

# Global Immigration alert

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## Malaysia

### Malaysia expands MIDA Expatriate System under revised expatriate employment policy

#### Executive summary

On 27 April 2026, the Malaysian Investment Development Authority (MIDA) conducted a briefing on the implementation of its new expatriate employment policy and the rollout of the MIDA Expatriate System (MES). This follows the official launch of MES on 16 March 2026, which introduced an enhanced expatriate module within InvestMalaysia and Xpats Gateway as part of centralizing and digitizing the end-to-end processing of expatriate pass applications for companies under MIDA's purview. Under this framework, the entire expatriate application process, including ePASS issuance, is managed by MIDA.

Effective 1 June 2026, eligible companies operating in the manufacturing and selected services sectors under MIDA's purview will be required to submit applicable expatriate applications via MES, instead of the existing Expatriate Services Division (ESD) online portal. Additionally, MIDA has introduced a new pass type, the Employment Pass - Foreign Graduate (EP-FG), which allows international fresh graduates of higher education institutions within Malaysia to seek employment in the country, which will also need to be applied for via MES.

#### Background

Currently, applications for companies under MIDA's purview often involve both the ESD and the Xpats Gateway online portals respectively. For Employment Pass (EP) applications, a support letter is required to be obtained from MIDA's Xpats Gateway portal, before an EP application could be submitted on the ESD online portal for final approval and pass issuance. InvestMalaysia is MIDA's official digital platform for the submission, tracking and approval of investment-related applications in Malaysia, including manufacturing licenses, incentives and approvals for selected services sectors.

The MES module can be accessed via either the InvestMalaysia or Xpats Gateway portal respectively.

MES provides an integrated, single-platform process for managing expatriate applications under MIDA's jurisdiction by consolidating company immigration account registrations, expatriate post approvals, pass approvals, and issuance of electronic passes (ePASS), supported by a dedicated immigration unit at MIDA Sentral.

#### Key developments

The Employment Pass - Foreign Graduate (EP-FG) is designed specifically for international fresh graduates from higher education institutions in Malaysia who wish to gain work experience in the country for up to two years. This pass category is limited to international graduates who can contribute to one of the five key sectors (i.e., electrical and electronics, specialty chemicals, aerospace, pharmaceuticals and medical devices) identified under the New Industrial Master Plan 2030 (NIMP 2030), but is open to all nationalities.

Furthermore, EP-FG approvals are granted only where there is a demonstrated shortage of suitably qualified Malaysian talent. Employers must show that reasonable efforts have been made to hire local candidates before considering international graduates.

The EP-FG should not be confused with the Graduate Pass, which is a Social Visit Pass (SVP) catered to international fresh graduates to extend their stay in Malaysia for up to 12 months for purposes of travel within Malaysia, preparing for future studies, or part-time work in specific sectors under certain educational qualifications. The Graduate Pass is only available to international fresh graduates of specific nationalities.

Effective 1 June 2026, the MES portal can be utilized for submission of the following application types:

- Employment Pass
- Employment Pass - Foreign Graduate (EP-FG), which is a new pass type

- Professional Visit Pass (PVP)
- Dependent's Pass (DP) and Long-Term Social Visit Pass (LTSVP)

The official turnaround time is 15 working days, subject to complete and compliant submissions.

### Impact on employers

Employers operating within MIDA-regulated sectors should prepare for mandatory migration to MES from 1 June 2026. This includes internal adjustments to application workflows, documentation requirements and system access management. Applications may be subject to enhanced scrutiny, particularly in relation to role justification, localization plans and compliance history. Employers within the key sectors identified under the NIMP 2030 may also consider hiring international fresh graduates under the EP-FG to address short-term talent shortages.

### 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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