



## Introduction to Tiger Consulting Malaysia (Legal name- Tiger Consulting Sdn. Bhd.)

### Tiger Consulting Sdn. Bhd.

No. 38-2, 2<sup>nd</sup> Floor, Jalan Puteri 2/4, Bandar Puteri, Puchong, 47100 Selangor, Malaysia

Tel: +603 8063 7036 Fax: +603 8051 6631

Email: [info@tiger-consulting.net](mailto:info@tiger-consulting.net)

Website: [www.tiger-consulting.net](http://www.tiger-consulting.net)



### Key Country Facts

#### Official Language

There are as many languages spoken as there are people of different ethnic backgrounds gathered in Malaysia. Bahasa Malaysia is the national language and English is an active second language, which is widely spoken, mostly used in business.

**Currency:** Malaysian Ringgit (MYR)

**Time Zone:** UTC +8

**Capital City:** Kuala Lumpur is the Capital of Malaysia.

**Laws and Customs:** Three major periods were largely responsible for shaping the current Malaysian system. The first was the founding of the Melaka Sultanate at the beginning of the 15th century, second was the spread of Islam in the indigenous culture, and finally, and perhaps the most significant in modern Malaysia, was British colonial rule which brought with it constitutional government and the common law system.

**Cultural observations** Malaysia is situated in the heart of South East Asia; it reflects the very essence of Asia with an exotic blend of a multi-cultural society that lives together in peace and harmony. Malaysians are warm and friendly people who easily accept foreigners into their circle of friends.

### Establishing a company/legal entity in Country

**Employment:** Malaysians may work at will. Foreign workers and expatriates must possess valid visas, work passes, and employment passes prior to commencing work.

Disclaimer

**Working Hours:** 9-5 Mon-Fri

**Banking and payments:** Malaysian banking has seen much change and reinvention in the last 15 years. Going from strength to strength, Malaysia banking is in a healthy and sustainable state according to various international finance monitors, including the Economist Intelligence Unit (EIU) and Moody's Investor Services.

**Visa's & work permits:** Foreigners and expatriates who wish to work in Malaysia are required to possess permitted passes from the Immigration Department of Malaysia with a minimum salary of MYR 5,000.00 and with at least a 2 year employment contract. Entry into Malaysia is in accordance with the Immigration Act 1959/63, Passport Act 1966, and Immigration Regulations 1963.

### **Public Holidays**

- New Year's Day 1 January
- Birthday of Prophet Muhammad (date will move slightly each year)
- Thaipusam (date will move slightly each year)
- Federal Territory Day 1 February
- Chinese New Year (date will move slightly each year)
- Labour Day 1 May
- Wesak Day (date will move slightly each year)
- Agong's Birthday (date will move slightly each year)
- Hari Raya Puasa (date will move slightly each year)
- National Day 31 August
- Malaysia Day 16 September
- Hari Raya Qurban (date will move slightly each year)
- Deepavali (date will move slightly each year)
- Awal Muharram (date will move slightly each year)
- Christmas Day 25 December

### **Tax & Social Security**

#### **Employee's Provident Fund (EPF)**

The EPF is a social security institution that provides retirement benefits for members through management of their savings in an efficient and reliable manner. The EPF also provides a convenient framework for employers to meet their statutory and moral obligations to their employees.

The mandatory EPF contribution is eligible for Malaysian and Permanent residents. However foreigners may choose to contribute. A contribution constitutes the amount of money credited to members' individual accounts in the EPF. The amount is calculated based on the monthly wages of an employee. Current contribution rate is in accordance with wage/salary received. For employees who receive wages/salary below RM5,000 the portion of employee's contribution is 11% of their monthly salary while the employer contributes 13%. For employees who receive wages/salary exceeding RM5,000 the employee's contribution of 11% remains, while the employer's contribution is 12%.

#### **Social Security organization (SOCSCO)**

SOCSCO provides social security protection to employees and their dependents through social security schemes and by increasing awareness of occupational safety and health for the well-being of employees and their families.

#### **Inland Revenue Board of Malaysia (IRB)**

Every individual who is taxed is required to declare his income to IRB. Non-resident individuals are taxed at a different tax rate on income earned/received from Malaysia, which is 26% on employment. Employers have the responsibility to withhold tax for all employees who are under employment in Malaysia on a monthly basis.

## Reporting requirements

<b>Monthly:</b>	Payroll
<b>Yearly:</b>	Accounting/Audit
<b>Starters &amp; Leavers:</b>	Monthly as event occurs
<b>EPF:</b>	Monthly filing 15 <sup>th</sup> of the next month
<b>Annual Tax Filing:</b>	Employers to file income tax return by 31 <sup>st</sup> March of the year Employees to file income tax return by 30 <sup>th</sup> April of the year

## Employment Law

The Employment Act 1955 is the main legislation on labour matters in Malaysia. A Malaysia's business environment is generally strike-free.

## Employees

**Payslips:** Monthly available on web-site, pdf or paper

**Payslip requirements:** (sample payslip)

Malaysia - Tiger Consulting (Sample) Monthly Payroll Details in Malaysian Ringgit Sep-2013									
Employee Name:		Nationality:		IC Number:		Tax ID:		EPF No.:	
Jimmy Lee Marvin Yin		Malaysian		9004301011235		S5123456789-09		12341234	
DOB:		Marital Status:		Gender:		Job Title:		Phone:	
12/08/80		Single		Male		Sales Manager		0112-3456789	
Resident:		Employment Date:		Email:		End Date:			
No. 123 Jalan Mahatam		01/10/2012		jimmy.lee@sample.com					
Account Name:		Account Number:		Swift Code:					
12341234		123412341234		JIMMYYIN					
Jimmy Lee Marvin Yin									
Month	Basic Salary	Variable Pay	EPF	SOCSOA	14/10	EPF	SOCSOA	Variable Pay	Net Pay
Jan-2012	8,000.00	8,000.00	880.00	14.75	798.00	960.00	51.85	1,662.75	6,337.25
Feb-2012	8,000.00	8,000.00	880.00	14.75	798.00	960.00	51.85	1,662.75	6,337.25
Mar-2012	8,000.00	8,000.00	880.00	14.75	798.00	960.00	51.85	1,662.75	6,337.25
Apr-2012	8,000.00	8,000.00	880.00	14.75	798.00	960.00	51.85	1,662.75	6,337.25
May-2012	8,000.00	8,000.00	880.00	14.75	798.00	960.00	51.85	1,662.75	6,337.25
Jun-2012	8,000.00	8,000.00	880.00	14.75	798.00	960.00	51.85	1,662.75	6,337.25
Jul-2012	8,000.00	8,000.00	880.00	14.75	798.00	960.00	51.85	1,662.75	6,337.25
Aug-2012	8,000.00	8,000.00	880.00	14.75	798.00	960.00	51.85	1,662.75	6,337.25
Sep-2012	8,000.00	8,000.00	880.00	14.75	798.00	960.00	51.85	1,662.75	6,337.25
Oct-2012	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nov-2012	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dec-2012	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>72,000.00</b>	<b>72,000.00</b>	<b>7,840.00</b>	<b>132.75</b>	<b>6,912.00</b>	<b>6,840.00</b>	<b>461.85</b>	<b>14,962.75</b>	<b>57,037.25</b>

**Holiday allowance:** Full-time employees are paid for public holidays.

**Maternity:** Every female employee entitled to maternity leave of no less than sixty consecutive days in respect of each confinement.

**Annual Leave:** An employee is entitled to paid annual leave of

- Eight days for every twelve months of continuous service with the same employer if employee has been employed by that employer for a period of less than two years
- Twelve days for every twelve months of continuous service with the same employer if employee has been employed by that employer for a period of two years or more but less than five years
- Sixteen days for every twelve months of continuous service with the same employer if employee has been employed by that employer for a period of five years or more

**Sickness:** An employee is entitled to paid sick leave, where no hospitalization is necessary,

- Fourteen days in the aggregate in each calendar year if the employee has been employed for less than two years
- Eighteen days in the aggregate in each calendar year if the employee has been employed for two years or more but less than five years

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- (iii) Twenty-two days in the aggregate in each calendar year if the employee has been employed for five years or more
- (iv) Sixty days in the aggregate in each calendar year if hospitalization is necessary, as may be certified by such registered medical practitioner or medical officer

## **Benefits to the employee in country**

### **Pensions**

Employees' Provident Fund is a Malaysian government agency under the Ministry of Finance. It manages the compulsory savings plan and retirement planning for private sector workers in Malaysia. Membership of the EPF is mandatory for Malaysian citizens employed in the private sector and voluntary for non-Malaysian citizens.

### **Expatriates:**

#### ***Accommodation***

Expats moving to Malaysia can rest assure that they will have no problem in finding comfortable and affordable accommodation while in Malaysia. All types of accommodation are present, from large, stand-alone houses (known as bungalows), to semi-detached and terraced houses, to apartments and condominiums or hotels for short a stay.

Generally, condominiums are most popular with expats in Malaysia, as they are secure, and often boast highly sought-after amenities, such as gyms, swimming pools, and even tennis courts. Renting a 2-bedroom condo in an up to market area of Kuala Lumpur cost up to MYR3000. There are less expensive areas and options, starting from MYR1000 per month.

#### ***Transportation***

Once you are in the country there is always transportation available to you, even to remote areas. The public transportation system in Malaysia comprises of bus, railway, and taxi services. The Klang Valley has an integrated public transportation system incorporating the Light Rail Transit (LRT), monorail, railway, and bus services are being developed. Taxis and limousine services are also available at reasonable rates.

#### ***Food***

Malaysia has a fine range of cuisine from across the world, and this is reflected in the many types of restaurants available. Street food in Malaysia is a great experience and provides for a low-cost night out; even restaurant meals will seldom cost more than MYR30 to MYR50. Alcohol gets expensive though, so drinks can increase the meal bill substantially.