

## SCHEDULE OF MALAYSIA

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<b>HORIZONTAL SECTION</b>			
<p>ALL SECTORS INCLUDED IN THIS SCHEDULE UNLESS OTHERWISE INDICATED</p>	<p>3) <u>Acquisition, Mergers and Take-over</u>                      The acquisition of assets or interests of Malaysian companies and businesses, mergers or take-over requires approval and apply to the following:</p> <p>(a) the acquisition of the voting rights of a Malaysian corporation by any single foreign interest or associated group of 15 per cent or more, or an aggregate foreign interest of 30 per cent or more or exceeding RM10 million in value;</p> <p>(b) any proposed acquisition of any assets or interests by any means which will result in ownership or control passing to foreign interest; and</p> <p>(c) control of Malaysian corporations through any form of joint-venture agreement, management agreement, technical assistance agreement or other arrangements.</p> <p>Approval is normally granted. However it may be denied in circumstances where the proposed investment conflicts with the interest of the State.</p>	<p>3) <u>Land, Property and Real Estate</u>                      Approval may be denied if the acquisition, disposal or dealing of land or any interest in land, property and real estate is undertaken for speculative or non-productive purpose or for purposes which may conflict with the interest of the State.</p> <p><u>Incentives/Preferences</u>                      Incentives are limited to eligible Malaysian-owned corporations engaged in service sectors promoted by the Government.</p> <p>Any measure and special preference granted to Bumiputera, Bumiputera status companies, trust companies and institutions set up to meet the objectives of the New Economic Policy (NEP) and the National Development Policy (NDP) shall be unbound.</p> <p>Corporations in which the Government has an interest shall, in acquiring services, give first consideration to service suppliers in which the Government has an interest. This requirement does not prevent the acquisition of services from other service suppliers where their services are competitive in terms of price, quality and delivery.</p>	

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	<p>4) Unbound except for measures affecting the entry and temporary stay of natural persons defined below:</p> <p>1. <u>Intra-corporate Transferees</u></p> <p>(a) senior managers being persons within an organization having proprietary information of the organization and who exercise wide latitude in decision making relating to the establishment, control and operation of the organization being directly responsible to the CEO and receive only general supervision or direction from the board of directors or partners of the organization; and</p> <p>(b) two specialists or experts per organization being persons within the organization who possess knowledge at an advanced level of continued expertise and who possess proprietary knowledge of the organization's new service products and technology, research equipment and techniques or management. Additional specialists or experts may be allowed subject to market test and the training of Malaysians through an acceptable training programme in the relevant services sector or subsector:</p> <p>Provided that such persons are employees of the foreign service supplier and have been in the employment of that foreign service supplier for a period of not less than one year immediately preceding the date of their application for a work permit and he is to serve in at least a similar capacity.</p>	<p>4) Unbound except for the categories of natural persons referred to under market access.</p>	

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	<p>2. <u>Others</u></p> <p>(a) specialists or experts being persons who possess knowledge at an advanced level of continued expertise and who possess proprietary knowledge of the organisation's products and services subject to market test and the employment of Malaysians as counterparts and/or training of Malaysians through acceptable training programmes in the relevant services sector or sub sector;</p> <p>(b) professionals being persons who possess necessary academic credentials, professional qualifications, experience and/or expertise which have been duly recognized by the professional bodies in Malaysia and registered with those respective professional bodies; and</p> <p>(c) business visitors being persons not based within Malaysia, receiving no remuneration from a source located within Malaysia, who have been employed for at least one year by a foreign service supplier, whose entry and temporary stay is for the purposes of negotiating for the sale of services or entering into agreements to sell services for that service supplier and who will not engage in direct sales to the general public.</p>		
	<p>3. Entry and stay of natural persons defined in categories 1 (a) and (b) and 2 (a) and (b) shall not exceed a total of five years. For category 2 (c), the period of stay shall not exceed a total of 90 days.</p>		

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<b>II. SECTOR SPECIFIC COMMITMENTS</b>			
<p>1. BUSINESS SERVICES</p> <p>A. <u>Professional Services</u></p> <p>a. Legal services covering advisory and consultancy services relating only to home country laws, international law and offshore corporation laws of Malaysia (CPC 8619)</p>	<p>1), 2) None</p> <p>3) Only through a corporation incorporated in the Federal Territory of Labuan.</p> <p>Legal services shall only be supplied to offshore corporations established in the Federal Territory of Labuan.</p> <p>4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section.</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	
<p>b. Accounting, auditing and bookkeeping services (CPC 862)</p>	<p>1), 2) None</p> <p>3) Only through a locally registered partnership with Malaysian accountants or Malaysian accounting firms and aggregate foreign interests shall not exceed 40 per cent.</p> <p>4) Unbound except as indicated in the horizontal section. In respect of 1(b), additional two (2) specialists/experts for each firm.</p>	<p>1), 2) None but subject to domestic regulations.</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	<p>4) The qualifying examination to determine the competence and ability to supply the service for the purposes of registration with the professional bodies will be conducted in the English language.</p>

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c. Taxation services (CPC 863)	<p>1), 2) None</p> <p>3) Only through a locally registered partnership with Malaysian accountants or Malaysian accounting firms and aggregate foreign interests in the partnership shall not exceed 30 per cent.</p> <p>4) Unbound except as indicated in the horizontal section.</p> <p>In respect of 2(b), residency is required for registration.</p>	<p>1), 2) Taxation services must be authenticated by a licensed tax agent in Malaysia.</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	<p>4) The qualifying examination to determine the competence and ability to supply the service for the purposes of registration with the professional bodies will be conducted in the English language.</p>

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d. Architectural services (CPC 8671)	<p>1), 2) None</p> <p>3) (a) Architectural services may be supplied only by a natural person</p> <p>(b) For multidisciplinary practices (Architecture, Engineering and/or Quantity Surveying)<sup>1</sup>, foreign equity up to a maximum of 30 per cent for joint ventures by professionals who are registered in the country of origin. Foreign Directorship is not allowed.</p> <p>4) Two specialist/experts per country, registration is subject to qualification of registration and domestic regulations. Temporary registration on annual basis and renewal subject to domestic regulations.</p>	<p>1), 2) Architectural services must be authenticated by a licensed professional architect in Malaysia.</p> <p>3) (a) None</p> <p>(b) Unbound</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	<p>4) The qualifying examination to determine the competence and ability to supply the service for the purposes of registration with the professional bodies will be conducted in the English language.</p>

<sup>1</sup> While a multidisciplinary practice can comprise architects, engineers and/or quantity surveyors, for the purposes of this offer, it does not include quantity surveyors.

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e. Engineering services (CPC 8672)	<p>1), 2) None</p> <p>3) (a) Engineering services may be supplied only by a natural person.</p> <p>(b) For multidisciplinary practices (Architecture, Engineering and/or Quantity Surveying)<sup>2</sup>, foreign equity up to a maximum of 40 per cent for joint ventures by professionals who are registered in the country of origin. Foreign Directorship is not allowed.</p> <p>4) Unbound except as indicated in the horizontal section and in respect of 2(b), subject to temporary registration for a period of one year per temporary registration.</p>	<p>1), 2) Engineering services must be authenticated by a registered professional engineer in Malaysia.</p> <p>3) (a) None</p> <p>(b) Unbound</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	<p>4) The qualifying examination to determine the competence and ability to supply the service for the purposes of registration with the professional bodies will be conducted in the English language.</p>

<sup>2</sup> While a multidisciplinary practice can comprise architects, engineers and/or quantity surveyors, for the purposes of this offer, it does not include quantity surveyors.

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f. Integrated engineering services (CPC 8673)	<p>1), 2) None</p> <p>3) Only through a representative office, regional office or locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both for the purpose of services contract awarded in Malaysia.</p> <p>The aggregate foreign shareholding in the joint-venture corporation shall not exceed 30 per cent. Establishment of such joint-venture corporation is only for duration necessary to complete the services contract.</p> <p>4) Unbound except as indicated in the horizontal section and in respect of 2 (b), for a period of up to one year or the duration necessary to complete the services contract.</p>	<p>1), 2) Integrated engineering services must be authenticated by the relevant registered professionals in Malaysia.</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	



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g. Urban Planning Services covering development services programmes regarding land use, site selection, control and utilisation, road systems and servicing of land with a view to creating and maintaining systematic, coordinated urban planning (CPC 86741)	1), 2) None 3) Unbound 4) Unbound except for: i) Independent professionals <sup>3</sup> with an employment contract with a registered Malaysian town planning company. Independent professionals must possess recognised qualifications and obtained temporary registration with the relevant regulatory authorities; ii) Consultants (with recognised qualifications and subject to registration) for wholly public funded projects and in collaboration with a Malaysian urban planning company. iii) Any other requirements or provisions as spelt out under the relevant legislation.	1), 2) None 3) Unbound 4) Unbound	4) The qualifying examination to determine the competence and ability to supply the service for the purposes of registration with the relevant regulatory authorities will be conducted in the English language.
h. Landscaping services covering the provision of advisory, planning and designing services for the aesthetic landscaping of golf courses and theme parks. (CPC 86742*)	1), 2) None 3) Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and the aggregate foreign shareholding in the joint-venture corporation shall not exceed 30 per cent. 4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section.	1), 2) None 3) None 4) Unbound except for the categories of natural persons referred to under market access.	

<sup>3</sup> Independent professionals is as defined in para 2(b) in the horizontal section

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<p>Medical Specialty Services covering forensic medicine, nuclear medicine, geriatrics, microvascular surgery, neurosurgery, cardiothoracic surgery, plastic surgery, clinical immunology and oncology, traumatology, anaesthesiology, intensive care specialist, child psychiatry and physical medicine (CPC 93122)</p>	<p>1), 2) None</p> <p>3) Medical specialty services may be supplied only by a natural person.</p> <p>4) Unbound except as indicated in 2 (a) in the horizontal section.</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) None other than: Practice only in private hospitals of at least 70 beds; Practice to be only at a specified location and a change in location requires approval; and the setting up of individual or joint group practices is not permitted.</p>	<p>4) The qualifying examination to determine the competence and ability to supply the service will be conducted in the English language.</p>

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<p>B. <u>Computer and Related Services</u></p> <p>Consultancy services related to the installation of computer hardware (CPC 841)</p> <p>Consultancy services related to software implementation covering advisory and implementation services for customised software (CPC 842)</p> <p>Data Processing Services (CPC 843)</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section.</p> <p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section.</p> <p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in 1 a) and b) and 2 (a) and (c) in the horizontal section.</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p> <p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p> <p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	
<p>Database services (CPC 8440)</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section.</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	

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Computer software development services covering development of new software for general application, including, ready-made software packaged for general application (CPC 842*)	1), 2), 3) None 4) Unbound except as indicated in 1 a) and b) and 2 a) and c) in the horizontal section.	1), 2), 3) None 4) Unbound except for the categories of natural persons referred to under market access.	
C. <u>Research and Development Services</u>  Research and experimental development services on social sciences and humanities (CPC 8520 except 85203 and 85204)	1), 2) None 3) Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and the aggregate foreign shareholding in the joint-venture corporation shall not exceed 30 per cent. 4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section.	1), 2) None 3) None 4) Unbound except for the categories of natural persons referred to under market access.	

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<p>E. <u>Rental/Leasing Services without Operators</u></p> <p>Relating to ships exclude cabotage and offshore trades (CPC 83103)</p> <p>Relating to aircraft (CPC 83104)</p> <p>Relating to construction and mining equipment and industrial plant and equipment (CPC 83107*)</p>	<p>1), 2) None</p> <p>3) Only through a representative office, regional office or Malaysian-controlled corporation acting as an agent.</p> <p>4) Unbound except as indicated in the horizontal section.</p> <p>1), 2) None</p> <p>3) Only through a representative office, regional office or Malaysian-controlled corporation acting as an agent.</p> <p>4) Unbound except as indicated in the horizontal section.</p> <p>1), 2) None</p> <p>3) Only through a representative office, regional office or Malaysian-controlled corporation acting as an agent.</p> <p>4) Unbound except as indicated in the horizontal section.</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p> <p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the horizontal section.</p> <p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	

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<p>F. <u>Other Business Services</u></p> <p>Advertising services (CPC 8711, 8712, 8719)</p> <p>Management consulting services covering advisory, guidance and operational assistance services concerning management of the transmission of non-conventional energy (CPC 8650*)</p>	<p>1) Commercial presence is required.</p> <p>2) None</p> <p>3) Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and the aggregate foreign shareholding in the joint-venture corporation shall not exceed 30 per cent <u>Advertisement through electronic media.</u> Advertisement must have at least 80 per cent local content and be made in Malaysia.</p> <p>4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section.</p> <p>1), 2) None</p> <p>3) Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and Bumiputera shareholding in the joint-venture corporation is at least 30 per cent.</p> <p>4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section.</p>	<p>1) Unbound</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p> <p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	
<p>Management consulting services covering advisory, guidance and operational assistance on environmental management services including risk assessment services (CPC 8650*)</p>	<p>1), 2) None</p> <p>3) Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and Bumiputera shareholding in the joint-venture corporation is at least 30 per cent.</p> <p>4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section.</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	

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<p>Management consulting services covering advisory and guidance in the field of pharmacy as follows:</p> <ul style="list-style-type: none"> <li>- Basic material manufacturing consultancy in the manufacture of drugs in raw material form;</li> <li>- New systems of drug delivery;</li> <li>- Biotechnology - new techniques for influencing the process and products of living cells;</li> <li>- New techniques in drug development and methods of producing drugs and vaccine; and</li> <li>- Vaccine production. (CPC 8650*)</li> </ul>	<p>1), 2) None</p> <p>3) Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and Bumiputera shareholding in the joint-venture corporation is at least 30 per cent.</p> <p>4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section.</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	
<p>Management consulting services covering advisory and guidance on International Value-Added Network Services, rural telecom development and human resource development in telecommunications (CPC 8650*)</p>	<p>1), 2) None</p> <p>3) Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and Bumiputera shareholding in the joint-venture corporation is at least 30 per cent.</p> <p>4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section.</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	

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<p>Services incidental to agriculture and fishing covering only specialised consultancy, advisory and operational assistance on crop and fisheries management, including, value-added services such as preservation techniques, etc. (CPC 881*, 882*)</p> <p>Services incidental to manufacturing - (CPC 884, 885 except 88442)</p>	<p>1), 2) None</p> <p>3) Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and Bumiputera shareholding in the joint-venture corporation is at least 30 per cent.</p> <p>4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section.</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	
<p>Technical testing and analysis services (CPC 8676 except 86764)</p> <p>Student placement services covering promoting, recruiting and facilitating students for studies outside Malaysia (CPC 87909)</p>	<p>1), 2) None</p> <p>3) Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and Bumiputera shareholding in the joint-venture corporation is at least 30 per cent.</p> <p>4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section.</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	



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<p>Market research and public opinion polling services (CPC 864)</p> <p>Translation and interpretation services (CPC 87905)</p>	<p>1), 2) None</p> <p>3) Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and Bumiputera shareholding in the joint-venture corporals at least exceed 30 per cent.</p> <p>4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section.</p> <p>1), 2) None</p> <p>3) Translation and interpretation services may be supplied only by a natural person.</p> <p>4) Unbound except as indicated in 2 (a) in the horizontal section.</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p> <p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access. Translation and/or interpretation from the English language to the Malay language or vice-versa are not permitted.</p>	
<p><u>Operational Headquarters (OHQ) Services</u> covering general management and administration, business planning, procurement of raw materials, technical support, marketing control and sales promotion planning, training and personnel management, provision of treasury and fund management services and research and development carried out by a company in Malaysia for</p>	<p>1), 2) Unbound due to lack of technical feasibility.</p> <p>3) Only through a locally incorporated wholly foreign-owned company.</p> <p>A foreign-owned company, a regional office of a foreign-owned company which transfers its OHQ services to Malaysia, a regional office of a foreign-owned company established in Malaysia and a foreign-owned company which is already incorporated in Malaysia may seek to qualify as an OHQ.</p> <p>OHQ must operate in Malaysia and fulfill the following criteria:</p>	<p>1), 2) Unbound due to lack of technical feasibility.</p> <p>3) None</p>	

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<p>its offices and related companies outside Malaysia. Services rendered by OHQ companies are limited to establishments engaged in business related to the following sectors or subsectors:</p> <p>Sea and air services, Communication services, Tourism services, Professional and Consulting services (CPC 87909)</p>	<p>(a) carry out at least 3 of the OHQ service activities;</p> <p>(b) have a sizeable network of companies outside Malaysia which includes the parent company or its head office and related companies;</p> <p>(c) have a well established foreign-owned company which is sizeable in terms of assets and employees;</p> <p>(d) have a network of companies with substantial number of qualified executives, professionals, technical and other supporting personnel;</p> <p>(e) be able to make decisions independently without consultations with its head office or parent company located outside Malaysia;</p>		
	<p>(f) be able to contribute to the Malaysian economy by:</p> <p>(i) using services such as legal, accounting etc. provided by Malaysians;</p> <p>(ii) creating job opportunities for Malaysians;</p> <p>(iii) enabling greater inflow of foreign funds.</p> <p>4) Unbound except as indicated in the horizontal section.</p>	<p>4) Unbound except for the categories of natural persons referred to under market access.</p>	

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<p>2.COMMUNICATION SERVICES</p> <p>C. <u>Telecommunication Services</u></p> <p><u>Basic Telecommunications</u></p> <p>Based on domestic regulations, Malaysia has reclassified its communications service sector on the basis of provision of Network Facility services (NFP), provision of Network Service (NSP), provision of Application Service (ASP).</p>			

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<p>Basic local, inter-exchange and international services; supplied over public telecommunications transport networks using any network technology; facilities regardless of whether the means of delivery of services are wired or wireless are mapped into the aforementioned three categories.</p> <p>Individual licence</p> <p>1. NFP (I)<sup>a</sup></p> <p>2. NSP (I)<sup>b</sup></p> <p>3. ASP (I)<sup>c</sup></p>	<p>1) None</p> <p>2) None</p> <p>3) With respect to NFP and NSP components of the service, only through an acquisition of shares of existing licensed NFP (I), NSP (I).</p> <p>With respect to ASP(I), through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations; or through acquisitions of shares of an existing licensed ASP(I) operator/corporations.</p> <p>- For NFP (I) and NSP (I), foreign shareholding of up to 30 per cent in these service providers is allowed.</p> <p>- For ASP (I), foreign shareholding of up to 49 per cent in these service providers is allowed.</p> <p>The management control of such companies shall be in the hands of Malaysians and in the case of Telecom Malaysia, the foreign shareholding permitted shall not exceed 30% foreign in aggregate with not one single country holding more than 5% of the equity at any one time.</p> <p>4) Unbound except as indicated in horizontal commitments.</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in horizontal commitments.</p>	<p>Pro-competition regulatory principle in respect of interconnection arrangement and competition (Refer to Annex I).</p>

Explanatory Note for Individual Licence Categories

- a. Network facilities provider (NFP) individual licence enables the provision of network facilities services such as earth stations, fixed links and cables, public payphone facilities, radio communications transmitters and links, satellite hubs and towers, duct and pits used in conjunction with other network facilities
- b. Network service provider (NSP) individual licence enables the provision of network services such as bandwidth services, broadcasting transmission services, cellular mobile services, customer access services and mobile satellite services
- c. Application Service Provider, individual licence enables the provision of applications services such as PSTN telephony, public cellular telephone telephony services, IP telephony, public payphone service and public switched data service Explanatory note for Class Licence Categories

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p><u>Value-Added Services</u></p> <p>Telecommunication services of which enhanced value-added services must be provided from channels or lines obtained only from licensed NFP(I) and NSP(I) operators and are also mapped into the three categories below</p> <p>Class licence</p> <p>1. NFP (C)<sup>d</sup></p> <p>2. NSP (C)<sup>e</sup></p> <p>3. ASP (C)<sup>f</sup></p>	<p>1) None</p> <p>2) None</p> <p>3) With respect to NFP and NSP components of the service, only through acquisition of shares of existing licensed NFP(C), NSP(C). With respect to ASP, through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations; or through acquisitions of shares of an existing licensed ASP(C) operator/corporations.</p> <p>- For NFP(C) and NSP(C), foreign shareholding of up to 30 per cent in these service providers is allowed.</p> <p>- With respect to ASP(C), foreign shareholding of up to 49 per cent in these service providers is allowed.</p> <p>4) Unbound except as indicated in horizontal commitments.</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in horizontal commitments.</p>	

d. Network facilities provider class licence enables the provision of niched or limited purpose network facilities such as radio communications transmitters for public mobile radio network services, radio communications transmitters for public radio paging network services, radio communications transmitters and links for public wireless data network services, for sole purpose of end users in buildings or a single clustered building complex.

e. Network service provider class licence enables the provision of niched customer access or niched connection services such as public mobile radio network service, one or two way radio paging network services, terrestrial wireless fixed/mobile data network services for the specific purposes of messaging, surveillance, ticketing or inventory management, offered for the sole purpose of connecting end users in a building or a single clustered building complex.

f. Applications service provider class licence enables the provision of applications services such as audiotext hosting services provided on an opt-in basis, directory services, messaging services.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p><u>Explanatory Note</u></p> <p>1) This sector is governed by the Communications and Multimedia Act 1998 and its subsidiary rules and regulations.            2) Definitions as per Communications and Multimedia Act 1998</p> <ul style="list-style-type: none"> <li>a. Network facilities mean any element or combination of elements of physical infrastructure used principally for, or in connection with, the provision of network services, but does not include customer equipment.                Network facilities provider means a person who is an owner of any network facilities.</li> <li>b. Network services means a service for carrying communications by means of guided and unguided electromagnetic radiation.                Network service provider means a person who provides network services.</li> <li>c. Application service means a service provided by means of, but not solely by means of, one or more network services.                Application service provider means a person who provides an application service.</li> </ul> <p>3) Definitions as per Communications and Multimedia (Licensing) (Amendment) Regulations 2001</p> <ul style="list-style-type: none"> <li>a. Network facilities provider class licensee means a person who is registered with the Commission to provide a network facility in accordance with the provisions of the Act and these Regulations.                Network facilities provider individual licensee means an individual licence granted to a network facilities provider in accordance with the provisions of the Act and these Regulations.</li> <li>b. Network service provider class licensee means a person who is registered with the Commission to provide a network service in accordance with the provisions of the Act and these Regulations.                Network service provider individual licensee means an individual licence granted to a network service provider in accordance with the provisions of the Act and these Regulations.</li> <li>c. Application service provider class licensee means a person who is registered with the Commission to provide an application service in accordance with the provisions of the Act and these Regulations.                Application service provider individual licensee means an individual licence granted to an application service provider in accordance with the provisions of the Act and these Regulations.</li> </ul>			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
D. <u>Audiovisual Services</u> Motion picture, video tape and audio recording distribution services (CPC 96113)	1) Commercial presence is required. 2) None 3) Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and the aggregate foreign shareholding shall not exceed 30 per cent. 4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section.	1) Unbound 2) None 3) None 4) Unbound except for the categories of natural persons referred to under market access.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>3.CONSTRUCTION AND RELATED ENGINEERING SERVICES Construction work (CPC 511, 512, 513, 514, 515, 516, 517)</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) (a) Only through a representative office, regional office, or locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and aggregate foreign shareholding in the joint-venture corporation shall not exceed 49 per cent.</p> <p>b) Foreign construction companies that are not locally incorporated may carry out the following construction projects jointly with local contractors, on project-by-project basis:</p> <ul style="list-style-type: none"> <li>i. Construction projects wholly financed by foreign investment and/or grants</li> <li>ii. Construction projects financed by loans of international tendering according to the terms of loans</li> <li>iii. Projects with foreign investment equal to or more than 50 per cent where local expertise is not available;</li> <li>iv. 100% Malaysian funded construction projects where local expertise is not available</li> </ul> <p>Subject to compulsory sub-contracting to local sub-contractors.</p> <p>4) Unbound except as indicated in the horizontal section.</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) (a) None</p> <p>(b) Unbound</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	



Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>4. DISTRIBUTION SERVICES</p> <p><u>Wholesale services</u> Wholesale Trade Services (CPC 622)</p> <p><u>Retailing services</u> Retailing Services (CPC 631, 632, 6111, 6113, 6121 (excluding CPC 613)</p> <p><u>Franchising Services</u></p>	<p>1) None</p> <p>2) None</p> <p>3) Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and the aggregate foreign shareholding in the joint-venture corporation shall not exceed 70%. Bumiputera equity in this new corporation must be at least 30%.</p> <p>No foreign involvement in supermarket, mini market, provision shop / general vendor, convenience store (that opens for 24 hours), newsagent and miscellaneous goods store, medical hall, petrol kiosk with or without convenience store, permanent wet market store and permanent pavement store.</p> <p>4) None</p> <p>1), 2) None</p> <p>3) Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and the aggregate foreign shareholding in the joint-venture corporation shall not exceed 30% pavement store.</p> <p>4) None</p>	<p>1) Unbound</p> <p>2) None</p> <p>3) Unbound</p> <p>4) Unbound</p> <p>1), 2) Unbound</p> <p>3) Unbound</p> <p>4) Unbound</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>5. EDUCATIONAL SERVICES</p> <p>C. <u>Higher Education</u></p> <p>Other Higher Education Services provided by privately funded higher education institutions excluding private higher education institutions with government equity or that receive government assistance. (CPC 92390)</p>	<p>1) Unbound except for requirements for commercial presence.</p> <p>2) None</p> <p>3) (i) Only through a joint venture with foreign equity not exceeding 49% and subject to an economic needs test, if necessary.</p> <p>(ii) Not more than 51% foreign equity will be considered subject to an additional economic needs test which includes among others:</p> <p>(a) Courses deemed important to attain Malaysia's educational objectives.</p> <p>(b) Potential to generate export revenues.</p> <p>4) Unbound except for measures affecting the entry and temporary stay of natural persons defined below:</p> <p>1. <u>Intra-corporate Transferees</u></p> <p>a) senior managers being persons with an organization having propriety information of the organization and who exercise wide latitude in decision making relating to the establishment, and receive only general supervision or direction from the board of directors or partners of the organization.</p> <p>(b) <u>Lecturers and experts</u></p> <p>10 lecturers and/or experts but not more than 20% of lecturers employed in an educational institution who possess the necessary qualifications, knowledge, credentials or experience.</p>	<p>1) Unbound</p> <p>2) None</p> <p>3) Unbound including for grant of federal or state funding or subsidies such as land grants, tax benefits, scholarships and loans limited to institutions with government equity or citizens/permanent residents.</p> <p>4) Unbound except for measures affecting the entry and temporary stay of natural persons defined below:</p> <p>1. <u>Intra-corporate Transferees</u></p> <p>a) Senior managers being persons with an organization having propriety information of the organization and who exercise wide latitude in decision making relating to the establishment, and receive only general supervision or direction from the board of directors or partners of the organization.</p> <p>(b) <u>Lecturers and experts</u></p> <p>10 lecturers and/or experts but not more than 20% of lecturers employed in an educational institution who possess the necessary qualifications, knowledge, credentials or experience.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>2. <u>Others</u></p> <p>a) <u>Professionals</u> 2 professionals being persons who possess necessary professional qualifications, industry and/or who are employed on the basis of their expertise in an educational institution.</p> <p>b) <u>Business visitors</u>  Business visitors being persons not based within Malaysia, receiving no remuneration from a source located within Malaysia who is an investor or who have been employed for at least one year by a foreign educational institution, whose entry and temporary stay is for the purposes of evaluating business opportunities.</p> <p>c) <u>Contractual Service Suppliers</u></p> <p>(i) <u>Independent Professionals</u> - the natural person has obtained a service contract in the territory of the Member where the service is to be provided; - possess appropriate educational and professional qualification relevant to the service to be provided and/or recognized by and registered with professional bodies; - commitment relates only to the service activity which is subject of the contract; it does not confer entitlement to exercise the professional title; - commitment applies only to the list of sectors specified in the schedule.</p>	<p>2. <u>Others</u></p> <p>(a) <u>Professionals</u> 2 professionals being persons who possess necessary professional qualifications, industry and/or who are employed on the basis of their expertise in an educational institution.</p> <p>b) <u>Business visitors</u>  Business visitors being persons not based within Malaysia, receiving no remuneration from a source located within Malaysia who is an investor or who have been employed for at least one year by a foreign educational institution, whose entry and temporary stay is for the purposes of evaluating business opportunities.</p> <p>c) <u>Contractual Service Suppliers</u></p> <p>(i) <u>Independent Professionals</u> - the natural person has obtained a service contract in the territory of the Member where the service is to be provided; - possess appropriate educational and professional qualification relevant to the service to be provided and/or recognized by and registered with professional bodies; - commitment relates only to the service activity which is subject of the contract; it does not confer entitlement to exercise the professional title; - commitment applies only to the list of sectors specified in the schedule.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>ii) <u>Employees of Juridical Persons</u></p> <p>(a) Engaged in the supply of a service on a temporary basis as employees of a juridical person supplying the service, with no commercial presence in the territory of the Member where the service is to be provided;</p> <p>(b) The juridical person has obtained a service contract to be provided in the territory of another Member;</p> <p>(c) The employees receive remuneration from their employer while abroad;</p> <p>(d) The employees may not engage in other employment in the territory of the Member where the service is to be provided;</p> <p>(e) The employees have appropriate educational and professional qualifications relevant to the service to be provided;</p> <p>(f) Commitment relates only to the service activity which is the subject of the contract; it does not confer entitlement to exercise the professional title of the Member State concerned;</p> <p>(g) Commitment applies only to the list of sectors specified and the employee provides the service as a professional/specialist in the specified sector.</p>	<p>ii) <u>Employees of Juridical Persons</u></p> <p>(a) Engaged in the supply of a service on a temporary basis as employees of a juridical person supplying the service, with no commercial presence in the territory of the Member where the service is to be provided;</p> <p>(b) The juridical person has obtained a service contract to be provided in the territory of another Member;</p> <p>(c) The employees receive remuneration from their employer while abroad;</p> <p>(d) The employees may not engage in other employment in the territory of the Member where the service is to be provided;</p> <p>(e) The employees have appropriate educational and professional qualifications relevant to the service to be provided;</p> <p>(f) Commitment relates only to the service activity which is the subject of the contract; it does not confer entitlement to exercise the professional title of the Member State concerned;</p> <p>(g) Commitment applies only to the list of sectors specified and the employee provides the service as a professional/specialist in the specified sector.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>7. FINANCIAL SERVICES, INCLUDING INSURANCE</p> <p>Horizontal Commitments Applicable to the Financial Services Sector</p> <p>1. The commitments in the financial services sector are in accordance with the General Agreement on Trade in Services and the Annex on Financial Services.</p> <p>2. The limitations listed under the all-sector horizontal section shall not apply to financial services, unless otherwise indicated.</p> <p>3. In respect of offshore banks, offshore investment banks, commercial banks, Islamic banks, international Islamic banks, merchant banks, offshore insurance and offshore reinsurance companies, offshore insurance brokers, offshore insurance underwriting managers, offshore insurance managers, insurance companies, takaful operators, international takaful operators and representative offices of commercial banks, merchant banks and direct insurance companies, the following limitations on market access and national treatment shall apply in addition to specific limitations to the activity of each financial service as specified for each activity in this Schedule.</p> <p>4. The term Islamic bank is defined as an entity that conducts Islamic banking business and holds a valid licence under the Islamic Banking Act 1983. Islamic banking business means banking business whose aims and operations do not involve any element which is not approved by the Religion of Islam. The term international Islamic bank means any company or an office of any foreign institution which carries on international Islamic banking business and holds a valid licence under the Islamic Banking Act 1983. International Islamic banking business means Islamic banking business in currencies other than ringgit or such other Islamic banking business as the Central Bank may specify.</p> <p>5. The term takaful operator is defined as an entity that conducts takaful business and fulfils the requirements of the Takaful Act 1984. Takaful business is defined as Syariah compliant insurance scheme whose aims and operations do not involve any element which is not approved by the Religion of Islam and is in accordance with the Takaful Act 1984. The term international takaful operator means a company or a foreign institution that carries on takaful business in currencies other than ringgit as provided under the Takaful Act 1984.</p>			
	<p>3) Limitations on investments as contained in the all-sector horizontal section.</p> <p>4) Limitations in the all-sector horizontal section will apply when indicated in each activity.</p>	<p>3) Limitations on land and other immovable property as contained in the all-sector horizontal section.</p> <p>Unbound for measures affecting financial services accorded, to any Bumiputera or to assist development of any Bumiputera financial institution to achieve objectives of the National Development Policy (NDP).</p> <p>4) Limitations in the all-sector horizontal section will apply when indicated in each activity.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
1. Offshore banks, offshore investment banks, offshore direct insurance companies, offshore reinsurance companies, offshore insurance brokers, offshore insurance underwriting managers and offshore insurance managers.	1), 2) Unbound* except as otherwise specified in this schedule.  3) Entry is confined to Labuan.  Entry is limited to establishment of a branch registered or a subsidiary incorporated in Malaysia.  4) Unbound, except for temporary presence of natural persons in respect of supply through the mode of commercial presence.	1), 2) Unbound*, except as otherwise specified in this schedule.  3) None.  4) Unbound, except for temporary presence of natural persons in respect of supply through the mode of commercial presence.	

\* Due to lack of technical feasibility

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>2. Commercial banks, Islamic banks, international Islamic banks and merchant banks.</p>	<p>1), 2) Unbound except as otherwise specified in this schedule.</p> <p>3) The 13 wholly-foreign owned commercial banks are permitted to remain wholly-owned by their existing shareholders.</p> <p>Specific commitments in the market access column with respect to the supply of a service of Islamic banking business as prescribed by paragraphs (e)(i) to (e)(iv) of Article 2 of the Services Chapter are unbound except as specified in the all financial services horizontal section and in the respective sub-sectors.</p> <p>Unbound for new commercial banks, merchant banks and Islamic banks licences.</p> <p>New licences are permitted for international Islamic banks operating through a branch or locally incorporated company to conduct international Islamic banking business.</p>	<p>1), 2) Unbound except as otherwise specified in this schedule.</p> <p>3) None except as indicated in the all financial services horizontal section and in the respective activity listed below and the respective sub-sectors.</p> <p>Acquisition by a foreign bank of an aggregate of 5 percent or more of shareholding in a Malaysian-owned or controlled commercial bank, merchant bank or Islamic bank must meet the following criteria:</p> <p>(a) The foreign bank has the ability to facilitate trade and contribute to financial and economic development of Malaysia;</p> <p>(b) The country of the foreign bank has significant trade and investment interests in Malaysia; and</p> <p>(c) The country of the foreign bank does not have significant representation in the Malaysian banking industry.</p>	
	<p>Entry is limited to equity participation by foreign banks in Malaysian-owned or controlled commercial banks and merchant banks and aggregate foreign shareholding in a commercial bank or a merchant bank shall not exceed 30 percent. Shareholding by a single person individually or jointly with related persons is limited to a maximum of 20 percent.</p> <p>Entry into Malaysian-owned or controlled Islamic banks is limited to equity participation and aggregate foreign shareholding shall not exceed 49</p>		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>percent. Shareholding by a single person individually or jointly with related persons is limited to a maximum of 20 percent.</p> <p>A commercial bank is not allowed to acquire any share in another commercial bank but may acquire shares in one merchant bank. An Islamic bank is not allowed to acquire any share in another Islamic bank.</p> <p>A merchant bank is not allowed to acquire any share in a commercial bank or another merchant bank.</p> <p>Other persons are not permitted to acquire 5 percent or more of shareholding in a commercial bank, merchant bank, or Islamic bank if the person already holds 5 percent or more of shareholding in another licensed financial institution.</p> <p>Entry for commercial banks and merchant banks is also permitted through the setting up of representative offices. Representative offices can only undertake research, exchange of information and liaison services.</p>		



Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>All financial services- commercial banks, Islamic banks, international Islamic banks and merchant banks - cont'd)</p> <p>3. Direct insurance companies, takaful operators and international takaful operators.</p>	<p>4) Unbound except the following:</p> <p>(a) Unless otherwise specified, temporary presence of natural persons is offered only in respect of supply through the mode of commercial presence.</p> <p>(b) Two senior managers and five specialists or experts for each bank. A senior manager is an individual possessing proprietary knowledge and authority essential to the establishment, control and operation of the services of the financial service supplier.</p> <p>Specialists or experts for each bank for areas relating to:</p> <p>(i) trade financing;</p> <p>(ii) corporate finance;</p> <p>(iii) treasury management; and</p> <p>(iv) information technology.</p> <p>(c) None for international Islamic banks and representative offices.</p> <p>(d) Entry shall be limited to a maximum period of five years.</p> <p>1), 2) Unbound* except as otherwise specified in this schedule.</p> <p>3) Branches of foreign insurance companies are required to be locally incorporated in accordance with the Insurance Act 1996 and foreign shareholding not exceeding 51percent is permitted.</p> <p>Specific commitments in the market access column with respect to the supply of a service of takaful</p>	<p>4) Unbound except for the categories of natural persons referred to under market access.</p> <p>1), 2) Unbound* except as otherwise specified in this schedule.</p> <p>3) None except as indicated in the all financial services horizontal section and in the respective activity listed below and the respective sub-sectors.</p> <p>Acquisition by a foreign insurance company or foreign takaful operator of an aggregate of</p>	

\* Due to lack of technical feasibility

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>business as prescribed by paragraphs (e)(i) to (e)(iv) of Article 2 of the Services Chapter are unbound except as specified in the all financial services section below and in the respective sub-sectors.</p> <p>Unbound for new licences, except for the establishment of international takaful operators through a branch or locally incorporated company to conduct international takaful business.</p> <p>Foreign shareholding not exceeding 51 percent is also permitted for the existing foreign shareholders of locally incorporated insurance companies which were the original owners of these companies. Provided aggregate foreign shareholding in such companies does not exceed 51 percent.</p> <p>New entry by foreign insurance companies is limited to equity participation in locally incorporated insurance companies and aggregate foreign shareholding in such company shall not exceed 30 percent.</p> <p>Entry into Malaysian-owned or controlled takaful operators is limited to equity participation and aggregate foreign shareholding shall not exceed 49 percent.</p>	<p>more than 5 percent shareholding in a locally incorporated insurance company or takaful operator must meet at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>(a) The foreign company insurance or foreign takaful operator has the ability to facilitate trade and contribute to financial and economic development of Malaysia;</li> <li>(b) The country of the foreign insurance company or foreign takaful operator has significant trade and investment interests in Malaysia;</li> <li>(c) The country of the foreign insurance company or foreign takaful operator does not have a significant representation in the Malaysian insurance or takaful industry; or</li> <li>(d) The foreign insurance company or foreign takaful operator has the ability to provide technical expertise and know-how to contribute to the financial and economic development of Malaysia.</li> </ul>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>An insurance company or takaful operator is not allowed to acquire more than 5 percent share:</p> <ul style="list-style-type: none"> <li>(a) In another insurance company or takaful operator in Malaysia that carries on the same class of insurance or takaful business as that carried on by it; or</li> <li>(b) In an insurance or takaful broking company.</li> </ul> <p>Other persons holding more than 5 percent shareholding in an insurance company or takaful operator are not permitted to acquire more than 5 percent shareholding in:</p> <ul style="list-style-type: none"> <li>(a) Another insurance company or takaful operator carrying on the same class of insurance or takaful business as that carried on by the insurance company or takaful operator in which the person is a shareholder; or</li> <li>(b) An insurance or takaful broking company.</li> </ul> <p>Entry for foreign direct insurance companies is also permitted through the setting up of representative offices. Representative offices can only undertake research, exchange of information and liaison services.</p>		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>4) Unbound except the following:</p> <p>(a) Unless otherwise specified, temporary presence of natural persons is offered only in respect of supply through the mode of commercial presence.</p> <p>(b) One senior manager and three specialists or experts for branches of foreign insurance companies and locally incorporated insurance companies. A senior manager is an individual possessing proprietary knowledge and authority essential to the establishment, control and operation of the services of the financial service supplier.</p> <p>Specialists or experts for each institution for areas relating to:</p> <p>(i) underwriting of specialized classes of general business;</p> <p>(ii) information technology; and</p> <p>(iii) actuarial functions.</p> <p>(c) None for international takaful operators and representative offices.</p> <p>(d) Entry shall be limited to a maximum period of five years.</p>	<p>4) Unbound except for the categories of natural persons referred to under market access.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>A. BANKING AND OTHER FINANCIAL SERVICES, EXCLUDING INSURANCE</p> <p>Acceptance of deposits, and other repayable funds from the public, wholesale and retail.</p>	<p>1) Soliciting, advertising and acceptance of deposits in Malaysia are not allowed.</p> <p>2) None.</p> <p>3) Only permitted through a commercial bank, a merchant bank, an international Islamic bank or an offshore bank.</p> <p>Offshore banks in Labuan and international Islamic banks are permitted to accept foreign currency deposits only. Offshore investment banks in Labuan are not permitted to accept deposits.</p> <p>4) Unbound except as indicated in the all financial services horizontal section.</p>	<p>1) None.</p> <p>2) None.</p> <p>3) For commercial banks and Islamic banks, unbound for branching (including off-premises ATMs) and networking with ATMs in Malaysia.</p> <p>4) Unbound except as indicated in the all financial services horizontal section.</p>	
<p>Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transactions.</p>	<p>1), 2) Financial services associated with lending to residents in any currency in excess of an equivalent of RM25 million must be undertaken jointly with commercial banks or merchant banks in Malaysia.</p> <p>3) Entry as a non-bank for scheduled businesses is limited to:</p> <p>(a) Foreign financial institutions through the establishment of a locally incorporated joint-venture company and aggregate foreign shareholding in such company shall not exceed 30 percent; or</p> <p>(b) A representative office.</p> <p>Representative offices can only undertake research and liaison services.</p> <p>Provision of factoring services by a commercial bank requires the setting up of a separate entity and shareholding by a foreign-controlled commercial bank shall not exceed 30 percent.</p>	<p>1), 2) None.</p> <p>3) Foreign-controlled banking institutions in Malaysia are allowed to extend credit facilities (including factoring and leasing) up to a maximum of 50 percent of the total credit facilities obtained by non-resident controlled companies from banking institutions.</p> <p>For commercial banks and Islamic banks, unbound for branching (including off-premises ATMs) and networking with ATMs in Malaysia</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>Merchant banks are not permitted to provide consumer credit and home mortgages.</p> <p>Only commercial banks are permitted to provide overdraft facilities.</p> <p>International Islamic banks, offshore banks and offshore investment banks are permitted to lend in foreign currencies only.</p>		
(Lending of all types - cont'd)	<p>(4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except one foreign national for a management post which is not the CEO post, for each establishment.</p> <p>For representative offices of scheduled businesses, two foreign nationals subject to only one foreign national for the two top posts.</p> <p>Entry shall be limited to a maximum period of five years.</p>	<p>(4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except for the categories of natural persons referred to under market access.</p>	
Financial leasing.	<p>1), 2) Leasing services to residents in any currency must be undertaken jointly with leasing companies or merchant banks in Malaysia.</p> <p>3) Provision of leasing services by a commercial bank requires the setting up of a separate entity and shareholding by a foreign-controlled commercial bank shall not exceed 49 percent.</p> <p>Entry as a non-bank is limited to:</p> <p>(a) Foreign financial institutions through the establishment of a locally incorporated joint-venture company and aggregate foreign shareholding in such company shall not exceed 49 percent; or</p>	<p>1), 2) None.</p> <p>3) None.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>(b) A representative office.</p> <p>Representative offices can only undertake research and liaison services.</p> <p>Entry is permitted through the establishment of a branch or subsidiary in Labuan by reputable foreign leasing companies. Such offshore entity can only transact in foreign currencies.</p> <p>International Islamic banks, offshore banks and offshore investment banks are permitted to carry on financial leasing business in foreign currencies only.</p> <p>4) Unbound except for the following:</p> <p>(a) two foreign nationals, one for management post which is not the CEO post and one technical post, for each establishment--and</p> <p>(b) none for international Islamic banks.</p> <p>For representative offices, two foreign nationals subject to one foreign national for the two top posts.</p> <p>Entry shall be limited to a maximum period of five years.</p> <p>For offshore leasing companies, unbound except for temporary presence of natural persons in respect of supply through the mode of commercial presence.</p>	<p>4) Unbound except for the categories of natural persons referred to under market access.</p> <p>For offshore leasing companies, unbound except for temporary presence of natural persons in respect of supply through the mode of commercial presence.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>All payment and money transmission services, namely credit and debit cards, travellers cheques and bankers drafts.</p>	<p>1) Electronic fund transfer system requires approval.            2) None.            3) Offshore banks are permitted to extend payment and money transmission services to non-residents only.</p> <p>Only commercial banks are permitted to issue credit cards, debit cards or provide checking account services.</p> <p>International Islamic banks are only permitted to issue travellers cheques and bankers drafts.</p> <p>Sale or purchase of foreign currency and purchase of travellers cheques other than by commercial banks requires a money changer's licence. Entry is limited to establishment of a locally incorporated joint-venture company and aggregate foreign shareholding in such company shall not exceed 30 percent.</p> <p>4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except one foreign national for a management post which is not the CEO post, for each establishment.</p> <p>Entry shall be limited to a maximum period of five years.</p>	<p>1) None.            2) None.            3) For commercial banks and Islamic banks, unbound for branching (including off-premises ATMs) and networking with ATMs in Malaysia.</p> <p>Branching (including dispensers) is permitted for travellers cheques companies with foreign shareholding not exceeding 30 percent.</p> <p>4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except for the categories of natural persons referred to under market access.</p>	
<p>Charge cards.</p>	<p>1), 2) None</p> <p>3) Entry is limited to establishment of a company incorporated in Malaysia. Approval of the Central Bank is required.</p> <p>4) Unbound except two senior managers for each establishment.            Entry shall be limited to a maximum period of five years.</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	



Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Guarantees and commitments.	1), 2) None except banks established in Malaysia may be given the right of first refusal.  3) None. 4) Unbound except as indicated in the all financial services and all-sector horizontal section.	1), 2) None  3) None 4) Unbound except as indicated in the all financial services and all-sector horizontal section.	
Money and foreign exchange broking services.	1), 2) Broking services, involving Ringgit Malaysia and financial instruments issued in Malaysia must be effected through authorized dealers and money and foreign exchange brokers incorporated in Malaysia.  3) Entry is limited to:  (a) equity participation in existing institutions and aggregate foreign shareholding in such institutions shall not exceed 30 percent; or  (b) the establishment of a branch or subsidiary, by a money and foreign exchange broker, registered or incorporated in Labuan  Money and foreign exchange broking services by offshore entities are confined to foreign currencies only.  4) Unbound.  For offshore money and foreign exchange brokers, unbound except for temporary presence of natural persons in respect of supply through the mode of commercial presence.	1), 2) None  3) None  4) Unbound  For offshore money and foreign exchange brokers, unbound except for temporary presence of natural persons in respect of supply through the mode of commercial presence.	
Trading for own account or account of customers in the following:  - money market instruments - foreign exchange - transferable securities - exchange rate and interest rate instruments	1) Dealing is limited to contracts traded on specified exchanges abroad. 2) None 3) Transactions by offshore banks, offshore investment banks in Labuan must be conducted in foreign currencies, except for the sale or purchase of currencies with authorized banks in Malaysia.	1) None 2) None 3) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<ul style="list-style-type: none"> <li>- derivative products, including futures and options</li> <li>- other negotiable instruments, including bullion</li> </ul>	<p>Transactions by offshore banks and offshore investment banks in Labuan for own account are limited to instruments created and issued by offshore companies in Labuan and foreign companies abroad.</p> <p>Trading for accounts of customers by offshore banks, offshore investment banks and offshore companies in Labuan is confined to non-resident customers and in instruments created and issued by offshore companies in Labuan and foreign companies abroad.</p>		
(Trading for own account or account of customers - cont'd)	<p>Trading in shares of Malaysian companies by offshore banks, offshore investment banks and offshore companies in Labuan is confined to non-resident customers who are not offshore companies registered or incorporated in Labuan.</p> <p>Only commercial banks, offshore banks and offshore investment banks are permitted to trade in foreign currency.</p>		
	<p>Trading and dealing in securities and financial futures and derivative products other than by designated financial institutions require establishment of a locally incorporated joint-venture company and aggregate foreign shareholding in such company shall not exceed 30 percent.</p> <p>None for trades for own account by international Islamic banks. Trades for account of customers by international Islamic banks are limited to non-resident customers only.</p> <p>Trades for own account and account of customers who are outside Malaysia may be routed to participating organisations of the stock exchange for execution by a foreign stock broking company that is incorporated in Malaysia subject to all terms and conditions which are being finalized.</p>		

Modes of supply:      1)      Cross-border supply      2)      Consumption abroad      3)      Commercial presence      4)      Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	4) For banks, unbound except as indicated in the all financial services horizontal section.  For non-banks, unbound except as indicated in the all-sector horizontal section.	4) For banks, unbound except as indicated in the all financial services horizontal section.  For non-banks, unbound except as indicated in the all-sector horizontal section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>Services related to the issues of all kinds of securities and placement as agents (whether publicly or privately) (excluding issuing and rating houses).</p>	<p>1), 2) Participation in issues and services related to such issues requires authorization.</p> <p>3) Participation by offshore banks and offshore investment banks in Labuan is limited to non-resident customers and for issues of securities outside Malaysia.</p> <p>Participation in issues of securities by international Islamic banks is limited to foreign currencies only.</p> <p>Only merchant banks are permitted to make submissions to the Securities Commission for new issues.</p> <p>Participation by non-banks requires establishment of a locally incorporated joint-venture company and aggregate foreign shareholding in such company shall not exceed 30 percent.</p> <p>Unbound for appointment as principal dealers.</p> <p>4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except as indicated in the all-sector horizontal section.</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except as indicated in the all-sector horizontal section.</p>	
<p>Underwriting.</p>	<p>1) Commercial presence is required.</p> <p>2) Authorization is required.</p> <p>3) For non-banks, only licensed dealers are permitted to underwrite. Entry is limited to establishment of a locally incorporated joint-venture company and aggregate foreign shareholding in such company shall not exceed 30 percent.</p> <p>Commercial banks are permitted to underwrite private debt securities only.</p> <p>Offshore banks and offshore investment banks are permitted to underwrite foreign currency denominated securities created and issued by offshore companies in Labuan and foreign</p>	<p>1) Unbound.</p> <p>2) None</p> <p>3) None</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>companies abroad.</p> <p>International Islamic banks are limited to underwrite foreign currency denominated securities only.</p>		
<p>Asset management as follows:</p> <ul style="list-style-type: none"> <li>- cash or portfolio management</li> <li>- all forms of collective investment management</li> <li>- custodial and depository services</li> </ul>	<p>4) For commercial banks, merchant banks, offshore banks and offshore investment banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except as indicated in the all-sector horizontal section.</p> <p>1) Commercial presence is required. 2) None. 3) Custodial and depository services are limited to scrip based securities.</p> <p>Asset management by offshore banks, offshore investment banks and offshore companies is confined to non-resident customers and foreign currency assets.</p> <p>Asset management by offshore banks, offshore investment banks and offshore companies in Malaysian equities or equity-linked investments are confined to non-resident customers other than offshore companies incorporated in Labuan in which residents have shareholdings.</p>	<p>4) For commercial banks, merchant banks, offshore banks and offshore investment banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except as indicated in the all-sector horizontal section.</p> <p>1) None 2) None 3) None</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(Asset management - cont'd)	<p>Entry as a non-bank, other than a Foreign Fund Management Company (FFMC) is limited to establishment of a locally incorporated joint-venture company and aggregate shareholding in such company shall not exceed 30 percent.</p> <p>Provision of asset management services by a commercial bank requires establishment of a separate entity and shareholding by a foreign-controlled commercial bank shall not exceed 30% percent.</p> <p>Entry as an FFMC is limited to the establishment of a company incorporated locally with more than 50 percent foreign shareholding in the company and requires the approval of the Securities Commission. Sourcing of local funds worth at least RM10 million is limited to FFMCs where the aggregate foreign shareholding is not more than 70 percent and the company is managing or has undertaken to manage funds sourced from outside Malaysia to the amount of at least USD100 million. Sourcing of local funds is limited to institutional funds and collective investment schemes other than unit trusts. Only ten FFMCs which have a maximum of 70 percent foreign shareholding may manage the funds of a local unit trust subject to the approval of the Securities Commission.</p> <p>4) For commercial banks and merchant banks, unbound except as indicated in the all financial services horizontal section. For non-banks, unbound except as indicated in the all-sector horizontal section.</p>	<p>4) For banks, unbound except as indicated in the all financial services horizontal section. For non-banks, unbound except as indicated in the all-sector horizontal section.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>Advisory, intermediation and other auxiliary financial services, including credit reference and analysis, investment advice on acquisitions, corporate restructuring and strategy.</p>	<p>1) Provision of investment and portfolio advice requires commercial presence.</p> <p>Services other than investment and portfolio advice to residents must be undertaken jointly with commercial banks or merchant banks in Malaysia.</p> <p>2) Services other than investment and portfolio advice to residents must be undertaken jointly with commercial banks or merchant banks in Malaysia.</p> <p>3) Entry as a non-bank is limited to:</p> <p>(a) Establishment of a locally incorporated joint-venture company and aggregate foreign shareholding in such company shall not exceed 30 percent; or</p> <p>(b) A representative office.</p> <p>Representative offices (including those of commercial banks, merchant banks and securities companies) are permitted to undertake research, information and liaison services only.</p> <p>Representative offices of securities companies are not permitted to publish and circulate research work in Malaysia.</p> <p>Offshore banks, offshore investment banks and offshore companies in Labuan and international Islamic banks can only provide services to non-resident customers.</p>	<p>1) None.</p> <p>2) None.</p> <p>3) None.</p>	
	<p>4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except as indicated in the all-sector horizontal section.</p> <p>For representative offices, two foreign nationals subject to only one foreign national for the two top posts. Entry shall be limited to a maximum period of five years.</p>	<p>4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except as indicated in the all-sector horizontal section.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>Operational headquarters (OHQ) for financial sector (Provides services to commercial and investment banking institutions in activities relating to work carried out in Malaysia for its offices and related companies outside Malaysia, pertaining to general management and administration, business planning, technical support, marketing control and sales promotion planning, training and personnel management, provision of treasury and fund management services and research and development).</p>	<p>1), 2) Unbound 3) Only through a locally incorporated wholly foreign-owned company.</p> <p>A foreign-owned company, a regional office of a foreign-owned company which transfers its OHQ services to Malaysia, a regional office of a foreign-owned company established in Malaysia, and a foreign-owned company which is already incorporated in Malaysia, may seek to qualify as an OHQ.</p> <p>An OHQ must operate in Malaysia and fulfill the following criteria:</p> <p>(a) Carry out at least three of the OHQ service activities; (b) Have a sizeable network of companies outside Malaysia which includes the parent company or its head office and related companies;</p>	<p>1), 2) Unbound 3) None</p>	

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\* Due to lack of technical feasibility



Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(Operational headquarters - cont'd)	<p>(c) Have a well established foreign-owned company which is sizeable in terms of assets and employees;</p> <p>(d) Have a network of companies with a substantial number of qualified executives, professionals, technical and other supporting personnel;</p> <p>(e) Be able to make decisions independently without consultation with its head office or parent company located outside Malaysia;</p> <p>(f) Be able to contribute to the Malaysian economy by:</p> <p>(i) Using services such as legal, accounting etc. provided by Malaysians;</p> <p>(ii) Creating job opportunities for Malaysians;</p> <p>(iii) Enabling greater inflow of foreign funds.</p> <p>4) Unbound except as indicated in the all-sector horizontal section.</p>	<p>4) None</p>	
<p>Securities broking services comprising:</p> <ul style="list-style-type: none"> <li>- broking services;</li> <li>- credit reference and analysis;</li> <li>- investment portfolio management and advice; and</li> <li>- market research</li> </ul>	<p>1) Trades on Malaysian stock exchanges must be transacted through companies incorporated in Malaysia which are participating organisations of the exchange.</p> <p>Promotion in Malaysia of Malaysian stocks requires approval.</p> <p>Provision of investment advisory services and credit reference services to residents requires commercial presence.</p>	<p>1) None</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(Securities broking services-cont'd)	<p>2) Trades on Malaysian stock exchanges must be transacted through companies incorporated in Malaysia which are participating organisations of the exchange.</p> <p>3) Entry is limited to recognized foreign stock broking companies through:</p> <p>(a) Equity participation in an existing stockbroking company; or</p> <p>(b) Establishment of a locally incorporated joint-venture company with a Malaysian stockbroking company.</p> <p>And aggregate foreign shareholding in such company shall not exceed 49 percent. A foreign stockbroking company is permitted to have shareholding in one stockbroking company only.</p> <p>Entry by recognized foreign stockbroking companies is also permitted through a representative office.</p> <p>Representative offices are permitted to undertake research, information and liaison services only. Representative offices are not permitted to publish and circulate research work in Malaysia.</p>	<p>2) None</p> <p>3) None</p>	
(Securities broking services - cont'd)	<p>New licences subject to conditions, including geographical location, numerical quota and other conditions to be determined.</p> <p>4) Unbound for a stockbroking company, except as indicated in the all-sector horizontal section.</p> <p>For representative offices, two foreign nationals subject to only one foreign national for the two top posts. Entry shall be limited to a maximum period of five years.</p>	<p>4) Unbound except for the categories of natural persons referred to under market access.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Commodity futures broking services.	<p>1), 2) Trades on any Malaysian commodity futures exchange must be conducted through companies incorporated in Malaysia which are trading participants of the exchange.</p> <p>3) Entry is limited to:</p> <p>(a) Establishment of a locally incorporated joint-venture company and aggregate foreign shareholding in such company is limited to 30 percent or any higher percentage as determined by the relevant authorities; or</p> <p>(b) A representative office.</p> <p>Representative offices are permitted to undertake research, information and liaison services only.</p> <p>Total participation of the exchange will be based on economic needs.</p> <p>4) Unbound except one foreign national for a management post per establishment, subject to market test.</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>B. INSURANCE SERVICES Direct insurance (non-life).</p>	<p>1) Soliciting and advertising in Malaysia are not allowed.</p> <p>Direct placement abroad of insurance of:</p> <p>(a) movable or immovable property located in Malaysia, including any ship or aircraft registered in Malaysia; and</p> <p>(b) liability of residents to third party requires approval. Approval will be granted if such insurance is not available from direct insurance companies in Malaysia.</p> <p>2) Direct placement abroad of insurance of:</p> <p>(a) movable or immovable property located in Malaysia, including any ship or aircraft registered in Malaysia; and</p> <p>(b) liability of residents to third party requires approval. Approval will be granted if such insurance is not available from direct insurance companies in Malaysia.</p> <p>3) Only permitted through direct insurance companies and international takaful operators.</p> <p>Offshore direct insurance companies in Labuan and international takaful operators are not permitted to accept direct insurance of Malaysian risks.</p> <p>4) Unbound except as indicated in the all financial services horizontal section.</p>	<p>1) None</p> <p>2) None</p> <p>3) Branching is permitted for direct insurance companies with aggregate foreign shareholding of less than 50 percent. Direct insurance companies are permitted to maintain their existing network of branches.</p> <p>Unbound for special assistance to Malaysian-owned direct insurance companies to promote their development.</p> <p>4) Unbound except as indicated in the all financial services horizontal section.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Direct insurance (life).	<p>1), 2) Unbound</p> <p>3) Only permitted through direct insurance companies.</p> <p>Investment-linked insurance business and new life insurance products provided by direct insurance companies require approval.</p> <p>Offshore direct insurance companies in Labuan and international takaful operators are not permitted to underwrite life insurance of residents. This limitation does not apply to ordinary life insurance of high net worth residents by offshore direct insurance companies in Labuan.</p> <p>4) Unbound except as indicated in the all financial services horizontal section.</p>	<p>1), 2) Unbound</p> <p>3) Branching is only permitted for direct insurance companies with aggregate foreign shareholding of less than 50 percent. Direct insurance companies are permitted to maintain their existing network of branches.</p> <p>Unbound for special assistance to Malaysian-owned direct insurance companies to promote their development.</p> <p>4) Unbound except as indicated in all financial services horizontal section.</p>	
Reinsurance and retrocession (non-life).	<p>1), 2) Outward reinsurance is permitted only if local capacity is not available.</p> <p>3) Obligation on all insurers other than offshore direct insurance and offshore reinsurance companies to optimise national retention capacity before any outward reinsurance.</p>	<p>1), 2) Voluntary cession up to 30 percent of each class of non-life reinsurance business to the Malaysian Reinsurance Berhad.</p> <p>Unbound for fiscal incentives to promote reinsurance in Malaysia.</p> <p>3) Unbound for measures granting special position to Malaysian Reinsurance Berhad.</p>	
(Reinsurance and retrocession (non-life)-cont'd)	Unbound for new licences.		
(Reinsurance and retrocession (non-life) - cont'd)	<p>Aggregate foreign shareholding in the Malaysian Reinsurance Berhad shall not exceed 30 percent.</p> <p>Entry as an offshore reinsurance company is confined to Labuan.</p>		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Reinsurance and retrocession (life).	<p>4) Unbound except for:</p> <p>(a) Two senior managers and three specialists or experts for each institution are permitted. A senior manager is an individual possessing proprietary knowledge and authority essential to the establishment, control and operation of the services of the financial service supplier. Specialists or experts are individuals who possess knowledge and expertise relating to new products and services, technique or management of the financial service supplier.</p> <p>(b) Entry shall be limited to a maximum period of five years.</p> <p>For offshore reinsurance companies, unbound except as indicated in the all financial services horizontal section.</p> <p>1), 2) Outward reinsurance is permitted only if local capacity is not available.</p> <p>3) National retention capacity is required to be optimised before any outward reinsurance by:</p> <p>(a) direct life insurance and life reinsurance companies in Malaysia; and</p> <p>(b) offshore direct life insurance and offshore life reinsurance companies which are permitted to insure or reinsure life insurance of high net worth residents.</p> <p>Unbound for new licences.</p>	<p>4) Unbound except as indicated in the all financial services horizontal section.</p> <p>For offshore reinsurance companies, unbound except as indicated in the all financial services horizontal section.</p> <p>1), 2) Unbound for fiscal incentives to promote reinsurance in Malaysia.</p> <p>3) None</p>	
(Reinsurance and retrocession (life) - cont'd)	<p>Aggregate foreign shareholding in the Malaysian Life Reinsurance Group Berhad shall not exceed 30 percent.</p> <p>Entry as an offshore reinsurance company is confined to Labuan.</p>		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>(Reinsurance and retrocession (life) - cont'd)</p> <p>Insurance intermediation - insurance broking (excluding agency).</p>	<p>4) Unbound except for:</p> <p>(a) Two senior managers and three specialists or experts for each institution are permitted. A senior manager is an individual possessing proprietary knowledge and authority essential to the establishment, control and operation of the services of the financial service supplier. Specialists or experts are individuals who possess knowledge and expertise relating to new products and services, technique or management of the financial service supplier.</p> <p>(b) Movement of a senior manager, specialist or expert can be through intra-corporate transfers or otherwise.</p> <p>(c) Entry shall be limited to a maximum period of five years.</p> <p>For offshore reinsurance companies, unbound except as indicated in the all financial services horizontal section.</p> <p>1), 2) Direct insurance broking services can only be provided to offshore companies in Labuan.</p> <p>Reinsurance broking is permitted.</p>	<p>4) Unbound except as indicated in the all financial services horizontal section.</p> <p>For offshore reinsurance companies, unbound except as indicated in the all financial services horizontal section.</p> <p>1), 2) None</p>	
	<p>3) Unbound for onshore insurance broking. Broking of direct insurance of Malaysian risks by offshore insurance brokers is not permitted. This limitation does not apply to broking of reinsurance of Malaysian risks.</p> <p>4) Unbound except as indicated in the all financial services horizontal section.</p>	<p>3) None</p> <p>4) Unbound except as indicated in the all financial services horizontal section.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>Insurance intermediation - insurance underwriting and insurance management.</p> <p>Services auxiliary to insurance, as follows:</p> <p>(a) Consultancy (excludes insurance agency services to insurance industry)</p> <p>(b) Actuarial risk assessment</p> <p>(c) Risk management</p> <p>(d) Maritime loss adjusting.</p>	<p>1), 2) Insurance underwriting and insurance management are not permitted.</p> <p>3) Unbound for onshore insurance underwriting and insurance management.</p> <p>An offshore insurance underwriting manager is not permitted to provide services to any person other than offshore insurance companies in Labuan.</p> <p>An offshore insurance manager is permitted to provide insurance management services to persons other than residents.</p> <p>4) Unbound except as indicated in all financial services horizontal section.</p> <p>1) Actuarial services can only be provided to offshore insurance companies and offshore reinsurance companies in Labuan.</p> <p>2) None.</p> <p>3) Limited to the establishment of:</p> <p>(a) Locally incorporated companies;</p> <p>(b) Branches; or</p> <p>(c) Partnerships.</p> <p>Offshore companies are not permitted to provide services to Malaysian residents.</p> <p>4) Unbound except for temporary presence of natural persons in respect of supply through the mode of commercial presence.</p>	<p>1), 2) None</p> <p>3) None</p> <p>3) Unbound except as indicated in the all financial services horizontal section.</p> <p>1) None.</p> <p>2) None.</p> <p>3) None.</p> <p>4) Unbound except for temporary presence of natural persons in respect of supply through the mode of commercial presence.</p>	



Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>8. HEALTH RELATED AND SOCIAL SERVICES</p> <p>A. <u>Hospital Services</u></p> <p>Private hospital services (CPC 93110*)</p>	<p>1), 2) None</p> <p>3) Economic needs test;</p> <p>Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and aggregate foreign shareholding in the joint-venture corporation shall not exceed 40 per cent; and</p> <p>The joint-venture corporation shall operate a hospital with a minimum of 100 beds</p> <p>4) Unbound except as indicated in the horizontal section.</p>	<p>1), 2) None</p> <p>3) Establishment of feeder outpatient clinics is not permitted.</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>9. TOURISM AND TRAVEL RELATED SERVICES</p> <p><u>Hotel, tourist resort and restaurant services</u> covering the management and operation of hotels or resorts including, outlets which may not necessarily include ownership of such properties.</p> <p>(CPC 641, 642, 643)</p>	<p>1) None</p> <p>2) None</p> <p>3) Joint-venture Corporation with Malaysia individuals or Malaysia-controlled corporations or both and aggregate foreign shareholding in the joint-venture corporation shall not exceed 49% foreign equity (for 4 &amp; 5 star only). Subject to domestic regulations, covering only the following:-</p> <p>i. Hotel Lodging Services (CPC 64110)</p> <p>ii. Holiday Centre and Holiday Home Services (CPC 64192)</p> <p>iii. Letting Services of Furnished Accommodation (CPC 64193)</p> <p>4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access</p>	
<p>Travel agency and tour operator services (CPC 7471)</p> <p>Services rendered for passenger travel by travel agencies tour operators, and similar services; travel information, advice and planning services; services related to arrangement of tours, accommodation, passenger and baggage transportation; ticket issuance services. These services are provided on a fee or contract basis.</p>	<p>1) None</p> <p>2) None</p> <p>3) For inbound travel only joint-venture corporation with Malaysia individuals or Malaysia-controlled corporations or both and aggregate foreign shareholding in the joint-venture corporation shall not exceed 49% foreign equity (for inbound only) subject to domestic regulations.</p> <p>2. Unbound except as indicated in 1(a) in the horizontal section.</p>	<p>1) None</p> <p>2) None</p> <p>3) For inbound travel only, joint-venture with Malaysian individuals or Malaysian-controlled corporations or both and aggregate foreign shareholding in the joint-venture corporation shall not exceed 49%.</p> <p>4) Unbound except for the categories of natural persons referred to under market access</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>Convention Centre (over 5000 participants) (CPC 87909)</p> <p>(The development of a building that consists of Exhibition Halls, Meeting Rooms, a conference hall with more than 5,000 seating capacity, a banquet and business center equipped with state-of-the-art telecom-medication and teleconferencing facilities to cater for the needs of the convention industry. The center will also provide adequate car parks, shops and restaurants/cafes to the exhibitors, participants and visitors)</p>	<p>1) None 2) None</p> <p>3) Joint-venture Corporation with Malaysia individuals or Malaysia-controlled corporations or both and aggregate foreign shareholding in the joint-venture corporation shall not exceed 49% foreign equity subject to domestic regulations.</p> <p>4) Unbound except as indicated in 1(a) and (b) and 2 (a) and (c) in the horizontal section.</p>	<p>1) None 2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in 1(a) and (b) and 2(a) and (c) in the horizontal section.</p>	
<p>Theme Park (CPC 96194)</p> <p>(A family based recreational area/amusement centre which may consist of rides, mechanical, and/or high-tech simulation equipment with various kinds of amusement facilities built around a theme or several themes. Activities to be offered will contain elements of entertainment, edutainment, adventure and excitement. The concept of the park can either be outdoor or indoor or a combination of both)</p>	<p>1) Unbound* 2) Unbound</p> <p>3) Joint-venture Corporation with Malaysia individuals or Malaysia-controlled corporations or both and aggregate foreign shall not exceed 49% foreign equity subject to domestic regulations.</p> <p>4) Unbound except as indicated in 1(a) and (b) and 2(a) and (c) in the horizontal section.</p>	<p>1) Unbound* 2) Unbound</p> <p>3) None</p> <p>4) Unbound except as indicated in 1(a) and (b) and 2(a) and (c) in the horizontal section.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>10. RECREATIONAL, CULTURAL AND SPORTING SERVICES</p> <p>Other entertainment services (CPC 96191, 96192, 96194)</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) Entertainment services may be supplied only by a natural person.</p> <p>4) Unbound except as indicated in 2 (a) in the horizontal section.</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p> <p>Participation of Malaysian entertainers/artistes may be required based on the guidelines of the Ministry of Culture, Arts and Tourism.</p>	
<p>Sports events management services (CPC 96411, 96412)</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) Only through a Malaysian-controlled corporation acting as the local sponsor.</p> <p>4) Unbound except as indicated in 2 (a) in the horizontal section.</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>11. TRANSPORT SERVICES  <u>International Maritime</u>  <u>Transport Services</u></p> <ul style="list-style-type: none"> <li>- Freight Transportation, excludes cabotage (CPC 7211, 7212)</li> <li>- excludes government cargo</li> </ul>	<p>1), 2) None</p> <p>3) Only through a representative office, regional office or locally-incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and aggregate foreign shareholding in the joint-venture corporation shall not exceed 30 per cent.</p> <p><u>Malaysian registered vessels</u></p> <p>To register a vessel in Malaysia, the following conditions must be met:</p> <ul style="list-style-type: none"> <li>(1) Owner of that vessel must be a Malaysian citizen or corporation incorporated in Malaysia;</li> <li>(2) Majority shareholding to be held by Malaysians;</li> <li>(3) Majority of the board of directors to be Malaysians; and</li> <li>(4) Principal place of business to be in Malaysia.</li> </ul> <p>4) Unbound except as indicated in the horizontal section. Ship crew is permitted to disembark only for duration of berth.</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Rental of cargo vessels with crew for international shipping (CPC 7213)	1), 2) None 3) Unbound. Only through a representative office, regional office or locally-incorporated joint-venture corporation with Malaysian individuals or Malaysian controlled corporations of both and Bumiputera shareholding in the joint-venture corporation of at least 30 per cent. 4) Unbound. Ships crew (for vessel with crew) is permitted to disembark only for duration of berth subject to applicable domestic regulations.	1), 2) None 3) Unbound 4) Unbound	
Maintenance and repair vessels (CPC 8868)  Maritime agency services covering marketing and sales of maritime transport and related services and acting on behalf of the companies organizing the call of the ship or taking over cargoes when required (CPC 7454*)	1) Unbound* 1) None 3) Only through a representative office, regional office or locally incorporated joint venture corporation with Malaysian individuals or Malaysian controlled corporations or both. Foreign equity allowable up to maximum of 30 per cent. 4) Unbound, except as indicated in the horizontal commitments. 1), 2) None 3) Only through a representative office, regional office or locally-incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and Bumiputera shareholding in the joint-venture corporation of at least 30 per cent. 4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section	1) Unbound* feasibility) 2) None 3) Unbound 4) Unbound except for the categories of natural persons referred to under market access. 1), 2) None 3) None 4) Unbound except for the categories of natural persons referred to under market access.	These are limited to businesses related to maintenance and repair of ocean going vessels at anchor or alongside and maintenance and repair of local vessels.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>Vessel salvage and refloating services except on inland waters (CPC 74540)</p>	<p>1), 2) None</p> <p>3) Only through a representative office, regional office or locally-incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and Bumiputera shareholding in the joint-venture corporation of at least 30 per cent.</p> <p>4) Unbound except as indicated in 1 (a) and (b) and 2 (a) in the horizontal section.</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	
<p>12. OTHER SERVICES</p> <p>Skills training services covering the provision of training for technical, supervisory and production related functional levels in new and emerging technologies as follows:</p> <p>1) automated manufacturing technology;                  2) advanced materials technology;                  3) biotechnology;                  4) electronics;                  5) information technology; and                  6) avionics/aviation technology (CPC 97090)</p>	<p>1), 2) None</p> <p>3) Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and aggregate foreign shareholding in the joint-venture corporation shall not exceed 30 per cent; and</p> <p>Establishment of local branches requires additional licenses.</p> <p>4) Unbound except as indicated in the horizontal section.</p>	<p>1), 2) None</p> <p>3) None</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Services Incidental To Electricity Distribution CPC 62271	1), 2) None 3) Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and the aggregate foreign shareholding in the joint-venture corporation shall not exceed 30 per cent. 4) Unbound, subject to horizontal commitments.	1), 2) None 3) None 4) Unbound	Electricity distribution license or electrical contractor registration subject to Malaysian laws such as Electricity Supply Act 1990, Electricity Regulation 1994, Licensee Supply Regulation 1990, Company Act 1965.
Services Incidental To Gas Distribution CPC62271	1), 2) None 3) Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and the aggregate foreign shareholding in the joint-venture corporation shall not exceed 25 per cent. 4) Unbound, subject to horizontal commitments.	1), 2) None 3) None 4) Unbound.	As per policy of Economic Planning Unit of the Prime Minister Department. License of gas distribution or gas contractor registration subject to Malaysian laws such as Gas Supply Act 1993, Gas Supply Regulation 1997, Company Act 1965.



**ANNEX I**

Annex to Additional Commitments on Telecommunication Services

<b>Principles</b>	<b>Procedural Requirements</b>
1. Competition safeguards	The regulatory body must take measures to:
2. Universal Service	<ul style="list-style-type: none"> <li>- Maintain fair competition among network operators;</li> <li>- Safeguards the interest of consumers;</li> </ul>
3. Public availability of licensing criteria	<ul style="list-style-type: none"> <li>- Ensure that network operators contribute to Universal Service Obligation particularly the extension of services into rural and other undeserved areas as stipulated in the licences;</li> </ul>
4. Independent regulator	<ul style="list-style-type: none"> <li>- To advise other network operators on the licensed status of each network operator including terms and conditions pertaining to the operator's licence which govern the right of the licensee to interconnect with operators;</li> </ul>
5. Interconnection arrangements	<p>To exercise its functions with respect to the conduct of telecommunications operators and the running of telecommunications services in Malaysia as provided for under Section 3B of the Telecommunications Act;</p> <p>To ensure that the following principles pertaining to interconnection arrangements are adhered to:</p> <ul style="list-style-type: none"> <li>- Interconnection and access between network operators shall be on an equitable and non-discriminatory basis;</li> <li>- Charges for interconnection facilities and services provided by network operators shall be fair and equitable;</li> <li>- The technical qualities of interconnect facilities and services provided by network operators shall be of no less quality than that provided by them within their own networks;</li> <li>- A domestic network operator in any of the market segments shall not abuse its market power to limit access to essential facilities only for interconnection;</li> <li>- The network operator that provides the access connection to the customer should be allowed to tell him (the customer);</li> <li>- No cross-subsidies should be allowed between carriers whereby one carrier has to bear an inequitable share of the Universal Service Obligation burden where the said share is not proportional to its market share.</li> </ul>

**MALAYSIA – FINAL LIST OF ARTICLE II (MFN) EXEMPTIONS**

Sector or Subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
All Sectors	Liberalization of measures affecting movement of foreign semi-skilled and unskilled workers into Malaysia may be carried out in a differentiated manner based on reasons including proximity, either contiguous or regional, religious and/or cultural compatibility.	All countries	Indefinite	The measure is required to:  (1) maintain the arrangements under existing bilateral agreements; and  (2) ensure that the movement of foreign semi-skilled and unskilled workers contributes to the social stability and industrial harmony in Malaysia.
All sectors	Waiver of measures in existing or future policies limiting foreign equity or interests in companies and businesses in Malaysia shall be carried out in a preferential and differentiated manner.	All countries	Indefinite	The measure would be applied in a differentiated manner to those investments that match Malaysia's specific development requirements with the abilities and facilities provided by foreign enterprises and their home countries. The objective is to maximize economic benefits of foreign participation in the Malaysian economy.
Advertising services	20 per cent foreign content limitation for advertising is waived for these countries.	Brunei Darussalam Indonesia Philippines Singapore Thailand	5 years	The measure is required to promote intra-ASEAN tourism.