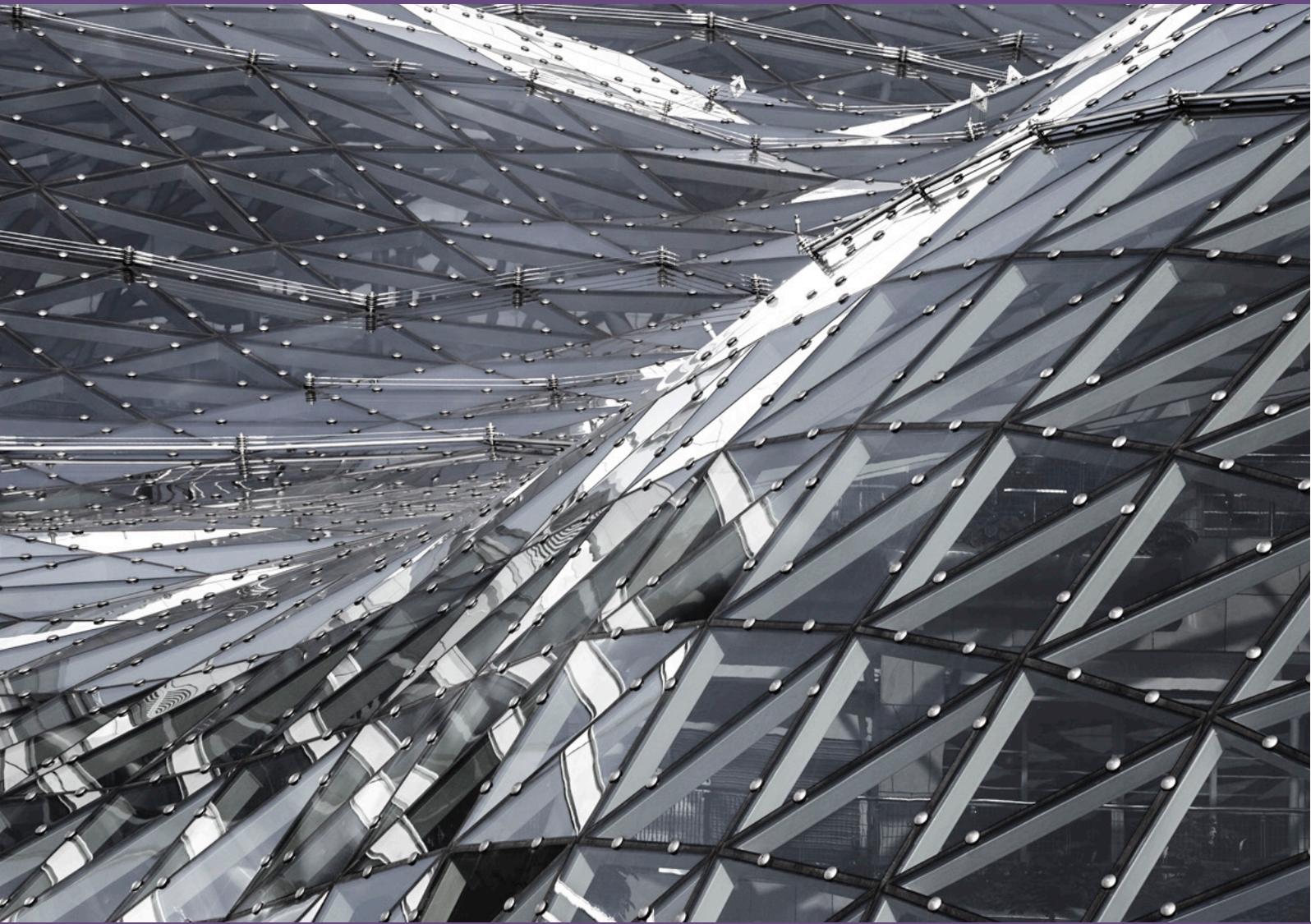


DOING BUSINESS IN MALAYSIA

2017-2018

www.mazars.my



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DOING BUSINESS IN MALAYSIA

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"Mazars" refers to the individual members of the Mazars organisation in Malaysia, each of which is a separate legal entity.

ABOUT THIS GUIDE

Welcome to Malaysia!

Considering Malaysia as a potential location for your business is a smart choice. Malaysia offers many outstanding advantages: a highly qualified workforce, a strategic location in Asia and South-East Asia, competitive tax rates, business friendly legislation, significant investment incentives, a cost-effective business environment and is a member of ASEAN.

This guide offers you an overview of the main features of Malaysia as a potential location for your business. This guide is meant to be a practical resource and will be updated regularly. The information in this guide is based on data as at 31 May 2017.

Of course, we will be more than happy to provide you with any further information that you need so please feel free to contact us. You can find our contact details on the last page of this guide.

We are looking forward to welcoming you to Malaysia.

Mazars

1 June 2017, Malaysia

Mazars global at a glance

Services

Audit



Advisory



Accounting



Tax



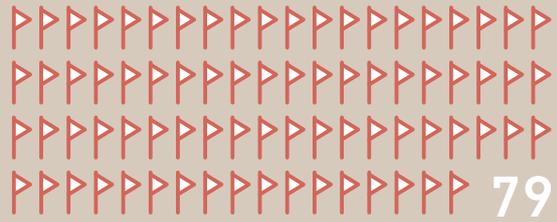
Legal services



Offices

270

Countries



Mazars worldwide

North America



Europe

Asia Pacific

Latin America &

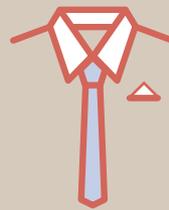
Africa &
Middle East

Turnover

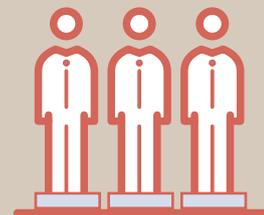
1.36

Billion €

Employees



18,000
Professionals



950
Partners

ABOUT MAZARS

A UNIQUELY INTEGRATED FIRM

Mazars is an international, integrated and independent organisation, specialising in audit, accountancy, advisory, tax and legal services. As of 1 January 2017, Mazars and its correspondents operate throughout 94 countries. 79 of these countries are part of Mazars' international integrated partnership and 15 are Mazars correspondents. The Praxity Alliance offers Mazars operating capacity via professional teams in 21 additional countries. Mazars draws upon the expertise of 18,000 women and men led by 950 partners working from 270 offices worldwide. We assist clients of all sizes, from SMEs to mid-caps and global players as well as start-ups and public organisations, at every stage of their development.

MAZARS IN MALAYSIA

The roots of Mazars in Malaysia go back to the 1986 merger of Hew & Co (established in 1955) and Tan Toh Hua & Partners (established in 1958). The merged firm practised under the name of Hew & Tan until December 1999, when it changed its name to Moores Rowland. On 1 September 2008, the Kuala Lumpur office of Moores Rowland merged with the global integrated partnership of Mazars. To implement the merger, a new firm, under the Mazars brand, was registered to assume all existing mandates and statutory audit appointments of the Kuala Lumpur office of Moores Rowland.

Our staff and processes are committed to providing our clients with the highest standards of efficiency and technical excellence. Mazars in Malaysia provides audit, accountancy, advisory and tax services across a range of markets and sectors. We also offer specialised services headed by dedicated experts including financial due diligence, Global China Services, IFRS, outsourcing and technology & security.

1. HOW MAZARS CAN ASSIST

Our team can advise you throughout the process of establishing a business in Malaysia, incorporating aspects such as: strategic investment location, business and financial planning, business services such as accounting, payroll and corporate secretarial.



AUDITING

Malaysia is a remote location if your headquarters are located in Europe or in the Americas. Our highly skilled audit team can deliver the level of assurance you need to make sure your operations are under control and comply with rules and regulations. Our audit team is ready to deliver quality services to your company, including financial statements audit, reviews of internal control systems and financial information.



OUTSOURCING SERVICES

Developing a business in a new location requires that you concentrate on the business. Our team will take care of all your administrative burdens allowing you to focus on your business. We can assist you in bookkeeping, payroll, corporate secretarial services and other recurring compliance and management information requirements.



STRATEGIC ADVISORY

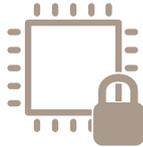
We will advise you from the very beginning of your project: identification of business opportunities, mergers & acquisition, structuring, valuation, etc. Thanks to our integrated model, we can provide you with these services on a regional basis. As a result, you will be able to identify the best place to locate your investment and expand your business regionally and globally.

1. HOW MAZARS CAN ASSIST



TAX ADVISORY

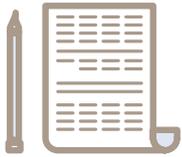
Our tax experts are able to optimise your structure so as to minimise tax exposure. Our tailor-made approach takes into account your group structure, business model and investment requirements. Furthermore, we can assist you in tax compliance, both corporate and individual, on income tax and indirect taxes.



TECHNOLOGY & SECURITY

Our team of experienced staff with a strong technical background can provide you with comprehensive technology risk consultancy services including data protection, infrastructure security, IT governance and management information system. We can also assist you in threat, vulnerability & risk assessment, compliance certification, penetration test, IT control review, etc.

2. SETTING UP A BUSINESS ORGANISATION



COMMON BUSINESS ORGANISATIONS IN MALAYSIA

The principal forms of business organisation in Malaysia are sole proprietorships, conventional partnerships, limited liability partnerships, companies, branches of foreign companies and representative offices.

EQUITY POLICY

Malaysia has liberalised its foreign equity policy and foreign investors are allowed to hold 100% of the equity in the majority of businesses, e.g. manufacturing, services, etc.

SETTING UP A BUSINESS ORGANISATION

COMPANY

An incorporated company may be limited by shares, limited by guarantee or an unlimited company. A company is a separate legal entity created under the Companies Act 2016.

The establishment and operations of a company are governed by the Companies Act 2016, and regulated by the Companies Commission of Malaysia ("CCM").

Generally, it takes about 1 to 2 weeks to incorporate a company or to register a branch of a foreign company in Malaysia. Shelf companies are readily available and can be bought and used within days.

A company shall have at least one director whose principal place of residence is in Malaysia. The management control of a company is normally vested in the board of directors which holds fiduciary responsibility to the company. A company must have a registered office and keep its accounts and records in Malaysia. Every company must appoint a company secretary, who must be a natural person and whose principal place of residence is Malaysia. Every company is required to lodge annual returns with the CCM.

2. SETTING UP A BUSINESS ORGANISATION

• Company Limited by Shares

A company is a separate legal entity created under the Companies Act 2016. It is able to own properties, enter contracts, sue and be sued in its own name. It is perpetual and any change of its shareholders will not affect its continuity.

The liability of a shareholder of a company limited by shares is limited to the contributed share capital. A company limited by shares may be either a private company or a public company. A private company shall have no more than 50 shareholders. A company is easily identifiable by its name which contains the words "Sendirian Berhad" (abbreviation: "Sdn Bhd"), while the name of a public company contains the word "Berhad" (abbreviation: "Bhd").

As a minimum, a company may be formed with one shareholder (whether an individual or a corporate body) and one director. All shares issued by a company shall have no par value. A company may issue its shares at any price. A company must have a registered office and keep its accounts and records in Malaysia.

• Company Limited by Guarantee

A company limited by guarantee shall be a public company. This type of company is commonly used for the purpose of charity or to serve other national or public interests.

The liability of a member of a company limited by guarantee is limited to the amount which the member has undertaken to contribute to the company in the event of it being wound up.

• Branch of a Foreign Company

A foreign incorporated company which intends to carry out business in Malaysia, but does not wish to incorporate a company in Malaysia, may register a branch in Malaysia.

A branch of a foreign company shall be wholly owned by the foreign company and it is an integral part of the foreign company. The foreign company is liable to liabilities of its branch(es) in Malaysia.

A branch of a foreign company shall appoint an agent who is a Malaysian resident. A branch of a foreign company in Malaysia must keep the records of its Malaysian operations in Malaysia.

2. SETTING UP A BUSINESS ORGANISATION

SOLE PROPRIETORSHIP AND CONVENTIONAL PARTNERSHIP

These are the simplest forms of business organisation and are usually more suitable for small-scale businesses. Both the sole proprietors and the partners are subject to unlimited liability with regard to the debts of the business.

Businesses carried out under sole proprietorships and conventional partnerships must be registered with the Registrar of Business (“ROB”). Sole proprietorships and conventional partnerships are not required to lodge financial statements with ROB.

LIMITED LIABILITY PARTNERSHIP

A limited liability partnership (“LLP”) is a corporate body and has a legal personality separate from its partners. The LLP has perpetual succession. Any change in the partners of a LLP shall not affect its existence, rights or liabilities. Accordingly, a LLP gives the partners the flexibility of operating as a partnership whilst giving them limited liability. It combines the benefits of a partnership with that of a private limited company.

A LLP must have at least 2 partners consisting of individuals or corporate bodies. A LLP must appoint a compliance officer, and have a registered office and keep its accounts and records in Malaysia.

The establishment and operations of a LLP are governed by the Limited Liability Partnerships Act 2012, and regulated by the CCM.

REPRESENTATIVE OFFICE

A foreign entity may establish a presence in Malaysia by setting up a representative office.

A representative office is prohibited from carrying out business in Malaysia, as it is not a permanent business setup in Malaysia. Establishment of a representative office is suitable for foreign investors who wish to explore the business environment in Malaysia before making investment decisions, e.g. market research, feasibility studies, promotional and liaison work on behalf of its principal entity.

3. AUDIT & ACCOUNTING



As required by the Companies Act 2016, the directors of every company shall prepare financial statements of the company, and have the annual financial statements audited by an approved company auditor. The audited financial statements shall be circulated to all members of a company.

Financial statements shall be prepared in accordance with approved accounting standards in Malaysia. Private companies shall prepare their financial statements in accordance with the Malaysian Private Entities Reporting Standard ("MPERS") or Malaysian Financial Reporting Standards ("MFRS"). All other companies shall prepare financial statements using MFRS. MFRS are identical to International Financial Reporting Standards ("IFRS") in all respects other than the nomenclature. MPERS is word-for-word the IFRS for SME, except for the requirements on income tax and property development activities.

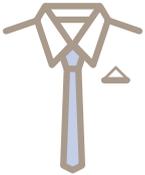
4. VISAS & PASSES



A visa is required for visitors from certain countries. Generally, a visa is not required for citizens of Commonwealth and ASEAN countries, except for Bangladesh, Cameroon, Ghana, Mozambique, Nigeria, Pakistan and Myanmar.

Foreigners can obtain a short term social visit pass for social or business visits, but such a pass cannot be used for the purpose of employment. A foreigner intending to work in Malaysia must apply for either a visitor's pass (temporary employment or professional) or an employment pass. A dependant pass can be granted to the families of expatriates, i.e. spouse and children of an employment pass holder.

5. EMPLOYMENT OF FOREIGN STAFF



The Malaysian government is desirous that Malaysians are eventually trained and employed at all levels of employment. Thus, companies are encouraged to train more Malaysians. Notwithstanding this, where there is a shortage of trained Malaysians, companies are allowed to bring in expatriate personnel.

EMPLOYMENT OF EXPATRIATES

KEY POSTS

Key posts are posts that are permanently filled by foreigners. These are high level managerial posts in a foreign-owned private company operating in Malaysia. Key posts are posts essential for a company to safeguard its interest and investment. The expatriates are responsible for determining the company's policies to achieve its goals and objectives.

TIME POSTS

Time posts are positions filled during specified time periods.

EXECUTIVE POSTS

These are intermediate managerial and professional posts. The post requires professional qualifications, practical experience, skills and expertise related to the specific job. The expatriates are responsible for implementing the company's policies and the supervision of the staff.

NON-EXECUTIVE POSTS

These are technical posts that require specific technical or practical skills and experience.

EMPLOYMENT OF FOREIGN WORKERS (NON-EXECUTIVE)

In Malaysia, foreign workers can be employed in the manufacturing, construction, plantation, agricultural, services and domestic help sectors. The services sector consists of eleven sub sectors: restaurant, cleaning services, cargo handling, launderette, caddy in golf club, barber, wholesale/retail, textile, metal/scraps/recycle activities, welfare homes and hotel/resort island.

Approval is based on the merits of each case and subject to conditions that will be determined at the time. Applications to employ foreign workers will only be considered when efforts to find qualified local citizens and permanent residents have failed.

According to relevant regulations, the minimum wage in Peninsular Malaysia shall be RM900 (monthly) and in Sabah, Sarawak and Labuan shall be RM800 (monthly).

6. FOREIGN EXCHANGE



Malaysia continues to maintain a liberal foreign exchange administration policy, the existing measures being mainly prudential measures to support the overall macroeconomic objective of maintaining monetary and financial stability while safeguarding the balance of payments position of the country. The foreign exchange administration policies have been progressively liberalised to enhance the competitiveness of the economy and to achieve greater efficiency in the conduct of trade and investments.

The Malaysian markets are easily accessible by global investors. There is free mobility of inflow and outflow of capital for investments in Malaysia.

Non-residents are free to invest in any form of Ringgit assets either as direct or portfolio investments; and they are free to remit out divestment proceeds, profits, dividends or any income arising from these investments in Malaysia. Non-residents may undertake the settlement for trade in goods and services in foreign currency or Ringgit with residents.

Applicable rules include Foreign Exchange Administration Rules by the Central Bank of Malaysia.



7. TAXATION



CORPORATE INCOME TAX

SCOPE OF TAX

Generally, income tax is imposed upon the income accruing in or derived from Malaysia. The exception to the general rule is that income derived by tax residents from the businesses of banking, insurance and air / sea transport operations is chargeable to tax on a world income scope.

BASIS OF ASSESSMENT AND TAX YEAR

Income is assessed to tax on a current year basis. Generally, a company is assessed to tax based on its financial year (i.e. the year of assessment). A company is required to declare its income (both business income and non-business income) for a year of assessment based on its audited financial statements.

RESIDENT STATUS

A company is a tax resident in Malaysia if the management and control of its business/affairs are exercised in Malaysia. Management and control is considered to be exercised at the place where the directors hold their meetings.

TAX RATES

Effective the year of assessment 2016, a resident company is subject to corporate tax at 24% of its chargeable income. Where a resident company qualifies as a small and medium-sized enterprise, i.e. a resident company with a paid-up ordinary share capital of RM2.5 million or less at the beginning of the basis period and belongs to a group of companies with a paid-up ordinary share capital of RM2.5 million or less, such resident company is entitled to a preferential tax rate of 19% on the first RM500,000 of its chargeable income. The chargeable income in excess of RM500,000 is taxed at 24%. The preferential tax rate on the first RM500,000 of chargeable income will be reduced to 18% effective the year of assessment 2017.

For the years of assessment 2017 and 2018, a resident company will be given a reduction of 1% to 4% in the income tax rate if the company recorded an incremental chargeable income compared to the immediate preceding year of assessment. The reduction in the income tax rate will be given on the portion of incremental chargeable income only and the remaining chargeable income will be subject to tax at the normal corporate tax rate:

TAX RATE

% OF INCREASE IN CHARGEABLE INCOME COMPARED TO THE IMMEDIATE PRECEDING YEAR OF ASSESSMENT	% POINT OF REDUCTION	INCOME TAX RATE APPLICABLE ON INCREMENTAL CHARGEABLE INCOME (%)
Less than 5.00%	0	24
5.00% - 9.99%	1	23
10.00% - 14.99%	2	22
15.00% - 19.99%	3	21
20.00% and above	4	20

7. TAXATION

A non-resident company is subject to a flat corporate tax rate of 24% on its business income. Income of a non-resident company that is not attributable to a business carried out by that non-resident in Malaysia is taxed at the following rates:

TAX RATE

	RATE*
Dividends (single tier)	Tax-exempt
Interest	15%
Royalty	10%
Rental of moveable property	10%
Technical or management service fee*	10%
Income other than the above	10%

* The double taxation agreements may provide for lower rates.

DISTRIBUTION OF DIVIDENDS

Malaysia adopts the single tier tax system of taxation. Under this system, the tax charged on a company is a final tax and dividends distributed to shareholders will be exempt from tax.

TAX COMPLIANCE

A new company or branch needs to register an income tax file and an employer file with the tax authorities. In addition, the new company is also required to provide an estimate of its tax payable within the first 3 months of the beginning of its operations.

TAX INCENTIVES

There are various tax incentives to promote investments in Malaysia which are available for investors who incorporate subsidiary companies in Malaysia. Tax incentives are generally given in the form of tax exemptions on profit and further tax allowances or deductions on capital expenditure incurred. Some of the tax incentives are mutually exclusive.

7. TAXATION

• Pioneer Status (PS)

PS incentive is an exemption from income tax on 70% of statutory income (profit after deduction of capital allowances) for a period of five years. A company engaged in manufacturing, agriculture, hotel and tourism or other industrial or commercial sectors, which participates in a promoted activity or produces a promoted product is eligible for pioneer status.

• Investment Tax Allowance (ITA)

As an alternative to pioneer status, a new or existing company which participates in a promoted activity or produces a promoted product is eligible for ITA which is a further tax allowance on capital expenditure incurred.

• Increased Export Allowance

A resident company engaged in manufacturing, agriculture, international trading or approved service sector, which exports its goods or services, is eligible for the increased export allowance on the value of increased exports at a rate ranging from 10% to 100%. Approved services are legal, accounting, architecture, marketing, business consultancy, office services, construction, building or plantation management, private healthcare, private education, publishing services, IT and communication services, engineering, printing and local franchise services.

• Principal Hub (PH)

A company incorporated in Malaysia which provides qualifying services to its offices and related companies outside Malaysia is eligible for PH status. An approved PH company is eligible for a 3-tiered corporate taxation rate ranging from 0% to 10% over a period of 5 years with an extension for another 5 years.

• Multimedia Super Corridor (MSC) Status Company

MSC companies that participate and undertake information and communication technology activities in Cybercities which are approved by the Multimedia Development Corporation and fulfil certain prescribed criteria are eligible for tax exemption.

• Development Regions

The Malaysian government has identified various strategic locations for promotion of investments for national economic advancement. These locations are and will be equipped with all the necessary infrastructures (both financial and non-financial) as well as customised tax incentives for the creation of a business-friendly environment.

• Iskandar Development Region (IDR)

IDR represents a special economic zone in South Johor between Senai Airport and Ports of Tanjung Pelepas and Pasir Gudang. Iskandar Regional Development Authority ("IRDA") was set up in order to develop the IDR into a strong and sustainable metropolis of international standing. In addition to the existing incentives for various industries and approved activities, IRDA has introduced the Incentive and Support Package to encourage early investment in IDR.

7. TAXATION



PERSONAL INCOME TAX

SCOPE OF TAX

Generally, income tax is imposed upon any income accruing or derived from Malaysia. The income of an individual commonly consists of gains or profits from an employment, profession or vocation. Employment income is regarded as derived from Malaysia if the employment is exercised in Malaysia and is subject to Malaysian tax regardless of the location of the employer or the location where the remuneration is paid. Gross employment income includes monetary and non-monetary benefits such as salaries, bonuses, allowances, perquisites, commissions, paid leave, fees, wages and benefits-in-kind. Certain prescribed perquisites and benefits-in-kind are exempted from tax.

BASIS OF ASSESSMENT AND TAX YEAR

Income is assessed to tax on a current year basis. All income of persons other than a company, cooperative or trust body, are assessed on a calendar year basis i.e. the tax year of assessment coincides with the calendar year.

TAX RATES

A tax resident is taxed on a scale ranging from 0% to 28% depending on the level of chargeable income. A non-tax resident is subject to tax on its business and employment income at a flat rate of 28%. Other income of a non-tax resident is taxed at the following rates:

TAX RATE

	RATE*
Dividends (single tier)	Tax-exempt
Interest	15%
Royalty	10%
Rental of moveable property	10%
Technical or management service fee	10%
Sportsperson / Entertainers' professional income	15%
Other income	10%

* The double taxation agreements may provide for lower rates.

PERSONAL RELIEF

A tax resident is entitled to claim personal relief in arriving at his chargeable income. No personal relief is available for a non-tax resident.

7. TAXATION



GOODS AND SERVICES TAX

SCOPE OF CHARGE

Goods and Services Tax (“GST”) has been implemented in Malaysia effective as of 1 April 2015. The standard rate of GST for taxable supplies is 6%. There are also zero-rated supplies with GST at 0% and exempt supplies which are not subject to GST. GST is chargeable on all the taxable supply of goods and services made in the course or furtherance of any business in Malaysia by a taxable person. GST is also charged on importation of goods and services into Malaysia. All imported services acquired for the purpose of business except exempt supply of services will be subject to GST.

GST REGISTRATION

A person is liable to register for GST when his “taxable turnover” has exceeded RM500,000 in a 12-month period or he is currently making taxable supplies and his annual taxable turnover is expected to exceed RM500,000 in the next 12 months.

FILING OF GST RETURNS

A GST-registered person is required to file GST returns based on the specific taxable period prescribed by the Royal Malaysian Customs Department. A GST-registered person will be allocated a monthly, quarterly or half-yearly taxable period based on its annual business turnover as listed below:

- | Above RM5 million – monthly
- | Below RM5 million – quarterly (default taxable period)
- | Small and seasonal sales businesses – half-yearly

The GST returns whether for monthly, quarterly or half-yearly taxable periods must be lodged not later than one month after the end of each taxable period. Payment of the net GST payable for a taxable period must also be made no later than one month after the end of the taxable period.

7. TAXATION



REAL PROPERTY GAINS TAX

SCOPE OF CHARGE

Real Property Gains Tax ("RPGT") is imposed on any person with respect to gains derived from the disposal of:

- | Any land situated in Malaysia and any interest, option or right in or over such land; and
- | Shares in a real property company ("RPC").

A RPC is a controlled company which owns real property in Malaysia and/or shares in another RPC company with a total defined value of at least 75% of its total tangible assets. RPGT is a tax that is imposed on capital gains arising from the sale of real property or shares in a real property company.

RATES OF TAX

Effective 1 January 2014, RPGT is imposed at the following rates

DISPOSAL FROM THE DATE OF ACQUISITION	COMPANIES AND OTHER BODIES	INDIVIDUALS (CITIZENS & PERMANENT RESIDENTS)	INDIVIDUALS (NON-CITIZENS)
Within 2 years	30	30	30
In the 3rd year	30	30	30
In the 4th year	20	20	30
In the 5th year	15	15	30
In the 6th year onwards	5	Nil	5

7. TAXATION



OTHER TAXES

EXCISE DUTIES

Excise duties are imposed on a specific range of goods manufactured in or imported into Malaysia. Goods which are subject to excise duty include beer, cider and perry, rice wine, mead, toddy, undenatured ethyl alcohol, brandy, whiskies, tobacco, petroleum, gases, motorcars, playing cards and mahjong tiles, etc. No excise duty is payable on dutiable goods that are exported. Excise duties are imposed on a specific or ad valorem basis. They range from 5 cents for cigarettes containing tobacco to 105% for motorcars.

IMPORT DUTIES

Import duties are generally imposed on goods imported into Malaysia. The rates of import duties range from 7% to 50%. Import duties may be charged on an ad valorem or specific basis. Raw materials, machinery, essential foodstuffs, and pharmaceutical products are generally non-dutiable or subject to duties at lower rates.

EXPORT DUTIES

Export duties are imposed on the main commodities produced in Malaysia such as petroleum and palm oil. The duties are imposed at the rate of 10% for crude petroleum and at cost plus for other commodities.

STAMP DUTY

Stamp duty is chargeable normally with either impressed or adhesive stamps on certain instruments and documents. Stamp duty is chargeable on instruments and not on transactions. If a transaction can be effected without creating an instrument of transfer, no duty is payable. Generally, transfers of real property or mortgages on real property and transfers of marketable securities (excluding stocks and shares of public listed companies) attract stamp duties. The rate of the duty varies according to the nature of the instruments / documents and the transacted value. The rate of duty chargeable on instruments executed for the conveyance, assignment, transfer or sale of properties and securities are as follows:

PROPERTIES (OTHER THAN SHARES OR MARKETABLE SECURITIES)

VALUE	RATE
On the first RM100,000	RM1 per RM100 or part thereof
On the next RM400,000	RM2 per RM100 or part thereof
On the next RM500,000	RM3 per RM100 or part thereof
In excess of RM1,000,000 *Effective 1 January 2018	RM4 per RM100 or part thereof
SECURITIES	
Securities	RM3 for every RM1,000 or any fraction thereof based on consideration or value, whichever is greater.

GENERAL INFORMATION ABOUT MALAYSIA

GEOGRAPHY

Malaysia covers an area of 330,323 square kilometres and lies entirely in the equatorial zone. It is made of 13 states in Peninsular Malaysia (Johor, Kedah, Kelantan, Melaka, Negeri Sembilan, Pahang, Perak, Perlis, Penang, Selangor, Terengganu as well as the Federal Territories of Kuala Lumpur and Putrajaya) and East Malaysia (Sabah and Sarawak as well as the Federal Territory of Labuan).

TIME

Malaysia is 8 hours ahead of GMT. Time differences with certain cities are as follows:



LOS ANGELES
+15 HOURS



NEW YORK
+12 HOURS



LONDON
+7 HOURS



PARIS / MADRID
BERLIN / ROME
+6 HOURS



BANGKOK
JAKARTA
+1 HOURS



BEIJING
HONG KONG
NO DIFFERENCE



TOKYO
SEOUL
-1 HOURS



SYDNEY
-2 HOURS

GENERAL INFORMATION ABOUT MALAYSIA

CLIMATE

Due to its close proximity to the equator, Malaysia has a relatively uniform temperature. Average daily temperatures throughout Malaysia vary between 21°C to 32°C, with high humidity and rainfall throughout the year.

POPULATION

Malaysia has a population of about 32 million in 2016, which consists of approximately 69% Malays or Bumiputra, 23% Chinese, 7% Indians and 1% of minority ethnic group. Selangor had the highest percentage of population in 2016, followed by Sabah and Johor. Islam is the official religion of Malaysia. Other religions, e.g. Buddhism, Christianity, Hinduism, etc. are practised freely.

LANGUAGE

The national language in Malaysia is Malay. Other common languages in Malaysia are English, Mandarin and Tamil. English is widely used in business. A large majority of Malaysians are bilingual.

POLITICAL SYSTEM

The political system in Malaysia is based on federal parliamentary democracy with a constitutional monarch. Yang di-Pertuan Agong (the King) is the head of the state. The prime minister is the head of the government. Federal and state governments are formed following elections every five years.

LEGAL SYSTEM

The legal system has its roots in the English common law system. The supreme law of the land is the Malaysian Federal Constitution. Federal laws enacted by the Parliament of Malaysia apply throughout the country. There are also state laws enacted by the State Legislative Assemblies which apply in the specific state.

CURRENCY

The Ringgit Malaysia is the official currency of Malaysia. The abbreviation of Ringgits is RM. One Ringgit is made up of 100 sen (cents). The Ringgit is issued by the Bank Negara Malaysia (Central Bank of Malaysia).

BUSINESS HOURS

Office hours are generally 8.30 a.m. to 5.30 p.m. with 1 hour lunch break, from Monday to Friday. Government offices normally operate on a five-day week. Government office hours are generally from 8.00 a.m. to 5.30 p.m., Monday to Friday. There is normally a long lunch break on Friday to allow the Muslims to perform their prayers.

GENERAL INFORMATION ABOUT MALAYSIA

NAMES

The presentation of names depends on the ethnic group to which one belongs:

Malays do not include family names in their name normally. Malays usually add to their given name the name of their father using 'bin' (meaning 'son of') or 'binti' (meaning 'daughter of').

Example: Ali bin Ibrahim means Ali son of Ibrahim. The given name of a Malay may consist of 2 or 3 words.

Chinese names usually start by their family name (normally 1 word) and are followed by given names (normally 2 words). Men may be called by their title and their family name. Married women may use either their maiden name or their husband's name. It is also common for Chinese to choose a western type name and introduce themselves using common names such as, 'Kevin' or 'Steven'.

In Malaysia, the structure of names of Indians varies. The name of a man may consist of his given name followed by the Malay phrase 'anak lelaki' or 'A/L' (meaning 'son of') and then his father's name. The name of a woman may consist of her given name followed by the Malay phrase 'anak perempuan' or 'A/P' (meaning 'daughter of') and then her father's name. In some circumstances, the father's name follows immediately after a person's given name, without 'A/L' or 'A/P'.

The exchange of name cards is common in business meetings.

GENERAL INFORMATION ABOUT MALAYSIA

PHYSICAL CONTACT

Handshakes are fairly common when meeting someone in Malaysia. A large majority of Malays are Muslims. One should avoid physical contact between opposite sexes. It is best to leave the initiative to the counterpart before placing one's hand over.

ECONOMY

In 2016, Malaysia's economy registered a commendable growth of 4.2%, shaped by commodity performance and external demand.

KEY ECONOMY DATA FOR 2016

GDP	RM 1,108 billion
GNI per capita	RM 37,759
Labour force	14.6 million
Employment	14.1 million
Unemployment rate	3.4%
Inflation	2.1%

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