



# GMS Flash Alert



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## Malaysia - Updates on Professional Visit Pass and Employment Pass

Malaysia's Expatriate Services Division ("ESD") introduced the Professional Visit Pass ("PVP") projection for year 2017 in December 2016.<sup>1</sup> This is in addition to the yearly Employment Pass ("EP") projection for companies that have been registered with the ESD for the purpose of applying permits electronically. Recently, there have been some changes in the application process and procedures followed by the ESD.

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### WHY THIS MATTERS

Immigration advisers, global mobility program managers charged with handling the immigration needs of their assignees, and assignees going to work (or already working) in Malaysia need to be aware of these developments.

Employers are encouraged to plan ahead regarding the number of expatriates required in each year for both EP and PVP. The projected numbers would be submitted online for the ESD to consider. The projected numbers should be justified and communicated to the ESD so that it may thoroughly evaluate and consider the number of expatriates to be applied for that year.

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### Some Background and Insight

The ESD officers have also verbally informed<sup>2</sup> the KPMG International member firm in Malaysia that each expatriate rendering services in Malaysia under the PVP may only apply once (for a duration of not more than 12 months). This is notwithstanding that their expertise may be required for a different project or their services are to be rendered under a different sponsor.

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In practice, the GMS team with KPMG in Malaysia has received feedback that the ESD has been returning applications for extensions of the PVP (after the expiry of 12 months) and it has requested the sponsor apply for the EP if the company needs the same individual to continue on with the existing project.

In the absence of an official notice on the Immigration Department of Malaysia's Web site, the above information may be subject to change.

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## KPMG NOTE

With the new controls for PVP applications in place, expatriates and their sponsoring companies would have to consider the EP after 12 months when the valid PVP expires. Whether the EP or PVP is applied for, expatriates would have to consider also the Malaysian personal income tax obligations and their yearly income tax return forms. The sponsoring companies would also need to address the tax obligations that they need to comply with for those expatriates.

An applicant for the PVP would have to notify his Malaysian sponsor if he has previously applied for and successfully worked under a PVP, before the new sponsor submits the PVP application. This is to pre-empt an application being returned or rejected if the ESD system detects that the applicant has previously been issued with a PVP.

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## FOOTNOTES:

- 1 For further information, see: <https://esd.imi.gov.my/portal/> .
- 2 An Immigration officer with the ESD verbally informed a representative of the KPMG International member firm in Malaysia that the applicant for a PVP is entitled to apply for the PVP with a maximum duration of 12 months only once.

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## Contact us

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



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\* Please note that the KPMG International member firm in the United States does not provide immigration or labor services.

**The information contained in this newsletter was submitted by the KPMG International member firm in Malaysia.**

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