

# Global Immigration alert

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## Malaysia

### Malaysia tightens payment timelines and in-country presence of applicants for pass endorsements

#### Executive summary

On 8 April 2026, Malaysia's Digital Economy Corporation (MDEC) issued a reminder on endorsement payment timelines and the requirement for applicants to remain in Malaysia during the endorsement stage. MDEC is one of several adjudicating authorities that process Malaysian immigration applications at the initial stage, before applications are routed to the Malaysian Immigration Department (MID) for final approval. While these requirements are not new and also apply to passes processed by other adjudicating authorities, such as the Expatriate Services Division (ESD), MDEC's announcement signals stricter enforcement and closer scrutiny specifically for applications under its purview.

#### Background

Employment Passes, Dependent Passes and other passes in Malaysia require a final endorsement following approval before they are issued to applicants. As part of the endorsement process, government fees for pass issuance must be made and applicants must remain in Malaysia for the entire duration of the final endorsement stage, up until the pass sticker is issued.

#### Key developments

In its announcement, MDEC emphasized stricter enforcement of the following for applications under its [eXpats system](#):

- **Endorsement payment timelines:** Employers must complete endorsement payments within one month from either:
  - The date of the applicant's entry into Malaysia, or
  - The date of approval of new or renewed passes
 Failure to complete payment within the stipulated period will result in the lapse of endorsement, requiring a fresh application to be filed.
- **Physical presence of the applicant in Malaysia for endorsement:** Applicants are required to remain in Malaysia for the endorsement stage, up until the pass is issued. Failure to comply with this requirement may result in the

cancelation of their application, and a fresh application will need to be filed. This is because existing pass applications in the endorsement stage cannot be amended to include "Visa with Reference" information to accommodate applicants who require a single-entry visa to enter Malaysia. For pass renewals, if travel is required due to urgent circumstances while the application is in progress and if applicants will re-enter after the expiry of their current pass, the company must notify MDEC immediately. MDEC will then assess whether any workarounds can be granted to enable endorsement to continue under the existing application, provided the endorsement stage has not entered the final stage of pass issuance.

- **MDEC-managed cases:** At this time, stricter enforcement applies specifically to MDEC-managed applications under the eXpats system, including principal applicants and eligible dependents. No similar enforcement announcement has been issued by other processing authorities.

#### Impact on employers

The announcement highlights increased scrutiny and may have the following implications for employers:

- **Higher risk of disruption if timelines are missed:** Employers who do not closely monitor approval and payment deadlines may face endorsement lapses, additional cost and processing delays.
- **Reduced flexibility in travel planning:** Employers must ensure applicants are physically present in Malaysia at the appropriate stage, which will require applicants to defer non-essential and non-urgent travels until after endorsement.
- **Potential delay to start dates:** Misalignment between approval issuance, applicants' arrival and endorsement payment may delay applicants' ability to commence work legally.

- *Need for tighter internal controls:* HR and mobility teams may need to reinforce internal processes and coordination with applicants to ensure endorsement readiness immediately upon approval.

The MDEC reminder underscores the importance of proactive case management, particularly for employers with high volumes of MDEC-sponsored foreign knowledge workers. While heightened enforcement measures have only been announced by MDEC at this point, employers who are under the purview of other adjudicating authorities, such as ESD and Iskandar Region Development Authority, should also ensure compliance with endorsement protocols to avoid any issues, as these authorities may also implement stricter enforcement measures.

#### 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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