

MALAYSIA

Third Edition



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# **SUCCESSFUL STRATEGIES FOR DOING BUSINESS IN ASIA**





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# **SUCCESSFUL STRATEGIES FOR DOING BUSINESS IN ASIA**

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PREPARED BY MERITAS LAWYERS IN ASIA

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## SUCCESSFUL STRATEGIES FOR DOING BUSINESS IN ASIA

This is the third revised edition of *Successful Strategies for Doing Business in Asia* which was first published in 2006. Prepared by lawyers from 12 leading Asian Meritas firms, this book offers practical insights and targets foreign investors and business people who want to pursue opportunities throughout Asia. Each chapter contains general information and guidelines, not legal advice. Do not rely on these materials without first consulting with legal advisors who are familiar with your particular areas of interest.

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The following currency notations are used throughout this book.

RMB	Chinese Renminbi	PHP	Philippine Peso
HKD	Hong Kong Dollar	SGD	Singapore Dollar
INR	Indian Rupee	TWD	New Taiwan Dollar
IDR	Indonesian Rupiah	THB	Thai Baht
JPY	Japanese Yen	USD	United States Dollar
KRW	Korean Won	VND	Vietnamese Dong
MYR	Malaysian Ringgit		

*Please be aware that the information on legal, tax and other matters contained in this book is merely descriptive and therefore not exhaustive. As a result of frequent changes in legislation and regulations from country to country, the situations as described throughout this book do not remain the same. Meritas cannot, and does not, guarantee the accuracy or the completeness of information given, nor the application and execution of laws as stated.*

Five years have passed since the worst financial crisis in 70 years erupted. Today many countries and economic regions are still suffering, but there is one bright spot – Asia. Home to 3.8 billion people, Asia continues to take a leading role in driving the world economy back to healthier times. China rebounded quickly to high single-figure annual growth following the 2008-09 downturn, and in 2013-14 is expected to have a rise of 8% in GDP. India too is exhibiting signs of long-term growth potential, as are Singapore, Malaysia and others in Asia.

For 30 years I have worked closely with multinational companies as they explore investment and business opportunities throughout Asia. I have discovered that countries in the Asian region can at the same time appear similar yet be remarkably different. While specific legal systems and local government regulations will vary, there are universal issues in every country that foreign investors will face. This book was designed to provide practical and useful insights into the 12 most common questions that potential investors in Asia need to address:

1. What role does the government play in approving and regulating foreign direct investment?
2. Can foreign investors conduct business in a particular country without a local partner? If so, what corporate structure is most commonly used by foreign investors?
3. How do governments regulate commercial joint ventures between foreign investors and local companies?
4. What laws influence the relationship between local agents and distributors and foreign companies?
5. How does the government regulate proposed merger and acquisition activities by foreign investors? Are there any prohibited areas for foreign investors in the economy (e.g., natural resources, telecommunications or energy)?
6. How do labor statutes regulate the treatment of local employees and expatriate workers?
7. How do local banks and government regulators deal with the treatment and conversion of local currency, repatriation of funds overseas, letters of credit, and other basic financial transactions?
8. What types of taxes, duties and levies should a foreign investor expect to encounter?
9. How comprehensive are the country's intellectual property laws? Do local courts and tribunals enforce IP laws uniformly regardless of the nationality of the parties?

10. If a commercial dispute arises, do local courts or international arbitration offer a more beneficial forum for dispute resolution for foreign investors?
11. What advice can you offer for how best to negotiate and conduct business in your country?
12. What other practical lessons can you share with those who want to do business in your country?

Leading law firms within the Meritas alliance in Asia have contributed to this book. These firms are comprised of local lawyers who possess extensive experience in advising international clients on how best to conduct business in their respective countries. The law firms were presented with these “Twelve Questions” and invited to write a chapter providing an overview of the laws in their jurisdiction along with timely insights and advice. In a concise manner, the book hopes to provide readers with a clear understanding of the similarities and differences, strengths and weaknesses of countries in the Asian region.

One final thought: For those who are patiently waiting for Asia to become more predictable before pursuing business or investment opportunities, do not wait too long. Most non-Asian multinationals are already there. Those who delay will find themselves missing out on the greatest economic expansion in history. There are risks, certainly, but also great rewards for the savvy – and educated – investor.

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With the changing global economic landscape, most of the rapid-growth markets are found in Asia. Malaysia sits at the center with its robust trade and domestic demand. Malaysia offers investors a cost-competitive economy which is increasingly innovation-driven. It also provides strong investor protection, offers good talent availability, a high quality of living, and an affordable and business-friendly environment.

The Association of Southeast Asian Nations (ASEAN) countries are leading the "Asian Century." The establishment of the ASEAN Community creates a single market of 600 million people and a freer flow of trade and investment will be set up by 31 December 2015 when Malaysia takes over the chairmanship of the ASEAN Summit.

Doing business in Malaysia is relatively straightforward. Challenges faced by foreign investors in doing business in Malaysia arise primarily out of administrative processes and policies adopted by the ruling government that focus on certain strategic sectors. Malaysia subscribes to the principle of progressive liberalization within the context of overall development strategy. With the abolition of the Foreign Investment Committee in 2009, the process for foreign direct investment has been simplified substantially.

The Malaysian government is optimistic that the abolition of the FIC and other liberalization measures will assist Malaysia to become more competitive in its quest for foreign direct investments.

The central bank, Bank Negara Malaysia, continuously implements measures to strengthen the regulatory and supervisory framework to maintain a sound and strong banking system; while the Securities Commission Malaysia is responsible for regulating and systematically developing the capital markets in Malaysia with the objective of protecting the investor.

Malaysia was ranked 14th in IMD's World Competitiveness listing for 2012 from the 16th spot in the previous year. This reflects the commendable improvements in both the Business Efficiency factor and Government Efficiency and suggests the government's objective of achieving a top 10 ranking will occur in the not too distant future.

With the objective of increasing significant private sector investment, the Malaysian government launched the Iskandar Malaysia Development Region in 2006, which was designed with the investor in mind. The region will enjoy state-of-the-art facilities, infrastructure and a one-stop business centre to ensure business transactions are fast, seamless and convenient. There are many

incentives available for foreign investors, including tax incentives for certain promoted activities.

In line with the Malaysia International Islamic Financial Centre (MIFC) initiative launched in 2006 to develop Malaysia as the international hub of Islamic finance, Malaysia was also recognized as the world's most important Islamic-finance centre by *The Economist* in 2013. The country was reportedly the world's fifth largest IPO market last year in terms of funds raised and was home to three multi-billion dollar listings.

The nation's New Economic Model (launched on 30 March 2010) seeks to transform the nation into a high-income economy that is both sustainable and inclusive and will position the nation on the right path toward attaining developed nation status by 2020.

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## 1. What role does the government of Malaysia play in approving and regulating foreign direct investment?

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Regulation of foreign investment in Malaysia is done both through legislation as well as governmental policies. Specific licenses and permits are required for the conduct of certain strategic activities and businesses, such as manufacturing activities, petroleum-related activities and telecommunications and equity participation requirements are sometimes imposed by the Malaysian regulatory authorities in granting these licenses and permits.

Such equity participation conditions are commonly formulated and imposed by the respective sector regulators based on the specific requirements and strategic nature of the relevant sector.

The Malaysian government offers many incentives to encourage business growth and development. Through economic reform initiatives, such as the Economic Transformation Program, the government seeks to provide opportunities for business to expand and stay competitive. Various incentives and initiatives have been introduced to deregulate foreign direct investment and to attract foreign direct investment into Malaysia, including the liberalization of foreign equity requirements imposed on a total of 44 services subsectors to date and the development of five economic growth corridors within Malaysia to leverage on the competitive advantage of different states and develop high impact industry clusters in these areas. Attractive investment packages such as income tax exemptions, liberal policies on foreign equity participation and employment of expatriates are provided for in these regions.

Although the Malaysian government continues to play an active role in approving and regulating foreign direct investment in certain strategic sectors, liberalization measures have been progressively adopted by the government to remove restrictions on foreign direct investment. We look forward to more governmental policies and measures which are market-friendly, merit-based, needs-based and transparent and will improve Malaysia's competitiveness as a foreign investment destination and meet the country's goal of becoming a high-income economy by 2020.

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## 2. Can foreign investors conduct business in Malaysia without a local partner? If so, what corporate structure is most commonly used by foreign investors?

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With the deregulation of the Acquisition of Interests FIC Guidelines, foreign investors can conduct business in Malaysia without a local partner by (most commonly) incorporating a company under the Companies Act, 1965 (CA) or by setting up branches of foreign companies in Malaysia. However, local partners are still required in certain regulated activities such as petroleum and telecommunications.

Under the CA, the following types of companies may be incorporated in Malaysia:

- A private limited company, which has liability limited by shares (commonly used)
- A public limited company, which has liability limited by shares (commonly used)

Prior to the incorporation of a company in Malaysia, an application must be made to determine if the proposed name of the intended company is available. The CA requires the company incorporated in Malaysia to have a minimum of two directors who are residents in Malaysia. A resident need not be a Malaysian citizen. In addition, all companies must have at least two initial subscribers.

The Limited Liability Partnerships Act 2012 (LLPA) came into operation on 26 December 2012. With the coming into force of the LLPA, any two or more persons, consisting of, wholly or partly, individuals or bodies corporate, associated for carrying on any lawful business with a view to profit may form a limited liability partnership in accordance with the terms of the limited liability partnership agreement.



### 3. How does the Malaysian government regulate commercial joint ventures between foreign investors and local companies?

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Commercial ventures between foreign investors and local firms in regulated sectors are regulated by the Malaysian government through applicable laws, regulations, policies and guidelines including the imposition of foreign equity participation requirements in the granting of the licenses necessary for conducting business in the regulated sectors.

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### 4. What laws influence the relationship between local agents and distributors and foreign companies?

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The Guidelines on Foreign Participation in the Distributive Trade Services Malaysia 2010 (Guidelines on Foreign Participation in Distributive Trade 2010) require all proposals for foreign involvement in distributive trade to obtain the approval of the Ministry of Domestic Trade Cooperatives and Consumerism (MDTCC). These include acquisition of interest, mergers and/or takeovers by foreign participation, the opening of new branches and relocation, expansion of existing branch/outlet, buying over/taking over of outlets of other operators and the purchase of properties to operate distributive trade activities prior to any application for approval/license from the local authority to operate distributive trade activities.

All distributive trade companies with foreign equity shall:

- Appoint Bumiputera director/directors
- Hire personnel at all levels including management to reflect composition of the Malaysian population
- Formulate clear policies and plans to assist Bumiputera participation in the distributive trade sector
- Hire at least 1% of the total hypermarket workforce from persons with disabilities (if applicable)
- Increase the utilization of local airports and ports in the export and import of the goods
- Utilize local companies for legal and other professional services which are available in Malaysia
- Submit an annual financial report to the MDTCC
- Comply with all local authorities by laws and regulations

Apart from the above, the relationship of a company with foreign equity and its local agents and distributors will usually be governed through their respective contractual arrangements. Contractual arrangements are primarily governed by the Contracts Act 1950, which sets out certain provisions concerning the relationship of agency.

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**5. How does the Malaysian government regulate proposed merger and acquisition activities by foreign investors? Are there any prohibited areas for foreign investors in the economy (e.g., natural resources, telecommunications or energy)?**

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With the deregulation of the investment guidelines administered by the FIC, the Malaysian government regulates proposed merger and acquisition activities by foreign investors primarily through the licensing process, e.g., by the imposition of a requirement for the approval of the relevant regulatory authority to be obtained prior to any change of foreign shareholding structure of the licensee holder.

National interest in terms of strategic sectors will continue to be safeguarded through sector regulators. GLCs will continue to constitute a major part of the nation's economic structure. Companies in such sectors will also continue to be subject to equity conditions as imposed by their respective sector regulators, such as the Energy Commission, Commercial Vehicles Licensing Board, National Water Services Commission, Malaysian Communications and Multimedia Commission.

In some cases, the Malaysian government takes a stake in companies within strategic sectors through GLCs or its appropriate ministries via "golden shares" and veto rights.

As for acquisitions of land and real property by foreign investors, such transactions are regulated by the Malaysian government through the new FIC Guidelines on the Acquisition of Properties pursuant to which the approval of the EPU, Prime Minister's Department for property transactions will be required where it involves a dilution of Bumiputera interests and/or government interests for properties valued at MYR20 million and above. Further, the approvals of the respective state authorities as well as the approvals of the respective estate land boards for the acquisition of agricultural and estate land are usually additionally required.

## 6. How do labor statutes regulate the treatment of local employees and expatriate workers?

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In general, parties may negotiate freely on the terms of the employment contract. However, a statutory protection under the Employment Act, 1955 (EA) is afforded to manual workers or employees whose monthly wages do not exceed MYR2,000 and employees under a few other specified categories in the EA. The EA provides for the minimum terms and benefits in relation to the employees' welfare with specific reference to medical benefits and leave taking. Further, the Minimum Wages Order 2012 prescribes the minimum wages payable by an employer to its employees (whether local or foreign). Pursuant to the Minimum Wages Order 2012, an employer with more than five employees in Peninsular Malaysia is required to pay to its employees a minimum wage of MYR900 a month.

The Industrial Relations Act, 1967 (IRA) is applicable throughout Malaysia and provides for the regulation of relations between employers and workers or employees and their trade union. The IRA was enacted to protect the employees whereby fair treatment is given to them and due process is observed in relation to the termination of employment. Strictly speaking, no employer can abuse its right to fire his employees without due cause. An employer is only entitled to terminate his employees for just and reasonable cause. Just cause would be in reference to misconduct, negligence or poor work performance. In Malaysia, the onus is on the employer to establish his allegations. This Act also sets out the procedure relating to submissions of claims for recognition and scope and representation of trade union and collective bargaining. However, matters relating to promotion, recruitment and dismissal are not allowed to be included in the proposal for collective bargaining.

The Employee Provident Fund (EPF) is a form of compulsory savings for workers. Employees can only withdraw EPF savings in certain circumstances, for example, medical bills and retirement. Currently, employees are required to contribute 11% of their monthly salary to EPF while employers are required to contribute 12% of the employees' monthly salary (where their monthly salary exceeds MYR5,000) and 13% of the employees' monthly salary (where their monthly salary is MYR5,000 or less). Expatriates are exempted from the EPF requirements.

Social Security Organization (SOCSO) is a fund to provide benefits for workers who meet with accidents in the course of their employment. All workers who earn MYR3,000 or less must become members of SOCSO. Once a person is a member of SOCSO, then that person should continue to be a member even if his or her salary is above MYR3,000.

Foreigners intending to work in Malaysia will be required to obtain the relevant permit from the Immigration Department of Malaysia. The Employment Pass is issued to an expatriate worker taking up a contract of employment with a minimum period of two years and earning a monthly income of not less than MYR5,000. A foreign spouse of a Malaysian citizen (legally married under the Malaysian law) is permitted to work in Malaysia without having to change his/her Social Visit Pass to an Employment Pass on condition that the spouse has acquired work approval from the Immigration Department.

In addition, foreign companies are permitted to hire expatriate personnel in areas where there is a shortage of trained Malaysians to perform these specific roles.

The minimum paid-up capital required of a private limited company or a public listed company incorporated in Malaysia applying for an expatriate post is MYR250,000 (where the company is 100% locally owned), MYR350,000 (where the company is both local and foreign owned) and MYR500,000 (where the company is 100% foreign owned). It is to be noted that in the case of companies engaging in wholesale, retail, trading, import and export business, the MDTCC guidelines require a minimum paid-up capital of MYR1,000,000 in order to obtain the Wholesale and Retail Trade License, which in turn is required prior to applying for the expatriate work permit.

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## **7. How do local banks and government regulators deal with the treatment and conversion of local currency, repatriation of funds overseas, letters of credit, and other basic financial transactions?**

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The exchange control regime is governed by the Exchange Control Act 1953, and what is commonly referred to as Exchange Control of Malaysia Notices (ECMs) issued by BNM. The ECMs set out various transactions that require the prior approvals of the Controller of Foreign Exchange of the BNM for both residents and nonresidents to remit funds to and from Malaysia.

Generally, all payments in foreign currency to nonresidents, including the repatriation of funds overseas, are freely permitted. A nonresident may repatriate funds overseas by setting up an external account with the local banks. The funds can then be converted into foreign currency with a licensed onshore bank and repatriated at any time. Nevertheless, reporting

of inward and outward remittances of transactions exceeding certain limits is required.

Certain special status is granted to selected companies such as entities in the Labuan International Offshore Financial Centre, Multimedia Super Corridor companies and Approved Operational Headquarters (OHQs) where there is a relaxation on the ECM requirements. For instance, OHQs may now:

- Retain any amount of export receipts in their foreign currency accounts maintained with licensed onshore banks
- Obtain any amount of Malaysian ringgit credit facilities from domestic sources

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## 8. What types of taxes, duties and levies should a foreign investor in Malaysia expect to encounter?

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Generally, all income of companies and individuals accrued in, derived from or remitted to Malaysia are liable to tax. Apart from income tax, there are other direct taxes such as stamp duties, indirect taxes such as sales tax, service tax, excise duty and import duty.

Effective from the year of assessment 2009, the corporate tax rate is reduced to 25% while the maximum individual tax rate will be revised to 26% effective from the year of assessment 2013. Malaysia also offers a wide range of tax incentives for manufacturing projects under the Promotion of Investments Act 1986 and the Income Tax Act 1967. The main incentives are the Pioneer Status, Investment Tax Allowance, Reinvestment Allowance, Incentives for High Technology Industries and Incentives for Strategic Projects and Incentives for the Setting-up of International / Regional Service-based Operations.

Further, companies undertaking investment projects approved by the IRDA in designated zones will be eligible for a 10-year corporate tax exemption provided certain conditions are met.

The rate of tax varies depending on the status of the residency of the individual. Generally an individual is regarded as a resident if his stay in Malaysia is more than 182 days in a calendar year. Nonresidents are subject to withholding tax of 10% to 15%. However, there may be double taxation agreements entered into between Malaysia and certain countries of the nonresident, in which case the rate of withholding tax may be reduced.

The Stamp Act 1949 imposes stamp duty to be paid for certain instruments including documents to effect any acquisition of properties and assets. However, there is no difference in the stamp rates applicable for foreigners.

With effect from 1 January 2012, the Malaysian government has reimposed real property gains tax (RPGT) at a rate of up to 15% on the gains from the disposal of real property within five years of acquisition. However, exemptions from RPGT are applicable to certain types of transactions.

Apart from the above, there is no value added tax (VAT) currently in Malaysia but it is expected that a consumption tax similar to VAT will be introduced by integrating the existing sales tax and service tax (currently imposed at the increased rate of 6% with effect from 1 January 2011) into a single base tax to be called Goods and Services Tax (GST).

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## 9. How comprehensive are the intellectual property laws of Malaysia? Do local courts and tribunals enforce IP laws uniformly regardless of the nationality of the parties?

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Malaysia offers an extensive statutory scheme covering intellectual property rights comprised of copyright, trademarks, patents, industrial designs, geographical indications and layout designs of integrated circuits. The laws are applicable to and seek to protect all parties, regardless of their nationalities, as long as the subject matter is within the jurisdiction of the local courts.

Malaysia is a member of the World Intellectual Property Organization (WIPO) and a signatory to the Paris Convention and Berne Convention. Additionally, Malaysia is also a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). This effectively means that Malaysian intellectual property rights will be given the same treatment and protection in other TRIPS member countries provided local registration requirements are met. Malaysia has also recently acceded to the Patent Cooperation Treaty (PCT) in effect from 16 August 2006.

The Intellectual Property Corporation of Malaysia was established in 1990 and it is responsible for the development and management of the intellectual property system in Malaysia, as well as to ensure the administration and enforcement of the intellectual property legislation. In 2007, the Intellectual Property Courts were established to provide speedier and more specialized management of intellectual property disputes in the country.

Intellectual property rights are also afforded protection under the common law. For instance, the doctrine of passing off and breach of confidence are a basis for the unregistered trademark's owners to seek recourse.

Although "smell" has yet to be included the definition of a registerable trademark and there are currently no enabling regulations to permit security interest to be taken over intellectual property, Malaysia generally provides adequate protection to both local and foreign investors. In recent years, the government has also intensified enforcement efforts on illegal counterfeiting activities through frequent raids and general public awareness initiatives.

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## 10. If a commercial dispute arises, do local courts or international arbitration offer a more beneficial forum for dispute resolution to foreign investors?

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In Malaysia, disputes may be resolved through courts or through arbitration. Many litigants resort to the processes of the local courts, which have of late ensured speedier disposal of cases and at lower costs, compared to that of arbitration.

Nevertheless, arbitration has been the preferred forum where certain specific expertise or technical knowledge is required in the decision-making process, for example in areas such as maritime law, building and construction law, etc.

Arbitration is perceived to be more expedient as it provides certain flexibility in that it has less rigid evidential rules as opposed to court proceedings. In addition, parties have the freedom to choose the counsel to represent them and representation by Malaysian lawyers is not required. Further, there is no restriction on the language to be used in the arbitration proceedings. Therefore, there is preference for commercial contracts to stipulate arbitration as a preferred mode for dispute resolutions.

The Arbitration Act 2005 came into effect on 15 March 2006 and embodies major provisions of the United Nations Commission on International Trade Law (UNCITRAL) Model Law on International Commercial Arbitration. In the absence of the determination of the number of arbitrators by the parties, the number of arbitrators usually consists of three arbitrators for international arbitration and one arbitrator for domestic arbitration. The

Kuala Lumpur Regional Centre for Arbitration (KLRC) was established in 1978 and its role includes:

- Acting as the appointing authority for arbitrators, where there is no agreed procedure in the arbitration agreement or where the agreed procedure has failed
- Rendering assistance in the enforcement of awards
- Administering international and domestic arbitration under the Rules of UNCITRAL.

In 2012, the KLRC launched its revised KLRC Fast Track Rules, with the view of providing an alternative and flexible procedure to ensure a just, expeditious, economical and final determination of disputes. Under the Fast Track Rules, parties are to nominate the arbitral tribunal within seven days from the commencement of arbitration, failing which the arbitral tribunal shall be appointed by the director of the KLRC within 14 days after the expiration of the initial seven-day period. Further, final award is to be handed down expeditiously, within 90 days from the commencement of arbitration for documents only arbitration and 160 days if a substantive oral hearing is involved. In recognition of these initiatives, the KLRC was recently awarded the prestigious voter-based Global Arbitration Review Award for Innovation by an Individual or Organization in 2012.

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## 11. What advice can you offer for how best to negotiate and conduct business in Malaysia?

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The Malaysian government is committed to maintaining a business environment that provides companies with the opportunities for growth and profits. Practical challenges generally lie in administrative procedures which may appear to complicate the process of foreign direct investment in Malaysia. Regulatory authorities are generally cooperative and offer guidance and assistance to investors who wish to conduct business in Malaysia.



## 12. What other practical lessons can you share with those who want to do business in Malaysia?

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Notwithstanding the deregulation of the FIC, there remains local equity participation requirements imposed on foreign investments in certain sectors. In seeking to fulfill such requirements, it is important for foreign investors to select the right local partners who subscribe to the same business principles and have a similar vision for the business as a whole.

It is recommended that foreign investors have a general understanding of the key priority development sectors of the ruling government so as to avail themselves of possible incentives being offered (including tax reliefs and in some instances, seed funding).

The Malaysian government is very much pro-business and committed to undertaking reforms to encourage business growth and development. Investors can look for support and guidance from the following government agencies:

### **Malaysian Investment Development Authority (MIDA)**

[www.mida.gov.my](http://www.mida.gov.my)

### **Multimedia Development Corporation(MDec)**

[www.mdec.my](http://www.mdec.my)

### **Halal Industry Development Corporation(HDC)**

[ww.hdeglobal.com](http://ww.hdeglobal.com)

### **Biotech Corp**

[www.biotechcorp.com.my](http://www.biotechcorp.com.my)

### **Invest KL**

[www.investkl.gov.my](http://www.investkl.gov.my)

**GLOSSARY**

BNM	Bank Negara Malaysia
Bumiputera	Malaysian natives
CA	Companies Act, 1965
EA	Employment Act, 1955
ECM	Exchange Control of Malaysia Notices
EPF	Employee Provident Fund
EPU	Economic Planning Unit
FIC	Foreign Investment Committee
GLCs	Government-Linked Companies
GST	Goods and Services Tax
IDR	Iskandar Development Region
IRA	Industrial Relations Act, 1967
IRDA	Iskandar Regional Development Authority
KLRCAs	Kuala Lumpur Regional Centre for Arbitration
NDP	New Development Policy
NEM	Malaysia New Model
NEP	New Economic Policy
OHQs	Approved Operational Headquarters
RPGT	Real Property Gains Tax
SC	Securities Commission
SEDCs	State Economic Development Corporations
SOCSSO	Social Security Organization
VAT	Value Added Tax

## **ZAIN & CO.**

Zain & Co. was established in 1970 by Mr. Zain Azahari bin Zainal Abidin. The firm is consistently listed in the Asia Pacific Legal 500 and International Financial Law Review 1000 for significant transactions in the areas of mergers and acquisitions and banking and finance. Chambers has credited the firm as “A team whose drafting was praised by clients as being ‘on par with U.S. law firms.’ International clients appreciated its responsiveness, knowledge of local law and understanding of the negotiation process. The firm offers expertise on inward investment and in the past year has acted on several corporate debt restructuring and joint ventures involving foreign investment.”

In addition, the firm customarily handles complex financial instruments and it was one of the first law firms to handle Islamic finance issues in the country. Zain & Co. additionally provides advice in litigation, arbitration, and real estate in addition to specialist areas of electricity, transport, privatization and Shari’a (Islamic law). The recent years have seen a significant international demand for Zain & Co.’s services principally to assist foreign corporations from Asia, Europe, America, Australia, and New Zealand to establish or acquire businesses in Malaysia.

The firm was short-listed for the inaugural “Chambers Asia Awards 2010” for Malaysia for “the firm’s notable achievements over the past year including outstanding work, impressive strategic growth and excellence in client service” and was most recently named the “Malaysian Commercial Law Firm of the Year” at the Acquisition International Legal Awards 2012.

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