In 1998, the Malaysian Customs Import Prohibition Order established four categories of restricted imports at different levels. The first category consists of 14 prohibited imports, including proprietary Chinese medicines containing ingredients such as ice tablets and epimedium, 45 botanical medicines and 13 animal and mineral medicines. The second category consists of imported products that require a licence, mainly in the areas of health, inspection and quarantine, safety and environmental protection. These include poultry and beef (which must also comply with halal certification), eggs, rice, sugar, cement clinker, fireworks, audio and video cassettes, explosives, timber, safety helmets, diamonds, rice mills, colour photocopiers,

some telecommunication equipment, arms, munitions and saccharin. The third category is temporary import restrictions, which include milk, coffee, cereal flour, some wire and cable, and some iron and steel products. The fourth category consists of products that may be imported only after meeting certain special conditions, including animals, animal products, plants and plant products, cigarettes, soil, animal fertilisers, bulletproof vests, electronic equipment, seat belts and imitation weapons. In order to protect sensitive or strategic industries, Malaysia imposes non-automatic import licensing on certain goods, mainly To cover the construction equipment, agriculture, mining and motor vehicle sectors.

[Export Management]

Malaysia provides for the free export of most goods to any country and territory except Israel. However.

Some commodities require an export licence from a government department, including: items in short supply, sensitive or strategic or hazardous products, and protected wildlife species controlled or prohibited from export or import under national conventions. In addition, the Malaysian Customs (Prohibition of Exports) Order 1988 provides for measures to regulate the export of three categories of commodities: the first is an absolute ban on exports, including the export of turtle eggs and rattan; and the export of petroleum, petroleum products and arms and related products to Haiti; the second requires an export licence for export; and the third requires export on a case-by-case basis. Most of the commodities in the second and third categories are primary products, such as livestock and their products, cereals and minerals/hazardous waste; the third category also includes weapons, arms and antiques.

5.1.4 Import and export commodity inspection and quarantine

The Malaysian Inspection and Quarantine Department was established in 2011 under the Ministry of Agriculture and Agro-Industry as a division responsible for the inspection and quarantine of all ports of entry (including seaports, airports, land ports as well as mail and courier collection and delivery centres), quarantine stations, recommended facilities, and the issuance of import and export licences in respect of plants, animals, frozen meat products, fish, agricultural products, soils and micro-organisms, among others. .

In order to prevent the introduction of infectious and parasitic diseases of animals and dangerous diseases, pests, weeds and other harmful organisms of plants, the Government of Malaysia imposes inspection and quarantine on imported plants and animals. In order to bring plants and animals into the country, it is necessary to apply for an import licence from the relevant Malaysian authorities and to comply with the inspection and quarantine procedures at the time of entry.

Malaysia requires that all meat, processed meat products, poultry, eggs and egg products must be sourced from plants inspected and approved by the Veterinary Services Department of the Ministry of Agriculture, and that all imported products must have an import licence issued by the Veterinary Services Department.

All meat, processed meat products, poultry, eggs and egg products supplied to Muslims must be halal-certified, and slaughterhouses for cattle, sheep and poultry, as well as meat and egg processing equipment, must be inspected and approved by the Islamic Development Agency (JAKIM).

5.1.5 Customs administration regulations

[Governing body]

The Royal Malaysian Customs is the government department that manages the import and export of goods, border control and trade facilitation.

[Management system]

There are two classification systems for Malaysian tariffs: one for intra-ASEAN trade, with a six-digit tariff number, and the other for trade with other countries. The tariffs are reviewed by the Special Advisory Committee on Tariffs under the Ministry of International Trade and Industry and are published annually in the Government budget.

[Tariff levels]

Customs duties on 99.3 per cent of Malaysian imports are ad valorem, while 0.7 per cent are ad valorem, mixed and selective.

[Financial regulation]

There is no restriction on the amount of foreign currency or traveller's cheques that a person, whether a resident or a non-resident, may bring into or out of Malaysia, except that a declaration must be made to the Customs and Excise Department if the amount exceeds US\$10,000; there is no restriction on the amount of foreign currency or traveller's cheques that a non-resident may carry out of Malaysia if the amount is within the amount declared at the time of entry into the country; and a written permission must be obtained in advance from Bank Negara Malaysia for the carrying of cash or traveller's cheques in excess of this restriction. For cash or travellers' cheques exceeding the limit, prior written permission must be obtained from Bank Negara Malaysia.

[Customs manifest]

Malaysia Customs has stipulated that from 1 October 2018, for all cargoes imported, exported and transited in Malaysia, customers must provide the correct 6-digit cargo HS code in the cargo description section of the sample bill. Missing HS code or incorrect information will affect the clearance and release of goods in Malaysia and may result in customs fines or other liability consequences.

5.2 Foreign investment regulations

5.2.1 Investment authorities

The Malaysian government department in charge of investment in the manufacturing sector is the Malaysian Investment Development Authority (MIDA) under the Ministry of Trade and Industry, whose main responsibilities are to: formulate industrial development plans; promote domestic and foreign investment in the manufacturing sector and related services; approve manufacturing licences, foreign worker positions and corporate tax incentives; and assist enterprises in the implementation and execution of investment projects.

Investment in other sectors in Malaysia is handled by the Economic Planning Unit (EPU) of the Prime Minister's Office and relevant government departments such as the Ministry of Domestic Trade, Cooperatives and Consumer Affairs (MDTCC), which is responsible for approving investment projects involving foreign investment and indigenous peoples.

(Bumiputra), while other relevant government departments are responsible for

approving business-related matters.

5.2.2 Provisions for the investment industry

[Laws relating to foreign investment]

The official database of laws and regulations in Malaysia is the Federal Government Gazette, which is the official website of the Federal Government of Malaysia for the publication of official information such as announcements, notices and amendments to laws. In addition to the Federal Government Gazette, the Malaysian government and regulatory authorities have the right to issue guidelines and Policy-related documents, which are posted by the respective regulatory authorities on their respective government websites. Malaysia does not have a "one-stop" website for investment, trade, taxation or land that investors can refer to or browse. However, the Malaysian Investment Development Authority (MIDA) publishes guides and policies on its official website that can help investors understand industrial policies, investment incentives, licensing and approval procedures, equity restrictions, etc. related to specific industries in Malaysia.

The Contract Act provides for the formation, cancellation, performance and agency of contracts and is the civil and commercial law of Malaysia.

Foundation.

The Companies Act contains detailed provisions on company incorporation, share bonds, registration of mortgages, company management, joint stock companies, company accounts and auditing, and company winding-up, and also specifies the concepts of investment companies and foreign companies.

The Industrial Harmonisation Act requires companies engaged in manufacturing to apply for an industrial licence from the Ministry of Trade and Industry (MITI) if their investment exceeds RM2.5 million or if they have more than 75 full-time employees; industrial licences are to be renewed annually.

The Investment Promotion Act (IPA) is the most important law on industrial investment promotion in Malaysia, and investment incentives come in the form of direct or indirect tax relief, with direct tax incentives meaning partial or full relief from income tax for a certain period of time, and indirect tax incentives in the form of exemptions from import, sales or excise taxes.

The Industrial Relations Act regulates the relationship between employers, labour and trade unions and prevents and settles industrial disputes.

[Restricted industries]

Foreign investors are subject to strict restrictions on equity ownership if they invest in the following industries: finance, insurance, legal services, telecommunications, direct marketing and distribution. Generally, foreign ownership cannot exceed 50 per cent or 30 per cent.

[Newly opened areas]

In April 2009, the Malaysian government, in an effort to further attract foreign investment and stimulate the country's economic development, opened up 27 sub-sectors in eight service sectors to allow for wholly foreign ownership without equity restrictions, including:

(1) Computer-related service areas. Includes: computer hardware consultancy; software applications (including software systems consultancy, systems analysis, systems design, computer programmes, systems maintenance); data processing (including data entry, data processing and tabulation, shared services, etc.); database services; computer maintenance services; and others (including data preparation, training, data restoration, content development, etc.).

(2) Health and social services areas. Includes: veterinarians; homes for the

elderly and centres for the disabled; orphanages; and childcare services. (including centres for children with disabilities); vocational training for persons with disabilities.

(3) Tourism Services Sector. Includes: theme parks; convention and exhibition centres (over 5,000 seats); travel agencies (domestic tourism segment only); hotels and restaurants (4- and 5-star hotels only); food (4- and 5-star hotels only); beverages (4- and 5-star hotels only).

(4) Area of transport services. Includes: Class C transport (private transport licence - transport of goods for own use only).

(5) Sports and leisure services sector. Includes: sports services (sports event organising and promotion).

(6) Business services area. Includes: regional distribution centres; international purchasing centres; and scientific testing and analysis services.

(including composition and purity testing and analysis, solids testing and analysis, mechanical and electronic systems testing and analysis, scientific and technical supervision, etc.) management consultancy services (including general services, finance (except business tax), marketing, human resources, product and public relations)

(etc.).

(7) Chartering services area. Includes: ship chartering (excluding coastal and offshore trade); international cargo ship chartering (bareboat charter).

(8) Area of transport rescue services. Includes: maritime agencies; ship rescue.

In order to further stimulate the inflow of foreign investment, the Malaysian government has progressively liberalised the foreign equity restrictions in 17 service sectors in 2012, including: applications for service provider licences in the telecommunications sector, applications for network equipment supply and network service provider licences in the telecommunications sector, courier services, private universities, international schools, technical and vocational schools, special technical and vocational education, skills training, private hospitals, independent medical clinics, independent dental clinics, department stores and specialty shops, incineration services, accounting and tax services, construction, engineering services, and legal services. Private universities, international schools, technical and vocational schools, specialised technical and vocational education, skills training, private hospitals, stand-alone medical clinics, stand-alone dental clinics, department stores and boutiques, incineration services, accounting and taxation services, construction, engineering services and legal services.

The Malaysian Services Development Council (MSDC) is the regulatory unit for the liberalisation of the branch areas and is responsible for reviewing the regulations relating to the development of restricted areas in the services sector and supervising and coordinating the relevant work in the various sectors.

According to Section 433B of the National Land Act: the purchase of land (except for industrial purposes) by foreign investors is subject to the approval of the state government concerned. Land is under the purview of state authorities, so different states have different regulations. Many state governments stipulate that foreign investors are not allowed to purchase land for agricultural cultivation and forestry, but can lease it, usually for a period of 30-60 years, which can be renewed.

[Sectors encouraged]

The Malaysian government encourages foreign investment in its export-oriented manufacturing enterprises and high-tech fields, and the main industries that can enjoy preferential policies include: agricultural production, agricultural

product processing, rubber products, petrochemicals, pharmaceuticals, timber, pulp products, textiles, iron and steel, non-ferrous metals, machinery, equipment, and parts, electronic and electrical appliances, medical equipment, scientific measuring instruments manufacturing, plastic products, protective equipment and instruments, renewable energy, research and development, food processing, cold chain equipment, hotel and tourism and other services related to manufacturing. In the manufacturing sector, starting from June 2003, foreign investors can invest in new projects with a 100 per cent equity stake.

(1) Halal food processing and certification. Includes an investment tax credit for 100 per cent of qualifying capital expenditures incurred within five years from the date of the first qualifying capital expenditure by a company that produces halal food.

(2) Multimedia Super Corridor Inc. In order to become a global centre for the ICT industry, the Malaysian Government created the ICT initiative, the Multimedia Super Corridor, in 1996. All companies that have achieved Multimedia Super Corridor status are entitled to a series of tax and financial incentives and protections provided by the Malaysian Government, including: provision of world-class hardware and information infrastructure; unlimited employment of domestic and international knowledge workers; liberalisation of company ownership; and tax exemptions for up to 10 years or tax allowances for up to 5 years, among others.

(3) Encouraging the development of biotechnology. Malaysia's 2007 budget speech announced a series of new initiatives to encourage the development of biotechnology.

(c) Encouragement of investment in the biotechnology sector to promote the development of biotechnology. The investment incentives include: first, biotechnology companies will be exempted from income tax for 10 years starting from their first year of profit; second, they will be subject to 20% income tax starting from the 11th year, and the concessionary period will remain at 10 years; third, individuals and companies investing in the biotechnology sector will be given a tax deduction equivalent to that of their original capital investment and will be provided with pre-financing support; fourth, biotechnology companies will be exempted from stamp duty and exempted from real property gains tax for five years when they carry out merger or acquisition; fifth, buildings used for biotechnology research will be given the relevant industrial building allowance. When biotechnology companies make mergers or acquisitions, they will be exempted from stamp duty and will be exempted from real property gains tax for five years; and fifthly, buildings used for biotechnology research will be eligible for the relevant industrial building allowance.

(4) Encouraging digital economy development. In order to transform Malaysia into a high-income country and regional leader driven by the digital economy, the Government announced the Malaysian Digital Economy Blueprint in 2021. Currently, the Government is in the process of launching the Malaysian Multimedia Super Corridor Programme 2.0 to attract more foreign digital investors.

In the 2022 Budget, Malaysia has introduced a three-year 100 per cent investment tax allowance for green technology investments, which can be offset by up to 70 per cent of taxable statutory income.

[Preferential policy system]

Malaysia's investment policy is based on the Investment Promotion Act 1986, the Income Tax Act 1967 and the Customs Act 1967.

The Sales Tax Act of 1972, the Internal Revenue Act of 1976 and the Free Zones Act of 1990, among others, provide the legal basis for the authorisation procedures and various incentives and promotions for investment activities in the areas of manufacturing, agriculture, tourism and so on.

Incentives and favourable measures come mainly in the form of tax relief and are classified as either direct or indirect tax incentives. Direct tax incentives are partial or full exemptions from income taxes for a certain period of time; indirect

tax incentives come in the form of exemptions from import, sales or domestic taxes:

(1) Pioneer Status (PS). Enterprises that have been granted PS are entitled to a five-year partial exemption from income tax, which is levied on only 30 per cent of their statutory income. The exemption period begins when the production capacity reaches 30 per cent. The unabsorbed capital exemption and losses accumulated during the period of PS can be carried forward and deducted from the company's income at the end of the period of PS.

(2) Investment Tax Allowance (ITA): Businesses that receive the ITA are entitled to an investment tax allowance of 60 per cent of eligible capital expenditure for a period of five years. The allowance can be used to offset 70 per cent of their statutory income for the tax year, with the remaining 30 per cent subject to tax, and any unused allowance can be carried forward to the following year until it is used up. Eligibility for Emerging Industry status or investment tax subsidies is based on certain aspects of an enterprise's strengths, including higher value-added products, advanced technological levels, and industrial linkages. Investments that meet these criteria are referred to as "promoted activities" or "promoted products". The Malaysian government has specialised in

A List of Promotional Actions and Products has been established for the manufacturing sector. In addition to the manufacturing sector, both incentives can be applied to applications from other sectors, such as agriculture, tourism and manufacturing-related services.

(3) Reinvestment Allowance (RA). The Reinvestment Allowance applies mainly to manufacturing and agriculture. Manufacturing companies that have been in operation for more than 12 months may apply for the Reinvestment Allowance for expenses incurred to modernise production equipment or diversify products due to the need to expand production capacity. A subsidy of 60 per cent of the amount of qualifying capital expenditures can be used to offset 70 per cent of their statutory income for the tax year, with the remaining 30 per cent subject to tax.

(4) Accelerated Capital Allowance (ACA). After using the reinvestment subsidy for 15 years, firms reinvesting in "promotional products" can apply for the ACA for a period of three years, with an initial subsidy of 40 per cent of eligible capital expenditures in the first year, followed by 20 per cent in each of the following two years. In addition to manufacturing, the Accelerated Capital Allowance also applies to applications in other sectors, such as agriculture, environmental management and information and communications technology.

(5) Agricultural Allowance (AA). Malaysian agribusinesses and co-operatives/associations can also apply for Emerging Industry Status or Investment Tax Subsidy (ITS) benefits, in addition to the Agricultural List of Promotional Actions and Products (ALAPP). The Income Tax Act, 1967, provides for investors to claim capital allowances and construction allowances for expenditures incurred on projects such as land reclamation, crop cultivation, creation of agricultural roads and agricultural buildings. A separate investment tax allowance for a period of five years is also available for capital expenditure on processing or manufacturing of agricultural products in large integrated agricultural investment projects, taking into account the natural time lag between the commencement of the agricultural investment programme and the processing of agricultural products.

(6) Multimedia Super Corridor Status (MSC Status). The Malaysian Government launched an ICT initiative, the Multimedia Super Corridor (MSC), in 1996 with the objective of becoming a global centre for the ICT industry. ICT companies approved by the Multimedia Development Corporation (MDC) can enjoy full

income tax exemption or full subsidy on eligible capital expenditure on the basis of Emerging Industry Status (valid for 5 years in the first round), as well as no restriction on the proportion of foreign shareholding and the hiring of foreign technical staff.

(7) Operational Headquarters Status, International Purchasing Centre Status (International Procurement Centres Status) and Regional Distribution Centres Status. To further strengthen Malaysia's regional position internationally, approved operational headquarters, regional distribution centres and international procurement centres are entitled to other benefits such as full income tax exemption for a period of 10 years, in addition to the unrestricted 100 per cent foreign equity.

5.2.3 Provisions for investment modalities

[Direct investment]

Foreign investors can directly invest in Malaysia to establish various types of enterprises and carry out business. Direct investment includes cash contributions, establishment of

Equity participation, technical co-operation and concessions.

[Cross-border mergers and acquisitions]

Malaysia allows foreign investors to acquire shares in locally incorporated companies and to merge and acquire local businesses. Generally speaking, foreign capital can acquire 100 per cent of shares in areas such as manufacturing, mining, super multimedia status companies and Islamic banks, as well as in the five economic development corridors in which foreign investment is encouraged; the Malaysian Government has also successively withdrawn the 30 per cent shareholding quota restriction in 27 service branches and listed companies, and has further opened up the service and financial sectors.

Foreign mergers and acquisitions (M&A) in Malaysia are determined by the relevant government authorities in different sectors, such as the Ministry of Trade and Industry (MITI) for manufacturing, the Ministry of Domestic Trade and Consumer Affairs (MDTC) for direct marketing, retail and wholesale, the Ministry of Bank Negara and Ministry of Finance (MBF) for the financial sector including banking, insurance, etc., and the Ministry of Communications and Multimedia (MCM) for the telecommunications sector. The Competition Act 2010 (CAP 2010), which came into effect in 2012, is the Malaysian law that safeguards fair competition and prevents monopolies. The Act is enforced by the Malaysia Competition Commission and relevant mergers and acquisitions conducted in Malaysia are subject to the Act.

[Equity acquisition]

The opening of the Malaysian stock market to foreign investors, allowing foreign companies or investors to acquire local companies for listing.

In 2009, the Malaysian government announced the removal of the requirement for foreign companies to allocate 30 per cent of their shares to indigenous peoples for listing in Malaysia.

(Bumiputera) to 50 per cent of the required 25 per cent of public subscription, i.e. only 12.5 per cent of the mandatory allocation of shares to indigenous people; in addition, companies with Multimedia Super Corridor (MSC) status, Biotechnology Company (BC) status and companies operating mainly overseas may be exempted from the 50 per cent indigenous shareholding requirement for the public shareholding. At the same time, the Foreign Investment Committee (FIC) was abolished so that foreign

companies intending to list immediately would submit their applications directly to the Securities Commission of Malaysia (SCM).

[Cooperation in scientific and technological research and development]

The Malaysian Government encourages foreign investors to collaborate with Malaysian enterprises in science and technology R&D in the form of best practice sharing, technology transfer, and the establishment of R&D centres.

5.2.4 Provisions for security clearances

Currently, Malaysia does not have a security clearance process for FDI, nor is there a single law or regulation governing the entry of foreign investment into the country.

The Malaysian Competition Act 2010 (MCA) is the most prominent act regulating anti-competitive or market monopoly behaviour in Malaysia and is enforced by the Malaysian Competition Commission (MyCC), which mainly regulates two types of behaviour, namely anti-competitive agreements, and abuse of a dominant market position. In addition, there are currently two regulatory authorities in Malaysia with antitrust review powers and mechanisms for two specific industries, namely: the Aviation Commission under the Malaysian Aviation Commission Act 2015, and the Malaysian Competition Commission Act 1998 (MCA).

The Malaysian Communications Multimedia Commission (MCMC) under the Communications and Multimedia Act, 2008. These two regulatory bodies have the power to review and approve commercial acts of mergers or consolidation in the multimedia communications industry or the aviation industry.

5.2.5 Infrastructure PPP model development

Since the 1980s, the Malaysian government has been encouraging private capital to partner with the government in the construction and operation of BOT projects to reduce the burden of public expenditure on the government. The authority for such projects is the Economic Planning Department of the Prime Minister's Office.

(In 2010, the Public Private Partnership Unit (3PU) was established to coordinate public-private partnership (PPP) projects and to manage the Public-Private Partnership Auxiliary Fund (PPPAF).

The Malaysian Government strongly supports the development of BOT projects at the policy level and actively amends the relevant laws to bring Malaysia's domestic legal environment into line with international standards. In the 1980s, Malaysia amended the Constitution and passed the Federal Roads Act to clear the obstacles for BOT of highway projects; in the 1990s, the Electricity Supply Act and Electricity Regulation were amended to provide legal protection for the construction and operation of private power stations; in 2005, the new Arbitration Act was passed and came into force in March 2006, replacing the Arbitration Act of 1952, which has opened the last link for foreign investors to enter the local BOT project market in Malaysia. The new Arbitration Act was passed in 2005 and implemented in March 2006, replacing the Arbitration Act of 1952 and providing the final link for foreign investors to enter the local BOT project market in Malaysia.

Malaysia has developed the PPP model mainly on the basis of a contractual relationship and has not yet enacted specific legislation for the construction and operation of PPPs, but has enacted regulatory documents to govern the PPP model. The main regulatory documents for PPP include Privatisation Master-plan 1991 and Guidelines on Public Private Partnership, 2009. The Malaysian PPP model is divided into two main modes, namely privatisation and Private Finance Initiative (PFI). The basic requirements for privatisation projects are a project value of MYR25 million,

a 7-year concession and a company capital of MYR275,000, while the basic requirements for PFI projects are a project value of MYR100 million, a 15-25 year concession and a company capital of MYR275,000.

Privatisation models include asset or equity divestment, corporatisation, land exchange, build-operate-transfer (BOT), build-operate-own (BOO), management agreements, outsourcing, and leasing. PFIs, on the other hand, include build-lease-transfer (BLT), build-lease-maintain-transfer (BLMT), and build-lease-maintain-operate-transfer (BLMOT). BOT is a concession agreement provided by the government to provide a concession agreement. The private enterprise, as the investor and operator of the project, is responsible for arranging the financing, development, and construction of the project, and obtaining profits during the period; at the end of the period, the government pays the funds and acquires the project from the private enterprise. BOO refers to the fact that the private enterprise is responsible for the financing of the infrastructure and owns the facility and operates it in perpetuity.

The franchise life of BOT projects such as roads, railways, ports and power stations in Malaysia is generally about 30 years. The foreign companies that carry out BOT in Malaysia are mainly from the United States, Japan, South Korea and Denmark, such as A. P. Muller-Maas.

The Key Group (A.P. Møller - Mærsk, Denmark) has worked with the Malaysian government and the Johor Port Authority to build and operate the Port of Tanjung Pelepas, Johor (1995-2025).

5.3 Policies and regulations related to the digital economy

5.3.1 State of digital infrastructure

Malaysia has good basic network coverage. As of early 2021, Malaysia had 27.43 million internet users, with an internet penetration rate of 84.32 per cent; and 39.99 million mobile phone subscribers, with a coverage rate of 122.8 per cent. In December 2020, Malaysia's average fixed broadband downlink speed was 93.7 Mbps, slightly lower than the global average of 96.4 Mbps; and the average mobile broadband downlink speed was 25.6 Mbps, significantly lower than the global average of 47.2 Mbps.

The data centre business in Malaysia is growing fast. It is projected that by 2025, the data centre market in Malaysia will exceed \$800 million. According to a study by the relevant agencies, 44 per cent of micro and small businesses in Malaysia apply cloud technology, but 80 per cent of them only use it to store documents, photos and videos. Some internationally renowned data centre giants, such as Google, Microsoft and Alibaba, are planning to set up or have already set up large-scale data centres with commercial operations in Malaysia.

Malaysia's e-commerce is also growing relatively rapidly. In 2021, its e-commerce market size reached \$6,297 million, with personal e-commerce coverage ranking 3rd in Southeast Asia, 42% of e-commerce transactions involving cross-border, 66% of Malaysian internet users using mobile banking services, and per capita making 144 e-payments per year. Larger local e-commerce platforms including Lazada and Shopee have attracted a large number of users. Meanwhile, the Malaysian government encourages the development of mobile payments, having promoted digital wallets by distributing e-vouchers to the public, and some of the more popular payment platforms currently on the market include Touch n Go, Grab pay, and Razer Pay.

5.3.2 Developments in the digital economy

The Government of Malaysia defines the digital economy as "economic and

social activities in which individuals, businesses and governments use digital technologies for production and application". Digital technologies include artificial intelligence, the Internet of Things, blockchain, cloud computing, big data, virtual reality and augmented reality.

In November 2020, the Prime Minister's Department of Malaysia announced the establishment of the Digital Economy and Fourth Industrial Revolution Council (DEFRC), which is the highest executive body for formulating policies, implementing and overseeing the country's strategies and initiatives on the digital economy and the fourth industrial revolution. It is chaired by the Prime Minister.

The Malaysian Ministry of Communications and Multimedia (MCMC) is responsible for the management of communications, media and other businesses. The Malaysian Communications and Multimedia Commission (MCMC) under the Ministry is responsible for the regulation of communications, media, etc., under the Malaysian Communications and Multimedia Commission Act 1998, the Malaysian Communications and Multimedia Commission Act 1998 and the Malaysian Communications and Multimedia Commission Act 1998.

The Ministry has powers under the Telecommunications and Multimedia Act and the Strategic Trade Act 2010 to regulate and license the telecommunications and multimedia industry, postal services, and digital signature certification authorities. Another agency of the Ministry, the Department of Digital Economy (MDEC), is tasked with the implementation of the Malaysian Multimedia Super Corridor (MSC) programme, which provides government accreditation, infrastructure, tax incentives, reduced restrictions on the hiring of expatriate staff, and one-stop-shopping of government public services for related businesses.

The Malaysian Department of Statistics has issued a communication stating that the digital economy will account for 22.6 per cent of Malaysia's GDP in 2020. The e-commerce sector achieved significant growth of 25.5 per cent.

The Information and Communication Industry (ICT) is one of the pillar industries in Malaysia and its value added has reached 19.1% of GDP in 2019. The semiconductor industry is one of the contributors to Malaysia's manufacturing export earnings, with a number of multinational companies in the industry having factories in Malaysia. Malaysia's strengths in the industry are mainly focused on the downstream of the semiconductor value chain, including assembly (advanced packaging) and testing, as well as system integration. In 2021, Malaysia exported electrical and electronic products amounting to MYR455.7 billion, which accounted for 36.5 per cent of its total exports.

5.3.3 Digital economy development planning

In 2021, Malaysia launched its Digital Economy Development Blueprint (MyDigital, <https://www.idc.com/getdoc.jsp?containerId=prAP47491421>), which sets out to establish Malaysia as a regional leader in the digital economy and to achieve the socio-economic goals of inclusive, responsible and sustainable development. Malaysia has launched its Digital Economy Blueprint (MyDigital,), which sets out to establish Malaysia as a regional leader in the digital economy and to achieve inclusive, responsible and sustainable socio-economic development goals for the development of digital industries, digital human resources and digital ecosystems.

Malaysia wished to promote the development of the digital economy in six areas: promoting digital transformation in the public sector, enhancing economic competitiveness through digitisation, building an enabling digital infrastructure,

creating a flexible and competitive digital talent system, creating an inclusive digital society, and building a trustworthy, secure and ethical digital environment. Under these, his Government had developed 22 strategies, 48 national initiatives and 28 sectoral initiatives.

In the blueprint, the government plays the role of enabler by setting the direction, facilitating initiatives and encouraging business and society to embrace digital technologies; encouraging the private sector to leverage digital platforms, ecosystems and marketplaces in their activities; and working with the public sector and civil society organisations in a new partnership model; creating a regulatory environment that both supports the development of digital technologies and protects the privacy of its citizens; regulating public data so that it is shared between the public and private sectors; and facilitating labour market development in potentially disruptive industries through automation and digital technologies.

[Planning for capacity-building in infrastructure networks]

Malaysia plans to invest MYR21 billion over the next five years to bring fibre-optic network to cover all of Malaysia's population with the number of connected subscribers growing from 7.5 million by the end of 2022 to 9 million by 2025 through the National Digital Network (JENDELA) programme. Investing RM15 billion over 10 years for nationwide

Build 5G network within and create 105,000 jobs. Investment of RM1.65 billion by several telecommunications companies to enhance Malaysia's connectivity to international submarine fibre optic cable networks, with a view to becoming the country with the highest number of submarine network cables in Southeast Asia by 2025.

[Application infrastructure development planning]

Several cloud service providers have committed RM12-15 billion to build and operate hyperscale big data and cloud computing centres over the next five years. The Malaysian government has planned for the value of local data centres to reach MYR36 billion by 2025. By the end of 2022, 80 per cent of official data to be in the cloud, and all departments and public service organisations to provide cashless payment options for the public to do business. By 2025, every school will be connected to the Internet, every student will have a personal smartphone, all schools will adopt digital teaching and learning, and 2,500 "digital creator" schools will be created.

[Planning for commercial infrastructure development]

By 2025, it is planned that 800,000 MSMEs will be digitised, 875,000 MSMEs will adopt e-commerce, and 5,000 local start-ups will be created. By 2030, it is planned to create five unicorns with local headquarters, increase productivity in all sectors by 30 per cent, create 500,000 new jobs and have the digital economy contribute 22.6 per cent of GDP.

5.3.4 Policies and regulations related to the development of the digital economy

[Relevant policies to support the digital economy]

In 1996, the Malaysian government launched the Multimedia Super Corridor (MSC) programme, which provides a wide range of incentives, rights and privileges, including tax breaks and employee visas, to eligible local and foreign ICT-related businesses to facilitate their continued growth. As of May 2019, 2,954 companies have been granted MSC certification status. Malaysia launched the National Broadband Programme (NBP) in 2010 to significantly enhance internet connectivity. The National Science, Technology and Innovation Policy (NSTIP), launched in 2013, aims to promote mainstream science, technology and innovation by identifying ICT as a necessary enabler for a knowledge-based economy. Other initiatives include the National Strategic Roadmap for E-Commerce (launched in 2014)

and the Malaysian Productivity Blueprint (launched in 2017), which emphasises on enhancing the digitisation of MSMEs through e-commerce and the adoption of innovative technologies. In 2017, Malaysia also launched the Digital Free Trade Zone initiative to promote cross-border e-commerce and broaden MSMEs' access to the global market. The aforementioned Digital Economy Development Blueprint 2021, on the other hand, is the latest relevant policy launched by Malaysia to plan for the development of its digital economy as a whole, which is expected to drive the country's digital economy further.

[Relevant laws and regulations]

The most important act in Malaysia in the area of digital economy is the Communications and Multimedia Act 1998. Under this Act.

Providers of relevant network facilities, network services, application services, content application services must apply for a licence from the Ministry of Communications and Multimedia Malaysia. If the product or service is related to finance, currency, investment, machinery and equipment, gaming, trade distribution, etc., a licence must also be obtained from the industry authority in accordance with the relevant industry regulations.

E-contracts are legally recognised in Malaysia and as such, contracts for the sale of goods or services can be formed electronically through websites or online platforms, including the use of electronic signatures as well as digital signatures. The main laws and regulations relating to electronic contracts/signatures and digital signatures are the Electronic Commerce Act 2006 and the Digital Signature Act 1997 respectively.

Merchants who provide goods or services to consumers must comply with all Malaysian laws and regulations relating to consumer rights or protection. For example, the Consumer Protection (Electronic Trade Transactions) Regulations 2012 impose obligations on any merchant who offers goods or services through a website or online marketplace.

In Malaysia, any media content, including web content and advertisements, must comply with the provisions and restrictions of the Communications and Multimedia Act 1998 and the Malaysian Communications and Multimedia Content Regulations, among others. For example, the Communications and Multimedia Act 1998 provides that no content application service provider or content application service user shall provide indecent, obscene, false, threatening or offensive content with the intention of disturbing, abusing, threatening or harassing any person. The Malaysian Communications and Multimedia Content Act also details the regulations and restrictions on media content.

Under the Personal Data Protection Act 2010, any commercial activity relating to the collection, recording, retention or processing of personal data must comply with the relevant principles, such as requiring the consent of the data subject for the collection of the data, and not disclosing the data obtained to anyone without the data subject's consent.

Malaysia currently does not have a unified cybersecurity act, but the Malaysian government has announced that it is considering the introduction of more unified and comprehensive cybersecurity laws and regulations. Currently, laws and

regulations relating to cybersecurity are scattered in various pieces of legislation in Malaysia. Examples include the Computer Crimes Act 1997, the Communications and Multimedia Act 1998, the Penal Code and the Personal Data Protection Act 2010.

In addition, the Blueprint for the Digital Economy 2021 proposes a complete overhaul and revision of relevant laws in order to safeguard the balance between the development of the digital economy and the privacy and security of users, including: revising the Intellectual Property Decree and the Competition Law by 2023; revising the Personal Data Protection Act to strengthen the cross-border chapters of the data by 2025, and formulating the digital economy taxation based on the international best practice system. At the same time, all new trade agreements should include a cross-border data component.

[Industry access and preferential policies]

The Malaysian Government opened up 27 service sectors to foreign investment in April 2009, with computer and related services being one of them. Malaysia currently allows 100 per cent foreign ownership of companies related to consultancy services related to the installation of computer hardware, software implementation services, data processing services, database services, computer maintenance and repair services. The use of e-commerce from

There are no shareholding restrictions for companies engaged in direct sales operations.

The Multimedia Super Corridor (MSC) programme is the main system of incentives for the industry, and companies that apply for the status can enjoy income tax exemptions or investment tax credits or R&D autonomy and other concessions in the hiring of expatriate staff, and in the taxation of imported equipment.

5.3.5 China's Digital Economy Investment Co-operation with Malaysia

Chinese companies are extensively involved in building Malaysia's digital economy.

In recent years, Chinese companies such as Huawei and ZTE have worked with local communications firms to provide stable and high-speed network connectivity and will be actively involved in assisting Malaysia to build its own 5G network.

Since 2017, Alibaba has been working with the Malaysian Digital Economy Agency to build the Malaysian Digital Free Trade Zone project. So far, the project has carried out a series of cooperation, including "one-stop" international trade services, super logistics hub, cloud computing big data centre, inclusive financial services and digital talent training, helping thousands of local small and medium-sized enterprises (SMEs) sell their products all over the world.

5.4 Green economy developments and related provisions

5.4.1 Development of the green economy in Malaysia

The environmental problems faced by Malaysia were mainly caused by traditional industries, including three-waste pollution, deforestation, soil erosion and biodiversity problems. In response, the Malaysian Government had taken a legislative approach to improving environmental problems through the use of low-carbon, energy-saving and green technologies.

Due to its location in the equatorial region, surrounded by the ocean and tropical forests, Malaysia has an ample supply of solar energy resources, biomass and hydroelectric energy. Malaysia's renewable energy reserves are huge but have not been adequately captured for a long time. In recent years, the Malaysian government has been actively introducing policies in an effort to promote renewable energy and provide incentives for green technologies.

Green technologies have also been recognised as one of the emerging drivers of Malaysia's economic growth, contributing to the country's economic, social and environmental sustainability, in addition to promoting efficient energy use and sustainable growth.

5.4.2 Malaysia Green Economy Development Plan

Malaysia is a signatory to the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC). Malaysia is committed to reducing its Gross Domestic Greenhouse Gas (GHG) emissions by 45 per cent by 2030 relative to 2005 levels, of which 35 per cent will be unconditional and the remaining 10 per cent will be further reduced with assistance from developed countries in the areas of climate finance, technology transfer and science and technology building.

In a first step towards embracing green technology to achieve carbon emission and green economy goals, the Prime Minister of Malaysia announced the National Green Technology Policy (NGTP) on 24 July 2009, which focuses on four pillars, namely, energy, environment and economy. The policy focuses on four pillars, namely energy, environment, economy and society. The NGTP identifies integrated technology as a key driver for accelerating national economic development and promoting sustainable development. Under the leadership of the Ministry of Energy, Green Technology and Water Resources, Malaysia had continued to introduce programmes and incentives to advocate the use of the green economy in key sectors of the country's economy.

In 2010, Bank Negara Malaysia launched the Green Technology Financing Scheme (GTFS). The programme expired in 2015 and then went through several extensions and was finally officially relaunched in 2019 (GTFS 2.0) with the approval of the Ministry of Finance. The programme is mainly used to finance green tech-related businesses to promote green tech development in Malaysia.

In the same year, the National Renewable Energy Policy and Action Plan issued by the Ministry of Energy, Green Technology and Water of Malaysia came into effect, which explores the need for convergence of energy, industrial growth, environment and information dissemination policies to enhance the utilisation of indigenous renewable energy sources to contribute to the country's security of power supply and sustainable socio-economic development.

In 2017, the Ministry of Energy launched the Green Technology Masterplan (GTMP), which outlines a strategic plan for green technology development to create a low-carbon and resource-efficient economy. The GTMP aims to realise the 'National Transformation 2050'.

(Transformasi Nasional 2050 (TN50) Initiative", i.e. it aims to rank Malaysia as one of the top countries in the world in terms of economic development, citizens' welfare and innovation by 2050. GTMP is framed in terms of six key sectors, namely, Energy, Manufacturing, Transport, Buildings, Waste, and Wastewater. The framework helps to integrate green technology into the development of Malaysia's national plan, encapsulating the four pillars of the NGTP, namely energy, environment, economy and society. The GTMP will harmonise the policy direction of each sector to achieve the common goal of sustainable use of natural resources.

In June 2021, the Malaysian government announced a new energy development plan aimed at reducing dependence on fossil fuels, reducing carbon emissions and increasing the share of renewable energy in power generation. The plan includes three main objectives: first, to increase the installed capacity of domestic renewable energy generation from the current 8GW to 18GW by 2025, and the share of renewable energy generation from the current 16 per cent to 31 per cent, and to further increase the share to 40 per cent by 2040. Secondly, to reduce the carbon emission factor of the domestic energy sector by 45 per cent in 2030 and further achieve a 60 per cent reduction in 2035, based on 2005 levels, in line with Malaysia's Nationally Determined Contribution (NDC) as stipulated in the United Nations Framework Convention on Climate Change (UNFCCC). Thirdly, not to build any new coal power projects and to decommission coal-fired power stations with a total installed capacity of 7GW by 2033. According to the plan, new renewable power generation in the future will be dominated by solar energy. Peninsular Malaysia will be the centre for the development of renewable energy, and its installed renewable power capacity will reach 26 per cent of the country's total installed power capacity in 2025.

5.4.3 Policies and regulations related to the development of green economy in Malaysia

In 1974, the Malaysian government enacted the Environmental Quality Act to strengthen environmental pollution control, which was the first step in the Malaysian West

Asia's first law to address a wide range of environmental issues. With the enactment of this Act, the Department of Environment (DOE), later renamed the Department of Environment (DOE), was established in 1975 by the Local Government Unit of Malaysia. In 2002, DOE adopted the National Environment Policy with a view to realising: (1) a clean, safe, healthy and productive environment for future generations; (2) the preservation of the country's unique and varied cultural and natural heritage with the effective participation of all sectors of the society; (3) the A national development vision of sustainable living and consumption production.

In July 2009, the Malaysian Ministry of Energy, Green Technology and Water (MEGTW) issued the National Green Technology Policy, which states that "green technology should be a driving force in accelerating the development of the national economy and promoting sustainable development".

In 2011, the Renewable Energy Bill, which provides for the establishment and implementation of a special tax regime to promote the development of renewable energy, and the Sustainable Energy Development Authority Bill, which provides for the establishment of the Authority and specifies its functions, powers and related matters, were enacted.

In 2015, Malaysia's Ministry of Energy, Green Technology and Water released the National Energy Efficiency Action Plan, with a focus on sustainable development as one of its key principles. This document focuses on addressing issues related to energy supply through effective demand management and sets out ways to improve energy efficiency.

Energy Efficiency and Conservation Bill drafted by the Ministry of Energy, Science, Technology, Environment and Climate Change, Malaysia, June 2019 (EECA) was approved by the Cabinet to fulfil the nation's aspiration to efficiently utilise energy, electricity and heat in all key sectors by providing a comprehensive legal framework for the energy demand side. Since Malaysia's independence, its government has taken various measures to sow the seeds of sustainability in key sectors of the economy in order to mitigate negative impacts on the environment. Over the past few years, some of the measures taken by Malaysia had yielded positive results, such as increasing the share of electricity generated from renewable sources, popularising resource-efficient products, increasing the share

of public modes and improving waste and water management.

5.4.4 China's Green Investment in Malaysia

In recent years, Chinese-funded enterprises have participated in the construction of its green economy in two ways during the process of investment and cooperation in Malaysia. On the one hand, they have increased investment in clean energy and green industries, including solar photovoltaic panels, electric vehicles and solar power generation; on the other hand, they have adopted advanced processes and technologies in traditional industries, leading the local technological replacement of that industry and reducing the impact on resources and the environment.

Taking the Zhejiang New Shengda Company which invested in the construction of Green Paper Park in Kedah State as an example, it adopts waste paper as raw material and saves 3 cubic metres of wood, 200 cubic metres of water, 1 tonne of standard coal and 600 degrees of electricity per tonne of paper; adopts locally abundant palm material as the main fuel for boilers, which does not contain sulphur and phosphorus and does not pollute the atmosphere, and the ashes after burning can be used as high-quality organic potash for agro-forestry; adopts the preferred process to Strengthen water treatment and water recycling, enhance the recycling of secondary steam and secondary raw materials, greatly reducing energy consumption.

5.5 Corporate Taxation

5.5.1 Tax systems and regimes

Malaysia has a split tax system between the Federal Government and the State Governments. The Federal Ministry of Finance (FMF) is responsible for the unified administration of national taxation and the formulation of tax policies, which are implemented by its Inland Revenue Department (for direct taxes) and the Royal Customs and Excise Department (for indirect taxes). Direct taxes include income tax and petroleum tax, etc.; indirect taxes include domestic tax, customs duty and import/export tax, sales tax, service tax, and stamp duty. Land tax, mineral tax, forest tax, licence tax, entertainment tax and hotel tax, gate tax, etc. are levied by the state governments. Foreign companies and foreigners are taxed on the same basis as Malaysian businesses and citizens.

5.5.2 Main taxes and rates

[Corporate tax]

The tax rate is 24 per cent. With effect from the 2017 tax year, for small and medium-sized resident enterprises established in Malaysia (with paid-up capital of not more than RM2.5 million and not part of a conglomerate with companies exceeding that limit), a tax rate of 18 per cent may be applied to the income derived up to the first RM600,000, which will be lowered to 17 per cent in 2019, and 24 per cent on the excess.

[Income tax on oil]

The tax rate is 38 per cent and is levied on companies engaged in the upstream sector of the petroleum sector in Malaysia, including taxpaying individuals who have signed petroleum sector-related agreements with Petronas or the Malaysia-Thailand Joint Development Agency.

[Personal Income Tax]

The Malaysian Income Tax Act imposes an obligation to file a tax return whether you are a Malaysian citizen or a foreigner who resides in Malaysia for more than 182 days in a year and has income. Malaysian personal income tax rates range from 1-30 per cent, with a rate of 0 per cent for up to RM5,000 and 30 per cent for the portion over RM2 million. The tax rate for foreign nationals is fixed at 30 per cent.

[Withholding tax]

Withholding tax is a portion of the income of non-resident recipients and is withheld and paid by the payer in Malaysia directly to the Inland Revenue Department. Withholding tax is payable by non-resident companies or individuals: 10 per cent on special income (use of movable property, technical services, provision of plant and machinery installation services, etc.); 15 per cent on interest; 10 per cent for contractors and 3 per cent for employees on contractual fees; and 10 per cent on commissions, deposits, brokerage fees, etc. Withholding tax rates vary from country to country, depending on the tax provisions on double taxation between the Government of Malaysia and the recipient's country of residence.

[Real estate profits tax]

The Real Estate Profits Tax applies to the sale of land in Malaysia and any title, option or other land related

Rights. Includes profits from the sale of shares in real estate companies. Tax rates are 30 per cent if sold within three years of acquisition, 20 per cent and 15 per cent in the fourth and fifth year of acquisition respectively, and 5 per cent in the sixth year of acquisition or thereafter. Furthermore, in order to ensure the sustainability of the People's Housing Programme for One Malaysia (PR1MA), the Government has so far approved a grant of RM 39 billion to build affordable houses for residents, which are sold at 20 to 30 per cent below market prices.

[Import tax]

Most imported goods are subject to import duties at both ad valorem and specific rates. In recent years, Malaysia has abolished import duties on a wide range of raw materials, machinery and components. Preferential tariffs are applied between Malaysia and ASEAN countries, and the import duty rate of industrial products is between 0-5%; with Japan, import duties are applied under the framework of bilateral free trade agreements; with China and South Korea, import duties are applied under the framework of China-ASEAN FTA and South Korea-ASEAN FTA; and with Australia, a free trade agreement has been signed, under which Malaysia will exempt imported goods from Australia. Free Trade Agreement (FTA), under which Malaysia will reduce tariffs on more than 97 per cent of imports from Australia.

[Export tax]

Malaysia imposes an export tax on the export of resource products, including crude oil, logs, sawn timber and crude palm oil. The rates of ad valorem export taxes range from 0 to 20 per cent.

[Internal tax]

Under the provisions of the Internal Revenue Act 1976, a number of specific locally manufactured products, including tobacco, alcohol, poker, mahjong, cars, four-wheel drive vehicles and motorbikes, are subject to internal revenue.

[Sales and service tax]

Sales tax and service tax are 2 different taxes. The threshold for taxation starts from an annual turnover of RM500,000 (approximately RMB800,000) and RM1.5 million for food and beverage suppliers. There are three main categories of sales tax items, namely 0%, 5% and 10%. The 0% rate applies mainly to agricultural products, daily necessities, books, medical supplies and environmentally friendly recycled products, the 5% rate applies mainly to processed

food products and imported semi-finished products, and the 10% rate applies mainly to industrial products and imported manufactured products. The service tax rate is 6 per cent and applies to all business services, tourism, transport, finance, catering, cross-border digital economy services, etc., carried out within Malaysia.

[Stamp Duty]

Stamp duty is levied on a wide range of documents at different rates (fixed or value-based) depending on the type of document and the amount of money involved. For example, in the case of deed documents for the transfer of property, stamp duty is levied at a rate ranging from 1 per cent to a maximum of 3 per cent of the consideration payable or the market value of the property transferred, whichever is higher. For transfer of shares

Letting document, it is levied at 0.3 per cent of the value of the consideration payable or the equity interest, whichever is higher.

[Digital tax]

In April 2019, the Malaysian Parliament passed the Service Tax (Amendment) Bill 2019, which imposes a 6 per cent service tax on foreign digital content service providers, and this tax has been formally implemented in January 2020, with RM500,000 in annual revenue as the implementation threshold.

[Prosperity tax]

Malaysian government adds special tax on high income companies in Budget 2022 - Prosperity Tax

(Cukai Makmur), and the tax collected will be allocated to the public healthcare system. The Prosperity Tax is a one-time tax based on the income of locally owned companies for the year 2022, with rates ranging from 24 per cent to 33 per cent.

5.6 Special economic zone provisions

[Free trade zones and bonded factories]

In order to encourage and welcome foreign investment in the development of labour-intensive and export-oriented industries, Malaysia enacted the Investment Incentives Act in 1968, the Free Trade Zones Act in 1971, and amended the relevant provisions of the Customs Act in 1972 to implement the bonded factory system, thus basically completing the economic system for the development of labour-intensive and export-oriented industries centred on foreign enterprises. In 1990, the Malaysian Government enacted the Free Zones Act to promote the development of free zones for trade purposes, such as tourism and manufacturing, in which free industrial zones are specially set up for manufacturers to engage in the production or assembly of products mainly for export, so as to enable them to enjoy the lowest tariff control and import raw materials, parts and components, machinery and equipment required for production free of duty, and to reduce the formalities for the export of finished products. The zones also allow them to import duty-free raw materials, components, parts and machinery for production and reduce the formalities for exporting their finished products. At present, Malaysia has set up a total of 18 free industrial zones, but the free industrial zones are after all limited, and many enterprises are unable to set up factories in the free industrial zones

according to their own characteristics. In order to promote a more rational layout of export-oriented and labour-intensive industries, the Malaysian Government allows other enterprises to apply for the establishment of bonded factories, which are entitled to the same preferential policies as those of the factories in the free industrial zones.

[Five Special Economic Zones]

In recent years, the Malaysian Government has gradually increased its policy of encouraging foreign investment, and in order to balance regional development, it has successively launched five major economic development corridors, which basically cover most of the West Malaysian Peninsula as well as the two states of East Malaysia, and any company investing in the region can apply for a 5-10-year exemption from income tax or a full subsidy for qualified capital expenditure within five years. Depending on the actual situation in specific regions, the Federal Government has set up different priority sectors for development:

(1) Iskandar Development Zone (Iskandar Malaysia). Located in Johor, on the southern tip of the Malay Peninsula, it covers an area of approximately 2,200 square kilometres and focuses on promoting the services sector as a key driver of economic development. As of 2018, Iskandar Development

The development zone has attracted a cumulative investment of RM285.3 billion. The development of Iskandar is regulated by the Iskandar Development Zone Authority (IDZA), a statutory body established under the Iskandar Development Zone Authority Act (2007). Sectors encouraged for investment include tourism services, education services, healthcare, logistics and transport, creative industries and financial advisory services.

(2) Northern Corridor Economic Region (NCER). The NCER covers the northern part of the Malay Peninsula in the states of Perlis, Kedah, Penang and Perak, covering an area of approximately 18,000 square kilometres, and focuses on encouraging investment in sectors such as agriculture, manufacturing, logistics, tourism and healthcare, education, and human capital and social development. The development of the Northern Economic Corridor is regulated by the Northern Economic Corridor Implementation Agency (NECIA), which was established under the Northern Economic Corridor Implementation Agency Act (2008).

(3) East Coast Economic Region (ECER). It includes the East Coast states of Kelantan, Terengganu, Pahang and the Port Fontainebleau area of Johor, covering an area of about 67,000 square kilometres, with key sectors to be encouraged for investment, including tourism, oil and gas and petrochemicals, manufacturing, agriculture and education, among others. The Malaysia-China Kuantan Industrial Park (MCHKIP), developed by China and Malaysia, is located within the East Coast Economic Zone. It is managed by the East Coast Special Economic Zone Development Committee.

(4) Sabah Development Corridor (SDC). It covers most of the state of Sabah in East Malaysia, covering an area of about 74,000 square kilometres, and focuses on encouraging investment in sectors such as tourism, logistics, agriculture and manufacturing. It is managed by the Sabah Economic Development and Investment Authority (SEDIA).

(5) Sarawak Corridor of Renewable Energy (SCORE). Located in the northwestern part of Sarawak, East Malaysia, and covering an area of approximately 71,000 square kilometres, Sarawak is endowed with abundant energy resources, and the key sectors to encourage investment include oil and gas products, aluminium, glass, tourism, palm oil, timber, animal husbandry, aquaculture, shipbuilding and steel industries. It is overseen and managed by the Regional

Corridor Development Authority.

[Greater Kuala Lumpur Programme]

Malaysia's "Greater Kuala Lumpur" programme is in full swing. Greater Kuala Lumpur/Kalang Valley: One of the National Key Economic Areas (NKEAs) proposed in the Economic Transformation Plan (ETP), the Greater Kuala Lumpur/Kalang Valley is located in the Kuala Lumpur-Kalang Valley basin and covers 10 cities around Kuala Lumpur, covering an area of about 2,800 square kilometres. Conceptualised with reference to Greater London and the Greater Toronto Area, the plan is to make Kuala Lumpur one of the world's top 20 cosmopolitan cities to live in, in terms of infrastructure, people's income and living environment.

5.7 Labour and employment legislation

5.7.1 Core elements of labour law

Malaysian labour laws include the Employment Act 1955, the Industrial Relations Act 1967, the Employees' Provident Fund Act 1991 and the Employees' Social Insurance Act 1969. In addition, there are also state legislations in certain states of Malaysia that are not applicable to the whole country, such as the Sabah Labour Act and the Sarawak Labour Act.

[Employment Act 1955]

Applies to all employees earning up to RM2,000 per month and all manual labourers. Requirements: Every employee must have a written contract; wages must be paid within seven days after the end of the pay period; normal working hours must not exceed eight hours per day or 48 hours per week; overtime allowance is one and a half times the usual rate for overtime work, and two times the rate for holidays and vacations; and female workers are not allowed to work in agricultural or industrial jobs between 10 p.m. and 5 a.m.

[Employees Provident Fund Act 1991]

Employers are required to contribute not less than 11 per cent of the employee's monthly salary to the Provident Fund (PF). In October 2008, the Malaysian Government announced that the employee's contribution to the PF could be reduced to 8 per cent for a period of two years starting from January 2009, and that the employer's contribution to the PF for the employee should not be less than 12 per cent of the employee's monthly salary, and the employee's contribution to the PF should be adjusted upwards to 11 per cent from 2011 onwards.

[Employees' Social Insurance Act 1969]

Includes an occupational injury insurance scheme and a pension scheme, with the contribution rate for occupational injury insurance being 1.25 per cent of the employee's monthly salary, and the contribution rate for pension being 1 per cent of the employee's monthly salary.

[Industrial Relations Act 1967]

Adjustment of the relationship between employers, labour and trade unions, including the prevention and settlement of labour disputes; mechanisms for the reinstatement of employees; and provisions on the rights of trade unions, the scope and procedures of collective bargaining, and the fair and expeditious settlement of disputes through arbitration.

5.7.2 Provisions for foreigners working locally

The Malaysian Government encourages all types of companies to train and use local employees, but allows the employment of foreign labour in some sectors due to the shortage of labour in the country. Foreign companies are allowed to employ foreign workers in managerial positions in the company and may also reserve certain key positions for foreigners on a permanent basis. Foreigners are required to obtain work permits to work in Malaysia.

[Residence permit]

In early 2011, the Prime Minister's Office set up the Malaysian Talent Corp. to assist foreign talent to come and stay in Malaysia for long-term employment, as well as to attract the return of national talent from overseas. The Malaysian Government's criteria for recognising talent include not only highly educated professionals but also experienced technicians, and to this end, the Residence Pass has been introduced as a mechanism to allow foreign talent to work more freely in Malaysia on a long-term basis. The Residence Pass is valid for up to 10 years and is registered directly in the name of the individual, without the restriction of the employer's organisation.

Spouses and minor children are treated equally, spouses are allowed to work on the basis of a residence permit, and adult children and parents/parents-in-law are granted a five-year visit/family visit visa.

[Construction Work Permit]

The 5-year extension of the Malaysian Work Permit for Foreign Workers (WPFW) came into effect in April 2011. Under this new measure, foreign workers in the construction industry can apply for a 5-year extension of their WPFW unconditionally without the need to undergo re-assessment by the Construction Industry Development Board (CIDB) of Malaysia and to obtain a Diploma of Proficiency (DPT).

[Social security]

Social insurance covers occupational injury insurance as well as the disability insurance scheme, which covers employees' injuries at work, occupational diseases, accidents, disability and death. The administration and enforcement agency for social security is the Social Security Agency (PERKESO). Foreign labourers are covered by the Workmen's Compensation Act (1953) and Malaysian workers and permanent residents are covered by social insurance. Foreign labourers working and residing in Malaysia can opt to contribute to and benefit from the Provident Fund by submitting a notification to the Provident Fund Authority (with a copy to the employer).

5.8 Regulations on the Acquisition of Land by Foreign Enterprises in Malaysia

The Malaysian Constitution provides that land matters are under the jurisdiction of the States, each of which has a Land Department, which may formulate its own land policy under the supervision of the Federal Government. Both the Constitution and the National Land Act provide that land in Malaysia is protected by law as private property and can be bought and sold freely. There are two main ways of acquiring land, one being freehold ownership.

(Freehold), which allows you to obtain a freehold (a privilege that is now very difficult to obtain); the other is leasehold ownership

(Leasehold) for a 99-year lease. Recently, the Federal Government announced a new revised policy that allows owners to extend their ownership for another 99 years by paying a fee before the 99-year lease expires.

5.8.1 Main elements of the land law

The National Land Code 1965, which came into force on 1 January 1966, is the primary land law framework in Malaysia. In addition, the main land laws in force in Malaysia are the Local Government Act 1976 (Act 171), the Land Acquisition Act 1960 and the Town and Country Planning Act 1976 (Act 172) and its amendment in 1995 (Act 993). Subsequently, the States have enacted their own laws and regulations such as the Malay Reserve Enactment.

The National Land Code 1965 defines the competence of the Federal and State Governments, classification of land use, transfer of land ownership, sale, confiscation, division and mortgage of land. At the same time, land, irrespective of its use, must be developed within the stipulated time period indicated in the deed, and in case of violation, the land will be repossessed unconditionally. Towns and Villages 1976

The Planning Act and its 1995 amendment provide that applications for acquisition of land and proposals for change of land use must be submitted for approval and can only be approved if they do not contravene the planning principles and objectives of the local government. The Land Acquisition Act 1960 provides that no government department, enterprise or individual may acquire land at will, and that only state governments have the right to acquire land and change the nature of its use within the state, and that the federal government acquires land through the state government, to which it pays a fee. Where land is expropriated, the reasons for the expropriation must be published and compensation paid at market value. "The Malay Reserve Act **designates** about one quarter of the total land area as "Malay Reserve" and provides that it cannot be sold, leased or mortgaged to non-Malays except with the approval of the State Government.

5.8.2 Provisions for the acquisition of land by foreign-owned enterprises

The Guideline on the Acquisition of Properties, which came into effect on 1 January 2010, is Malaysia's primary industrial regulation for foreign investment and specifies the authority of various agencies in approving applications for the acquisition of properties by foreign investors.

Industrial acquisitions that require approval include: (i) direct acquisition of non-residential properties valued at more than RM20 million to reduce the shareholding of local indigenous enterprises or government agencies; and (ii) indirect acquisition of non-residential properties valued at more than RM20 million from indigenous enterprises or government agencies through mergers and acquisitions of holdings. For both types of acquisitions, there is a mandatory 30 per cent indigenous shareholding limit and the capital contribution of the foreign enterprise must not be less than MYR250,000.

Industrial acquisitions that do not require approval but have to be submitted to the relevant authorities for review and approval include: (i) acquisition of commercial premises with a value exceeding RM1 million; (ii) acquisition of agricultural land with a value exceeding RM1 million or with an area of 5 acres or more for agricultural investment, high-tech business investment, development of agro-tourism projects, or processing of agricultural products for export; (iii) acquisition of industrial land with a value exceeding RM1 million; and (iv)

acquisition of residential premises with a value exceeding RM1 million. more than RM1 million for residential houses. However, each state sets minimum purchase prices according to the circumstances, for example, Penang and Selangor restrict foreigners to purchase only residential properties valued at more than RM2 million.

Prohibited properties are: (i) properties valued at less than RM1 million; (ii) medium/low-cost residential properties classified by the state government; (iii) properties on Malay Reserve; and (iv) properties allocated by the state government to indigenous companies for development projects.

Properties that do not require approval for acquisition include: acquisition of residential properties under the Malaysian Second Home Scheme; properties acquired by companies with MSC status in the Multi-media Super Corridor (MSC) region for the purpose of business operations or staff accommodation; properties acquired by companies approved by the relevant government agencies in any of the development corridors in Malaysia; properties acquired by companies licensed by the Secretariat of the Malaysian International Islamic Finance Centre (MIFC); companies' staff quarters (foreign-controlled companies are required to acquire more than MYR100,000); wills or courts; and Property acquired by companies licensed by the Secretariat of the Malaysian International Islamic Financial Centre (MIFC); staff quarters of companies (residential accommodation of more than RM100,000 for foreign-controlled companies), where the business is approved by the state government; property rights required to be transferred to a foreign investor by will or court judgement; property acquired by manufacturing companies; property acquired by the Federal/State Government, the Secretary of State/Chief Minister's Corporation and other Government Linked Companies (GLCs) Companies (GLCs) acquired properties; properties under the Privatisation Transformation Mechanism (PTM); properties that have received approval from the Ministry of Finance, Ministry of Trade and Industry, etc.

Properties acquired by special status companies such as international procurement centres, operational headquarters, representative offices, regional offices, Namin offshore companies, and biotechnology companies issued by the relevant authorities.

5.9 Requirements for foreign companies to participate in local stock exchanges

Under the relevant laws, locally incorporated foreign companies in Malaysia are free to participate in securities transactions including equity mergers and acquisitions.

5.9.1 Overview of Securities Laws and Regulations

The securities market in Malaysia is mainly regulated by the Capital Markets and Services Act (2007) (CSMA), the Securities and Exchange Commission Act (1993) (SCA), the Securities Industry (Central Depository) Act (1991) (SICDA) and the Companies Act.

The Capital Markets and Services Act (CMSA) is the law that primarily regulates the securities industry. The Act provides for the establishment of a securities market operated by Bursa Malaysia and the granting of licences for capital market intermediary services for the trading of securities, provision of financial advice, fund management services and other activities. The Act also provides for the prohibition of market manipulation, insider trading and the establishment of the Bursa Malaysia Derivatives Exchange.

The SEC Act provides the SEC with extremely broad regulatory, investigative and enforcement powers. The SFC has developed a series of guidelines on the securities market, including guidelines on share capital, prospectuses, securities lending and prime advisers.

The Securities Industry (Central Depository) Act regulates central depository matters in Malaysia and includes provisions relating to the deposit, holding, withdrawal and trading of deposited securities.

The Companies Act, on the other hand, provides for the incorporation and dissolution of companies, the registration of foreign companies carrying on business in Malaysia, the filing of documents with the Companies Commission (e.g., annual reports) and the conduct of companies and their officers in Malaysia.

Pursuant to the Capital Markets and Services Act, Malaysia has enacted the Act on Takeovers and Mergers and Acquisitions (2016) as well as Takeovers Regulations to govern mergers and acquisitions involving, among others, companies listed on Bursa Malaysia, unlisted public companies with more than 50 shareholders and with net assets of 15 million Malaysian ringgit or more, as well as listed business trusts and listed real estate investment trusts.

In addition, companies listed on the Main Board and GEM should comply with the requirements for listing on the Main Board and GEM respectively. The Main Board is the main stock exchange market and attracts companies with a good track record of profitability or that are able to meet the minimum market capitalisation for listing, while GEM is an alternative market for companies with growth potential and unlimited size seeking listing.

In addition to Bursa Malaysia, there is the Malaysian Derivatives Exchange (MDX), which trades derivatives, and an offshore financial exchange, Labuan International Financial Exchange (LIFE), located in Labuan, which is the Malaysian International Offshore Financial Centre (MIOFC). The securities market in Labuan is regulated by the Labuan Financial Services and Securities Act (2010).

5.9.2 Regulation and supervision of the securities market

The Securities and Futures Commission (SFC) is the primary regulatory authority for the securities market in Malaysia and is responsible for the supervision of securities law compliance, the conduct of mergers and acquisitions and the licensing and regulation of capital market intermediaries, in addition to approving the issuance and listing of shares. The SFC also has investigative as well as enforcement powers and is empowered to issue written notices or guidelines as required. Any person who contravenes the Capital Markets and Services Act and the aforementioned circulars and guidelines may be subject to fines, imprisonment, public reprimand and other penalties as deemed appropriate by the SFC.

At the same time, Bursa Malaysia is responsible for enforcement relating to the Main Board market and the GEM market, including ensuring that companies listed on Bursa Malaysia are in continuous compliance with listing-related obligations and disclosure requirements.

The Companies Commission provides general supervision and management of companies to ensure their compliance with the Companies Act. With regard to the issue of securities, the powers of the Companies Commission are limited to regulating the issue of shares and debentures to the public by "unlisted companies clubs", i.e., unlisted companies or companies proposed to be listed on any stock market or exchange that offer to holders of their shares or debentures the use or enjoyment of any recreational, holiday or other related facilities.

The Labuan Financial Services Authority (LFSA) is responsible for the development and management of the Labuan International Business and Financial Centre (LIBFC), including the licensing of business entities and the regulation of licensed institutions in the area.

5.9.3 Requirements for foreign-invested enterprises to engage in securities trading

Foreign companies are permitted to trade in securities listed on the Main Market, GEM Market of Bursa Malaysia.

If any investor (including a Malaysian investor) seeks to trade on Bursa Malaysia, the investor should open a Central Depository System (CDS) account with an authorised depository (e.g. a Malaysian stockbroking firm). Securities purchased by the foreign company will be deposited into the CDS account opened by it. Similarly, securities that have been sold will be debited from the account.

5.10 Environmental protection regulations

5.10.1 environmental authority

The environmental authority of the Government of Malaysia is the Department of Environment (DOE) under the Ministry of Natural Resources and Environment, which is responsible for the formulation of environmental policies and the monitoring and enforcement of environmental protection measures. The Department of Environment is responsible for air, river, water, and industrial

Waste sector.

A number of other central government agencies are responsible for managing specific areas of environmental protection, including, but not limited to, the Forestry Department of the Ministry of Basic Industries (forest conservation), the MOSTE Wildlife and National Parks Department (wildlife conservation), the Ministry of Lands and Mines (federal), the Department of Biosecurity, and the Department of Transportation's Bureau of Oceanography (marine pollution).

5.10.2 Names of major environmental laws and regulations

Malaysia's basic environmental laws and regulations include the Environmental Quality Act 1974 and the Environmental Quality Act 1987. (Environmental Impact Assessment for designated activities). Regulations dealing with EIA for investment include the Malaysian Environmental Impact Assessment Procedures 1990 and the Environmental Impact Assessment Guidelines 1994 (seaside hotels, petrochemical industry, property development, golf project development).

5.10.3 Basic points of environmental laws and regulations

Under the Environmental Quality Act of 1974, investors are required to take environmental considerations into account when submitting their investment proposals, to conduct environmental impact assessments of investment projects, to control pollution during the production process, to minimise the discharge of wastes, and to make pollution prevention part of production. According to the Environmental Quality Act 1987, projects for which EIA is mandatory include the conversion of forest land covering more than 500 hectares to agricultural production, the construction of reservoirs/artificial lakes with water surface areas of more than 200 hectares, the development of residential land of more than 50 hectares, petrochemical and iron and steel projects, and power station projects, among others.

Under the Environmental Quality Act 1974, the criteria for dealing with or compensating pollution incidents in Malaysia are determined primarily by the nature and impact of the pollution incident as well as its consequences.

5.10.4 Relevant provisions of the environmental assessment

There are two types of environmental impact assessment procedures in Malaysia:

[Preliminary environmental impact assessment]

Projects requiring preliminary environmental impact assessments include, inter alia, agriculture; airports; reservoirs and irrigation; land reclamation; fisheries; forestry; residential development; petrochemicals, steel and pulp, infrastructure; ports; minerals; oil and gas industry; power stations; railways; transport; rubbish and waste disposal; and water supply.

The Preliminary Environmental Impact Assessment (PEIA) is led by the State Department of Environment (DOE) for review and approval in five weeks.

[Detailed Environmental Impact Assessment]

Projects requiring detailed environmental impact assessments include, among others, iron and steel mills; pulp mills; cement plants; coal power stations; dams; land reclamation; rubbish and waste disposal; logging; chemical industries; oil refineries; and radiation hazard industries.

The Detailed Environmental Impact Assessment (DEIA) is led by the NEA Headquarters for review and approval for 12 weeks.

5.11 Provisions against commercial bribery

Malaysia is a signatory to the United Nations Convention against Corruption (hereinafter referred to as the Convention), which was signed on 24 October 2008 and entered into force. As a signatory to the Convention, Malaysia has reviewed and aligned its anti-corruption initiatives with international standards.

The Malaysian authority for official corruption and commercial bribery is the Malaysian Anti-Corruption Commission (MACC), which is an independent body whose role and functions are regulated by several external bodies that act as external checks and balances. These external bodies are the Anti-Corruption Advisory Committee (AACC), the Special Committee on Corruption and Complaints (SCCC), the Operational Review Panel (ORP) and the Advisory and Anti-Corruption Group (ACG). The MACC is empowered to receive and consider corruption and bribery offences and initiate investigations. Prosecution for offences under the MACC Act can only be initiated by or with the approval of the Public Prosecutor.

Relevant laws include, inter alia, the Penal Code, the Customs Act 1967, Anti-Corruption Act 1997, Malaysian Anti-Corruption Commission Act 2009 (Malaysia Anti-Corruption Commission (MACC) Act 2009) and the Malaysian Companies Act 2016.

[Penal Code]

Chapter IX of the Penal Code of Malaysia deals with the penalties for public officials. Among others, sections 161-165 explicitly provide that a public official who solicits or accepts property or an undue advantage from another person in addition to a lawful reward for an undue advantage for another person; an individual who helps another person to give a bribe to a public official or who helps a public official to accept a bribe; or an individual who receives property or an undue advantage from another person and who makes use of his or her relationship to influence the decision of a public official in order to gain an undue advantage for another person, are all considered to be bribes. The penalty is imprisonment for up to three years or a fine of a certain amount, or both,

respectively.

[Customs Act 1967]

Article 137 provides that any person who bribes a customs officer to commit an offence against the customs laws on import and export shall be punished by imprisonment for a term not exceeding five years or by a fine not exceeding RM10,000, or both.

[Anti-Corruption Act 1997]

The Act provides that any individual who solicits, receives or agrees to receive, gives, promises property or an undue advantage, either by himself or on behalf of another person, for the purpose of obtaining an undue advantage, is guilty of bribery. The penalty is imprisonment for a term of not less than 14 days and not more than 20 years or a fine of not less than five times the commuted value of the property bribed (or RM10,000 if the commuted value is less, in the case of RM10,000).

Or both.

[Malaysia Anti-Corruption Commission (MACC) Act 2009]

Clarifies that active bribery of a foreign public official by the individual himself/herself or through another person; and passive bribery of a foreign public official by himself/herself or through another person are both considered as bribery. The penalty is imprisonment for a term not exceeding 20 years or a fine of not less than five times the converted value of the property bribed (or RM10,000 if the converted value is less than RM10,000).

The Malaysian Companies Act 2016] expressly prohibits persons convicted of bribery from holding directorships.

5.12 Provisions for Foreign Enterprises Contracting Local Works

5.12.1 licensing scheme

The incorporation of a construction and engineering company in Malaysia by a foreign contractor requires the approval of the Malaysian Building Development Authority (MBDA) and also a Construction Contracting Class Licence. By law, a wholly foreign-owned company cannot obtain an A-rated licence and without an A-rated licence, the company cannot participate as a general contractor in government tenders for projects of more than MYR10 million. Therefore, in order for a foreign company to become an A-rated company, it must partner with a local company.

5.12.2 Prohibited areas

Malaysian government-funded projects are generally entrusted to local indigenous contractors, and foreign engineering firms are not allowed to act as sole general contractors; foreign firms can only subcontract work from local firms.

5.12.3 Bidding method

The tendering system is generally applied to Malaysian government-funded projects and private sector projects, but a small number of projects may also be negotiated between the contractor and the owner where financing support or other special requirements of the owner are met.

5.12.4 Acceptance requirements

Malaysian construction project owners usually use professional consultancy firms to manage contractors, mainly including architects, structural and civil engineers, mechanical and electrical engineers and so on. In the Malaysian construction industry, the architect (S.O, i.e. Super Officer, translated as Chief Coordinating Officer) is similar to the role of the domestic chief designers and superintendent engineers, and the CPC (Certificate of Practical Completion) is a certificate of completion issued by the architect to the contractor after the overall practical completion of the project has been inspected and accepted, proving that the project has been completed and the construction quality has met the design requirements. CPC (Certificate of Practical Completion, i.e. Certificate of Practical Completion) is a certificate of completion issued by the architect to the contractor upon acceptance of the overall practical completion of the project, proving that the project has been completed and the quality of the construction has complied with the design requirements.

Defect handling period and half of the contractor's warranty is paid under the contract.

CCC (Certificate of Completion and Compliance, i.e. Certificate of Completion and Legal Compliance) is issued by the architect to the owner or builder after organising the acceptance of various government departments on various engineering disciplines and obtaining the acceptance support letter issued by the government departments, marking that the project can be formally put into use and opened to the public.

According to the general practice of the Malaysian construction industry, for the contractor, its main responsibility is to complete the completion of the professional completion of the various specialities in a timely manner to the professional consulting engineers to apply for acceptance to the architect to apply for the issuance of the CPC, for the CCC acceptance of the legal obligation to provide only the signatures and sealing forms and to ensure that the entity is completed. For owners and consultants, CCC acceptance involves more government departments, time is not controllable and part of the acceptance of the project has a certain sequence leading to the acceptance of the whole cycle is longer, usually in more than 2-3 months, in part of the professional works to start the final stage of the start of the CCC. in order to constrain the contractor to cooperate with the CCC acceptance, usually the owners and consultants in the bidding stage to agree on the duration of the contract including the CCC, contractors in order to obtain the CCC, the contractor to obtain the CCC, the contractor is required to provide signatures and seal forms and ensure the completion of physical. In order to obtain the CPC, the contractor must also try to cooperate with the owner and the consultant to do a good job in the CCC acceptance. The architect must issue the CPC to the contractor before issuing the CCC.

5.13 Provisions for the protection of intellectual property rights

5.13.1 Local laws and regulations on intellectual property protection

In Malaysia, most intellectual property rights are protected by law, with legislation covering trademarks, patents, copyrights, industrial designs, geographical indications, designs and plant varieties. Malaysia is also a member of

and has acceded to a number of international conventions, treaties and agreements such as the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs Agreement) and the World Intellectual Property Organisation (WIPO) Convention.

The Malaysian Intellectual Property Office (MyIPO) is a subsidiary of the Ministry of Domestic Trade, Cooperatives and Consumer Protection of Malaysia.

(MDTCC), which is responsible for matters relating to the regulation of the intellectual property system in Malaysia and the effective administration of the various intellectual property rights. Enforcement of IPRs remains the responsibility of the Enforcement Division of the MDTCC.

Malaysian laws and regulations dealing with the protection of intellectual and industrial property rights include the Patents Act, the Trade Marks Act, the Industrial Designs Act, the Copyright Act and the Integrated Circuit Design Layout Act.

The Patent Law provides for a 20-year period of protection for patents and a 10-year period of protection for industrial innovation certificates. Annual fees should be paid during the period of protection, otherwise the patent will be invalidated.

The Trade Marks Act provides for trade mark protection for a period of 10 years, renewable for a further 10 years for each subsequent application.

The Industrial Design Act provides for an initial period of protection of industrial designs of five years, after which two extensions of five years each may be applied for, for a total period of protection of 15 years.

The Copyright Act provides for the protection of literary, musical or artistic works for the lifetime of the author plus 50 years after death, and for sound recordings, broadcasts and films for 50 years after the publication or production of the work.

The IC Design Layout Act stipulates that the protection period for commercial exploitation is 10 years from the date of exploitation, and 15 years from the date of completion of the creation in the case of non-commercial exploitation.

5.13.2 Penalties for intellectual property infringement

Malaysian law provides for legal sanctions for violation of laws and regulations on the protection of intellectual property rights. In addition to the above, the Trade Descriptions Act came into force on 1 November 2011, providing a unique IPR enforcement tool - the Trade Descriptions Order (TDO), which empowers the Ministry of Domestic Trade, Cooperatives and Consumer Affairs of Malaysia to institute criminal proceedings against infringers of registered trademarks.

5.14 Main ways of resolving business disputes and applicable law

The main avenues for resolving business disputes in Malaysia are arbitration and litigation.

Both Malaysia and China are parties to the New York Convention, and arbitral awards can be enforced through local courts, with the parties agreeing to choose between off-site or international arbitration, which in the case of Malaysia would be the Kuala Lumpur Regional Arbitration Centre (KLRC). Malaysia is a signatory to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the "1965 Washington Convention"). In case of disputes arising from investments in Malaysia, investment disputes can be submitted to the International Centre for Settlement of Investment Disputes (ICSID) in Washington, D.C. for arbitration, which guarantees the settlement of investment disputes and the enforcement of arbitration results. The Kuala Lumpur Regional Centre for Arbitration (KLRCA) has been established as a centre for arbitration in Malaysia. The Kuala Lumpur Regional Centre for Arbitration (KLRCA) was established in 1978 under the auspices of the Asian-African Legal Consultative Organization (AALCO) as a non-profit intergovernmental organisation. As a non-profit intergovernmental

organisation, it provides neutral dispute resolution services for trade, commerce and investment in the Asia-Pacific region under the Kuala Lumpur Regional Centre for Arbitration (KLRCA) Arbitration Rules.

Malaysia and China do not recognise each other's court judgments and Chinese judgments cannot be enforced in Malaysia and vice versa. Therefore, the choice of litigation should take into account the following: whether the judgement can be effectively enforced; the location of the assets; the independence of the judiciary; and the costs. It is advisable to consult a lawyer before drawing up a contract.

6. Procedures for investment co-operation in Malaysia

For investment and co-operation related procedures in Malaysia, it is necessary to seek assistance from local lawyers, company secretaries or agents as well as relevant consulting organisations, or contact the Economic and Commercial Affairs Division/Economic and Commercial Affairs Office of the Chinese Embassy in the country for policy matters.

6.1 Procedures required for investing in a registered business

6.1.1 Forms of establishment of enterprises

In Malaysia, there are four main forms of foreign investment in the establishment of enterprises, namely, company representative office (office), branch office, limited liability company and company limited by shares.

6.1.2 Receiving organisations for registered businesses

Chinese enterprises setting up representative offices (offices), branch offices, limited liability companies or companies limited by shares in Malaysia are required to submit an application for registration at the Companies Commission of Malaysia (SSM) or online (www.ssm.com.my).

6.1.3 Main procedures for registering a business

[Application for registration]

The applicant company applies to the Companies Commission of Malaysia by completing the relevant application form.

[Registration review]

The Registrar of Companies examines whether the proposed company name has been used and if not, the name is reserved for the applicant for a period of three months.

[Submission]

Within 3 months, the applicant has to provide the Registrar with different documents according to the form of the business. A list of the documents required can be found on the SSM website or by consulting a professional secretarial

company or law firm.

[Application approved]

The Registrar of Companies examines the application materials, approves the registration of the company, and issues the consent to the registration of the company and the company code.

(primarily for tax payment
purposes).

[Opening of bank account]

Upon completion of company registration, you can open a company bank account at a local bank in Malaysia with the relevant documents.

6.2 Procedures for Undertaking Engineering Projects

6.2.1 Access to information

As large-scale projects in Malaysia require a long process from feasibility study, design to final implementation, engineering companies should obtain pre-construction information from various sources, follow up closely and intervene in a timely manner. Generally speaking, government-funded projects have information released by government authorities, while private projects have tender and project information released regularly through major newspapers and magazines.

6.2.2 tenders and bids

In Malaysia, projects involving the World Bank, the Asian Development Bank and other external funds are publicly tendered in accordance with international standards. For general engineering projects financed by the Government, tenders are generally restricted to local Malaysian companies with Grade A qualifications, from which foreign companies are required to subcontract or co-operate, while international tendering procedures are initiated for large-scale projects. There are fewer restrictions on who can tender for private development projects, but the biggest risk is the issue of payment security, so it is important to carefully choose a strong and reputable owner.

6.2.3 Licensing procedures

The government department responsible for contracting in Malaysia is the Construction Industry Development Board (CIDB). Upon signing a contract with a local developer, a contractor is required to apply for a construction licence from the CIDB, which will check the qualifications of the contracting company and monitor the progress of the project. Generally, the contracting company is also required to apply for permits for the use of machinery and equipment (Mechanical Management Department) and permits for the storage of workers' premises and equipment and materials on site (Municipal Management Department).

6.3 Patent and Registered Trademark Applications

6.3.1 Patent application

Pursuant to the Patents Act 1983 and the Patents Regulations 1986, foreign

companies/individuals are required to file patent applications with the Intellectual Property Corporation of Malaysia (MyIPO), the patent administration agency, through a Malaysian agent.

Any person may apply for a patent either alone or jointly with others and the general rule is that the right to a patent belongs to the inventor. The Malaysian patent registration system is based on the first-to-file principle.

All patent applications must be filed with MyIPO. There is no restriction on the nationality or residency of the applicant, except that a foreign applicant who is not domiciled in Malaysia must appoint a patent attorney to file the application on his behalf. The application must contain a request for the grant of a patent, a specification, claims, drawings and an abstract.

Malaysia acceded to the Patent Co-operation Treaty (PCT) on 16 May 2006, and the Treaty was ratified on August 2006.

Effective 16.

Patent protection can also be obtained by advancing a patent filed under the PCT to the national stage within 30 months from the earliest priority date.

For any patent application filed or any patent granted after 1 August 2001, the patent is valid for a period of 20 years from the date of filing of the application. Throughout the period of validity, the patentee is required to pay an annual patent fee. If the annual fee is not paid, the patent will lapse and a notice will be published in the Government Gazette. Throughout the period of grant of the patent, the patentee has the right to assign or transfer the patent and to enter into a licence contract.

6.3.2 registered trademark

Trademarks in Malaysia are divided into two categories: trade marks and service marks. Foreign trade marks must be registered in Malaysia in order to obtain legal protection, and under the Trade Marks Act 1976 and the Trade Marks Regulations 1997, an application for registration of a foreign trade mark must be made to the Intellectual Property Department by a Malaysian trade mark agent.

Any person claiming to be the owner of a trade mark used or proposed to be used by him may apply to MyIPO for registration of the trade mark. Foreign applicants who are not domiciled in Malaysia are required to appoint a trade mark agent to file the application on their behalf.

Before filing an application for registration of a trade mark, a careful search shall be made for the existence of any similar trade mark registered or pending registration. When the application is accepted (either in full or after stipulation of conditions, amendments, modification of limitations), the Registrar shall publish such cases in the Official Gazette for a period of two months in order to allow interested parties to file objections to the application for registration. If there is no opposition or any such opposition is rejected, the Registrar shall register the trade mark and grant a certificate of registration of the trade mark.

A trade mark registration is valid for 10 years from the date of filing and may be renewed without time limit. Registration of a trade mark gives the owner of the trade mark the exclusive right to use the trade mark.

6.4 Procedures for companies to file tax returns in Malaysia

6.4.1 Time to file tax returns

In Malaysia, individuals are required to file their personal tax returns for the previous year by 30 April each year, and corporations are required to file their tax returns with the tax authorities within seven months after the end of the corporate financial year.

6.4.2 Channels for filing tax returns

Malaysian enterprises can assign their in-house professionally qualified personnel to file tax returns with the tax authorities, or they can appoint an accountant with a tax agent's licence to file tax returns with the tax authorities. Malaysia has now opened an online tax filing channel for taxpayers to operate remotely.

6.4.3 Tax filing procedures

Under the law, the basic procedure for filing a tax return in Malaysia is for a company to obtain the relevant tax return form from the tax authorities in accordance with the tax return number issued to the company at the time of its incorporation, fill in the relevant submission and pay the tax.

6.4.4 tax return information

The information required to be provided by a company for filing a tax return in Malaysia includes the corporate tax return number, basic information about the company (shareholding and board of directors' composition, etc.), the company's bank account, the company's annual financial report, the payment of dividends, and the company's statement of profit and loss on its assets, among other things. According to the regulations, companies are required to pay their self-estimated tax to the tax authorities on a monthly basis, and at the end of the financial year, they are required to make a uniform payment to the tax authorities. Tax returns are filed, with overpayments refunded and underpayments made up. However, if the underpayment of tax exceeds 30 per cent, a penalty of 10 per cent is imposed. If there is a change in profit growth in individual months, a separate report is required to account for this.

6.5 Work Permit Processing

6.5.1 competent authorities

The regulatory authority responsible for the specific processing of work permits for foreigners is the Malaysian Immigration Department.

6.5.2 Work permit system

Foreigners who wish to work in Malaysia must obtain a work permit from the Malaysian Immigration Department and apply for a work permit before going to work in Malaysia.

(1) foreign worker

The following are the general conditions for granting work permits to foreign workers:

Foreign labourers are only allowed to work in specific industries, such as manufacturing, construction, farming, agriculture and services;

(ii) Employers should obtain quotas for hiring foreign workers from the One-Stop Service Centre of the Ministry of Internal Affairs;

(iii) Be not less than 18 years of age and not more than 45 years of age at the time of application;

④ Confirmation of having passed the immigration security check of the country of origin;

⑤ Health has been confirmed at an approved medical centre in the country of origin;

(vi) Not a foreign citizen prohibited from entering the country under section 8 (3) of the Immigration Act (1959/1963);

(vii) Foreign labour must come from an approved country of origin.

(2) Foreign professional employees

Subparagraphs (ii) and (vi) above apply to the conditions for granting licences to foreign professional employees.

6.5.3 Application Procedures

[Positions for expatriate managers in manufacturing companies]

Foreign companies apply to the Malaysian Investment Development Authority (MIDA), which approves the quota based on the amount of investment made by the company and then passes it on to its internal "one-stop" service department for co-ordination and approval. The duration of the expatriate management personnel is normally five years, which can be extended for a further five years after the expiry of the period.

[Employment of foreign labour by manufacturing companies]

Applications are submitted by employers to the Malaysian Investment Development Authority (MIDA) and are processed by its in-house "one-stop" service.

[Employment of foreign labour in fields other than manufacturing]

Applications are submitted by employers to the Foreign Workers Division of the Ministry of the Interior. The Government applies a case-by-case approval system for foreign workers, with certain conditions attached; employers can only consider hiring foreign workers after unsuccessful attempts to hire nationals.

6.5.4 information provide

Company application letter (position applied for and description, working hours, monthly salary, etc.); employment contract with stamp duty paid; company registration documents; original passport and photocopies, photocopies of academic certificates or certificates of technical grades and English translation; applicant's CV; standard passport photo; relevant application form (usually Form DP11).

Please refer to the official website of the Malaysian Immigration Department for details of the required information and related fee requirements:

<https://www.imi.gov.my/index.php/en/main-services/foreign-worker/>

6.6 Organisations able to advise Chinese companies on investment co-operation.

6.6.1 Economic and Commercial Section of the Chinese Embassy in Malaysia

Address: NO. 39 Jalan Ulu Kelang, 68000 Ampang, Selangor Darul Ehsan, Malaysia

Tel: 00603-42513555

Fax: 00603-42513233

Website: my.mofcom.gov.cn

Chinese Consulate General in Kuching (Consular District: Sarawak)

Address: Lot 276, Block 10, Jalan Ong Tiang Swee, 93200 Kuching, Sarawak, Malaysia

Tel: 006082-239816

Fax: 006082-414344

Website: kuching.mofcom.gov.cn

Consulate General in Kota Kinabalu (Consular District: Sabah, Labuan UT)

Address: Palm Court, Lot 7, No3, VIP Lot, Lorong Pokok Palma Rajah, Jalan Lintas,
88000 Kota Kinabalu, Sabah, Malaysia

Tel: 006088-385481

Fax: 006088-385491

Website: kotakinabalu.china-consulate.org

Chinese Consulate General in Penang (Consular District: Perlis, Perak, Kedah,
Penang)

Address: 28 B&C, Jalan Tunku Abdul Rahman, 10350 George Town, Penang, Malaysia

Tel: 006042-189795

Fax: 006042-189798

Website: penang.china-consulate.org

6.6.2 Malaysian Chamber of Chinese Enterprises

Tel: 00603-2387 8101

Fax: 00603-2164 4240

Website: www.cenam.com.my

E-mail: cenam1449@hotmail.com

6.6.3 Embassy of Malaysia in China

Economic Section, Malaysian Embassy in China

Address: No. 2 North Street,

Liangmaqiao Road, Chaoyang

District, Beijing, 100600, P.R. China

Tel: 010-65327990

Fax: 010-65323617

Investment Section, Malaysian Consulate General Shanghai

Address: Room 01, 9/F, Building B, Dongyin Centre, No. 500 Ruby Road,

Changning District, Shanghai, China

Postcode: 201103

Tel: 021-60900360

Fax: 021-60900371

6.6.4 Malaysian Investment Promotion Agency

Malaysia Investment Development Authority (MIDA)

Address: No. 5, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur,
Malaysia

Tel: 00603-22673633

Fax: 00603-22747970

Website: www.mida.gov.my

Malaysian Investment Development Authority (MIDA) Shanghai Office

Address: 807-809 Kerry Centre, 1515 West Nanjing
Road, Jing'an District, Shanghai, China Tel: 021-
6289 4547/5928 6335

Fax: 021-6279 4009

E-mail: midash@mida.org.cn, maylim@mida.gov.my

Malaysia Investment Development Board Guangzhou Office

Address: 1804B-05, CITIC Plaza, No. 233 Tianhe
North Road, Guangzhou, Guangdong, China Tel:
020-8752 0739

Fax: 020-8752 0753

E-mail: midagz@mida.org.cn

Investment Promotion Agency, Selangor (Port Klang), Malaysia

Address: No. F1-2-G, Jalan Multimedia 7/AG, CityPark, i-City, 40000 Shah Alam, Selangor
Darul Ehsan, Malaysia

Tel: 00603-5510 2005

Fax: 00603-5519 6403 , 00603-5511 2008

E-mail: enquiry@investselangor.my

7. Issues to be noted for Chinese enterprises in investment cooperation in Malaysia

7.1 offshore investment

(1) Objective assessment of the investment climate

Chinese investors going to Malaysia for investment and co-operation should first objectively assess its investment environment, paying attention to the following issues: economic scale and industrial advantages; the attitude of the government and various sectors towards foreign investment; investment and business facilitation measures; human, linguistic and religious environments; the executive power and efficiency of government departments; business customs and the legal system of civil and commercial affairs; and the state of social security.

(2) Adapting to the complexity of the legal environment

Malaysia used to be a British colony before independence, so its legal system is deeply influenced by the British, and both statutory law and case law play a role in business activities. Chinese enterprises investing in Malaysia should first pay attention to the legal environment, strictly abide by Malaysian laws and regulations, pay close attention to changes in local laws; hire local lawyers who are experienced and easy to communicate with as legal advisors; deal with all law-related matters involving investment and operation of major issues and contract negotiation and signing, and be sure to listen to professional lawyers' advice in advance.

(3) Being fully prepared for business registration and applying for various types of licences

The biggest difficulty in the initial stage of investment and cooperation in Malaysia is the registration of companies and the application for various types of licences. The application procedures for these licences are complicated, document-intensive and take a long time to approve. Chinese enterprises should have a certain understanding of the relevant laws and regulations on foreign investment registration in Malaysia; hire special company secretaries and professional lawyers to assist in dealing with the relevant application matters; and, according to the requirements, prepare all the necessary documents in advance and fulfil the relevant procedures in a timely manner. All types of application documents and

company documents in Malaysia must be signed by the directors of the company and stamped with the company's official seal.

(4) Adjusting expectations of preferences appropriately

Although the Malaysian government has formulated a number of preferential policies and incentives for investment, these policies cannot be obtained automatically; enterprises must apply to the government authorities, and the government will grant certain preferential policies at its discretion according to the enterprises' situation. Chinese enterprises should have a detailed understanding of the contents, application conditions and procedures of these preferential policies, appropriately adjust their expectations of the preferential policies, and apply for the relevant preferential policies from the government under the guidance of professionals. The approval of individual preferential policies may involve multiple government departments, such as the state and federal governments, and the preferential policies that an enterprise may enjoy depend on the final results of coordination among the government departments, so there may be situations where the approval time is longer and the content of the policies may be adjusted.

(5) Adequate accounting for the cost of tax liabilities

Malaysia has a complex tax system and high professional requirements for paying tax. Chinese investors should carefully understand the local

tax policies, listen carefully to the advice of professional accountants and tax professionals, fully account for the cost of tax liabilities, and try to choose to invest in areas or regions where income tax relief is available.

(6) Effective control of wage costs

In addition to wages, an enterprise's payroll expenses also include Employees' Provident Fund (EPF), Social Security Fund (SCOSO), insurance and annual bonus. Chinese companies need to be aware of the local labour laws and regulations on regular and overtime wages, and carefully account for wage costs to improve labour productivity. In addition, investors should also take into account the fact that salaries in the Malaysian job market have been increasing year on year. According to the data released by the Malaysian Employers' Federation over the years, the real wage increase of employees in the Malaysian employment market is around 5-7 per cent per annum on average, and investors should be fully aware of this.

7.2 Contractual engineering

Foreign contractors are required to obtain approval from the Construction and Development Board (CIDB) to incorporate a construction and engineering company in Malaysia, as well as a Construction Contracting Class A licence. Without the Class A licence, the company cannot participate as a general contractor in government tenders for projects above RM10 million. By law, a wholly foreign-owned company cannot obtain an A-grade licence, so for a foreign company to become an A-grade company, it must partner with a local company.

Malaysian government-funded projects are generally entrusted to local indigenous contractors, and foreign engineering firms are not allowed to act as sole general contractors; foreign firms can only subcontract work from local firms. The tendering system is generally applied to Malaysian government-funded projects and private sector projects, but a small number of projects may also be negotiated between the contractor and the owner in the case of financing support or meeting other special requirements of the owner.

Direct investment by the Malaysian government in the project or financing through the domestic capital market is not enough to support the financial needs of its infrastructure construction, and will certainly require international

investment institutions and contractors to closely integrate and participate in the investment and construction of large projects. Chinese-funded contractors need to establish a mutually beneficial and win-win co-operative relationship with local enterprises, and flexibly adopt PPPBOT, B2B and other business models to speed up the project promotion work.

The Malaysian engineering market is a buyer's market dominated by the owner, and contractors need to go through a certain range of competition to obtain the right to execute contracts. With the rising costs of Chinese companies, the original advantage is gradually disappearing, and the competition has now extended to competition in terms of financing capability and additional investment conditions.

Since the new crown epidemic, Malaysia tightened the foreign labour policy, pushing up the construction industry labour costs, superimposed on the international logistics costs, construction costs rose sharply, as well as the epidemic prevention and control brought about by the delay in the schedule, the cost of rising, resulting in some of the Chinese enterprises involved in the construction projects in the performance risk. Malaysia's construction contracts are usually fixed-cost contracts, the relevant policies and regulations for the additional costs brought about by rising raw material prices, as well as due to force majeure to produce a large amount of epidemic prevention and control expenditures, the contracting parties to how to

Delineation of responsibilities, there is no clear provisions, the current horse government only proposed contractors can apply to the owner of the transfer, but there is no legal effect, almost difficult to obtain the support of the owner, many projects under construction face large losses, contractors were forced to terminate the contract. In terms of new projects, due to the horse government more than two years of large-scale financial expenditure for the fight against the epidemic, infrastructure spending has been compressed, at the same time because of the real estate recession, the private sector investment is also greatly reduced, the horse construction industry as a whole is in the doldrums, in the horse Chinese-funded contracted engineering enterprises are facing enormous market pressure.

7.3 In the area of labour cooperation

For some large-scale projects undertaken by Chinese enterprises, the Malaysian Government allows contractors to bring in skilled workers and engineers in short supply from China on a case-by-case basis, provided that they sign a labour contract with the employer in advance, agreeing on the wages and working hours, and apply for a work permit in advance before entering the country. The Malaysian Government does not allow workers to work in Malaysia on tourist visas.

Since the New Crown epidemic, Malaysia has further tightened the approval of work visas in order to promote local employment. In June 2020, the Ministry of Human Resource Development of Malaysia issued a circular stating that all recruitment of foreign employees must be posted on job search websites for at least 30 days, and that foreign employees can only be hired under the condition of not being able to recruit suitable local employees, and as a result, the approval of foreign employee work visas As a result, the approval time for work visas for foreign employees has increased, and work visas for foreign technicians with lower professional and technical requirements have become more difficult to apply for, and the application cycle has been lengthened.

7.4 Trade

To do business in Malaysia, you must familiarise yourself with and adapt to the special local trade environment and take effective measures to expand your

business and avoid risks.

- (1) Careful selection of trading partners and use of letters of credit to adapt to local payment conditions

Enterprises should be particularly careful in their choice of trading partners, checking the background of the enterprise through as many channels as possible and verifying the authenticity of the project. When trading raw products such as ores, sand and gravel, it is important to verify that the exporter holds all the necessary permits for legal mining, transport and export. If necessary, contact local Malaysian business associations to obtain relevant information. Sign contracts that are comprehensive and detailed, and agree to pay by letter of credit wherever possible. Malaysian importers usually open letters of credit to exporters, but some Chinese exporters have not insisted on the issuance of letters of credit based on mutual trust or eagerness to close the deal, which may ultimately lead to trade disputes due to payment problems, and Chinese enterprises need to pay attention to and be vigilant against such situations.

- (2) Use of local currency settlement to avoid exchange risk

In November 2021, the two sides renewed the local currency swap agreement at RMB 180 billion/Malaysian Ringgit 110 billion, with the aim of facilitating bilateral trade and investment. The agreement is valid for three years and can be extended by mutual consent. Taking into account the U.S.

With the risk of exchange rate fluctuations and costs arising from currency exchange, Chinese enterprises should strive to use the RMB as the trade settlement currency to maximise the avoidance or elimination of exchange rate risks and to reduce the costs of doing business.

(3) Insist on winning by quality, improve product quality

Malaysians pay great attention to the quality of goods, and believe that quality represents the credibility of enterprises. Chinese light industrial products have a high market share in Malaysia, enterprises should be based on the concept of "integrity management, quality wins", focus on the long term, product quality and after-sales service, do not just focus on the immediate interests of excessive publicity to obtain orders, "substandard", and damage the reputation of Chinese products. Do not just focus on immediate interests, rely on excessive publicity to obtain orders, "substandard for good", damaging the reputation of Chinese products.

7.5 Protecting against investment co-operation risks

In the process of investment, trade, contracting and labour cooperation in Malaysia, special attention should be paid to investigating, analysing and evaluating the relevant risks beforehand, and doing a good job of risk-avoidance and management during the process, so as to effectively safeguard one's own interests. This includes investigation and assessment of the creditworthiness of project or trade clients and related parties, analysis and avoidance of political and commercial risks in the project location, and feasibility analysis of the project itself. Enterprises should actively use insurance, guarantee, banks and other insurance financial institutions and other professional risk management institutions to protect their own interests. These include credit insurance for trade, investment, contracted works and labour, property insurance, personal safety insurance, etc., as well as factoring and forfaiting operations of banks, and various types of guarantees, such as government guarantees, commercial guarantees and letters of guarantee.

It is recommended that enterprises use the credit risk protection products provided by the China Export and Credit Insurance Corporation (CECIC), which include political and commercial risks, in the course of their outward investment and cooperation; they may also use the commercial guarantee services provided

by policy banks, such as the Export-Import Bank of China (Exim Bank of China).

China Export and Credit Insurance Corporation (CECIC) is a state-owned policy insurance company funded by the State, supporting China's foreign economic and trade development and co-operation, with the status of an independent legal person, and is the only financial institution in China that undertakes policy-oriented export credit insurance business. The company's insurance products to support enterprises' foreign investment and cooperation include short-term export credit insurance, medium- and long-term export credit insurance, overseas investment insurance and financial guarantees, etc. The company provides risk protection against economic losses caused by nationalisation levies, exchange restrictions, wars and political riots, defaults, and other political risks in the countries (regions) where the investments are made. To learn more about the services, please visit the company's website at www.sinosure.com.cn.

If a risk loss occurs without effective risk avoidance, it is also necessary to recover the loss as soon as possible through its own or related means, depending on the circumstances of the loss. In the case of business underwritten through a credit insurance institution, the credit insurance institution will determine and underwrite the claim and compensate for the risk loss, and the relevant organisation will assist the credit insurance institution in recovering the loss.

8. How Chinese companies can build harmonious relationships in Malaysia

8.1 Managing relations with the Government and Parliament

Malaysia is a federal country with separation of powers, and there exists a relationship of interaction, coordination and constraint among its government, parliament and courts. In order to establish good and harmonious public relations in Malaysia, Chinese enterprises should, firstly, establish good relations with the competent authorities of the Malaysian federal government and the state governments, and secondly, pay attention to establishing contacts with local parliamentarians and state legislators in an appropriate way, so as to reflect and express the wishes and demands of Chinese enterprises.

(1) learn about

Understand the relevant responsibilities of federal government departments and state governments, and the responsibilities and concerns of government cabinet committees, and topical issues.

(2) focus

Chinese enterprises should pay attention to the change of the Malaysian government and the election of the Parliament and state assemblies, and pay attention to the latest economic policy direction of the federal and state governments. Pay attention to the hotspot and focus issues of concern to the Malaysian government and parliament, pay close attention to important issues that may affect the operation of Chinese enterprises, and report the situation to the Chinese Embassy in a timely manner.

(3) link up

Maintain communication with members of Congress, state legislators and officials of the relevant functional departments of the federal and state governments where the enterprise or project is located, exchange information on the economy, industrial development and local employment, report on the company's development dynamics and contribution to local economic and social development, and objectively reflect the problems and difficulties encountered in the development of the enterprise.

(4) listen attentively

For matters that may have a significant impact on the local Malaysian market, it is advisable to take the initiative to listen to the views of parliamentarians and government authorities, and seek their understanding and support in order to avoid detours.

8.2 Proper management of relations with trade unions

For Chinese enterprises in Malaysia to achieve reasonable control of payroll costs, reduce labour friction and maintain normal business operations, they must carefully understand the local labour laws and learn to properly handle relations with employees and workers' organisations.

(1) know the law

Have a thorough understanding of Malaysia's Employment Act, Employee Safety and Health Act, Trade Unions Act and Trade Union Ordinance; and have appropriate contacts and knowledge of local trade union organisations. Under Malaysian law, membership of a trade union is limited to a particular enterprise, business organisation or industry; and a trade union may not go on strike without the consent of 2/3 of its members through an anonymous ballot.

(2) law-abiding

The management of Chinese enterprises should familiarise themselves with the composition of their employees, understand the mature mode of local employee management, strictly comply with Malaysian regulations on employment, dismissal and social security, sign employment contracts in accordance with the law, pay wages in full and on time, pay all kinds of social security funds, and provide employees with the necessary skills training in accordance with the law. Employees' overtime wages must be paid in a timely manner in accordance with the provisions of the law; prior to dismissing an employee on its own initiative, advance notice is given in accordance with the provisions of the contract, and the agreed compensation is paid.

(3) negotiations

Actively participate in collective bargaining with representatives of staff unions in accordance with the law, and resolve differences and disputes with employees through direct negotiations to maintain the normal operation of the enterprise.

(4) link up

In day-to-day production and operation, it is necessary to maintain necessary communication with employees and trade unions, understand the ideological dynamics of employees, conduct necessary counselling, and take timely and effective measures to solve the first signs of problems.

(5) disharmony

It is necessary to establish a harmonious corporate culture, invite trade union members to participate in corporate management and contribute to corporate development, increase employees' sense of ownership, stimulate and protect their motivation, and unite their wisdom and creativity.

8.3 Closer relations with the local population

One of the main challenges faced by Chinese companies investing and co-operating in Malaysia is to respect local religious customs and cultural taboos, and to deal with the relationship with local residents.

(1) Understanding the local culture

It is important to have an in-depth understanding of the local religious and

cultural situation in Malaysia, to learn important local ethnic languages as appropriate, and to understand the religious customs, cultural taboos and sensitive topics that go along with them, which is an important factor for Chinese enterprises to establish a cordial and harmonious relationship with the local residents.

(2) Achieving talent localisation

Appropriately hiring local personnel to participate in the management of the enterprise increases local employment, promotes the development of the enterprise, and uses them to transmit Chinese culture to local residents.

(3) Participation in public community activities

Treating enterprises as members of the community, investing a certain amount of manpower and resources to pay attention to issues of concern to the local people, participating in public utility activities in the community, and bringing them closer to the local residents.

8.4 Respect for local customs

China is a country of civilisation and etiquette. Chinese people working and living in Malaysia should respect the local culture and treat people with courtesy.

(1) Respect for local religious beliefs

As Islam is the state religion of Malaysia, it is important to respect Islamic etiquette at all times and not to make fun of the religious customs of employees; in addition, Indians follow the Hindu religion and should be mindful of Hindu customs as well.

(2) Respect for Malay national pride

The Malays are the most populous ethnic group in Malaysia and have a high sense of national self-esteem. When interacting with them, pay attention to the way you speak, respect each other and do not talk about sensitive topics.

(3) Respect for local customs

When investing and living in Malaysia, you need to respect local customs and habits, avoid breaking taboos, dress neatly and respect religious customs.

8.5 Protecting the ecological environment in accordance with the law

Malaysia pays attention to environmental protection, and Chinese enterprises carrying out investment and cooperation in Malaysia should comply with local environmental protection laws and regulations and protect the local ecological environment in accordance with the law.

(1) know the law

Understand Malaysia's environmental laws and regulations, real-time tracking and attention to local environmental standards and environmental hotspots and focus issues.

(2) plan (how to do sth)

According to Malaysian law, an environmental impact assessment should be carried out for investment projects to grasp the potential emissions, wastewater, waste and other environmental impacts that may be generated during the production and operation process, so that solutions can be selected during the planning and design process.

(3) tackle

In Malaysia, the environmental protection industry is an independent industrial sector, and there are special government-licensed environmental

protection enterprises in the market to undertake the treatment of waste water and waste materials. Chinese enterprises in carrying out investment and co-operation, should do a good job of environmental protection budget in advance, in accordance with the government requirements of the enterprise environmental protection business delivered to the professional environmental protection company to deal with, in order to avoid environmental protection disputes.

8.6 Assumption of necessary social responsibilities

Chinese enterprises in Malaysia to carry out investment and cooperation, not only to strive to develop their own business, market development, but also to pay attention to local people's livelihood, to assume the necessary social responsibility.

(1) What's Hot

It is necessary to pay close attention to the many issues of resources, environment, market share, labour, security and social governance brought about by the development of one's own business, so as to avoid arousing the resentment and resistance of local residents and the business community. Labour issues include not only wages and benefits, but also the working environment and overtime limits; environmental issues include those caused by industrial production and project implementation, as well as ecological issues arising from resource development.

(2) Stay away from bribes

In Malaysia, corruption and commercial bribery will not only be prosecuted and sanctioned by the law, but will also seriously affect the credibility and public image of the enterprise, hindering normal production and operation and long-term development of the enterprise.

(3) safe production

It is important to enhance the awareness of production safety and regard safety as the basis of production and operation, especially for Chinese enterprises in high-risk industries such as engineering, mining and chemicals, which must be alerted and take precautions to avoid production safety accidents.

(4) social morality

Chinese enterprises and staff should know the law and abide by it, follow the local customs, refrain from doing things that violate local laws and social morals, and be responsible for the image of the nation, the reputation of enterprises and brand building, as well as for the long-term friendly relations between China and Malaysia.

8.7 Know how to deal with the media

The media are a unique public resource in modern life, with enormous social influence. Not only does the media widely disseminate knowledge and information and have an educational function, but media opinion is also the main basis for the public to react to reality and make choices, influencing public decision-making and playing both positive and negative roles. Chinese companies in Malaysia should know how to deal with the media.

(1) Disclosure of information

Enterprises should establish a normal information disclosure system,

designate an external spokesperson for the enterprise, and release relevant information to the media on a regular basis.

(2) emphasise the importance of publicity

In major investment and cooperation projects, enterprises focus on positive publicity for the project, and when they encounter unjust public opinion pressure, they should focus on publicity and guidance, make a good plan, communicate with the public through the media, and release the correct information about the enterprise in a timely manner. If necessary, a PR consulting company can be commissioned to release dominant news to the media and guide the media to conduct publicity reports in favour of the enterprise.

(3) Media openings

Chinese enterprises can open up to the media on a regular basis, make friends with the media, and welcome the media to visit and interview enterprises or project sites to learn about the real development of the enterprise and the current status of project implementation, and to grasp first-hand information, so as to better make a favourable

in the promotion of Chinese companies.

(4) Respect and trust

In order to improve the public image of Chinese companies, companies should generally not reject the media, let alone clash with them and be rude to them. In addition, they should face the media with equality, trust, respect, sincerity and frankness, and form a harmonious relationship with the media through positive interaction.

[Case]

Important cooperation projects in Malaysia, such as the ASEAN Manufacturing Base of CNR Locomotives and the Kuantan Industrial Park, make full use of media reporting opportunities to publicise the willingness of Chinese and Malaysian enterprises to share benefits on the basis of cooperation to achieve mutual benefits and win-win situations, and create a positive public opinion environment for the development of the projects.

8.8 Learning to deal with law enforcement

The police, tax, customs, transport, immigration, labour, consumer and other law enforcement agencies are the national administrative forces that maintain social order in Malaysia. It is the duty of Malaysian law enforcement officers to check all kinds of documents, enquire about relevant matters and search certain places for residents or foreigners under their jurisdiction or authority, and relevant personnel of Chinese enterprises should learn to deal with these law enforcement officers and actively co-operate with them in carrying out their official duties, so as to effectively protect their lawful rights and interests from being infringed upon.

(1) legal education

Chinese enterprises should establish a sound management system for doing business in accordance with the law, and hire lawyers or legal professionals to educate their employees on legal literacy, so that employees can understand the legal knowledge necessary for working and living in Malaysia and the measures to deal with emergencies, so as to be aware of the law and comply with it, and to deal with it in a rational manner.

(2) Carrying Documents

Chinese personnel and foreign employees of enterprises should carry their

identity documents with them when they go out, and drive vehicles with valid driving documents. Important documents such as enterprise registration licences, business licences and tax lists should be kept in a safe place.

(3) Cooperate with the inspection

When encountering law enforcement officers checking their documents, Chinese personnel should politely show their documents and answer the enquiry; if they do not carry documents, they should not panic or be afraid, do not dodge, and do not try to run away, but rather explain the situation or write down the contact number and ask the company's personnel to communicate with the law enforcement officers to confirm their identities.

(4) reasonable request

When encountering law enforcement officers searching your company or residence, you should ask them to show your documents and search papers, and quickly contact your company's legal advisor for coordination, and promptly report to the Chinese Embassy in Malaysia. When encountering documents or property being searched

In the event of detention by law enforcement officers, the law enforcement officers should be requested to protect the commercial secrets of the Chinese enterprise, produce a list of detained items as evidence, and take down the relevant information and contact information of the law enforcement officers for subsequent contact and processing.

(5) rational response

When encountering rude attitudes of law enforcement officers and unfair treatment of Chinese enterprises or personnel, Chinese enterprises and personnel should not clash with law enforcement officers, let alone breaking the law, but should respond rationally, be reasonable, favourable and courteous, and may negotiate with lawyers in order to safeguard their legitimate rights and interests.

8.9 Dissemination of traditional Chinese culture

Chinese traditional culture is a treasure in the garden of the world's outstanding culture, which will inevitably come into Malaysia with the pace of Chinese enterprises "going out". Chinese enterprises and personnel should pay attention to the promotion of traditional Chinese culture in local investment and cooperation.

8.10 the rest

Chinese enterprises should assume corresponding social responsibilities while producing and operating in the outside world. Choosing appropriate ways to fulfil their corporate responsibility can play a powerful role in building harmonious relationships with local governments and business communities.

9. How Chinese enterprises/personnel can seek help in Malaysia

9.1 Seeking legal protection

(1) Legal Usage

In Malaysia, enterprises not only have to register and operate legally, but also have to resolve disputes and defend their rights and interests through legal means when necessary.

Malaysia deals with cases relating to economic activities which are heard by specialised judges appointed by the courts. Parties may also agree in writing to settle disputes by arbitration. Malaysian courts are independent judicial bodies and operate on a two-trial system.

(2) Hire a lawyer

Due to the complexity of Malaysia's civil and commercial laws, coupled with language differences, Chinese enterprises should hire local lawyers to deal with the legal affairs of the enterprise, once involved in economic disputes, you can use the expertise of lawyers to seek legal solutions to safeguard their own interests.

(3) Consultation with lawyers

In Malaysia, it is advisable for Chinese companies to consult with lawyers who are fluent in both English and Chinese and to engage their legal services.

9.2 Seek help from local authorities

(1) close link

The federal and state governments of Malaysia attach great importance to foreign investment. During the period of investment and cooperation in Malaysia, Chinese enterprises should establish close contact with the relevant local government departments, inform them of the development of their enterprises in a timely manner, reflect the difficulties and problems they are facing, and seek more understanding and support from the government departments.

(2) Seeking support

In case of emergencies, in addition to reporting to the Chinese Embassy (Consulate) in Malaysia, the Economic and Commercial Section (Office) of the

Embassy (Consulate), and the domestic company headquarters, the company shall promptly get in touch with the competent authorities of the government of the place where Malaysia is located to seek support.

9.3 Obtaining protection from the Chinese Embassy (Consulate) in the locality

(1) Responsibility to protect

The behaviour of Chinese nationals in the territory of other countries is mainly governed by international law and the local laws of the countries in which they are stationed. When the lawful rights and interests enjoyed by Chinese nationals (including those who have violated local laws) are infringed upon locally, Chinese embassies and consulates abroad have the authority to

Responsibility to protect to the extent permitted by international and local law.

(2) check in

After registering their investments or launching their projects in Malaysia, Chinese enterprises should report to the Economic and Commercial Affairs Department of the Embassy for the record in accordance with the regulations, report on the situation of their enterprises and establish liaison channels; they should also maintain regular liaison with the Economic and Commercial Affairs Department.

(3) Obey guidance

When encountering major problems and incidents, they should report to the Embassy in a timely manner; when dealing with related matters, they should obey the leadership and coordination of the Embassy.

For Chinese enterprises to carry out investment and co-operation in Malaysia, they may consult the Economic and Commercial Section of the Chinese Embassy in Malaysia, the Consulate General in Kuching, the Consulate General in Kota Kinabalu and the Consulate General in Penang.

When the legitimate rights and interests of Chinese organisations or citizens are infringed upon, they can seek consular protection from the Consular Section of the Chinese Embassy in Malaysia or the Consulate General in Kuching, Consulate General in Kota Kinabalu or Consulate General in Penang.

9.4 Establishment and activation of contingency plans

(1) Establishment of an emergency response plan

When Chinese enterprises go to Malaysia to carry out investment and cooperation, they should objectively assess all kinds of potential risks, establish an internal emergency warning mechanism in a targeted manner, and formulate corresponding risk plans. They should provide safety education to their employees and strengthen their safety awareness; designate specialists to be responsible for production safety and daily safety and security work; and invest the necessary funds to purchase safety equipment and accidental injury insurance for their employees.

(2) Take emergency measures

When encountering sudden natural disasters or man-made incidents, the

emergency plan should be activated in a timely manner in an effort to minimise the damage. In case of fire and injuries, the local fire alarm and ambulance should be dialled promptly; after that, the situation should be reported to the Chinese Embassy (Consulate) in Malaysia and the domestic headquarter of the enterprise immediately.

9.5 Other response measures

When Chinese enterprises go to Malaysia for investment and cooperation, they should obey the leadership of the Chinese Embassy (Consulate) in Malaysia, take the initiative to join the Malaysian Chamber of Chinese Enterprises, and under the management of the Chamber, strengthen the contacts and exchanges with the Malaysian government, the industrial and commercial sectors and Chinese enterprises, operate in compliance with the law, and co-ordinate to solve the problems in operation.

10. Policy Measures for the Prevention and Control of the New Crown Pneumonia Epidemic and Economic Recovery in Malaysia

10.1 Status of the New Crown Pneumonia Outbreak

According to WHO statistics, as of 31 December 2022, Malaysia has a cumulative total of 5,021,242 cases of new coronavirus infections, a cumulative total of 36,824 deaths, and 223.45 doses of vaccine per 100 population, with a full basic immunisation rate of 85.06 % and a booster immunisation rate of 50.28 %.

10.2 Epidemic prevention and control measures

On 27 April 2022, Malaysia's Health Minister Kerry announced a major unsealing: from 1 May, outdoor masks will not be required; children under 12 years of age and travellers over 13 years of age who have completed a full course of vaccination will not be required to be tested before or after entering the country; those recovering from a new crown between 6 and 60 days prior to departure will not be required to be tested; foreign travellers will not be required to take out a new crown insurance policy prior to entering the country; it will no longer be mandatory to scan the code for the public to go to any place; and those who have not been vaccinated will be allowed to dine at shopping malls. The unvaccinated public can also dine-in and visit shopping malls. From 15 May, nightclubs and nightspots that have been banned for nearly two years may reopen. The quarantine period for confirmed cases is seven days, and if the test is negative on the fourth day, the quarantine can be terminated earlier.

In addition, since May, Malaysia has changed from a daily to a weekly outbreak reporting system.

Although the Malaysian Government has retained the requirements of indoor wearing of masks and isolation of confirmed cases after the general lifting of the containment, there are no specific monitoring measures in actual implementation, and nucleic acid testing is entirely on a voluntary basis. Overall, Malaysia has fully lifted the epidemic control measures.

10.3 Special tips for Chinese enterprises

Although Malaysia has been largely unsealed, the new coronavirus and its many variants are still ravaging the world. As countries have successively deregulated the epidemic and nucleic acid testing is no longer mandatory, the relevant statistics no longer reflect the actual situation of the epidemic.

Chinese enterprises in the horse business process, first, still fully understand the importance and urgency of doing a good job of epidemic prevention and control work, the epidemic prevention and control work as the most important work at present, to ensure that the unit of the various preventive and control measures into practice, and make every effort to protect the health and safety of enterprise employees. Secondly, we should do a good job of logistical support, timely refinement and improvement of the plan, and do a good job of the necessary protective supplies, medicines and food reserves. At the same time, it is necessary to strengthen the risk prevention work to ensure the safety of personnel, projects and property. Thirdly, we should further strengthen personnel management and education, guide employees to do a good job in scientific protection, pay attention to employees' mental health, and properly solve labour and medical issues.

Appendix 1 List of Government Departments and Related Organisations in Malaysia

- (1) Prime Minister's Department (Pejabat Perdana Menteri Malaysia; Prime Minister's Department, Malaysia), www.pmo.gov.my
- (2) Ministry of International Trade and Industry (Kementerian Perdagangan Antarabangsa dan Industri; Ministry of International Trade and Industry), www.miti.gov.my
- (3) Ministry of Defence (Kementerian Pertahanan, Malaysia; Ministry of Defence, Malaysia), www.mod.gov.my.
- (4) Ministry of Public Works (Kementerian Kerja Raya Malaysia; Ministry of Works Malaysia), www.kkr.gov.my
- (5) Ministry of Education (Kementerian Pelajaran Malaysia; Ministry of Education Malaysia), www.moe.gov.my
- (6) Ministry of Finance (Kementerian Kewangan, Malaysia; Ministry of Finance, Malaysia), www.treasury.gov.my
- (7) Ministry of Transport (Kementerian Pengangkutan Malaysia; Ministry of Transport Malaysia), www.mot.gov.my
- (8) Ministry of Environment (Ministry of Natural Environment Malaysia)
- (9) Ministry of Human Resources (Kementerian Sumber Manusia, Malaysia; Ministry of Human Resources, Malaysia), www.mohr.gov.my
- (10) Ministry of Federal Territories (Kementerian Wilayah Persekutuan; Ministry of Federal Territories), www.kwpkb.gov.my
- (11) Ministry of Women and Family (Kementerian Pembangunan Wanita, Keluarga dan Masyarakat; Ministry of Women and Family), www.kpwkm.gov.my
- (12) Ministry of Higher Education (Kementerian Pengajian Tinggi; Ministry of Higher Education), www.mohe.gov.my.
- (13) Ministry of Energy, Natural Resources (Kementerian Tenaga & Sumber Asli; Ministry of Energy and Natural Resource) www.ketsa.gov.my
- (14) Ministry of Home Affairs (Kementerian Dalam Negeri; Ministry

of Home Affairs), www.moha.gov.my.

(15) Ministry of Health (Kementerian Kesihatan Malaysia; Ministry of Health Malaysia), www.moh.gov.my.

(16) Ministry of Agriculture and Food Industry (Kementerian Pertanian dan Industri Asas Tani Malaysia; Ministry of Agriculture and Food Industry Malaysia), www.moa.gov.my

(17) Ministry of Rural Development (Kementerian Pembangunan Luar Bandar; Ministry of Rural Development Malaysia), www.rurallink.gov.my

(18) Ministry of Foreign Affairs (Kementerian Luar Negeri, Malaysia; Ministry of Foreign Affairs, Malaysia), www.kln.gov.my.

(19) Ministry of Domestic Trade and Consumer Affairs (Kementerian Perdagangan Dalam Negeri & Hal Ehwal Pengguna; Ministry of Domestic Trade and Consumer Affairs), www.kpdkk.gov.my

(20) Ministry of Communication and Multimedia (Kementerian Komunikasi dan Multimedia; Ministry of Communication and Multimedia), www.kppk.gov.my

(21) Ministry of Housing and Local Government (Kementerian Kesejahteraan Bandar, Perumahan dan Kerajaan Tempatan; Ministry of Housing and Local Government), www.kpkt.gov.my

(22) Ministry of Science, Technology and Innovation (Kementerian Sains, Teknologi dan Inovasi; Ministry of Science, Technology and Innovation), www.mosti.gov.my

(23) Ministry of Entrepreneur Development and Cooperatives (Kementerian Pembangunan Usahawan & Koperasi; Ministry of Entrepreneur Development and Cooperatives), www.medac.gov.my

(24) Ministry of Plantation Industries and Commodities (Kementerian Perusahaan Perladangan dan Komoditi Malaysia; Ministry of Plantation Industries and Commodities Malaysia), www.kppk.gov.my

(25) Ministry of Tourism, Arts and Culture (Kementerian Pelancongan dan Kebudayaan Malaysia; Ministry of Tourism, Arts and Culture Malaysia), www.motour.gov.my

(26) Ministry of National Unity (Kementerian Perpaduan Negara; Ministry of National Unity, Arts and Culture Malaysia)

(27) Ministry of Youth and Sports (Kementerian Belia dan Sukan; Ministry of Youth And Sports), www.kbs.gov.my 马来西亚邮政局 (Pos Malaysia), www.pos.com.my

(28) Foreign Trade Promotion Agency (Perbadanan Pembangunan Perdagangan

Luar Malaysia; Malaysia External Trade Development Corporation, MATADE),
www.matrade.gov.my

(29) Immigration Department (Jabatan Imigresen Malaysia; Immigration
Department of Malaysia).

www.imi.gov.my

(30) Investment Development Authority (Lembaga Pembangunan Pelaburan Malaysia; Malaysian Investment Development Authority, MIDA), www.mida.gov.my

(31) Royal Customs Department (Jabatan Kastam Diraja Malaysia; Royal Malaysian Customs Department), www.customs.gov.my.

(32) National Training Service (Jabatan Latihan Khidmat Negara; National Training Service Department), www.khidmatnegara.gov.my

(33) National Bank (Bank Negara Malaysia; Central Bank of Malaysia), www.bnm.gov.my

(34) Companies Registration Board (SSM; Companies Commission of Malaysia), www.ssm.gov.my/en

(35) Securities Supervisory Commission (Suruhanjaya Sekuriti Malaysia; Securities Commission Malaysia), www.sc.com.my

Appendix 2 List of Malaysian Chambers of Commerce, Associations and Major Chinese Enterprises

Malaysian Chamber of Commerce, Associations and Organisations:

1. Malaysian Chinese Congress Hall General Association

The Federation of Chinese Associations Malaysia

Address: No.1 Jalan Maharajalela, 50150 Kuala Lumpur

Tel: 00603-22734008

Fax: 00603-22734015

Website: www.huazong.my

2. Malaysian Chinese Chamber of Commerce & Industry

The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM)

Address: 6th Floor, Wisma Chinese Chamber, 258 Jalan Ampang, 50450 Kuala Lumpur

Tel: 00603-42603090, 42603091

Fax: 00603-42603080

Website: www.acccim.org.my

3. Malaysia China Chamber of Commerce & Industry

Malaysia-China Chamber of Commerce

Address: No. 8-2, Jalan Metro Pudu, Fraser Business Park, Off Jalan Yew, 55100 Kuala Lumpur

Tel: 00603-92231188

Fax: 00603-92221548

Website: www.mccc.my

4. Malaysia-China Friendship Association

Malaysia-China Friendship Association (PPMC)

Address: Lot 10&11, 13th Floor, Sun Complex, Jalan Bukit Bintang, 55100 Kuala Lumpur

Tel: 00603-21416885

Fax: 00603-21411406

Website: www.ppmc.com.my

5. Malaysia-China Business Council

Malaysia-China Business Council (MCBC)

Address: Level 6-05&6-06, Menara LGB, No.1, Jalan Wan Kadir, Taman Tun Dr. Ismail,
60000 Kuala Lumpur

Tel: 00603-77271948

Fax: 00603-77251396

Website: www.mcbc.com.my

6. Asian Institute for Strategic and Leadership Studies

Asian Strategy and Leadership Institute (ASLI)

Address: 1718, Jalan Ledang, Off Jalan Duta, 50480 Kuala Lumpur

Tel: 00603-20935393

Fax: 00603-20933078

Website: www.asli.com.my

7. National Chamber of Commerce and Industry of Malaysia

National Chamber of Commerce and Industry of Malaysia (NCCIM)

Address: Level 3, West Wing, Menara MATRADE, Jalan Khidmat Usaha off Jalan Duta,
50480, Kuala Lumpur

Tel: 00603-62049811

Fax: 00603-62049711

Website: www.nccim.org.my

8. Malaysian Association of Small and Medium Enterprises

SMI Association of Malaysia

Address: 18-3, Jalan USJ 9/5T, Subang Business Centre, 47620 Subang Jaya, Selangor D.E.

Tel: 00603-80245787/5737, 603-80230685 Fax:
00603-80241737

Website: www.smisme.com

9. Federation of Malaysian Manufacturers

Federation of Malaysian Manufacturers (FMM)

Address: No.3, Persiaran Dagang, PJU 9, Bandar Sri Damansara, 52200 Kuala Lumpur

Tel: 00603-62867200

Fax: 00603-62741266/7288

Website: www.fmm.org.my

10. Malay Chamber of Commerce

Malay Chamber of Commerce (DPMM)

Address: No. 33&35, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur

Tel: 00603-20962233

Fax: 00603-20962533

Website: www.dpmm.org.my

11. Malay Chamber of Commerce and Industry

Malay Businessmen & Industrialists Association of Malaysia (PERDASAMA)

Address: lot1717, Jalan Ledang Off Jalan Duta, 50480 Kuala Lumpur

Tel: 00603-20952002

Website: www.perdasama.org.my

12. Shillong Indian Chamber of Commerce and Industry

Kuala Lumpur & Selangor Indian Chamber of Commerce and Industry (KLSICCI)

Address: No. 116, 2nd Floor, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur

Tel: 00603-26931033

Fax: 00603-26911670

Website: www.klsicci.com.my

13. Indian Chamber of Commerce and Industry

Malaysian Associated Indian Chamber of Commerce and Industry (MAICCI)

Address: JKR3190, Jalan Ledang, Off Jalan Duta, 50480 Kuala Lumpur

Tel: 00603-20110478

Fax: 00603-20110477

Website: www.maicci.org.my

14. Malaysian International Chamber of Commerce and Industry

Malaysian International Chamber of Commerce and Industry

Address: C-08-08, Plaza Mont'Kiara, 2 Jalan Kiara, 50480 Kuala Lumpur

Tel: 00603-62017708

Fax: 00603-62017705

Website: www.micci.com

15. Malaysian Chinese Law Association

Malaysian China Legal Cooperation Society

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postscript

The Malaysia Guide to Foreign Investment Co-operation Countries (Regions) provides an objective introduction to the investment and co-operation environment, which is of common concern to Chinese enterprises, especially SMEs, when they go to Malaysia for investment and co-operation; and it also gives tips on the various problems that may arise when Chinese enterprises go to Malaysia for investment and co-operation. It is hoped that this Guide will serve as an introductory guide for Chinese enterprises to enter Malaysia. However, due to the limited space and the different information required by different investors, the information provided in this Guide is only for the readers' reference and is not to be taken as a full basis for investment decision-making by enterprises.

The Department of Foreign Investment and Economic Cooperation of the Ministry of Commerce organised and coordinated the preparation of this Guide. The Guide was prepared by the Economic and Commercial Section of the Chinese Embassy in Malaysia, with the following contributors to the initial version: Gao Wenkuan (Counsellor) and Deng Bo (Second Secretary), and revised by Zhang Peidong (Minister Counsellor), Li Jing (Counsellor), Hu Wei (First Secretary), Zheng Le (First Secretary), Zang Wenbo (First Secretary), Yao Yi (First Secretary), Yin Minglu (Third Secretary), Zhang Lan (Third Secretary), and Liun Annan (Attaché). Researchers from the Institute of Foreign Investment and Co-operation, Research Institute of the Ministry of Commerce (MOFCOM), supplemented and revised the contents of the Guide. Comrades from the Asia Department of the Ministry of Commerce provided valuable comments on the relevant contents of the text.

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