

Corporate/M&A

Revised Guidance Note on Provision of Investment Advice

Due to the growing popularity of financial influencers providing investment advice on capital market products, the Securities Commission Malaysia (“SC”) has revised its [Guidance Note on Provision of Investment Advice](#) (“Guidance Note”), and some of the key changes/clarifications to the Guidance Note are as follows:

- a) The SC has made clear in the Guidance Note that having a disclaimer that states that you are not providing an investment advice, in itself, does not relieve you from the requirement of holding a licence. Ultimately, the SC will take into account of the overall circumstances in making an assessment whether a person is ‘carrying on a business of advising others concerning securities or derivatives’, which will then determine whether a licence for carry on the regulated activity of providing investment advice is required.
- b) Generally, talking or sharing factual information about an investment product or towards educating the followers (as opposed to advising) would not likely require a licence from the SC. Sharing of genuine user experience would also not likely require a licence from SC.
- c) However, if the social media influencers provide recommendation or opinion which may induce their followers in taking an action (e.g. buy, sell or hold) based on the recommendation or opinion (e.g. investing in investment funds), SC is more likely to consider them as sharing investment advice, which will then require a licence.
- d) SC will also determine if the activity carried out by the social media influencers amounts to “carrying on business” by taking into account, amongst others, the income generated by views on social media platform, or referral rewards, or affiliate marketing.

Legal Updates

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Any person undertaking a regulated activity without a licence by the SC is a punishable offence under the CMSA which carries a maximum fine of RM 10 million or a maximum imprisonment term of 10 years or both.

SSM Corporate Code of Ethics

The Companies Commission of Malaysia (SSM) has launched the *SSM Corporate Code of Ethics* on 2 August 2024, to assert their commitment to the highest standards of integrity, ethics and anti-corruption practices. This *SSM Corporate Code of Ethics* book aims to support the adherence of good corporate governance practices among its commission members, SSM Management, SSM Officers, SSM Club, Cooperative, suppliers and stakeholders of SSM.

The *SSM Corporate Code of Ethics* which is in line with the National Anti-Corruption Strategy (NACS) 2024 - 2028, amongst other things, provides guidance on responsibilities and principles to be adhered to improve integrity and accountability in SSM.

This book can be accessed and downloaded through the official SSM portal [here](#).

CONTACT US FOR FURTHER INFORMATION REGARDING CORPORATE/M&A MATTERS.

Energy, Natural Resources & Green Technology

Malaysian Government introduces the Corporate Renewable Energy Supply Scheme

On 26 July 2024, the Government of Malaysia announced the introduction of the Corporate Renewable Energy Supply Scheme (“CRESS”) commencing September 2024 to increase corporate access to green electricity. Based on the concept of open grid access, third parties may supply or procure electricity through the grid network system based on the predetermined system access charge.

Under CRESS, eligible third-party renewable energy power producer (“RE producer”) and companies may make arrangements for the supply of green electricity based on agreed terms through the existing supply system. Companies may procure renewable energy directly from identified third party RE producers, who can also supply renewable energy to corporate consumers through Tenaga Nasional Berhad’s (“TNB”) grid network by participating in the New Enhanced Dispatch Arrangement program.

The implementation of CRESS will be regulated by the Energy Commission under the Electricity Supply Act 1990 while the Single Buyer and Grid System Operator will act as the market and system operator, and are responsible for the coordination of the access and dispatch aspects of the electricity supply system based on the regulatory framework agreed by the Government. TNB will continue to act as the utility electricity supplier that will supply generated electricity to consumers within and outside the renewable energy supply period.

Clarification sessions regarding the procedures and guidelines for industry players will be conducted by the Energy Commission. Some of the general conditions for the participation in CRESS are as follows:

- a) CRESS is open to new RE producers connected to the high voltage (HV) level of the grid and new or existing TNB consumers from the medium and high voltage commercial and industrial categories who are looking for additional or new electricity supply;
- b) the connection between RE generators and green consumers must connect directly through the grid network system;
- c) connection limits to the grid network system are based on the findings of the power system study; and

- d) RE producers should produce firm electricity supply output to ensure system stability and minimise disruptions to the supply system. Nevertheless, RE producers are given an option to not produce firm electricity supply output but at a higher system access charge.

The announcement by the Ministry of Energy Transition and Water Transformation can be found [here](#).

CONTACT US FOR FURTHER INFORMATION REGARDING ENERGY, NATURAL RESOURCES & GREEN TECHNOLOGY MATTERS.

Immigration

Revolutionising Expatriate Processing: Updates on Malaysia's Xpats Gateway and New Initiatives

In a series of significant reforms aimed at streamlining the expatriate management process, Malaysia has introduced several updates to its work permit and visa systems. Beginning with the announcement of the Xpats Gateway system, these changes are designed to expedite the application process for expatriates and enhance the overall efficiency of visa management.

This new system and its subsequent improvements reflect the government's commitment to creating a more business-friendly environment, supporting economic and investment objectives.

Previously in 2023, efforts were underway to reduce the work permit application process for expatriates from over 80 days to just five working days through the Xpats Gateway¹. A single-window approach was implemented in phases commencing from June 2023². Under this approach, the requirement for companies to first advertise job vacancies to Malaysian citizens was also reduced from 30 days to 14 days, allowing for the application of foreign professional expatriates if the posts advertised were unable to be filled by citizens³. The focus in line with efficiency was also geared towards reducing the time involved from submission to approval to approximately 20 days from the previous 80 days⁴.

Before the implementation of the centralized system, there were approximately 11 agencies handling visa applications for professionals, which industries found confusing⁵. On 15 June 2023, the Xpats Gateway was officially launched⁶. This single-window platform integrates processes for obtaining supporting letters from approving agencies and regulatory bodies.

The initiative, which brings 26 Approving and Regulatory Agencies under one system, enhances Malaysia's business-friendly environment supporting its economic and investment objectives⁷. To efficiently address the needs of expatriate employers, TalentCorp and its subsidiary MYXpats introduced a comprehensive online data platform and service-oriented management system with gradual improvements from June 2023 to date. The Xpats Gateway system was extended to include more sectors effective 31 July 2023⁸.

In collaboration with the Ministry of Home Affairs and the Immigration Department of Malaysia, MYXpats reduced the application processing time from five (5) working days to

three (3) working days for Tier 1, Tier 2, and Critical Sector companies, ensuring expeditious decisions for expatriate applications⁹.

The second phase of the single-window approach was targeted for expansion to cover visa applications and approvals managed by Malaysia Digital Economy Corp (“MDEC”) and the Iskandar Regional Development Authority (“IRDA”)¹⁰.

In line with this, MDEC announced that effective 24 April 2024, all registered companies under MDEC applying for new and renewal of Employment Passes (“EP”) must submit their applications through the [Xpats Gateway](#) at using the same login credentials as the MDEC Expats System¹¹. Previously, this Xpats Gateway online filing process was required only for applications sponsored by companies under the Expatriate Services Division (“ESD”). This approach is consistent with the Government’s Single Window initiative for foreign knowledge worker applications.

Subsequently, on 1 July 2024, the ESD online system introduced new online application features to better facilitate expatriate management¹². The new features, effective from 1 July 2024, include¹³:

- a) Amendment of an Approved Application;
- b) Shortening of a Pass;
- c) Cancellation of an Application;
- d) Transfer of Endorsement (“ToE”) / Take-up Balance (“TuB”);
- e) Permission to Study;
- f) Permission to Work at a Second Location.

These enhancements aim to streamline the expatriate pass processes for a more efficient and user-friendly experience. With this implementation, physical submissions via MYXpats/Immigration front counters for the sub-categories, have ceased effective 1 July 2024, simplifying the application process for expatriate management¹⁴.

Additionally, MYXpats announced that effective 18 July 2024, the processing time for the Permission to Work with a maximum 30-day Social Visit Pass (“PLS@XPATS”), endorsed at the Immigration Entry Point, will be revised from three (3) working days to one (1) working day upon submission with complete documentation¹⁵.

The improvements and initiatives by MYXpats did not stop there. On 29 July 2024, it was announced that the Expatriate Satellite Centre KLIA Terminal 2 (“ESC KLIA2”) is now fully operational 24/7 to facilitate the issuance of new Employment Passes, Professional Visit

Passes, Dependant Passes, and the Residence Pass-Talent for expatriates¹⁶. The centre was officially launched by the Minister of Home Affairs, YB Senator Datuk Seri Saifuddin Nasution Ismail, on 23 July 2024¹⁷. This marks a significant milestone for the Immigration Department of Malaysia and TalentCorp, with expatriate pass endorsements now available at both KLIA Terminals 1 and 2.

Subsequently, on 12 August 2024, the MyXpats Centre announced that as part of their ongoing efforts to improve services and streamline expatriate application processes, the document requirements for PVP applications have been simplified¹⁸. These changes are designed to enhance the customer experience while maintaining national security¹⁹.

The simplified document requirements will take effect on 16 August 2024²⁰. The number of general documents required for each PVP application will be reduced from 13 to 6, as outlined below²¹:

	BEFORE	AFTER
GENERAL DOCUMENT	<ol style="list-style-type: none"> 1. Copy of Passport: All Pages (with 6 empty pages). 2. Application Letter from Sponsor 3. Personal Bond (All nationalities EXCEPT Chinese and Bangladeshi). 4. Security Bond & Bank Guarantee (Chinese and Bangladeshi nationalities ONLY). 5. Offer Letter from Sponsor Company in Malaysia. 6. Acceptance Letter by Foreign Company. 7. Job Description. 8. Working Schedule. 9. Academic Certificate. 	<ol style="list-style-type: none"> 1. Copy of Passport: All Pages (with 6 empty pages). 2. Application Letter from Sponsor. 3. Bonds: <ol style="list-style-type: none"> i. Personal Bond (All nationalities EXCEPT Chinese and Bangladeshi); ii. Security Bond (Chinese and Bangladeshi nationalities ONLY). 4. Letter of Award (LOA) / Contract [if applicable]. 5. Memorandum of Understanding (MoU) [if applicable]. 6. Supporting documents, if applicable:

	<p>10. Updated Resume.</p> <p>11. Letter of Award (LOA) / Contract [if applicable].</p> <p>12. Memorandum of Understanding (MoU) [if applicable].</p> <p>13. Supporting documents, if applicable:</p> <ul style="list-style-type: none"> i. For purpose of installation, maintenance and repair of machinery or installation of new product; ii. For external expert in mining activities; iii. For aeroplane simulator tester iv. For hotels receiving Student Under Practical Training application 	<ul style="list-style-type: none"> i. For purpose of installation, maintenance and repair of machinery or installation of new product: ii. For external expert in mining activities; iii. For aeroplane simulator tester; iv. For hotels receiving Student. Under Practical Training application <p style="text-align: center;">OBSOLETE DOCUMENTS</p> <ul style="list-style-type: none"> 1. Bank Guarantee 2. Offer Letter 3. Acceptance Letter 4. Job Description 5. Working Schedule 6. Academic Certificate 7. Updated Resume
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These ongoing enhancements to the Xpats Gateway system and related processes reflect Malaysia's commitment to improving its business environment and streamlining expatriate management. By integrating various regulatory functions and reducing processing times, the government is making it easier for companies to bring in and manage foreign talent, thus supporting economic growth and investment.

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- ¹ <https://www.bernama.com/en/news.php?id=2194081>.
 - ² <https://www.bernama.com/en/news.php?id=2194081>.
 - ³ <https://www.thestar.com.my/news/nation/2023/05/31/process-for-companies-to-hire-professional-expats-to-be-shortened-to-20-days-says-rafizi>.
 - ⁴ <https://www.thestar.com.my/news/nation/2023/05/31/process-for-companies-to-hire-professional-expats-to-be-shortened-to-20-days-says-rafizi>.
 - ⁵ <https://www.thestar.com.my/news/nation/2023/05/31/process-for-companies-to-hire-professional-expats-to-be-shortened-to-20-days-says-rafizi>.
 - ⁶ <https://esd.imi.gov.my/portal/latest-news/announcement-2023/announcement-xpats-gateway-centralized/>.
 - ⁷ <https://esd.imi.gov.my/portal/latest-news/announcement/announcement-231-new-application-features/>.
 - ⁸ <https://esd.imi.gov.my/portal/latest-news/announcement-2023/announcement-xpats-gateway-centralized/>.
 - ⁹ <https://esd.imi.gov.my/portal/latest-news/announcement/announcement-231-new-application-features/>.
 - ¹⁰ <https://www.bernama.com/en/news.php?id=2194081>.
 - ¹¹ <https://mdec.my/expats/announcement/submission-of-employment-pass-application--via-single-window---xpats-gateway>.
 - ¹² <https://esd.imi.gov.my/portal/latest-news/announcement/announcement-222-sub-product-esd/>.
 - ¹³ <https://esd.imi.gov.my/portal/latest-news/announcement/announcement-222-sub-product-esd/>.
 - ¹⁴ <https://esd.imi.gov.my/portal/latest-news/announcement/announcement-222-sub-product-esd/>.
 - ¹⁵ <https://esd.imi.gov.my/portal/latest-news/announcement/announcement-226-pls-xpats/#:~:text=The%20Permission%20to%20Work%20with,a%20submission%20with%20complete%20document>.
 - ¹⁶ <https://esd.imi.gov.my/portal/latest-news/announcement/announcement-230-klia2-launched/>.
 - ¹⁷ <https://esd.imi.gov.my/portal/latest-news/announcement/announcement-230-klia2-launched/>.
 - ¹⁸ <https://esd.imi.gov.my/portal/latest-news/announcement/announcement-233-simplified-document/>.
 - ¹⁹ <https://esd.imi.gov.my/portal/latest-news/announcement/announcement-233-simplified-document/>.
 - ²⁰ <https://esd.imi.gov.my/portal/latest-news/announcement/announcement-233-simplified-document/>.
 - ²¹ <https://esd.imi.gov.my/portal/latest-news/announcement/announcement-233-simplified-document/>.