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DOING BUSINESS 2020 Malaysia



WORLD BANK GROUP

PREFACE

This is one of a series of guides published annually by the World Bank as part of its Doing Business project. Doing Business is intended to shed light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business in a particular jurisdiction when complying with relevant regulations. It measures and tracks changes in regulations affecting 11 areas in the life cycle of a business: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency and labour market regulation.

This report presents the Doing Business indicators for a particular economy. To allow useful comparison, it also provides data for other selected economies (comparator economies) for each indicator.

The Russell Bedford professional services network supports the World Bank as a Global Contributor to the Doing Business project, with around 40 member firms providing information on tax regulation, reporting requirements, and the total tax burden in their respective countries.

Since 1983 Russell Bedford has been helping domestic and international enterprises manage their audit, accounting, tax and financial consultancy needs in locations all around the world. Expansion brings challenges, particularly for businesses operating cross-border. Russell Bedford firms are well placed to assist with integrating international accounting and audit requirements with local procedures, managing local tax compliance and optimising international tax efficiency, and restructuring a business or launching a new one. To make contact with the nearest Russell Bedford member firms or the central office of Russell Bedford International, see the address information at the end of this guide or visit the website at www.RussellBedford.com.

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The information contained in the publication is provided for general purposes only and does not constitute professional accounting, tax, business or legal advice. It may not be applicable to specific circumstances. Laws and regulations change rapidly, so information contained herein may not be complete or up-to-date. The information in this report is current as of 1 May 2019, except for the Paying Taxes indicators, which cover the period January–December 2018. Please contact your professional adviser before taking any action based on this information.

Economy Profile of Malaysia

*Doing Business 2020 Indicators
(in order of appearance in the document)*

Starting a business	Procedures, time, cost and paid-in minimum capital to start a limited liability company
Dealing with construction permits	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
Getting electricity	Procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs
Registering property	Procedures, time and cost to transfer a property and the quality of the land administration system
Getting credit	Movable collateral laws and credit information systems
Protecting minority investors	Minority shareholders' rights in related-party transactions and in corporate governance
Paying taxes	Payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as postfiling processes
Trading across borders	Time and cost to export the product of comparative advantage and import auto parts
Enforcing contracts	Time and cost to resolve a commercial dispute and the quality of judicial processes
Resolving insolvency	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
Employing workers	Flexibility in employment regulation and redundancy cost

About Doing Business

The *Doing Business* project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The *Doing Business* project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.

Doing Business captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. *Doing Business* also measures features of employing workers. Although *Doing Business* does not present rankings of economies on the employing workers indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, *Doing Business* encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

In addition, *Doing Business* offers detailed [subnational studies](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These studies provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that *Doing Business* has ranked.

The first *Doing Business* study, published in 2003, covered 5 indicator sets and 133 economies. This year's study covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where *Doing Business* also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

To learn more about *Doing Business* please visit doingbusiness.org

Ease of Doing Business in

Malaysia



Region	East Asia & Pacific
Income Category	Upper middle income
Population	31,528,585
City Covered	Kuala Lumpur

DB RANK

DB SCORE

12

81.5

Rankings on Doing Business topics - Malaysia



Topic Scores



Starting a Business (rank)	126	Getting Credit (rank)	37	Trading across Borders (rank)	49
Score of starting a business (0-100)	83.3	Score of getting credit (0-100)	75.0	Score of trading across borders (0-100)	88.5
Procedures (number)	8.5	Strength of legal rights index (0-12)	7	<i>Time to export</i>	
Time (days)	17.5	Depth of credit information index (0-8)	8	Documentary compliance (hours)	10
Cost (number)	11.1	Credit registry coverage (% of adults)	64.9	Border compliance (hours)	28
Paid-in min. capital (% of income per capita)	0.0	Credit bureau coverage (% of adults)	89.1	<i>Cost to export</i>	
				Documentary compliance (USD)	35
Dealing with Construction Permits (rank)	2	Protecting Minority Investors (rank)	2	Border compliance (USD)	213
Score of dealing with construction permits (0-100)	89.9	Score of protecting minority investors (0-100)	88.0	<i>Time to export</i>	
Procedures (number)	9	Extent of disclosure index (0-10)	10.0	Documentary compliance (hours)	7
Time (days)	41	Extent of director liability index (0-10)	9.0	Border compliance (hours)	36
Cost (% of warehouse value)	1.3	Ease of shareholder suits index (0-10)	8.0	<i>Cost to export</i>	
Building quality control index (0-15)	13.0	Extent of shareholder rights index (0-6)	5.0	Documentary compliance (USD)	60
		Extent of ownership and control index (0-7)	6.0	Border compliance (USD)	213
		Extent of corporate transparency index (0-7)	6.0		
Getting Electricity (rank)	4	Paying Taxes (rank)	80	Enforcing Contracts (rank)	35
Score of getting electricity (0-100)	99.3	Score of paying taxes (0-100)	76.0	Score of enforcing contracts (0-100)	68.2
Procedures (number)	3	Payments (number per year)	9	Time (days)	425
Time (days)	24	Time (hours per year)	174	Cost (% of claim value)	37.9
Cost (% of income per capita)	25.6	Total tax and contribution rate (% of profit)	38.7	Quality of judicial processes index (0-18)	13.0
Reliability of supply and transparency of tariff index (0-8)	8	Postfiling index (0-100)	51.0		
Registering Property (rank)	33			Resolving Insolvency (rank)	40
Score of registering property (0-100)	79.5			Score of resolving insolvency (0-100)	67.0
Procedures (number)	6			Recovery rate (cents on the dollar)	81.0
Time (days)	11.5			Time (years)	1.0
Cost (% of property value)	3.5			Cost (% of estate)	10.0
Quality of the land administration index (0-30)	26.5			Outcome (0 as piecemeal sale and 1 as going concern)	1
				Strength of insolvency framework index (0-16)	7.5

Starting a Business

This topic measures the number of procedures, time, cost and paid-in minimum capital requirement for a small- to medium-sized limited liability company to start up and formally operate in each economy's largest business city.

To make the data comparable across 190 economies, *Doing Business* uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times the income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
Procedures to legally start and formally operate a company (number)	<p>To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.</p>
<ul style="list-style-type: none"> • Preregistration (for example, name verification or reservation, notarization) • Registration in the economy's largest business city • Postregistration (for example, social security registration, company seal) • Obtaining approval from spouse to start a business or to leave the home to register the company • Obtaining any gender specific document for company registration and operation or national identification card 	The business:
Time required to complete each procedure (calendar days)	<ul style="list-style-type: none"> -Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the limited liability form most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office. -Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city. -Performs general industrial or commercial activities such as the production or sale to the public of goods or services. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It is not using heavily polluting production processes. -Does not qualify for investment incentives or any special benefits. -Is 100% domestically owned. -Has five business owners, none of whom is a legal entity. One business owner holds 30% of the company shares, two owners have 20% of shares each, and two owners have 15% of shares each. -Is managed by one local director. -Has between 10 and 50 employees one month after the commencement of operations, all of them domestic nationals. -Has start-up capital of 10 times income per capita. -Has an estimated turnover of at least 100 times income per capita. -Leases the commercial plant or offices and is not a proprietor of real estate. -Has an annual lease for the office space equivalent to one income per capita. -Is in an office space of approximately 929 square meters (10,000 square feet). -Has a company deed that is 10 pages long.
Cost required to complete each procedure (% of income per capita)	The owners:
<ul style="list-style-type: none"> • Official costs only, no bribes • No professional fees unless services required by law or commonly used in practice 	<ul style="list-style-type: none"> -Have reached the legal age of majority and are capable of making decisions as an adult. If there is no legal age of majority, they are assumed to be 30 years old. -Are in good health and have no criminal record. -Are married, the marriage is monogamous and registered with the authorities. -Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.
Paid-in minimum capital (% of income per capita)	
<ul style="list-style-type: none"> • Funds deposited in a bank or with third party before registration or up to 3 months after incorporation 	

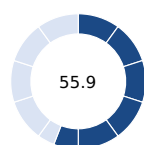
Starting a Business - Malaysia

Standardized Company

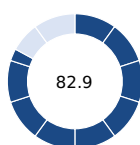
Legal form	Sendirian Berhad (Sdn. Bhd.) - Private Limited Company
Paid-in minimum capital requirement	No minimum
City Covered	Kuala Lumpur

Indicator	Malaysia	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedure – Men (number)	8	6.5	4.9	1 (2 Economies)
Time – Men (days)	17	25.6	9.2	0.5 (New Zealand)
Cost – Men (% of income per capita)	11.1	17.4	3.0	0.0 (2 Economies)
Procedure – Women (number)	9	6.6	4.9	1 (2 Economies)
Time – Women (days)	18	25.7	9.2	0.5 (New Zealand)
Cost – Women (% of income per capita)	11.1	17.4	3.0	0.0 (2 Economies)
Paid-in min. capital (% of income per capita)	0.0	3.5	7.6	0.0 (120 Economies)

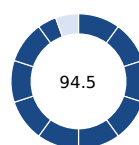
Figure - Starting a Business in Malaysia - Score



Procedures



Time

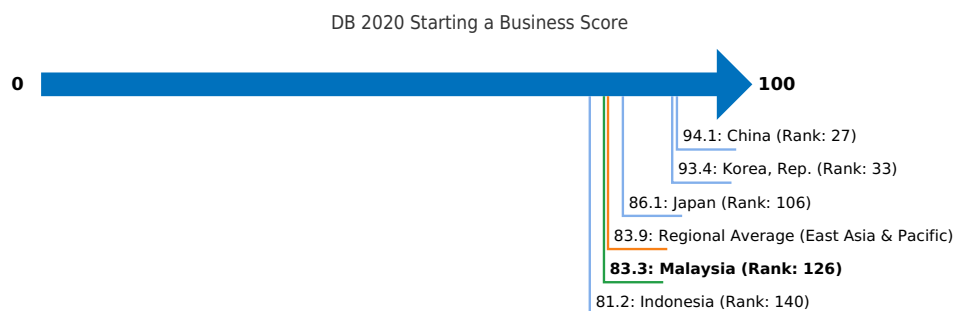


Cost



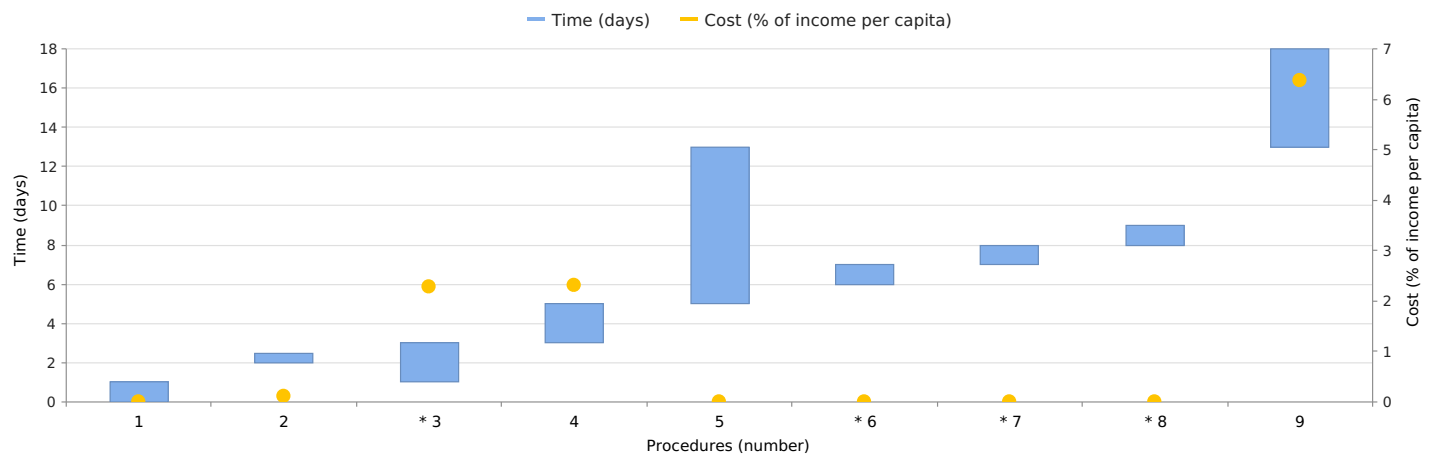
Paid-in min. capital

Figure - Starting a Business in Malaysia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

Figure - Starting a Business in Malaysia - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Details - Starting a Business in Malaysia - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
♀ 1	APPLIES TO WOMEN ONLY: Obtain husband's permission to leave the home <i>Agency : Domicile</i> According to Islamic Family Law, Art. 59(2)(b), the woman must obtain permission from her husband to leave her home.	1 day	no charge
2	Search and reserve company name at the (SSM) one-stop shop <i>Agency : Companies Commission of Malaysia</i> Since May 16, 2013, it is mandatory to conduct company name search and reservation online via MyCoID portal http://ww1.ssm-mycoid.com.my/omni/omni/portal/mycoid The name reservation is valid for every 30 days, up to a maximum of 180 days.	Less than one day (online procedure)	MYR 50 for every 30 days
⇒ 3	Company Secretary prepares the company incorporation documents <i>Agency : Companies Commission of Malaysia</i> Under the new Companies Act of 2016, a superform on the MyCoID website needs to be filled up, which requires the following: <ul style="list-style-type: none"> - Name of the proposed company; - Whether the company is private or public; - Nature of business; - Registered address; - Details of shareholders; - Details of directors; - Details of company secretary (if any); - Details of shares and - Any other information the CCM requires. Due to the Companies Act of 2016, the following forms are no longer needed: <ul style="list-style-type: none"> (ii) Form 48A (Statutory Declaration by A Person before Appointment as Director, or by A Promoter before Incorporation of Corporation) (iii) Form 6 (Statutory Declaration of Compliance by the Company Secretary) (iv) Form 24 (Return of Allotment of Shares) (v) Form 49 (Return Giving Particulars in Register of Directors, Managers and Secretaries and Changes of Particulars) (vi) Form 44 (Notice of Situation of Registered Office and of Office Hours, and Particulars of Change) A company secretary is optional during registration, however they are still used frequently in practice. Furthermore, the company must appoint a secretary within 30 days after the incorporation of the company.	between 1-3 days, simultaneous with previous procedure	MYR 1,000
4	File necessary documents with the Companies Commission of Malaysia (CCM) one-stop shop and obtain company incorporation as well as the post-incorporation package (company seal, share certificates and statutory books) <i>Agency : Companies Commission of Malaysia</i> File necessary documents with the Companies Commission of Malaysia (SSM) one-stop shop and obtain company incorporation, Promoters must pay the registration fee and file the following incorporation documents with the Companies Commission. <p>Application for incorporation under section 14 of the Act:</p> <ul style="list-style-type: none"> (a) company limited by share - 1,000 (b) company limited by guarantee - 3,000 (c) unlimited company - 1,000 If the application is submitted online through Mycoid, there is a processing fee of RM10.00.	2 days	MYR 1,000 (registration fee) + MYR 10 (online processing fee)
5	Register for Sales and Service Tax (STT) <i>Agency : Royal Malaysian Customs</i> The Sales and Services Tax (SST) has been implemented in September 2018. The SST replaces the existing Goods and Services Tax (GST). It is placed on taxable goods manufactured by an individual or company with an annual turnover exceeding RM500,000. The tax is 5 per cent and 10 per cent on the sale of goods, and a 6 per cent levy on services.	8 days	no charge

→ 6	Register for income tax and PAYE <i>Agency : Inland Revenue Board of Malaysia (LHDN)</i> After completing the application for the certificate of incorporation and obtaining the MyCOID number, an applicant can register for the income tax number and PAYE through the web-portal: e-daftar.hasil.gov.my or in person. Under the Companies Act 2016, the Certificate of Incorporation and Form 49 have been changed to a Notice of Registration of Company and a Notification of changes in Register of Directors, Managers and Secretaries, respectively, which are required to complete the application process.	1 day (simultaneous with previous procedure)	no charge
→ 7	Register for the Employees Provident Fund <i>Agency : Employees Provident Fund (KWSP)</i> According to Section 41 (1) of the EPF Act 1991, an employer must register with the EPF within 7 days from the date the employer becomes liable to contribute, that is as soon as an employee is hired. In order to register with the Employee Provident Fund, an applicant must file the Employee's registration application form (KSWP 1 (MAJ)) with the EPF counter/kiosk and to obtain i-Akaun (i-Account) Activation Code using the Form KWSP 1 or KWSP 1(i). The form is required to be submitted together with the following supporting documents:- 1. Form KWSP1; 2. A certified copy of identity card/passport of director's /authorised person; 3. A Notice of Registration of Company and a Notification of changes in Register of Directors, Managers and Secretaries, and 4. A cheque or bank draft for first month EPF contribution, if applicable. Upon the submission of the above documents, EPF will issue the Certificate of registration of Employer and given the i-Akaun Activation Code to the authorised system administrator registered in the Form KWSP 1 or KWSP 1(i). The Company is required to activate the i-Akaun within within 30 days using the 6 digits Activation Code. Thereafter, employer can submit the monthly EPF contribution form through i-Akaun and register a new employee. Employer's Registration Certificate is to be exhibited at the employer's premise	1 day (simultaneous with previous procedure)	no charge
→ 8	Register for Social Security <i>Agency : Social Security Organisation (SOCSCO- Perkeso)</i> Registered employers through MyCoID are required to submit their registration forms together with supporting documents to SOCSCO - Employers are required to attach the supporting registration documents in accordance with the business entity type. -Employers registering employees earning more than RM3,000 per month and not contributing before but opting to contribute must fill in Option Notice and signed by both employers and employees under mutual consensus. -Employers must ensure that details such as identification card number is included in Form 2 (Employee Registration Form) and correct against the employee's identification card. Failure of which will cause the employee being unable to register and contribute, as there will not be any record once checking is done against National Registration Department database	1 day (simultaneous with previous procedure)	no charge
9	Obtain a business premise license <i>Agency : Kuala Lumpur City Hall</i> In order for a company to use a premise for operating a business activity in Kuala Lumpur, it must obtain a business premise license. Licenses are issued by the Commissioner of the City of Kuala Lumpur. The license is payable annually.	5 days	MYR 3 per square metre

♀ Applies to women only.

→ Takes place simultaneously with previous procedure.

Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in May 2019. [See the methodology for more information](#)

What the indicators measure

Procedures to legally build a warehouse (number)

- Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
- Submitting all required notifications and receiving all necessary inspections
- Obtaining utility connections for water and sewerage
- Registering and selling the warehouse after its completion

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes

Building quality control index (0-15)

- Quality of building regulations (0-2)
- Quality control before construction (0-1)
- Quality control during construction (0-3)
- Quality control after construction (0-3)
- Liability and insurance regimes (0-2)
- Professional certifications (0-4)

Case study assumptions

To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.

The construction company (BuildCo):

- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.
- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.

The warehouse:

- Will be used for general storage activities, such as storage of books or stationery.
- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.
- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

The water and sewerage connections:

- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.
- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.
- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.

Dealing with Construction Permits - Malaysia

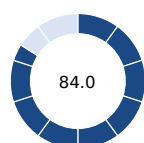
Standardized Warehouse

Estimated value of warehouse MYR 2,188,617

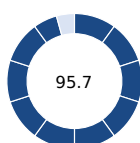
City Covered Kuala Lumpur

Indicator	Malaysia	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	9	14.8	12.7	None in 2018/19
Time (days)	41	132.3	152.3	None in 2018/19
Cost (% of warehouse value)	1.3	3.2	1.5	None in 2018/19
Building quality control index (0-15)	13.0	9.4	11.6	15.0 (6 Economies)

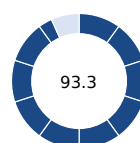
Figure - Dealing with Construction Permits in Malaysia - Score



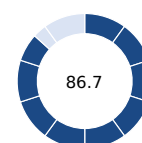
Procedures



Time

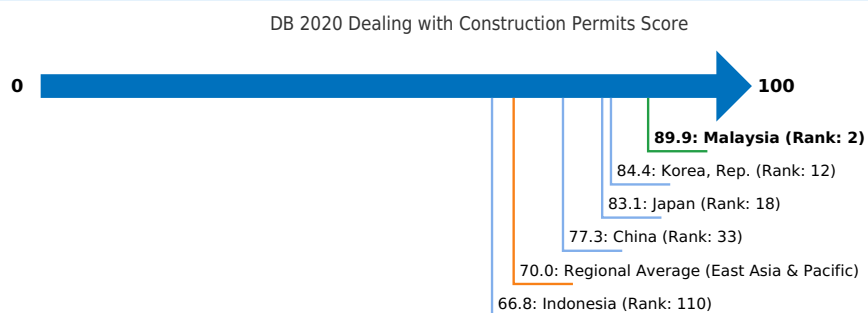


Cost



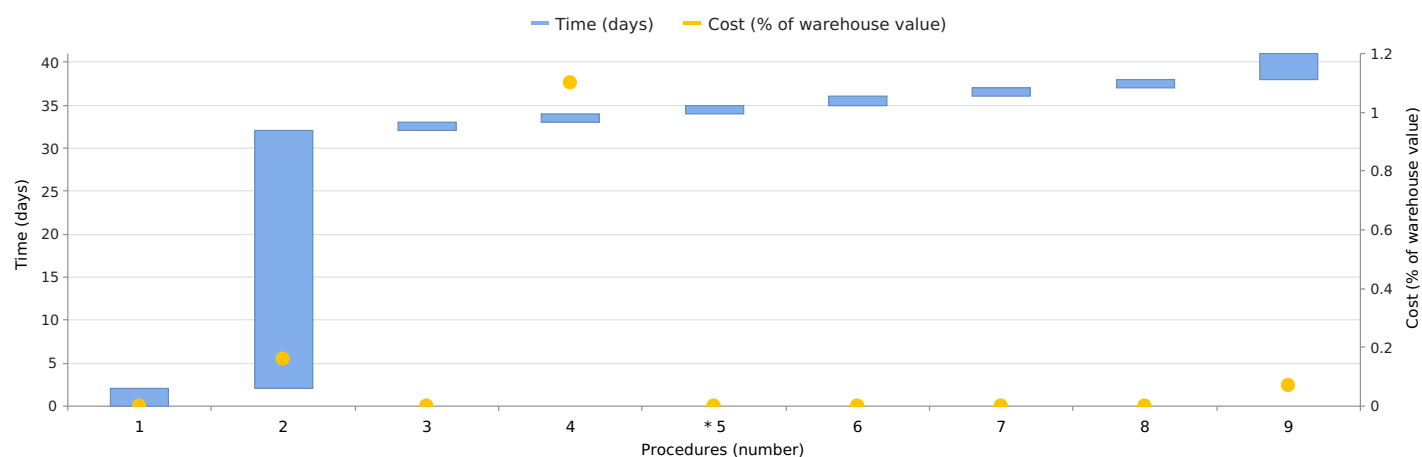
Building quality control index

Figure - Dealing with Construction Permits in Malaysia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their scores for dealing with construction permits. These scores are the simple average of the scores for each of the component indicators.

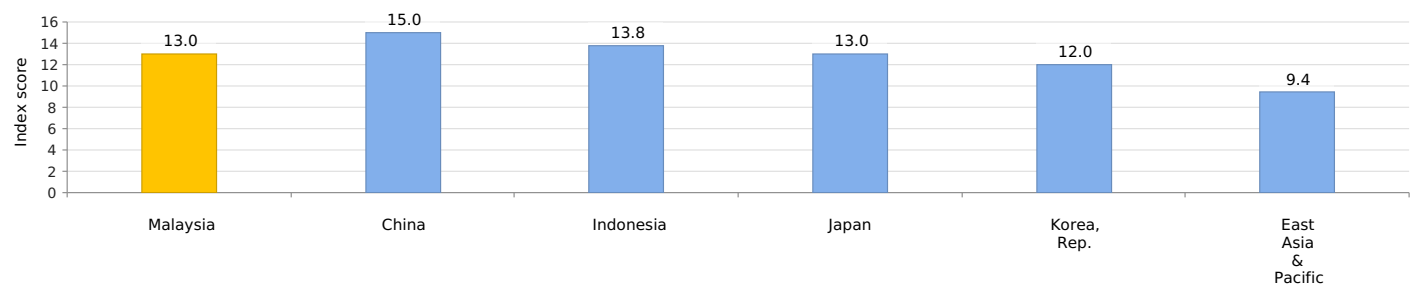
Figure - Dealing with Construction Permits in Malaysia - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Dealing with Construction Permits in Malaysia and comparator economies - Measure of Quality



Details - Dealing with Construction Permits in Malaysia - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	Obtain technical conditions from the Water Authority SYABAS <i>Agency : Water Authority SYABAS</i> BuildCo will visit the Water Authority SYABAS to obtain the technical conditions for the design of the water design plans, so that they are in compliance with regulations.	2 days	no charge
2	Submit and obtain development approval through OSC <i>Agency : Kuala Lumpur City Hall's One Stop Centre (OSC)</i> Builders can now apply for construction permits through OSC 1Submission (single entry). OSC will then refer the submissions to the Planning Department, Building Department, Engineering Department, Fire and Rescue Department, Sewerage Agency and Water Agency. OSC will issue the development approval (planning approvals, building approvals, engineering approvals, fire safety plan endorsements, water approvals, and sewerage works approvals) to the builder. While all forms can be obtained online at jprb.dbkl.gov.my/Pentadbir/MuatTurunBorangOSC/MTBorang11.asp , the filing must still be done in person at the OSC. BuildCo will submit and obtain approval through OSC for the following documents: <ul style="list-style-type: none"> • Planning plan • Building plan • Engineering plan (earthwork, road & drainage plan, road excavation permit, and street lighting plan) • Landscape plan • Water supply plan • Sewerage plan • Infrastructure communication plan • Fire safety plan The estimated processing fees are as follows: <ol style="list-style-type: none"> 1. Planning plan = MYR 480 2. Building plan = MYR 1,300 3. Engineering plan = MYR 100 4. Water supply plan = MYR 1,300 5. Sewerage planning and design approval = MYR 420 (MYR 150 for sewerage planning approval; MYR 150 for sewerage design approval and MYR 120 for notification to start work) 	30 days	MYR 3,600
3	Submit pre-construction notifications to OSC <i>Agency : Kuala Lumpur City Hall's One Stop Centre (OSC)</i> Under the OSC 1Submissions, all notifications are submitted via OSC. OSC will distribute the notifications to relevant agencies:- <ol style="list-style-type: none"> 1. Building Department at Kuala Lumpur City Hall 2. Engineering Department at Kuala Lumpur City Hall 3. Water Authority SYABAS 4. Department of Occupational, Safety and Health - submit JKJ 103 Form (Notification in respect of building operation and works of engineering) under s.67 Occupational, Safety and Health Act 1994 5. Sewerage Certifying Agency (IWK) 	1 day	no charge

4	Request final utilities inspections through OSC <i>Agency : Kuala Lumpur City Hall's One Stop Centre (OSC)</i> Under OSC 1Submission, the builder has to request for joint inspection via OSC. OSC will arrange and coordinate inspections and connections schedule with relevant agencies: 1. Water inspection = MYR 1250 2. Sewerage inspection = MYR 600 (Cost for the final inspection - Fee schedule 2 Part II of the Water Services Industry Act of 2006) 3. Fire safety inspection = MYR 312.5	1 day	MYR 24,049
⇒ 5	Receive final inspection from water utility <i>Agency : Water Authority SYABAS</i> The Water Authority (SYABAS) will conduct an on-site inspection of the works and make the connection to the public pipe.	1 day	no charge
6	Receive fire safety inspection <i>Agency : Fire and Rescue Department</i> Fire and Rescue Department will carry out fire safety inspection	1 day	no charge
7	Obtain clearance letters from OSC - single window <i>Agency : Kuala Lumpur City Hall's One Stop Centre (OSC)</i> The OSC will consolidate clearance letters from various agencies/departments and once ready, BuildCo will pick them up from the OSC counter - single window.	1 day	no charge
8	Builder's principal submitting person files the certificate of completion and compliance (CCC) <i>Agency : Building Department and Board of Architect via OSC</i> BuildCo's Principal Submitting Person (the professional architect or engineer responsible for the project) will issue the Certificate of Completion and Compliance (Form F) enabling the warehouse to be occupied. Two copies of Form F and Forms G1-G21 must be submitted to the Building Control Department at Kuala Lumpur City Hall and the Board of Architects / Board of Engineers via OSC.	1 day	no charge
9	Obtain water connection <i>Agency : Water Authority SYABAS</i> The Water Authority (SYABAS) will issue a clearance letter to BuildCo. SYABAS will subsequently install the water meter after the issuance of the Certificate of Completion and Compliance by the Principal Submitting Person (PSP). This will complete the water connection process.	3 days	MYR 1,600

⇒ Takes place simultaneously with previous procedure.

Details - Dealing with Construction Permits in Malaysia - Measure of Quality

	Answer	Score
Building quality control index (0-15)		13.0
Quality of building regulations index (0-2)		2.0
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
Quality control before construction index (0-1)		1.0
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed engineer.	1.0
Quality control during construction index (0-3)		2.0
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
Quality control after construction index (0-3)		3.0
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, in-house engineer submits report for final inspection.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
Liability and insurance regimes index (0-2)		1.0
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Architect or engineer; Professional in charge of the supervision; Construction company.	1.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
Professional certifications index (0-4)		4.0
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Being a registered architect or engineer.	2.0

What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)

Minimum number of years of experience; University degree in engineering, construction or construction management; Being a registered architect or engineer. 2.0

⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p>Procedures to obtain an electricity connection (number)</p> <ul style="list-style-type: none"> Submitting all relevant documents and obtaining all necessary clearances and permits Completing all required notifications and receiving all necessary inspections Obtaining external installation works and possibly purchasing material for these works Concluding any necessary supply contract and obtaining final supply <p>Time required to complete each procedure (calendar days)</p> <ul style="list-style-type: none"> Is at least 1 calendar day Each procedure starts on a separate day Does not include time spent gathering information Reflects the time spent in practice, with little follow-up and no prior contact with officials <p>Cost required to complete each procedure (% of income per capita)</p> <ul style="list-style-type: none"> Official costs only, no bribes Value added tax excluded <p>The reliability of supply and transparency of tariffs index (0-8)</p> <ul style="list-style-type: none"> Duration and frequency of power outages (0-3) Tools to monitor power outages (0-1) Tools to restore power supply (0-1) Regulatory monitoring of utilities' performance (0-1) Financial deterrents limiting outages (0-1) Transparency and accessibility of tariffs (0-1) <p>Price of electricity (cents per kilowatt-hour)*</p> <ul style="list-style-type: none"> Price based on monthly bill for commercial warehouse in case study <p><small>*Note: <i>Doing Business</i> measures the price of electricity, but it is not included in the ease of doing business score nor in the ranking on the ease of getting electricity.</small></p>	<p>To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.</p> <p>The warehouse:</p> <ul style="list-style-type: none"> Is owned by a local entrepreneur and is used for storage of goods. Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city. Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway. Is a new construction and is being connected to electricity for the first time. Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet). <p>The electricity connection:</p> <ul style="list-style-type: none"> Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW). Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road. Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base. <p>The monthly consumption:</p> <ul style="list-style-type: none"> It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh. If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier. Tariffs effective in January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.

Getting Electricity - Malaysia

Standardized Connection

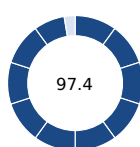
Name of utility	Tenaga Nasional Berhad
Price of electricity (US cents per kWh)	12.0
City Covered	Kuala Lumpur

Indicator	Malaysia	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	3	4.2	4.4	3 (28 Economies)
Time (days)	24	63.2	74.8	18 (3 Economies)
Cost (% of income per capita)	25.6	594.6	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	8	4.0	7.4	8 (26 Economies)

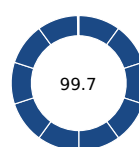
Figure - Getting Electricity in Malaysia - Score



Procedures



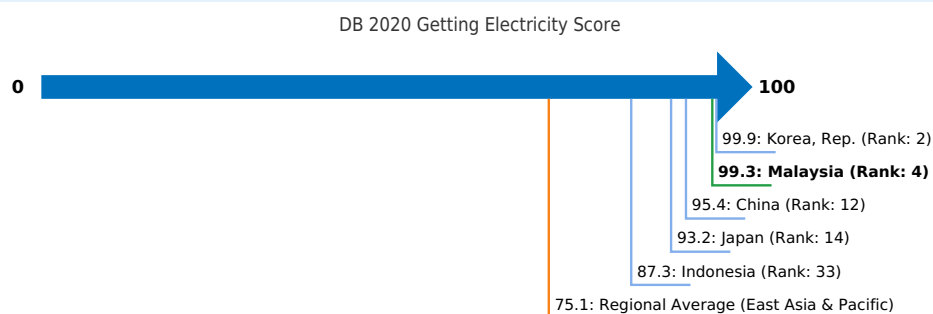
Time



Cost

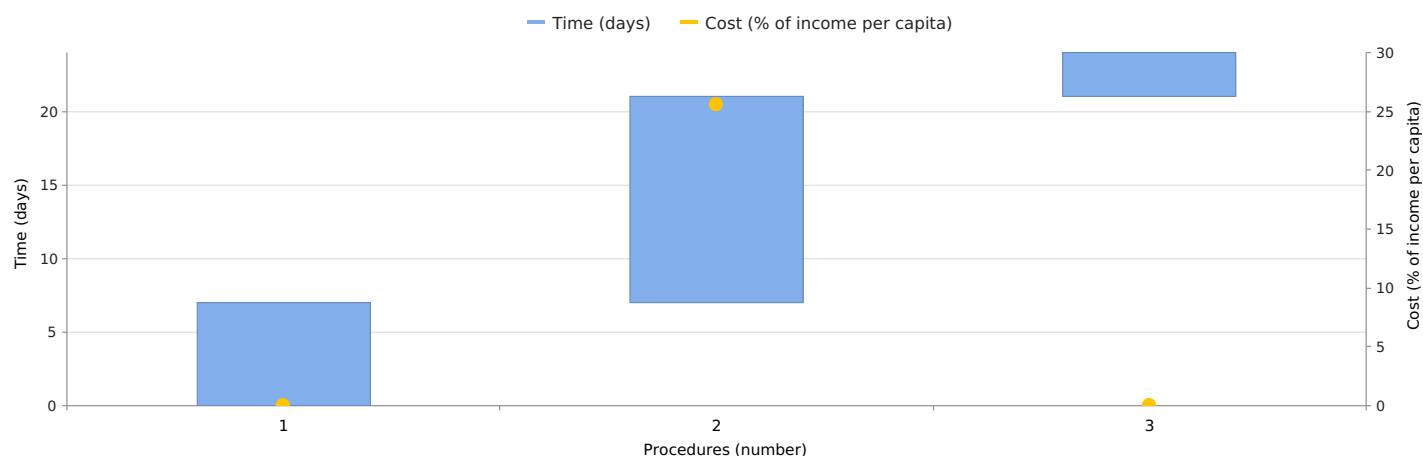
Reliability of supply and transparency of
tariff index

Figure - Getting Electricity in Malaysia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

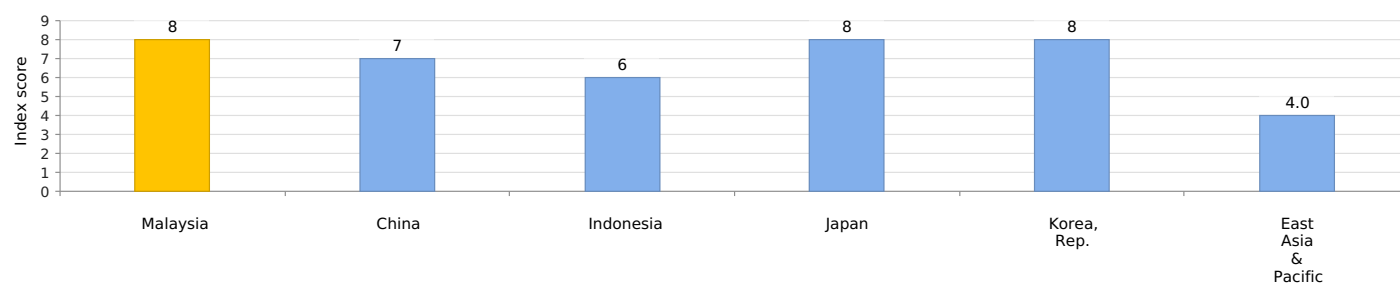
Figure - Getting Electricity in Malaysia - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Getting Electricity in Malaysia and comparator economies - Measure of Quality



Details - Getting Electricity in Malaysia - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	Submit application to TNB through electrical engineer and await estimate <i>Agency : Tenaga Nasional Berhad</i> The customer submits the application with all relevant documents and load data. Supply application form is available at TNB's offices or online. Documents to be attached are: site/location plan, electrical drawings, layout plan, exact connection point, development plan (approved by the local authority) , load profile, load details, preliminary metering scheme and identity card of the owner. Following the submission, an engineer of TNB will process the application, and estimate the connection charges.	7 calendar days	MYR 0
2	Pay estimate as well as security deposit and obtain external connection works <i>Agency : Tenaga Nasional Berhad</i> The customer receives the estimate and makes payment at the utility's office. Once the payment is received, TNB commences the external connection works, after getting internal approvals and permits from local authorities. Along with the estimate, the security deposit is also paid. The security deposit is based on 2 months of consumption, reimbursed at the time the account is terminated.	14 calendar days	MYR 11,190.24

3	Receive meter installation and turn-on of electricity from TNB <i>Agency : Tenaga Nasional Berhad</i> The customer submits Form G, Form H, and the Certificate of Compliance of Internal Wiring provided by his/her electrician. The certificate is required to show that the internal wiring is completed and respects all norms. Following the submission of the above-mentioned forms, TNB will install the meter and energize the warehouse.	3 calendar days	MYR 0
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→ Takes place simultaneously with previous procedure.

Details - Getting Electricity in Malaysia - Measure of Quality

	Answer
Reliability of supply and transparency of tariff index (0-8)	8
Total duration and frequency of outages per customer a year (0-3)	3
System average interruption duration index (SAIDI)	0.5
System average interruption frequency index (SAIFI)	0.5
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	1.0
Mechanisms for monitoring outages (0-1)	1
Does the distribution utility use automated tools to monitor outages?	Yes
Mechanisms for restoring service (0-1)	1
Does the distribution utility use automated tools to restore service?	Yes
Regulatory monitoring (0-1)	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
Financial deterrents aimed at limiting outages (0-1)	1
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes
Communication of tariffs and tariff changes (0-1)	1
Are effective tariffs available online?	Yes
Link to the website, if available online	http://www.tnb.com.my/commercial-industrial/pricing-tariffs1/
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

Note:

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure

Procedures to legally transfer title on immovable property (number)

- Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration procedures in the economy's largest business city.
- Postregistration procedures (for example, filling title with municipality)

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

Cost required to complete each procedure (% of property value)

- Official costs only (such as administrative fees, duties and taxes).
- Value Added Tax, Capital Gains Tax and illicit payments are excluded

Quality of land administration index (0-30)

- Reliability of infrastructure index (0-8)
- Transparency of information index (0-6)
- Geographic coverage index (0-8)
- Land dispute resolution index (0-8)
- Equal access to property rights index (-2-0)

Case study assumptions

To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

The parties (buyer and seller):

- Are limited liability companies (or the legal equivalent).
- Are located in the periurban (that is, on the outskirts of the city but still within its official limits) area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Are 100% domestically and privately owned.
- Perform general commercial activities.

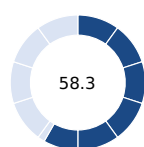
The property (fully owned by the seller):

- Has a value of 50 times income per capita, which equals the sale price.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone (that is, on the outskirts of the city but still within its official limits), and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.
- Will not be subject to renovations or additional construction following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants, and no other party holds a legal interest in it.

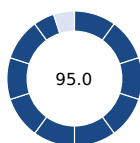
Registering Property - Malaysia

Indicator	Malaysia	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	6	5.5	4.7	1 (5 Economies)
Time (days)	11.5	71.9	23.6	1 (2 Economies)
Cost (% of property value)	3.5	4.5	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	26.5	16.2	23.2	None in 2018/19

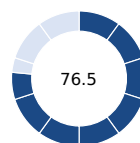
Figure - Registering Property in Malaysia - Score



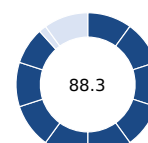
Procedures



Time

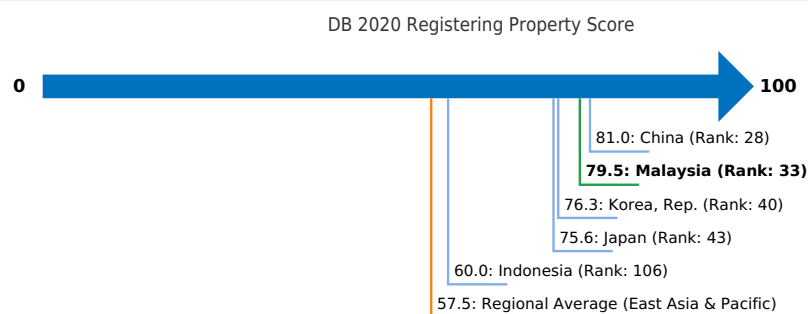


Cost



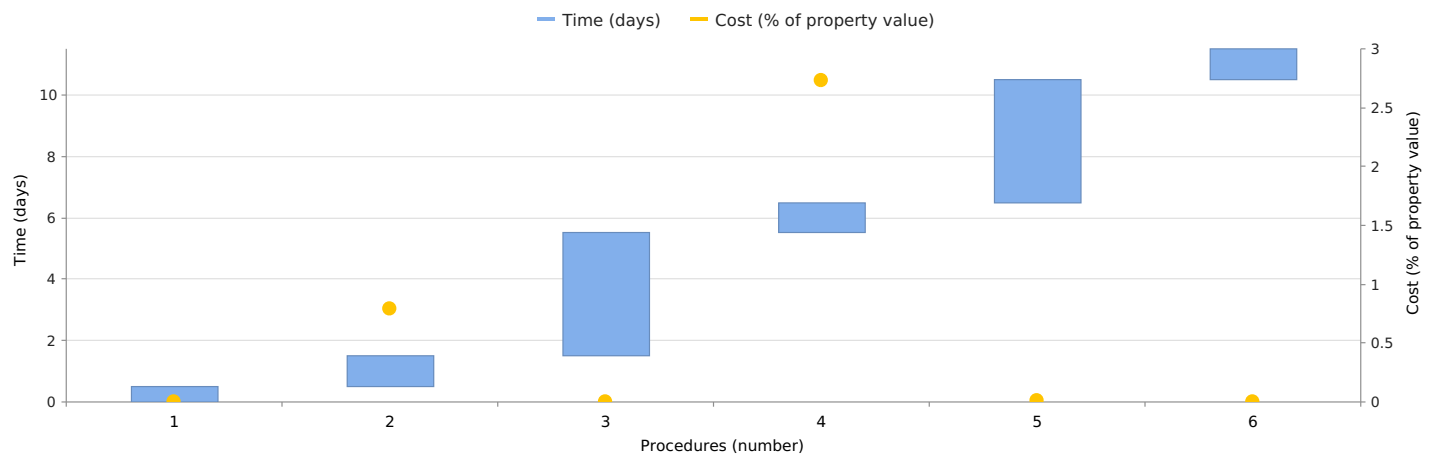
Quality of the land administration index

Figure - Registering Property in Malaysia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

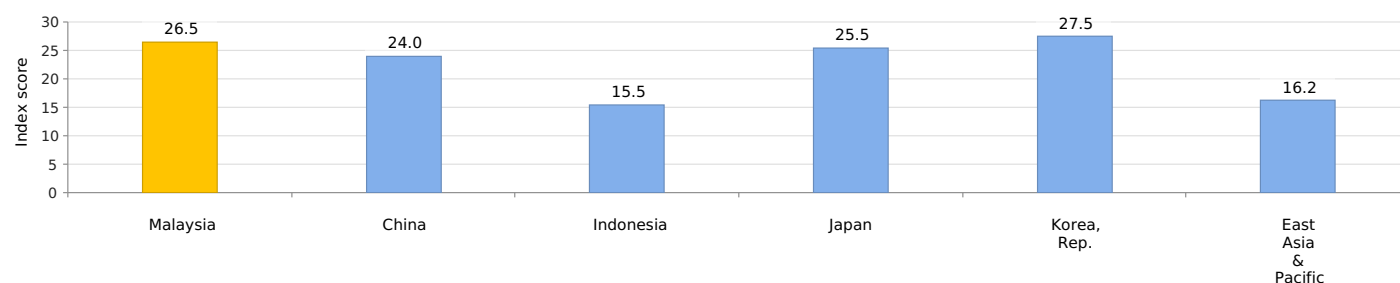
Figure - Registering Property in Malaysia - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Registering Property in Malaysia and comparator economies - Measure of Quality



Details - Registering Property in Malaysia - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Lawyer conducts the land title, the company and the bankruptcy searches online</p> <p><i>Agency : e-Tanah online single window</i></p> <p>The parties will mutually agree on whose solicitors will prepare the sale-purchase agreement. As of December 2017, the lawyer can conduct the following searches via the online platform e-Tanah:</p> <ol style="list-style-type: none"> 1. Land Title Information to ascertain who is the registered proprietor of the property, the category of land use of the property, the conditions to which the property is subject, whether the property is subject to any restrictions, and whether the property is subject to any encumbrances (charges, caveats). 2. Company search to check all the information registered on the company and charges registered. 3. A winding-up/bankruptcy search on the seller with a private company, MYEG in place of Insolvency Department. The bankruptcy and winding up search is not required by the Land office or by law in a property Land Title Information transfer process but it is done as a prudent measure to protect purchaser. 	Less than one day, online	MYR 55; (Land title search : 30 RM + company search: 10 RM + Service Charge: 5 RM + GST: 0.90 RM (GST is not included in cost) + winding-up search: 10 RM (all online through e-Tanah))
2	<p>Buyer and seller sign sales-purchase agreement in presence of lawyer and lawyer fills out Form 14A Memorandum of Transfer</p> <p><i>Agency : Lawyer's office</i></p> <p>The Memorandum of Transfer (Form 14A) has to be attested by a licensed professional - can be a lawyer or an official from the land office. This is stated in the National Land Code. Documentation shall include:</p> <ul style="list-style-type: none"> • Memorandum of Transfer (Form 14A) • Copy of the sale-purchase agreement • Copy of title deed • Form PDS15 (Stamping Proforma) 	1 day	MYR 17,320.32; (Effective from 15.3.2017, Lawyers' professional fee (not including GST and disbursements) for preparing sale and purchase agreement and completing the transfer of property as follows:- For the 1st RM500,000.00 of purchase price: 1% (subject minimum of RM500.00), the next RM500,000.00: 0.8%, the next RM2,000,000.00: 0.7%, the subsequent next RM2,000,000.00: 0.6%, the subsequent next RM2,500,000.00: 0.5%, where consideration is excess RM7,500,000.00: negotiable on the excess (but shall not exceed 0.5% of such excess).)

3	<p>Send Memorandum of Transfer (14A) to the Stamp Office for adjudication of Stamp Duty and valuation by JPPH</p> <p><i>Agency :</i> Stamp Office assessment and payment system (http://pinharta.hasil.gov.my)</p> <p>The valuation department will conduct an inspection to value the property, if required. The inspection is not mandatory to conclude the valuation and it is at the discretion of the valuation department, but in practice, it takes place in the majority of the cases. The Stamp Office will issue a notice of assessment based on the valuation department's report.</p> <p>Submission can be made either manually or online through the website http://pinharta.hasil.gov.my. E-stamping (online) is now available only to legal firms, banks, company secretaries, accounting firms and companies.</p> <p>If completed online the submission must include:</p> <ol style="list-style-type: none"> 1. The sale-purchase agreement 2. Copy of the Issue Document of Title (IDT) 3. Form 14A 4. Form PDS 15 5. Other supporting documents <p>Once accepted, an adjudication number will be assigned by the system. When the Stamp Office receives the submission, the documents are transferred to JPPH for valuation. When required, a valuation inspection will be made on the property by JPPH. In most of the cases, commercial properties will be assessed. The JPPH will prepare a valuation report which is sent to the Stamp Office. The applicant will be able to follow the status of the adjudication online.</p>	4 days	no charge
4	<p>Payment of stamp duty and stamping of Form 14A</p> <p><i>Agency :</i> Inland Revenue Board of Malaysia (IRBM)</p> <p>Stamp duty must then be paid to the Stamp Office, based on the Notice of Assessment, within fourteen (14) days from the date of such notice or the period indicated by the Collector of Stamp Duty. Usually the Collector will give thirty (30) days from the date of such notice to pay the stamp duty.</p> <p>Online: 1 - 8 days (for standard property, ie. apartment, condominium, terrace house, factory and warehouse within a scheme); 2 - 4 weeks (for nonstandard property, ie. bungalow, shop, factory, land, etc). Payment may also be made electronically via Financial Processing Exchange (FPX), or at the Stamp Office.</p> <p>The documentation shall include:</p> <ul style="list-style-type: none"> - Form 14A (Memorandum of Transfer) - Notice of Assessment Form PDS 3 	1 day	MYR 59,658.51; (1% on first RM 100,000, 2% on excess of RM 100,000 up to RM 500,000 and 3% on excess over RM 500,000 (Stamp duty))
5	<p>The transfer is registered at the Land Office/Registry</p> <p><i>Agency :</i> Land Office/Registry</p> <p>The purchaser's lawyer presents the duly stamped Memorandum of Transfer (Form 14A) for registration at the Land Office/Registry. This must be done within three months from the date of the Memorandum of Transfer (Form 14A) which is usually dated when it is submitted for adjudication. A title search is conducted just prior to presentation to ensure that there are no encumbrances or restraint against dealings which may hinder the registration of the Memorandum of Transfer (Form 14A). The documentation shall include:</p> <ul style="list-style-type: none"> • Copies of Quit rent and Assessment receipts • Certified true copies of the Memorandum and Articles of Association, Form 24 (Return on Allotment of Shares), Form 49 (Return Giving Particulars in Register of Directors, Managers and Secretaries and Changes of Particulars) of the Purchaser and Vendor • Certified true copies of the Vendor's and Purchaser's board resolutions giving authority to sell and purchase the property respectively • Search report on the Purchaser as extracted from the Companies Commission of Malaysia • Duly stamped Memorandum of Transfer (Form 14A) • Copy of Notice of Assessment bearing Stamp Office's endorsement that ad valorem stamp duty has been paid (obtained in Procedure 3) • Original of the title document. <p>After submission, the applicants get the "presentation receipt" the same day. It gives the time of submission and that is the time of legal "registration". The computerized system at the Land Registry also immediately tags the land as 'pending transfer' and hence anyone conducting a land search on the property will be aware of encumbrances (if any). However, the "presentation receipt" is enough for Banks to release the loan.</p>	4 days	MYR 130; (Registration fee: RM 100 + Search fee: RM 30)

- 6 **Update the name of the buyer at the Municipality** 1 day no charge

Agency : Kuala Lumpur City Hall

In law, both the seller and buyer will have to update the name of the property owner at the Kuala Lumpur City Hall.

(a) Pursuant to Section 160(1) of the Local Government Act, 1976, ("LGA") it is the duty of a vendor and purchaser within three (3) months after the sale or transfer of a ratable holding to give notice of such sale or transfer thereof to the local authority in Form I of the First Schedule to the LGA; and

(b) Pursuant to Section 160(6) of the LGA, every person failing to give any notice shall on conviction be liable to a fine not exceeding RM2,000.00 or to a term of imprisonment not exceeding six (6) months or to both such fine and imprisonment.

→ Takes place simultaneously with previous procedure.

Details - Registering Property in Malaysia - Measure of Quality

	Answer	Score
Quality of the land administration index (0-30)		26.5
Reliability of infrastructure index (0-8)		7.0
Type of land registration system in the economy:	Title Registration System	
What is the institution in charge of immovable property registration?	Land Office under Jabatan Ketua Pengarah Tanah dan Galian (Department of Director General of Land and Mines)	
In what format are past and newly issued land records kept at the immovable property registry of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	Yes	1.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Department of Survey and Mapping Malaysia (JUPEM) under Jabatan Ketua Pengarah Tanah dan Galian (Department of Director General of Lands and Mines)	
In what format are past and newly issued cadastral plans kept at the mapping agency of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Separate databases	0.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
Transparency of information index (0-6)		4.5
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Only intermediaries and interested parties	0.0

Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	http://www.ptgwp.gov.my/english.php/pages/view/219	
Is the applicable fee schedule for any type of property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	http://www.ptgwp.gov.my/english.php/pages/view/219	
Does the agency in charge of immovable property registration agency formally commit to deliver a legally binding document that proves property ownership within a specific timeframe –and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	http://www.ptgwp.gov.my/portal/web/guest/piagam-pelanggan?target=piagampelanggan	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	Yes	1.0
Contact information:	http://www.jkptg.gov.my/en/content/complaint	
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	No	0.0
Number of property transfers in the largest business city in 2018:		
Who is able to consult maps of land plots in the largest business city?	Anyone who pays the official fee	0.5
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	http://www.jupem.gov.my/wp/my/produk-perkhidmatan/jenis-perkhidmatan-kadar/	
Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	https://www.jupem.gov.my/halaman/piagam-pelanggan	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	Yes	0.5
Contact information:	http://www.jupem.gov.my/wp/my/hubungi-kami/maklumbalas-aduan/	
Geographic coverage index (0-8)		8.0
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	Yes	2.0

Are all privately held land plots in the economy formally registered at the immovable property registry?	Yes	2.0
Are all privately held land plots in the largest business city mapped?	Yes	2.0
Are all privately held land plots in the economy mapped?	Yes	2.0
Land dispute resolution index (0-8)		7.0
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Legal basis:	National Land Code Act 56 of 1965 Sec 292 : Instruments capable of being registered, and method of presentation Expand	
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Type of guarantee:	State guarantee	
Legal basis:	The National Land Code (Act 56 of 1965) Section 340: Registration to confer indefeasible title or interest, except in certain circumstances	
Is there a specific, out-of-court compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	No	0.0
Legal basis:		
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Lawyer;	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Lawyer;	
Is there a national database to verify the accuracy of government issued identity documents?	Yes	1.0
What is the Court of first instance in charge of a case involving a standard land dispute between two local businesses over tenure rights for a property worth 50 times gross national income (GNI) per capita and located in the largest business city?	High Court of Malaysia	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Less than a year	3.0
Are there publicly available statistics on the number of land disputes at the economy level in the first instance court?	No	0.0
Number of land disputes in the economy in 2018:		
Equal access to property rights index (-2-0)		0.0
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
Do married men and married women have equal ownership rights to property?	Yes	0.0

Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure

Strength of legal rights index (0-12)

- Rights of borrowers and lenders through collateral laws (0-10)
- Protection of secured creditors' rights through bankruptcy laws (0-2)

Depth of credit information index (0-8)

- Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)

Credit bureau coverage (% of adults)

- Number of individuals and firms listed in largest credit bureau as a percentage of adult population

Credit registry coverage (% of adults)

- Number of individuals and firms listed in credit registry as a percentage of adult population

Case study assumptions

Doing Business assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.

In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.

Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:

- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank are 100% domestically owned.

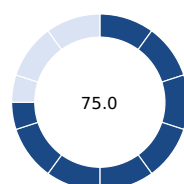
The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).

In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.

Getting Credit - Malaysia

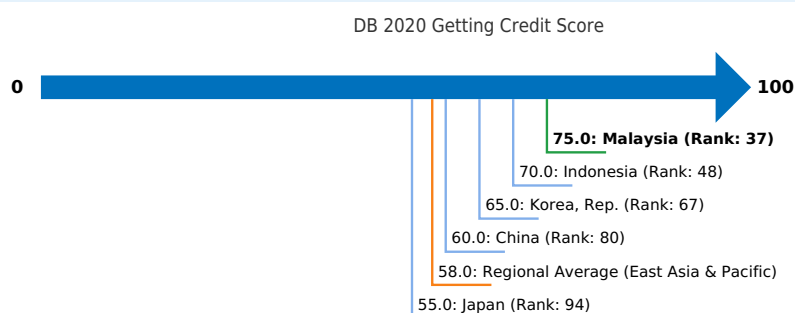
Indicator	Malaysia	East Asia & Pacific	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	7	7.1	6.1	12 (5 Economies)
Depth of credit information index (0-8)	8	4.5	6.8	8 (53 Economies)
Credit registry coverage (% of adults)	64.9	16.6	24.4	100.0 (2 Economies)
Credit bureau coverage (% of adults)	89.1	23.8	66.7	100.0 (14 Economies)

Figure - Getting Credit in Malaysia - Score



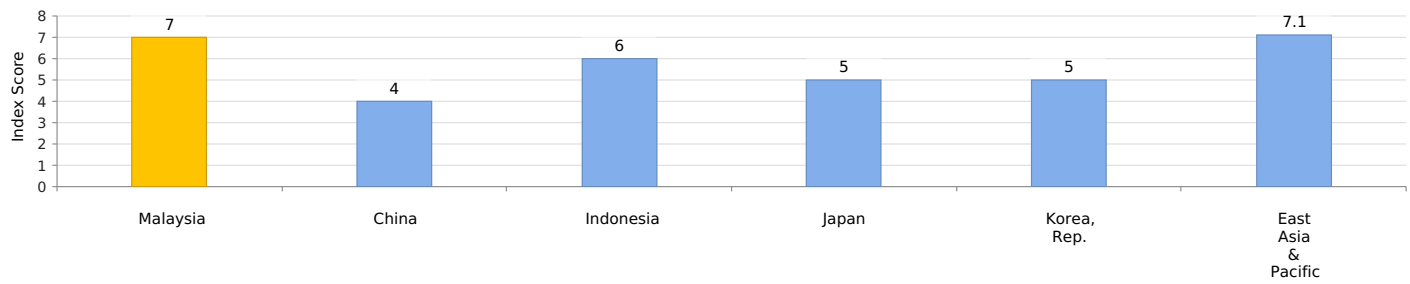
Score - Getting Credit

Figure - Getting Credit in Malaysia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.

Figure - Legal Rights in Malaysia and comparator economies



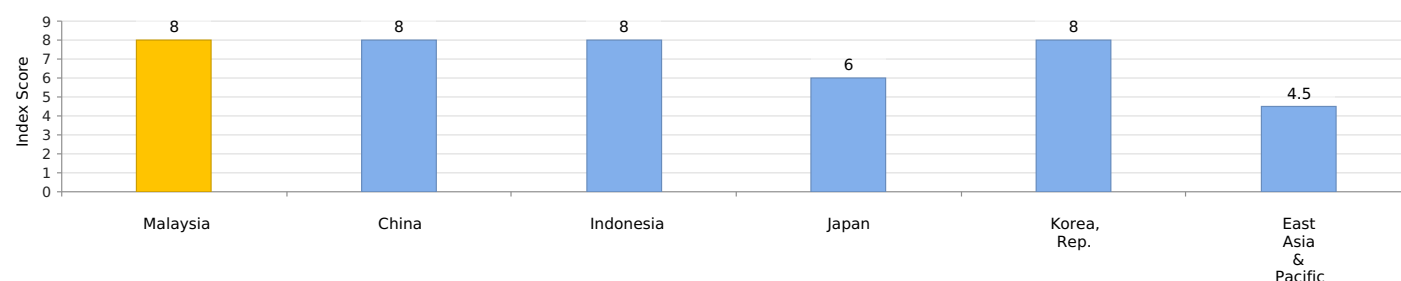
Details - Legal Rights in Malaysia

Strength of legal rights index (0-12)

7

Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy?	No
Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral?	Yes
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?	Yes
May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets?	Yes
Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered?	Yes
Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name?	No
Does a notice-based collateral registry exist in which all functional equivalents can be registered?	No
Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party?	No
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure?	Yes
Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated?	Yes
Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it?	No
Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt?	Yes

Figure - Credit Information in Malaysia and comparator economies



Details - Credit Information in Malaysia

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	Yes	Yes	1
Are both positive and negative credit data distributed?	Yes	Yes	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	Yes	No	1
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	Yes	No	1
Are data on loan amounts below 1% of income per capita distributed?	Yes	Yes	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	Yes	Yes	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	Yes	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	Yes	No	1

Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	17,300,000	13,149,883
Number of firms	2,200,000	1,070,430
Total	19,500,000	14,220,313
Percentage of adult population	89.1	64.9

Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure

- **Extent of disclosure index (0-10):** Disclosure, review, and approval requirements for related-party transactions
- **Extent of director liability index (0-10):** Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, disqualification from managerial position(s) for one year or more, rescission of the transaction)
- **Ease of shareholder suits index (0-10):** Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses
- **Extent of conflict of interest regulation index (0-30):** Sum of the extent of disclosure, extent of director liability and ease of shareholder suits indices
- **Extent of shareholder rights index (0-6):** Shareholders' rights and role in major corporate decisions
- **Extent of ownership and control index (0-7):** Governance safeguards protecting shareholders from undue board control and entrenchment
- **Extent of corporate transparency index (0-7):** Corporate transparency on ownership stakes, compensation, audits and financial prospects
- **Extent of shareholder governance index (0-20):** Sum of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- **Strength of minority investor protection index (0-50):** Sum of the extent of conflict of interest regulation and extent of shareholder governance indices

Case study assumptions

To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.

The business (Buyer):

- Is a publicly traded corporation listed on the economy's most important stock exchange.
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.
- Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members.
- Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory.
- Is a manufacturing company with its own distribution network.

The transaction involves the following details:

- Mr. James owns 60% of Buyer, sits on Buyer's board of directors and elected two directors to Buyer's five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.
- The proposed transaction is part of the company's principal activity and is not outside the authority of the company.
- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made—that is, the transaction was not entered into fraudulently.
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the executives and directors that approved the transaction.

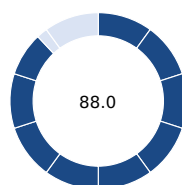
Protecting Minority Investors - Malaysia

Stock exchange information

Stock exchange	Bursa Malaysia
Stock exchange URL	http://www.bursamalaysia.com
Listed firms with equity securities	864
City Covered	Kuala Lumpur

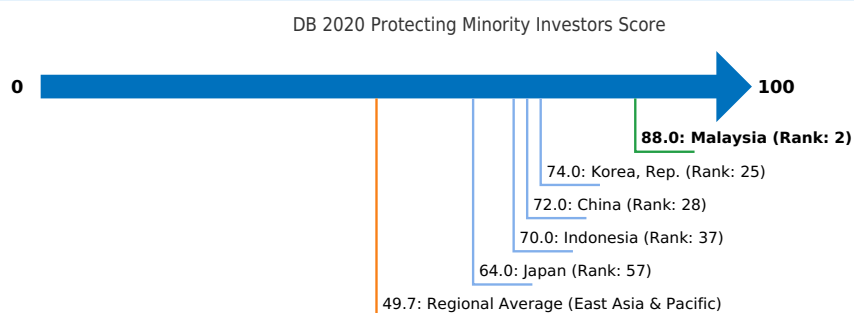
Indicator	Malaysia	East Asia & Pacific	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	10.0	5.9	6.5	10 (13 Economies)
Extent of director liability index (0-10)	9.0	5.2	5.3	10 (3 Economies)
Ease of shareholder suits index (0-10)	8.0	6.7	7.3	10 (Djibouti)
Extent of shareholder rights index (0-6)	5.0	2.0	4.7	6 (19 Economies)
Extent of ownership and control index (0-7)	6.0	2.4	4.5	7 (9 Economies)
Extent of corporate transparency index (0-7)	6.0	2.6	5.7	7 (13 Economies)

Figure - Protecting Minority in Malaysia - Score



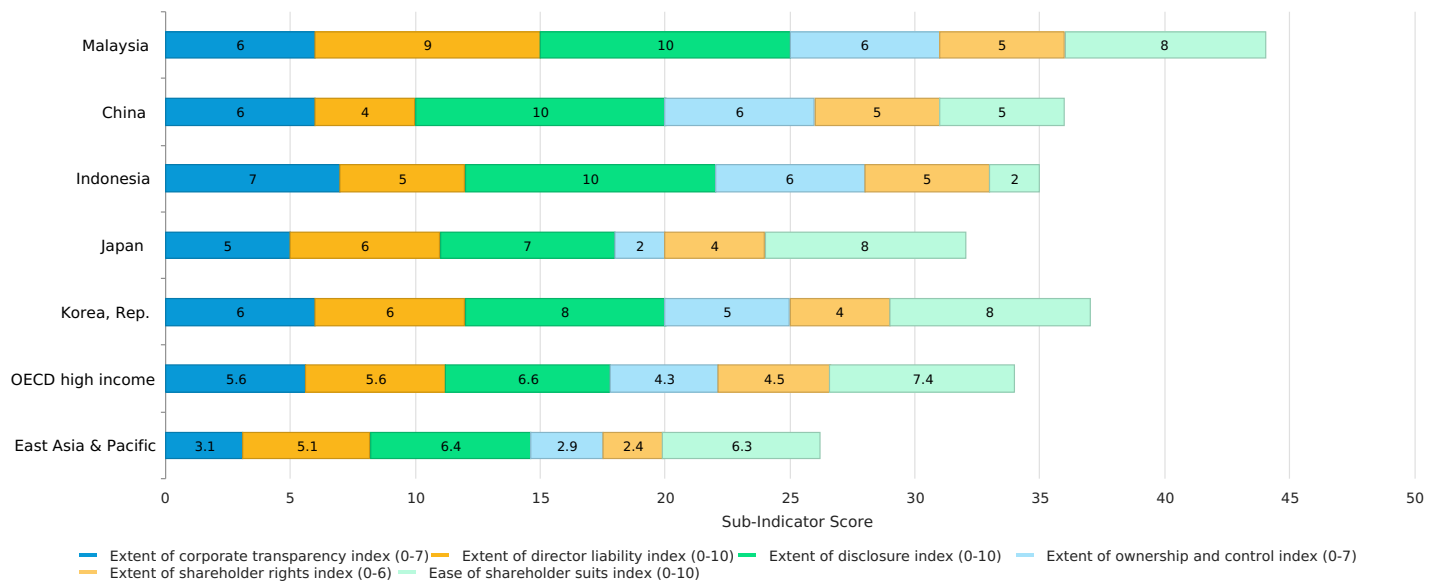
Score - Protecting Minority Investors

Figure - Protecting Minority Investors in Malaysia and comparator economies - Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure - Protecting Minority Investors in Malaysia and comparator economies - Measure of Quality



Details - Protecting Minority Investors in Malaysia - Measure of Quality

	Answer	Score
Extent of conflict of interest regulation index (0-30)		
Extent of disclosure index (0-10)		10.0
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Shareholders excluding interested parties	3.0
Must an external body review the terms of the transaction before it takes place? (0-1)	Yes	1.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Full disclosure of all material facts	2.0
Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Extent of director liability index (0-10)		9.0
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Liable if unfair or prejudicial	2.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer? (0-2)	Liable if unfair or prejudicial	2.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	Yes	1.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	Yes	1.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Voidable if negligently concluded	1.0
Ease of shareholder suits index (0-10)		8.0
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	No	0.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Any relevant document	3.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	Yes	1.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
Extent of shareholder governance index (0-20)		
Extent of shareholder rights index (0-6)		5.0
Does the sale of 51% of Buyer's assets require shareholder approval?	Yes	1.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	No	0.0

Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	No	0.0
Must the board of directors include independent and nonexecutive board members?	Yes	1.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	Yes	1.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	Yes	1.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	Yes	1.0
Extent of corporate transparency index (0-7)		6.0
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	Yes	1.0
Must Buyer disclose the compensation of individual managers?	Yes	1.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	No	0.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0

Paying Taxes

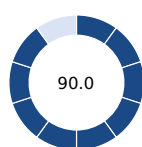
This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2019 covering for the Paying Taxes indicator calendar year 2018 (January 1, 2018 – December 31, 2018). [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p>Tax payments for a manufacturing company in 2018 (number per year adjusted for electronic and joint filing and payment)</p> <ul style="list-style-type: none"> • Total number of taxes and contributions paid or withheld, including consumption taxes (value added tax, sales tax or goods and service tax) • Method and frequency of filing and payment <p>Time required to comply with 3 major taxes (hours per year)</p> <ul style="list-style-type: none"> • Collecting information, computing tax payable • Preparing separate tax accounting books, if required • Completing tax return, filing with agencies • Arranging payment or withholding <p>Total tax and contribution rate (% of commercial profits)</p> <ul style="list-style-type: none"> • Profit or corporate income tax • Social contributions, labor taxes paid by employer • Property and property transfer taxes • Dividend, capital gains, financial transactions taxes • Waste collection, vehicle, road and other taxes <p>Postfiling Index</p> <ul style="list-style-type: none"> • Time to comply with VAT refund (hours) • Time to obtain VAT refund (weeks) • Time to comply with a corporate income tax correction (hours) • Time to complete a corporate income tax correction (weeks) 	<p>Using a case scenario, <i>Doing Business</i> records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.</p> <p>To make data comparable across economies, several assumptions are used:</p> <ul style="list-style-type: none"> - TaxpayerCo is a medium-size business that started operations on January 1, 2017. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2018). Taxes and mandatory contributions are measured at all levels of government. <p>The VAT refund process:</p> <ul style="list-style-type: none"> - In June 2018, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2018. <p>The corporate income tax audit process:</p> <ul style="list-style-type: none"> - An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.

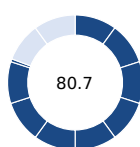
Paying Taxes - Malaysia

Indicator	Malaysia	East Asia & Pacific	OECD high income	Best Regulatory Performance
Payments (number per year)	9	20.6	10.3	3 (2 Economies)
Time (hours per year)	174	173.0	158.8	49 (3 Economies)
Total tax and contribution rate (% of profit)	38.7	33.6	39.9	26.1 (33 Economies)
Postfiling index (0-100)	51.0	56.4	86.7	None in 2018/19

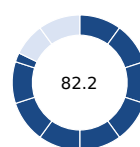
Figure - Paying Taxes in Malaysia - Score



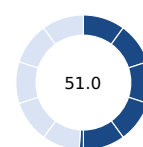
Payments



Time

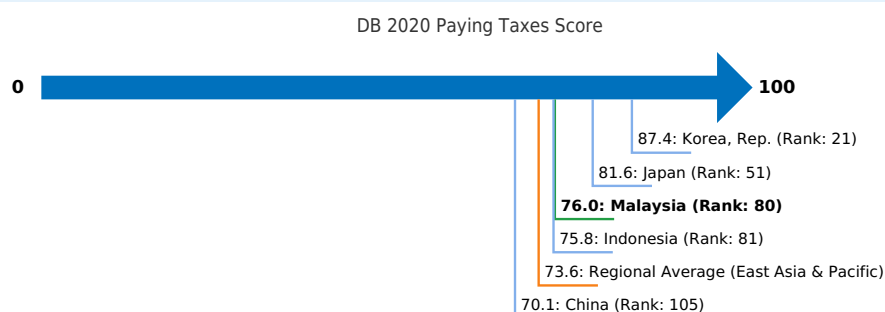


Total tax and contribution rate



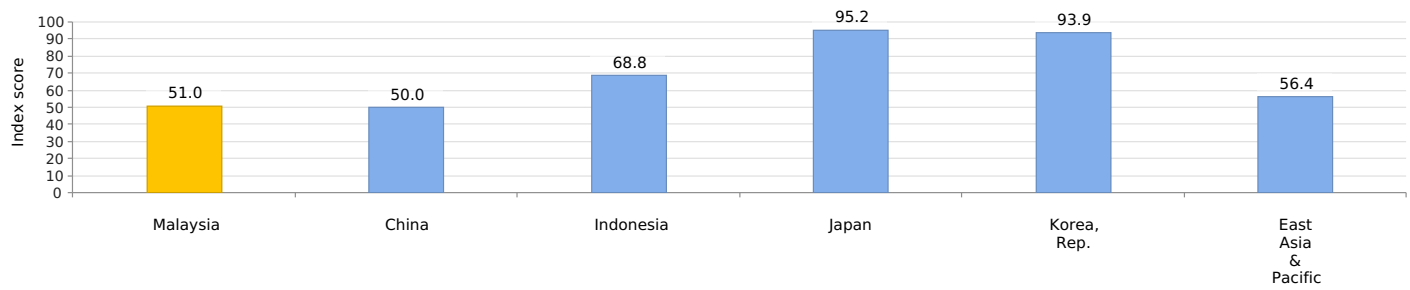
Postfiling index

Figure - Paying Taxes in Malaysia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold.

Figure - Paying Taxes in Malaysia and comparator economies - Measure of Quality



Details - Paying Taxes in Malaysia

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Corporate income tax	1.0	online	26.0	24%	taxable profit	19.58	
Employer paid - Provident fund contributions	1.0	online		variable	gross salaries	14.56	
Employer paid - Social security contributions	1.0	online	53.0	variable	gross salaries	1.88	
Real estate capital gains	1.0	online		5% - 30%	capital gain	1.52	
Property tax	1.0			10%	annual property value	0.49	
Vehicle tax	1.0			RM 8,545	fixed fee	0.47	
Employment Insurance System (EIS)	1.0	online		0.2%	gross salaries	0.21	
GST (up to August 2018), SST (as of September 2018)	1.0	online	95.0	6% (GST up to May 2018), 0% GST (from June 2018 - August 2018), 10% (SST) as of September 2018	sales	0.00	not included
Stamp duty	1.0			depending of the value of transaction	transaction value	0.00	
Employee-paid - Social security contributions	0.0	jointly		variable	gross salaries	0.00	withheld
Totals	9		174			38.7	

Details - Paying Taxes in Malaysia - Tax by Type

Taxes by type		Answer
Profit tax (% of profit)		19.6
Labor tax and contributions (% of profit)		16.7
Other taxes (% of profit)		2.5

Details - Paying Taxes in Malaysia - Measure of Quality

	Answer	Score
Postfiling index (0-100)		51.0
VAT refunds		
Does VAT exist?	No	
Does a VAT refund process exist per the case study?	N/A	
Restrictions on VAT refund process	Not applicable	
Percentage of cases exposed to a VAT audit (%)	Not applicable	
Is there a mandatory carry forward period?	Not Applicable	
Time to comply with VAT refund (hours)	No VAT	No VAT
Time to obtain VAT refund (weeks)	No VAT	No VAT
Corporate income tax audits		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	25% - 49%	
Time to comply with a corporate income tax correction (hours)	11.3	82.1
Time to complete a corporate income tax correction (weeks)	25.6	19.9

Notes: Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.

N/A = Not applicable.

Trading across Borders

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p>Documentary compliance</p> <ul style="list-style-type: none"> Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy Obtaining, preparing and submitting documents required by destination economy and any transit economies Covers all documents required by law and in practice, including electronic submissions of information <p>Border compliance</p> <ul style="list-style-type: none"> Customs clearance and inspections Inspections by other agencies (if applied to more than 20% of shipments) Handling and inspections that take place at the economy's port or border <p>Domestic transport</p> <ul style="list-style-type: none"> Loading or unloading of the shipment at the warehouse or port/border Transport between warehouse and port/border Traffic delays and road police checks while shipment is en route 	<p>To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:</p> <p>Time: Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as $22 \times 24 = 528$ hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.</p> <p>Cost: Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.</p> <p>Assumptions of the case study:</p> <ul style="list-style-type: none"> For all 190 economies covered by <i>Doing Business</i>, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy. It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000. The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport or land border crossing. All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process. A port or border is a place (seaport or land border crossing) where merchandise can enter or leave an economy. Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Trading across Borders - Malaysia

Indicator	Malaysia	East Asia & Pacific	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	28	57.5	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	213	381.1	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	10	55.6	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	35	109.4	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	36	68.4	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	213	422.8	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	7	53.7	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	60	108.4	23.5	0 (30 Economies)

Figure - Trading across Borders in Malaysia - Score

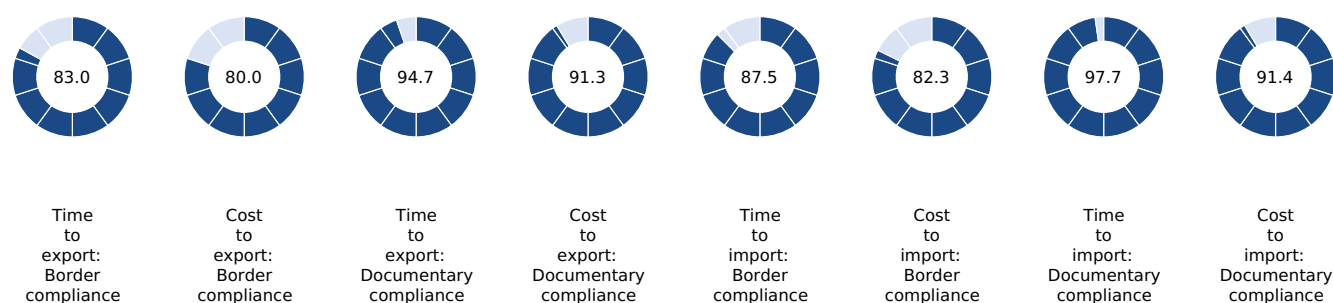
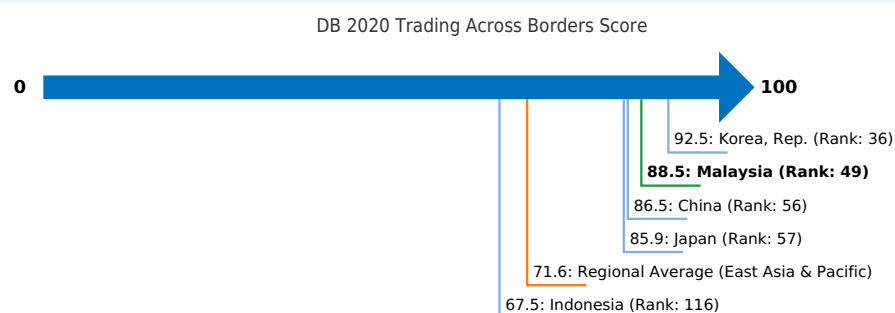
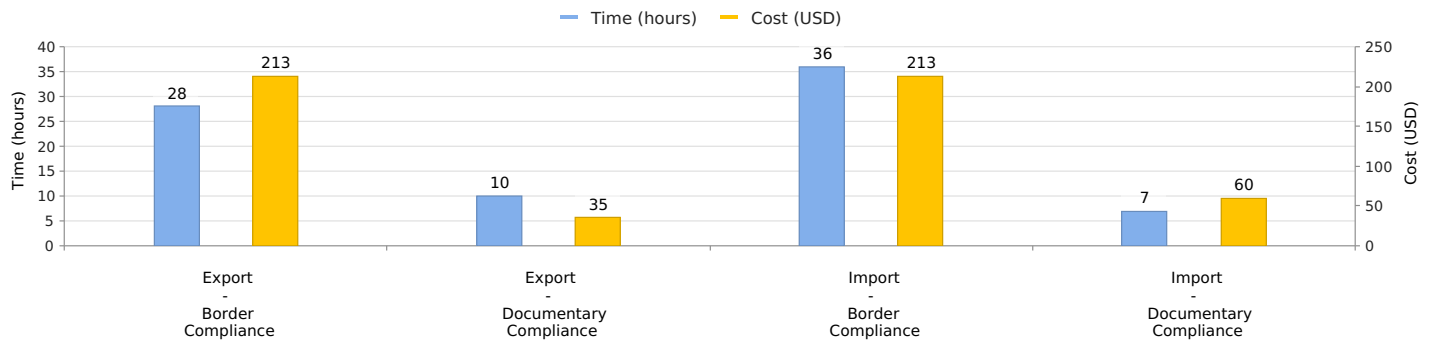


Figure - Trading across Borders in Malaysia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure - Trading across Borders in Malaysia - Time and Cost



Details - Trading across Borders in Malaysia

Characteristics	Export	Import
Product	HS 85 : Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	HS 8708: Parts and accessories of motor vehicles
Trade partner	China	Thailand
Border	Klang port	Klang port
Distance (km)	53	53
Domestic transport time (hours)	4	5
Domestic transport cost (USD)	190	195

Details - Trading across Borders in Malaysia - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	5.0	47.5
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	24.0	165.0
Import: Clearance and inspections required by customs authorities	6.0	47.5
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	36.0	165.0

Details - Trading across Borders in Malaysia - Trade Documents

Export	Import
Customs Export Declaration K2	Customs Import Declaration K1
Commercial Invoice	Commercial Invoice
Bill of Lading	Packing List
Packing List	Bill of Lading
Preferential Certificate of Origin - Form E (ASEAN - China)	Preferential Certificate of Origin - Form D ATIGA
SOLAS certificate	E-Gate Pass
	Delivery Order
	SOLAS certificate

Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p>Time required to enforce a contract through the courts (calendar days)</p> <ul style="list-style-type: none"> • Time to file and serve the case • Time for trial and to obtain the judgment • Time to enforce the judgment <p>Cost required to enforce a contract through the courts (% of claim value)</p> <ul style="list-style-type: none"> • Average attorney fees • Court costs • Enforcement costs <p>Quality of judicial processes index (0-18)</p> <ul style="list-style-type: none"> • Court structure and proceedings (-1-5) • Case management (0-6) • Court automation (0-4) • Alternative dispute resolution (0-3) 	<p>The dispute in the case study involves the breach of a sales contract between two domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.</p> <p>To make the data on the time and comparable across economies, several assumptions about the case are used:</p> <ul style="list-style-type: none"> - The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city. - The Buyer orders custom-made furniture, then fails to pay alleging that the goods are not of adequate quality. - The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater. - The Seller sues the Buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000 whichever is greater. - The Seller requests the pretrial attachment of the defendant's movable assets to secure the claim. - The claim is disputed on the merits because of Buyer's allegation that the quality of the goods was not adequate. - The judge decides in favor of the seller; there is no appeal. - The Seller enforces the judgment through a public sale of the Buyer's movable assets.

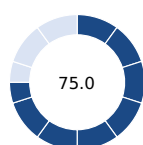
Enforcing Contracts - Malaysia

Standardized Case

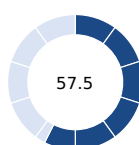
Claim value	MYR 83,282
Court name	Kuala Lumpur Magistrates Court - First Class
City Covered	Kuala Lumpur

Indicator	Malaysia	East Asia & Pacific	OECD high income	Best Regulatory Performance
Time (days)	425	581.1	589.6	120 (Singapore)
Cost (% of claim value)	37.9	47.2	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	13.0	8.1	11.7	None in 2018/19

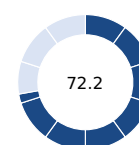
Figure - Enforcing Contracts in Malaysia - Score



Time

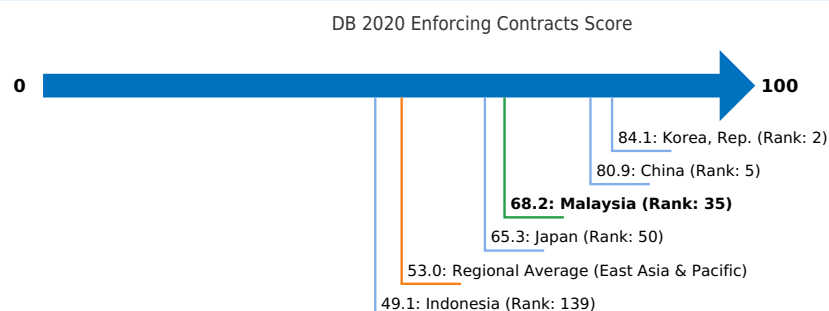


Cost



Quality of judicial processes index

Figure - Enforcing Contracts in Malaysia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

Figure - Enforcing Contracts in Malaysia - Time and Cost

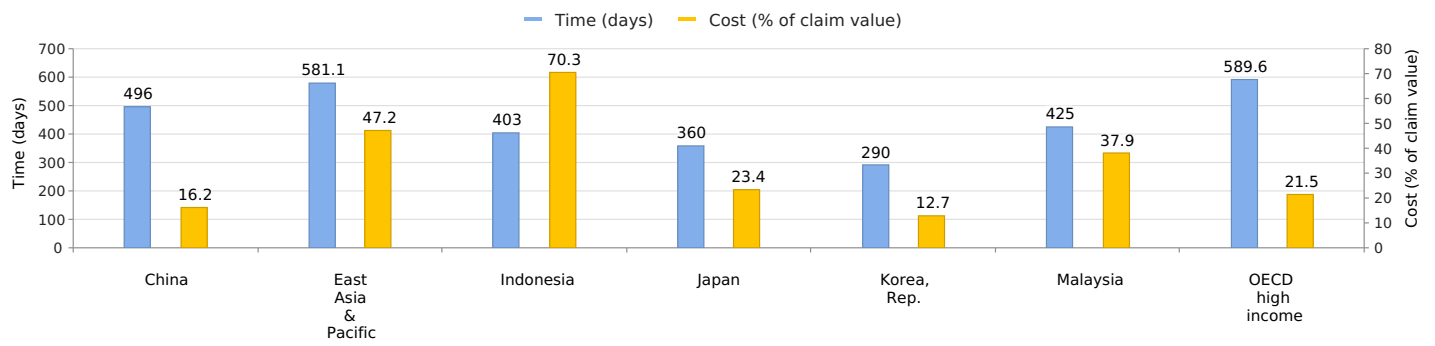
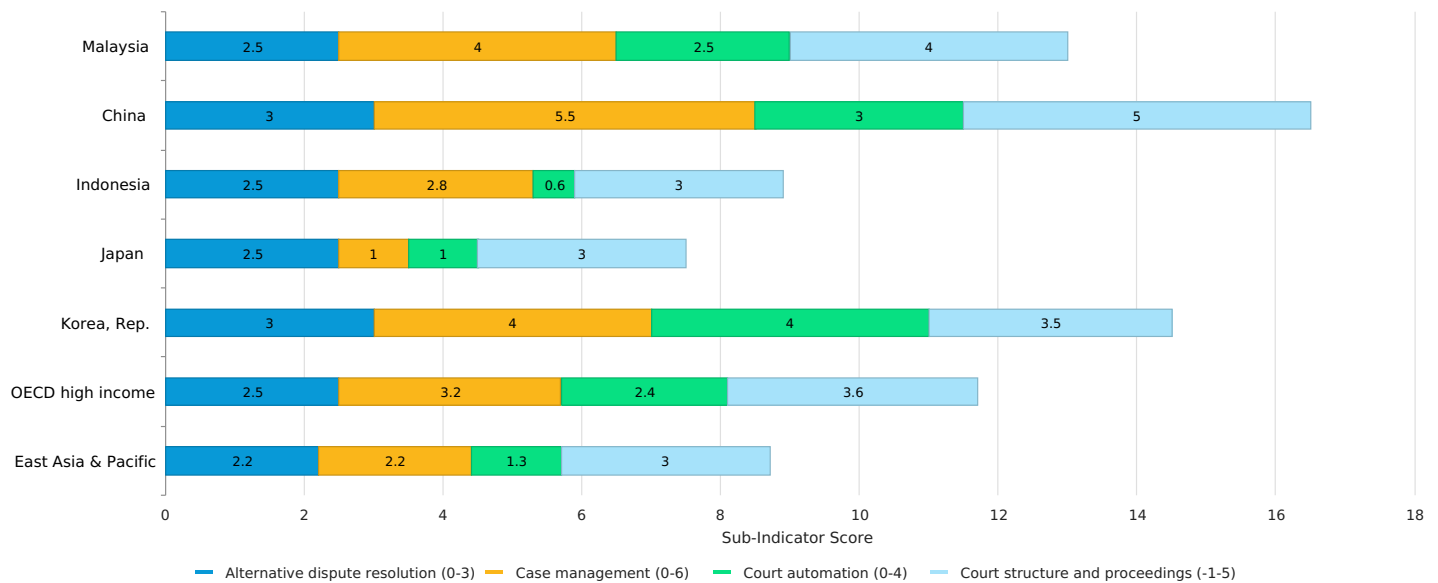


Figure - Enforcing Contracts in Malaysia and comparator economies - Measure of Quality



Details - Enforcing Contracts in Malaysia

	Indicator
Time (days)	425
Filing and service	35
Trial and judgment	270
Enforcement of judgment	120
Cost (% of claim value)	37.9
Attorney fees	30
Court fees	1.7
Enforcement fees	6.2
Quality of judicial processes index (0-18)	13.0
Court structure and proceedings (-1-5)	4.0
Case management (0-6)	4.0
Court automation (0-4)	2.5
Alternative dispute resolution (0-3)	2.5

Details - Enforcing Contracts in Malaysia - Measure of Quality

	Answer	Score
Quality of judicial processes index (0-18)		13.0
Court structure and proceedings (-1-5)		4.0
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	Yes	1.5
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	No	0.0
4. Are new cases assigned randomly to judges?	Yes, automatic	1.0
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
Case management (0-6)		4.0
1. Time standards		1.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	No	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	No	0.0
4. Is a pretrial conference among the case management techniques used before the competent court?	Yes	1.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	Yes	1.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	Yes	1.0
Court automation (0-4)		2.5
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	Yes	1.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	Yes	1.0
4. Publication of judgments		0.5
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	

Alternative dispute resolution (0-3)

2.5

1. Arbitration

1.5

1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?

Yes

1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?

No

1.c. Are valid arbitration clauses or agreements usually enforced by the courts?

Yes

2. Mediation/Conciliation

1.0

2.a. Is voluntary mediation or conciliation available?

Yes

2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects (for example, definition, aim and scope of application, design)?

Yes

2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?

No

Resolving Insolvency

Doing Business studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, *Doing Business* uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit. The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure

Time required to recover debt (years)

- Measured in calendar years
- Appeals and requests for extension are included

Cost required to recover debt (% of debtor's estate)

- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers' fees
- Assessors' and auctioneers' fees
- Other related fees

Outcome

- Whether business continues operating as a going concern or business assets are sold piecemeal

Recovery rate for creditors

- Measures the cents on the dollar recovered by secured creditors
- Outcome for the business (survival or not) determines the maximum value that can be recovered
- Official costs of the insolvency proceedings are deducted
- Depreciation of furniture is taken into account
- Present value of debt recovered

Strength of insolvency framework index (0- 16)

- Sum of the scores of four component indices:
- Commencement of proceedings index (0-3)
- Management of debtor's assets index (0-6)
- Reorganization proceedings index (0-3)
- Creditor participation index (0-4)

Case study assumptions

To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:

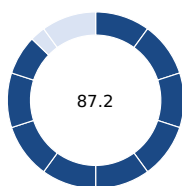
- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.

In addition, *Doing Business* evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.

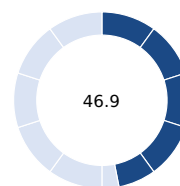
Resolving Insolvency - Malaysia

Indicator	Malaysia	East Asia & Pacific	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	81.0	35.5	70.2	92.9 (Norway)
Time (years)	1.0	2.6	1.7	0.4 (Ireland)
Cost (% of estate)	10.0	20.6	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	1
Strength of insolvency framework index (0-16)	7.5	7.0	11.9	None in 2018/19

Figure - Resolving Insolvency in Malaysia - Score

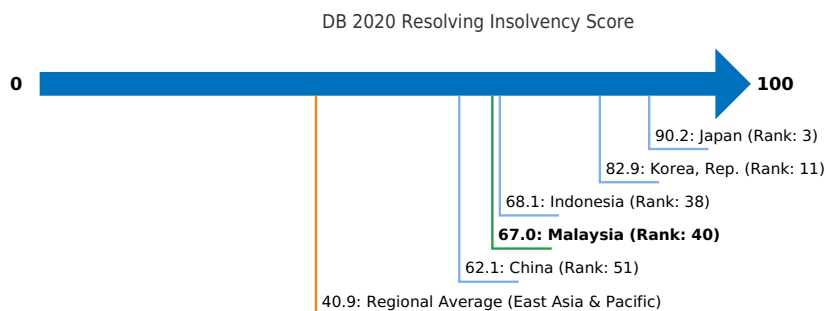


Recovery rate



Strength of insolvency framework index

Figure - Resolving Insolvency in Malaysia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Malaysia - Time and Cost

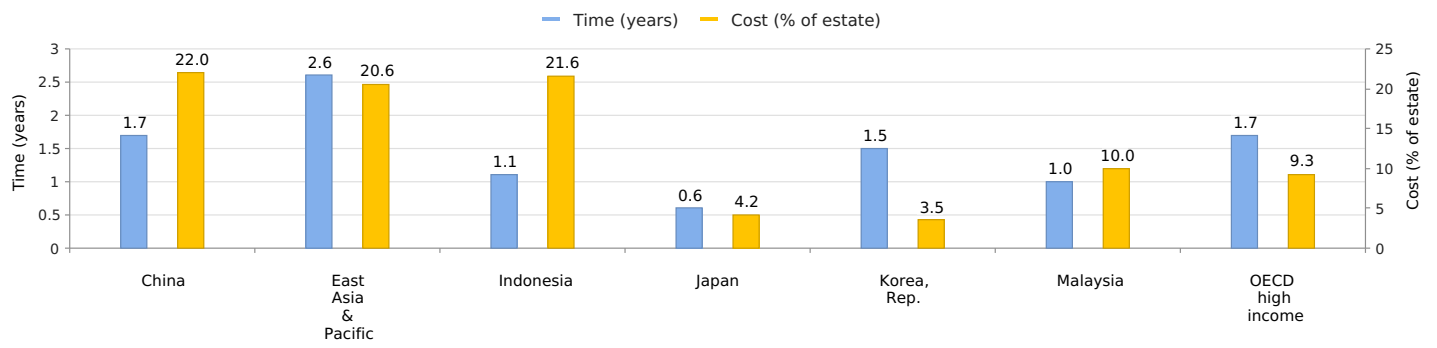
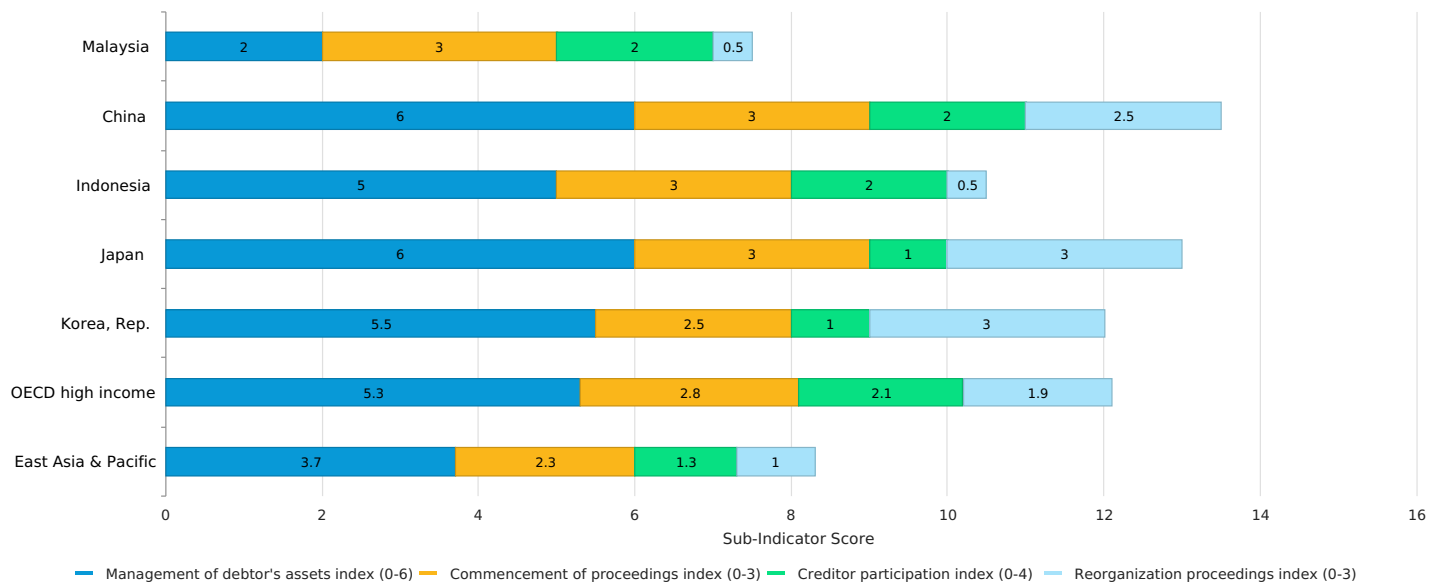
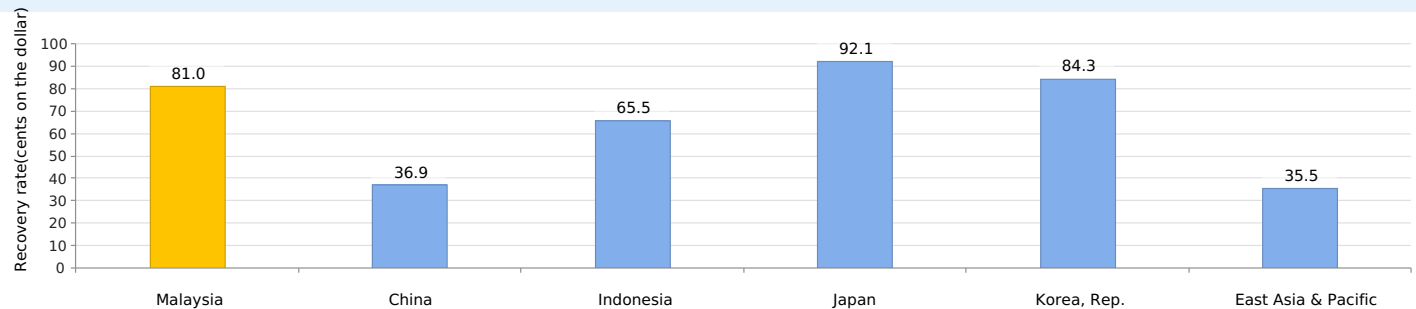


Figure - Resolving Insolvency in Malaysia and comparator economies - Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Figure - Resolving Insolvency in Malaysia and comparator economies - Recovery Rate



Details - Resolving Insolvency in Malaysia

Indicator	Answer	Score
Proceeding	receivership	BizBank can initiate receivership proceeding by applying to the Court to appoint an identified receiver to enforce its security interest as the debenture holder. Bizbank in the meantime does not have to fund the operation while the Receivers and Managers could go out to look for interested buyers with the objective of disposing the hotel as a going concern hence 100% recovery to Bizbank. It will result in a higher recovery for BizBank through sale of the business as a going concern
Outcome	going concern	Selling the hotel as a going concern will fetch better value than selling its assets piecemeal. Therefore the appointed Receiver and Manager has no reason not to sell the hotel as a going concern.
Time (in years)	1.0	The in-court receivership procedure until BizBank is repaid some or all of the money owed will take approximate 1 year.
Cost (% of estate)	10.0	The costs associated with the case would amount to approximately 10% of the value of the debtor's estate. Main components of the cost include Receiver and Manager fees and small portion for attorneys' fees.
Recovery rate (cents on the dollar)		81.0

Details - Resolving Insolvency in Malaysia - Measure of Quality

	Answer	Score
Strength of insolvency framework index (0-16)		7.5
Commencement of proceedings index (0-3)		3.0
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(a) Yes, a creditor may file for both liquidation and reorganization	1.0
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework? (a) Debtor is generally unable to pay its debts as they mature (b) The value of debtor's liabilities exceeds the value of its assets	(a) Debtor is generally unable to pay its debts as they mature	1.0
Management of debtor's assets index (0-6)		2.0
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	No	0.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	No	0.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	No	0.0
Does the insolvency framework assign priority to post-commencement credit?	(c) No priority is assigned to post-commencement creditors	0.0
Reorganization proceedings index (0-3)		0.5
Which creditors vote on the proposed reorganization plan?	(a) All creditors	0.5
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	No	0.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	No	0.0
Creditor participation index (0-4)		2.0
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	Yes	1.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Employing Workers

Doing Business presents detailed data for the employing workers indicators on the *Doing Business* website (<http://www.doingbusiness.org>). The study does not present rankings of economies on these indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business.

The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure

Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the maximum probationary period; (iv) minimum wage; (v) ratio of minimum wage to the average value added per worker.

Working hours

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) length of paid annual leave.

Redundancy rules

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether the law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments, and (iii) penalties due when terminating a redundant worker. Data on the availability of unemployment protection for a worker with one year of employment is also collected.

Case study assumptions

To make the data comparable across economies, several assumptions about the worker and the business are used.

The worker:

- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.
- Is a full-time employee.
- Is not a member of the labor union, unless membership is mandatory.

The business:

- Is a limited liability company (or the equivalent in the economy).
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Has 60 employees.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

Employing Workers - Malaysia

Details - Employing Workers in Malaysia

	Answer
Hiring	
Fixed-term contracts prohibited for permanent tasks?	No
Maximum length of a single fixed-term contract (months)	No limit
Maximum length of fixed-term contracts, including renewals (months)	No limit
Minimum wage applicable to the worker assumed in the case study (US\$/month)	262.9
Ratio of minimum wage to value added per worker	0.2
Maximum length of probationary period (months)	n.a.
Working hours	
Standard workday	8.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	0.0
Premium for work on weekly rest day (% of hourly pay)	100.0
Premium for overtime work (% of hourly pay)	50.0
Restrictions on night work?	No
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	8.0
Paid annual leave for a worker with 5 years of tenure (working days)	16.0
Paid annual leave for a worker with 10 years of tenure (working days)	16.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	13.3
Redundancy rules	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	No
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	Yes
Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	No
Priority rules for redundancies?	No
Priority rules for reemployment?	No

Redundancy cost

Notice period for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	4.0
Notice period for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	8.0
Notice period for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	8.0
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	6.7
Severance pay for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	1.7
Severance pay for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	16.7
Severance pay for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	33.3
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	17.2
Unemployment protection after one year of employment?	Yes

Business Reforms in Malaysia

From May 2, 2018 to May 1, 2019, 115 economies implemented 294 business regulatory reforms across the 10 areas measured by Doing Business. Reforms inspired by *Doing Business* have been implemented by economies in all regions. The following are reforms implemented since *Doing Business* 2008.

✓ = *Doing Business* reform making it easier to do business. ✗ = Change making it more difficult to do business.

DB2020

✓ **Dealing with Construction Permits:** Malaysia streamlined the process of dealing with construction permits by eliminating the road and drainage inspection performed by Kuala Lumpur City Hall.

DB2019

✓ **Starting a Business:** Malaysia made starting a business easier by introducing an online registration system for the goods and service tax.

✓ **Dealing with Construction Permits:** Malaysia streamlined the process of obtaining a building permit and made it faster to obtain construction permits

✓ **Getting Electricity:** Malaysia made getting electricity easier by eliminating the site visit for new commercial electricity connections.

✓ **Registering Property:** Malaysia made property transfer simpler by implementing an online single window platform to carry out property searches.

✓ **Trading across Borders:** Malaysia made trading across borders easier by introducing electronic forms and by enhancing its risk-based inspection system. Malaysia also made importing and exporting easier by improving infrastructure and the port operation system at Port Klang.

✓ **Resolving Insolvency:** Malaysia made resolving insolvency easier by introducing the reorganization procedure.

Employing Workers: Malaysia changed regulations pertaining to unemployment protection.

DB2018

✓ **Protecting Minority Investors:** Malaysia strengthened minority investor protections by requiring greater corporate transparency.

✓ **Trading across Borders:** Malaysia made importing and exporting easier by improving the infrastructure, equipment and facilities at Port Klang.

DB2017

✗ **Starting a Business:** Malaysia made starting a business more difficult by requiring that companies with an annual revenue of more than MYR 500,000 register as a GST payer.

✓ **Getting Credit:** In Malaysia the credit bureau began to provide consumer credit scores.

✓ **Paying Taxes:** Malaysia made paying taxes easier by introducing an online system for filing and paying the Goods and Services Tax (GST) while also making it is more complex by replacing sales tax with GST.

DB2016

✓ **Paying Taxes:** Malaysia made paying taxes easier and less costly for companies by making electronic filing mandatory and reducing the property tax rate. At the same time, it also increased the capital gains tax.

DB2014

✓ **Starting a Business:** Malaysia made starting a business less costly by reducing the company registration fees.

✓ **Dealing with Construction Permits:** Malaysia made dealing with construction permits easier by establishing a one-stop shop.

✓ **Getting Electricity:** Malaysia made getting electricity easier by increasing the efficiency of internal processes at the utility and improving its communication and dialogue with contractors.

Employing Workers: Malaysia introduced a minimum wage.

DB2013

- ✓ **Dealing with Construction Permits:** Malaysia made dealing with construction permits faster by improving the one-stop center for new buildings and by reducing the time to connect to telephone service.
- ✓ **Registering Property:** Malaysia substantially reduced the number of days it takes to register property transfers.

DB2012

- ✓ **Starting a Business:** Malaysia made starting a business easier by merging company, tax, social security and employment fund registrations at the one-stop shop and providing same-day registration.
- ✗ **Paying Taxes:** Malaysia made paying taxes costlier for firms by reintroducing the real estate capital gains tax—but also made tax compliance easier by improving electronic systems and the availability of software.
- ✓ **Enforcing Contracts:** Malaysia continued to improve the computerization of its courts by introducing a system making it possible to file complaints electronically.
- ✓ **Resolving Insolvency:** Malaysia established dedicated commercial courts to handle foreclosure proceedings.

DB2011

- ✓ **Starting a Business:** Malaysia eased business start-up by introducing more online services.
 - ✓ **Registering Property:** Malaysia's introduction of online stamping reduced the time and cost to transfer property.
- Employing Workers:** Malaysia eliminated the requirements to notify third parties in cases of redundancy dismissals.

DB2010

- ✓ **Starting a Business:** Malaysia made starting a business easier through a new one-stop shop service that helped in streamlining the registration process.
- ✓ **Enforcing Contracts:** Malaysia made enforcing contracts easier by increasing court staff, more strictly enforcing deadlines for processing documents and reorganizing the commercial court to allow swifter disposition of interlocutory matters.

DB2009

- ✓ **Starting a Business:** Malaysia reduced the time needed to start a business by introducing electronic lodgment for business registration processes.
- ✓ **Paying Taxes:** Malaysia made paying taxes less costly for companies by reducing the corporate income tax rate.

DB2008

- ✓ **Starting a Business:** Malaysia reduced the time required to start a business by increasing efficiency at the Companies Commission of Malaysia.
- ✓ **Paying Taxes:** Malaysia made paying taxes easier for companies by encouraging electronic filing and payment.

**For further information on doing business in Malaysia,
contact your nearest Russell Bedford member firm.**

Kuala Lumpur

RUSSELL BEDFORD LC & COMPANY

Chartered Accountants

Suite 37, Level 21, Mercu 3
No. 3, Jalan Bangsar
KL Eco City
Kuala Lumpur
59200
Malaysia

T: +603 2202 6666

E: mail@russellbedford.com.my

W: www.russellbedford.com.my



Russell Bedford
taking you further

Russell Bedford International

3rd Floor, Paternoster House
St Paul's Churchyard
London EC4M 8AB
United Kingdom

T: +44 20 7410 0339
E: info@russellbedford.com
W: www.russellbedford.com



WORLD BANK GROUP