

Global Immigration alert

July 2025

Malaysia

Malaysia introduces changes to simplify immigration processes and increase enforcement to ensure compliance with regulatory requirements

Executive summary

The Expatriate Services Division (ESD) recently announced that, effective 1 July 2025, a six-month “cooling-off period” will be imposed on ESD accounts that are found to be in breach of compliance with requirements related to foreign nationals’ applications. In addition, companies are now able to manage several pre-application requirements for new Employment Pass (EP) and Professional Visit Pass (PVP) applications processed by the ESD, the Malaysia Digital Economy Corporation (MDEC) and the Iskandar Regional Development Authority (IRDA), through the [Xpats Gateway](#) platform.

Key developments

The following changes were implemented on 1 July 2025:

- **“Cooling-off period” in instances of non-compliance:** ESD accounts are now subject to a six-month suspension (i.e., limitation on sponsoring new applications or appealing previous decisions) in instances where the following has been detected: submission of false reports or statements, falsification or misrepresentation of information, use of forged or fraudulent documents, or any other form of misuse or abuse of the ESD system. This “cooling-off period” is intended to facilitate a comprehensive review of the sponsoring company’s compliance track record, governance practices and overall integrity. At the end of the six-month period, the company’s eligibility to resume application activities will be reassessed based on the outcome of the compliance review. Where serious or repeated breaches are identified, further enforcement actions may be taken by the authorities.
- **Administration of pre-application procedures for new EPs and PVPs through Xpats Gateway:** Sponsoring companies may now complete the following pre-application procedures for new EP and PVP applications to the ESD, MDEC and IRDA on the Xpats Gateway platform:
 - **Submission of Department of Labour Peninsular Malaysia (DOL) approval application under Section 60K of the Employment Act 1955 (Act 265).** The application will be processed within 10 working days, and the application status can be tracked on the platform. Previously, this submission had to be completed via the ePPAx system. The ePPAx system is no longer available for this purpose.
 - **Entry and acknowledgement of MYFutureJobs advertisement details under the Social Security Organization (SOC SO).** Regulated companies applying to the ESD (i.e., those that require a support letter from the relevant agency before hiring a foreign national) that sponsor impacted individuals (i.e., those who are not exempt from the job advertisement requirement prior to being granted authorization to work in Malaysia) are required to include the link to the job advertisement on the MYFutureJobs portal as part of the support letter application submitted through the Xpats Gateway portal. After including the link, the advertisement details and approval status will auto-populate on the application, and the MYFutureJobs Advertisement Acknowledgement



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Letter will be automatically uploaded as a supporting document (it will be available for download within the application for reference purposes).

Impact on employers

Employers are expected to benefit from streamlined and centralized processes resulting from the move of certain EP and PVP-related requirements to the Xpats Gateway portal. Employers that do not comply with regulatory requirements may be subject to significant penalties for noncompliance. In general, these changes are aimed at strengthening compliance oversight to ensure adherence to regulatory obligations and to streamline application processes to improve administrative efficiency for employers.

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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