

# Malaysia: Update on job advertisement requirement for Employment Pass applications

25 January 2021

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## In brief

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From 1 January 2021, companies seeking to employ expatriates are required to register and advertise certain categories of vacant jobs through the MYFutureJobs online portal.

This job advertisement requirement was introduced by the Government of Malaysia as an initiative to provide better employment opportunities to local talents; and this is a precondition for application to hire expatriates under an Employment Pass.

The Social Security Organisation (SOCSO) under the Ministry of Human Resources has issued new guidelines and [Frequently Asked Questions \(FAQs\)](#) with regard to this job advertisement requirement.

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## In detail

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### Background

The economic uncertainty due to COVID-19 has impacted the Malaysian job market causing concerns over the unemployment rate in the country. One of the actions undertaken by the Government of Malaysia to address such concerns was the introduction of the job advertisement requirement to provide an avenue for local talents to obtain better employment opportunities.

With this new requirement, companies in Malaysia that are seeking to employ expatriates under an Employment Pass are required to first advertise job vacancies to local talents through the [MYFutureJobs online portal](#) for a minimum of 30 days before the job vacancies can be filled by an expatriate.

The job advertisement requirement was first set to be effective on 1 November 2020. However, after considering the feedback received from relevant stakeholders, the Ministry of Human Resources has deferred the effective date of this requirement to 1 January 2021 with a new set of guidelines and updated FAQs.

## Exemptions

Based on the latest guidelines, companies are exempted from the job advertisement requirement provided the positions are included in the list of exemptions stated below.

### Automatic exemptions

1. Expatriates with key roles in the company (e.g. C-suite, key positions).
2. Expatriates with the monthly salary of RM15,000 and above.
3. Expatriates who are hired as part of the set-up of Regional Office or Representative Office in Malaysia under the manufacturing and services sector to carry out activities for the company's headquarters.
4. Investors, shareholders and company owners – Investors are expatriates who invest funds in Malaysia to achieve returns on investments. Shareholders refer to expatriates who hold at least 30% equity shares and are appointed as the company's Director and/or hold positions of interest in the company.
5. Corporate transfers, placements and trade agreements – Expatriates who are assigned by the parent company to work at the branch company in Malaysia or within the same group of companies.
6. International Organisation – Organisations subject to the *International Organisation Act (Privileges and Immunities)*.
7. Sports Sector – Athletes/professionals joining any sports organisation/club in Malaysia.
8. Employment Pass renewal applications – Renewals of Employment Pass Category I, II and III for approved positions.

### Conditional exemption

Positions requiring a specific and unique skill set as well as strategic competencies are also exempted.

This exemption is not automatic. Companies are required to apply for an exemption with strong justification by filling in and submitting the [PDKK form](#) for SOSCO's consideration to be exempted from advertising on the MYFutureJobs online portal.

If the position is found to be not a specialised skilled position by the SOSCO, the company is then required to advertise the position on MYFutureJobs portal.

### Advertisement process

For positions that do not qualify for an exemption, companies are required to proceed with the job advertisement process outlined below:

1. Companies must first register with MYFutureJobs online portal and advertise job vacancies on the portal for a minimum of 30 days.
2. On the eighth day after the job advertisement is posted, companies are required to log on to the [ePPAx system](#) to update the company's labour information. Failure to register and submit the information required on the ePPAx system will result in the information not being presented to the Expatriates Hiring Committee, where the applications will not be processed.
3. During the 30-days period, companies are required to review applications, invite qualified local candidates for interviews and proceed with any employment of suitable local candidates. SOSCO representatives will not be involved or present during the interview sessions conducted by companies.
4. After the 30-days period, companies are required to submit the [Hiring Outcome Report to the SOSCO](#).
5. Based on the Hiring Outcome Report, the MYFutureJobs recommendation for Employment Pass application will be tabled for approval by the Expatriates Hiring Committee.

6. If the recommendation for expatriate application is approved by the Expatriates Hiring Committee, companies may then proceed to submit the Employment Pass application for the approved position to the relevant Approval Agency. The list of Approval Agencies can be referred to in Appendix 5 of the [FAQs](#).
7. If the recommendation for expatriate application is rejected by the Expatriates Hiring Committee, companies may appeal against rejected applications by submitting a written appeal to the Expatriates Hiring Committee. Only one appeal is allowed for each application; and if the appeal is rejected, companies are required to source for local talents to fill in the position.

### Practical considerations

Companies wishing to hire expatriates should register on the MYFutureJobs online portal for the purpose of advertising job vacancies.

Companies that have previously registered with, and advertised job vacancies on, the JobsMalaysia online portal or any other platforms must now switch over to MYFutureJobs portal and comply with the new requirement.

When posting a job advertisement, it is important for companies to be very clear on the job scope and responsibilities to ensure that the roles for expatriates can be differentiated. The specific skills needed that can only be fulfilled by an expatriate can also be justified during the selection process. Nevertheless, companies should make efforts in sourcing local talents during the process as such efforts will be taken into consideration by the authorities when recommending the hiring of expatriates.

Furthermore, companies seeking to apply for exemption of the job advertisement requirement in respect of specialised skilled positions must be prepared to support the application with strong justifications for the employment of expatriates.

It is also important for companies to complete the job advertisement process for positions that do not fall within any of the exemptions prior to making any official job offers to expatriates.

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### The takeaway

The new job advertisement requirement considerably changes the employment process and workforce planning of companies due to its significant impact on the lead time in obtaining Employment Passes for expatriates.

Companies should continue to effectively manage their workforce in Malaysia to ensure employment start dates can be met without disruption to the business and companies' day-to-day operations.

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### Let's talk

For a deeper discussion of how this impacts your business, please contact your Global Mobility Services engagement team or one of the following professionals:

#### Global Mobility Services – Malaysia

Hilda Liow, *Partner*

[hilda.liow.wun.chee@my.pwc.com](mailto:hilda.liow.wun.chee@my.pwc.com)

#### Global Mobility Services – Global

Leo Palazzuoli, *Global Leader*

[leo.palazzuoli@pwc.com](mailto:leo.palazzuoli@pwc.com)

Meet the [Global Mobility Services global leadership team](#)

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