

GMS Flash Alert

Immigration

2025-253 | 3 December 2025



Malaysia – New Overstay Penalties Announced for EP and DP Holders Effective October 2025

On 21 October 2025, the Immigration Department of Malaysia (Jabatan Imigresen Malaysia, JIM) introduced the Program Pengurusan Tinggal Lebih Masa (Overstay Management Programme), which modifies the handling of overstay incidents for Employment Pass (EP) and Dependant Pass (DP) holders.¹

WHY THIS MATTERS

This development introduces a more streamlined process for managing overstays not exceeding 90 days. Instead of referral to the Enforcement Division (Bahagian Penguatkuasa Imigresen), eligible cases will be subject to a compound (monetary penalty). This may result in faster resolution for minor overstay cases, but organizations should note that non-eligible cases, including those exceeding 90 days, repeated overstays, or individuals with criminal records—will continue to be processed via enforcement channels.

Companies employing expatriates in Malaysia may need to review and reinforce internal procedures to avoid inadvertent overstays, which can affect both employee status and organizational compliance risk.

Key Highlights

Eligibility for Compounding

EP and DP holders with an overstay of up to 90 days may be compounded without referral to enforcement authorities.

Non-Eligible Cases

Overstays exceeding 90 days, repeated offenses, individuals under “Special Pass,” those with criminal or immigration offence records, or persons on the “Senarai Syak” (Suspect List) remain subject to enforcement referral.

Administrative Reminder

Organizations may wish to consider initiating renewal or extension applications at least three months before pass expiry to avoid overstay incidents and associated penalties.

KPMG INSIGHTS

While the announcement was issued by eXpats of Malaysia Digital Economy Corporation, the pass approving authority for companies with Malaysia Digital status or Information, Communication and Technology industry, the program is also applicable to other approving authorities (e.g., Expatriate Services Division) and other types of passes.

In light of the changes, organisations may wish to review their current tracking and notification systems for EP and DP expiry dates and consider initiating the renewal or extension process at least three months in advance to mitigate risks of overstay.

Readers may wish to contact their usual immigration adviser or a member of the KPMG team in Malaysia (see the Contacts section).

FOOTNOTE:

1 Immigration Department of Malaysia (Ministry of Home Affairs) website, [Enforcement – Malaysian Immigration Department](#); also see Malaysia Digital Economy Corporation, "[LATEST UPDATE FROM IMMIGRATION DEPARTMENT ON OVERSTAY AND SPECIAL PASS APPLICATIONS.](#)"

* * * *

Contact Us

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



Long Yen Ping
Partner
Head of Global Mobility Services
KPMG in Malaysia
Tel. +60 (3) 77217018
yenpinglong@kpmg.com.my



Michelle Foo
Associate Director
Global Mobility Services
KPMG in Malaysia
Tel. +60 (3) 77217346
lyeyefoo@kpmg.com.my



Nur Aliaatul Shahira
Manager
Global Mobility Services
KPMG in Malaysia
Tel. +60 (3) 7721 7613
aliaatulnaguib@kpmg.com.my

** Please note the KPMG International member firm in the United States does not provide immigration or labour law 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.

© 2025 KPMG Tax Services Sdn Bhd, a company incorporated under Malaysian law and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

www.kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us:



kpmg.com

© 2025 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. Printed in the U.S.A. USCS001250-2F

The KPMG name and logo are registered trademarks or trademarks of KPMG International. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing Audit, Tax and Advisory services. The KPMG global organization operates in 147 countries and territories and has more than 219,000 people working in member firms around the world.

Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

GMS Flash Alert is a publication of the KPMG LLP Washington National Tax practice.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. The information contained 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.