

Mobility: Immigration alert

January 2023



Malaysia

New requirements for employers when hiring or terminating foreign nationals

Executive summary

Effective 1 January 2023, Malaysian employers must obtain approval from the Director General (DG) of the Ministry of Human Resources prior to hiring foreign nationals. Further, they must notify the DG upon termination of foreign nationals' employment.

Key developments

On 1 January 2023, the Malaysian authorities implemented the [Employment \(Amendment\) Act 2022](#) which mandates that Malaysian employers must now:

- ▶ Submit an [online form](#) to obtain approval from the DG prior to hiring foreign employees. The DG's office will notify the employer of their decision via email within approximately two weeks of filing the application. Companies and their executives that do not obtain prior approval may be subject to fines of up to MYR100,000, imprisonment for a term not exceeding five years, or both. Employers do not need to seek prior approval when applying to renew their foreign employees' visas, permits or passes.
- ▶ Submit details of newly hired foreign employees (e.g., name, nationality, occupation and employment start date) to the DG no more than 14 days after their employment start date.
- ▶ Inform the DG no more than 30 days after the end of a foreign national's employment due to the expiry of their Employment Pass, their repatriation or deportation from Malaysia, or their termination by the employer.
- ▶ Inform the DG no more than 14 days after the end of a foreign national's employment if they submit their resignation or abscond without notice.

Further details are awaited regarding the new policies, including the lead time required for employers to obtain approval from the DG prior to hiring new foreign employees.

Impact on employers

Employers may account for the new requirements and modify their workforce planning accordingly to avoid potential delays in the hiring of foreign nationals and mitigate business disruptions. They may submit the approval letter obtained from the DG's office to the immigration authorities when applying for an expatriate projection for hiring foreign nationals.

Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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