

# GMS Flash Alert

**Immigration Edition** 

2019-086 | May 10, 2019



# Malaysia - Various Immigration Updates

There have been several immigration-related changes in Peninsular Malaysia in recent months, some of them already effective, while others are expected to be implemented soon. Changes to application charges, compulsory Transfers of Endorsement, lower endorsement fees for the Long-Term Social Visit Pass, and implementing a cooling-off period for eVisas, are amongst the recent notable modifications to the country's immigration system.

### WHY THIS MATTERS

Global mobility professionals charged with the immigration affairs of their assignees and immigration counsel should be aware of these updates since such changes could impact their planning, policies, and processes.

The changes serve to make, in some cases, application costs more expensive (exception for Long-Term Social Visit Pass Endorsement Fee), processing of applications faster and more efficient – through digitization and automation – and the rules less subject to abuse and fraud. In addition, they serve to reinforce the government's aim to reduce reliance on foreign labour.

# New Application Features and Charges for Employment Pass (EP) and Professional Visit Pass (PVP)

Effective 1 June 2019, MYXpats Centre will have in place a robust online data platform and service-driven process which will further enhance the Expatriate Services Division (ESD) online portal.<sup>1</sup> The Centre, conveniently located in the Klang Valley, aims to effectively process EP and PVP applications for skilled expatriates within its "five (5) working days" client charter.

New features will be introduced such as online payment (internet banking/credit and debit card) facilities for immigration fees and the opportunity to make online applications for Transfers of Endorsement and cancellations. These will help enhance the immigration regime's digitization/automation and improve processing.

© 2019 KPMG Tax Services Sdn Bhd., a company incorporated under the Malaysian Companies Act, 1965 and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved Printed in the U.S.A. NDPPS 530159

Along with the enhancements mentioned above, application fees will be adjusted as follows:

ONLINE SERVICES (NEW & RENEWAL)	NEW FEE WITH 6% Sales and Service Tax (SST)	PREVIOUS FEE WITH 6% SST
Employment Pass (EP)	MYR 1,060.00	MYR 318.00
Dependant Pass (DP) Long-Term Social Visit Pass (LTSVP- EP)	MYR 530.00	MYR 74.20
Professional Visit Pass (PVP)	MYR 1,060.00	N/A
Transfer of Endorsement (TOE), Cancellation of Passes	FREE OF CHARGE	N/A

- For a rejected application, MYXpats will refund 60% of the application charges subject to Terms & Conditions.
- Immigration fee / endorsement fee payable for the endorsement process remains unchanged.

### Reduction of Long-Term Social Visit Pass (LSTVP) Endorsement Fee

Commencing from March 2019, the immigration endorsement levy fee for LTSVP application has been reduced from MYR 50 <u>per month</u> to MYR 90 <u>per year</u>. An official announcement was not issued regarding this. The new fee is reflected in the online system when the LTSVP application is approved.

### Age Limit for Children with LTSVP

The age limit for the children's LTSVP is capped at 25 years old (except for a disabled child).<sup>2</sup> Previously, it was not capped and the LTSVP can be applied as long as the child is not studying or working and still under the financial care of the EP holder.

## Transfer of Endorsement (TE) Now Compulsory

TE applications are necessary for expatriates and dependents who had obtained a new passport while their current work pass is still valid. Technically, upon receiving the new passport, the old passport will be cancelled. Hence, the work pass in the old passport will no longer be valid.

As such, the Immigration Department of Malaysia (IDM) has tightened the regulation to make the TE compulsory.<sup>3</sup> Prior to this, while the regulation was in place, the pass holder was still allowed to travel by carrying both his or her new and old passports together.

### Cooling-Off Period for eVISA

When an EP or PVP application is in progress, it is not advisable for the expatriate to enter Malaysia via the eVISA. The eVISA may trigger the following:

- The expatriate will have to serve a cooling-off period, and
- The expatriate will need to resubmit the work permit application after the eVISA had expired.

This is regardless whether the eVISA has been utilized.

Therefore, delays in procuring the work permit are unavoidable.

If the visit to Malaysia is mandatory, the expatriate is advised to apply for an Entry Visa in person from the Malaysian Embassy/High Commission/Consulate office instead of using the eVISA option.

The above is only applicable for visa nationals who require a "pre-arrival" visa.

# Immigration Unit at Malaysian Investment Development Authority (MIDA) Back Pedals EP Application Process

Subsequent to our earlier report, GMS <u>Flash Alert 2019-025</u> (13 February 2019), the Immigration Unit at MIDA had backpedaled on the earlier memo that indicated it would cease to accept EP applications effective from 5 December 2018.

The Immigration Unit has removed the memo.

### **KPMG NOTE**

With the cooperation of MYXpats since 2015, the IDM has been continuously undertaken efforts to improve its facilities and enhance processes to meet market demand. IDM has approved more than 90 percent of applications within the client charter. It is hoped, the improvements have helped:

- to increase investors' and companies' trust and confidence, and
- to promote positive experiences when applying for the work / dependent pass.

However, it is also notable that the authority has been strict in granting work permits to foreigners.

The new Malaysian government is inclined to support local efforts to reduce unemployment.

### **FOOTNOTES:**

- 1 For the 11 April 2019 press release from the Expatriate Services Division, click here.
- 2 For the 20 February 2019 announcement from the Expatriate Services Division, click here.
- 3 To see the 21 March 2019 "Update from Immigration Malaysia" from the eXpats Service Centre, click here.

\* \* \* \*

MYR 1 = USD 0.240

MYR 1 = GBP 0.184

MYR 1 = AUD 0.343

MYR 1 = EUR 0.214

MYR 1 = JPY 26.34

#### Contact us

For additional information or assistance, please contact your local GMS or People Services professional\* or the following professional with the KPMG International member firm in Malaysia:



**Yenping Long Executive Director** Tel. + 60 3 7721 7018 yenpinglong@kpmg.com.my

\* Please note that the KPMG International member firm in the United States does not provide immigration or labor services; however, KPMG Law LLP in Canada can assist clients with U.S. immigration matters.

#### The information contained in this newsletter was submitted by the KPMG International member firm in Malaysia.

© 2019 KPMG Tax Services Sdn Bhd., a company incorporated under the Malaysian Companies Act, 1965 and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

#### www.kpmg.com

### kpmg.com/socialmedia













© 2019 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. Printed in the U.S.A. NDPPS 530159

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

The KPMG logo and name are trademarks of KPMG International. KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever. The information contained in herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation

Flash Alert is a GMS publication of KPMG LLP's Washington National Tax practice. To view this publication or recent prior issues online, please click here. To learn more about our GMS practice, please visit us on the Internet: click here or go to http://www.kpmg.com.