

Regional Round-Up 2025: Malaysia



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Introduction

Throughout the year, we have been keeping you up to date on noteworthy developments across the region with our Regional Round-up Publications. As we enter 2026, we are pleased to share with you our *2025 year-in-review of the Regional Round-up* for our Regional Offices in the Rajah & Tann Asia network.

In each jurisdiction, we recount the key milestones in the path that has been travelled in 2025, as well as consider the terrain of the road that lies ahead in 2026. In the "**Looking Back: 2025**" section, we take stock of the past year and highlight the key legal and regulatory developments affecting each jurisdiction in 2025. In the "**Gazing Into: 2026**" section, we look ahead to some key areas of development that you should take note of in the year to come, referencing the legal and business trends shaping up potential legislative and regulatory changes in each jurisdiction.

We hope that this year-in-review edition of the Regional Round-up provides some perspective and insight into the legal landscape of the jurisdictions across the region. As always, please feel free to contact our lawyers in our Regional Offices if you have any queries or for further discussions.

Please click on the links below to access the full collection of our country-specific *2025 year-in-review of the Regional Round-up*:

- [Cambodia](#)
- [China](#)
- [Indonesia](#)
- [Laos](#)
- [Malaysia](#)
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Looking Back: 2025

2025 marked a consequential year for Malaysia's legal and regulatory landscape, characterised by significant legislative reforms, landmark judicial decisions and increased regulatory enforcement across multiple practice areas. From enhanced oversight of the digital economy and the introduction of a cross-border insolvency framework, to clarifications on restructuring mechanisms, competition enforcement and employment reforms, the year reflected a broader trend of **strengthening regulatory frameworks** and **modernising existing legal regimes**. Notable highlights include the following:

- significant regulatory developments in the **technology, media and telecommunications ("TMT")** space signalling more robust oversight of data, digital platforms and emerging technologies;



- introduction of the **Cross-Border Insolvency Bill 2025** and landmark court guidance on **pre-packaged schemes of arrangement** and liquidators' powers, and priority payments;
- increased enforcement momentum, judicial endorsement and heightened sector-specific scrutiny for **Competition Law**;
- Federal Court rulings on the Securities Commission's ("SC") civil actions for **insider trading disgorgement**;
- **increase in minimum wages** and amendments to the **Employees Provident Fund Act 1991** affecting foreign employees and
- Federal Court's confirmation of the **Asian International Arbitration Centre's ("AIAC") immunity from judicial review** under the Construction Industry Payment and Adjudication Act 2012 ("**CIPAA**").

Summaries of the key developments relating to the above areas are provided below.

TMT/Data Protection – A Year of Significant Developments for the TMT Space

2025 was a year of significant changes for the TMT sector, as the Malaysian government rolled out new regulations and announced policy initiatives aimed at addressing rapid technological developments and the evolving digital economy. Throughout the year, legislative reforms, new guidelines and policy initiatives signalled a clear shift toward more robust regulatory oversight of data, digital platforms and emerging technologies. Against this backdrop, the key regulatory and legal developments in the TMT space include:

- **Coming into force of the Personal Data Protection (Amendment) Act 2024 ("PDP Amendment Act")**: The PDP Amendment Act came into force in stages between 1 January 2025 and 1 June 2025, marking a significant milestone in Malaysia's data protection regime. These amendments represented the first substantive changes to the Personal Data Protection Act 2010 ("**PDPA**") since its introduction. The Amendment

Act introduced enhanced regulatory obligations for organisations, including data breach notification requirements, new obligations relating to the appointment of Data Protection Officers ("**DPOs**"), and direct statutory obligations imposed on data processors. Click [here](#) to read our Legal Update which provides an overview of the changes introduced by the PDP Amendment Act.

- **Supplementary guidelines issued under the PDPA:** Alongside the coming into force of the PDP Amendment Act, the Personal Data Protection Commissioner ("**Commissioner**") issued several supplementary guidelines to complement the legislative changes and provide further clarity on the implementation of the amended PDPA.

These guidelines sought to operationalise the new statutory requirements and set out the Commissioner's expectations on compliance by organisations. Key guidance issued during the year included: (i) the Appointment of DPO Guideline; (ii) the Data Breach Notification Guideline; (iii) the Cross-Border Personal Data Transfers Guideline; (iv) the DPO Competency Guideline; (v) the Management of DPO Training Service Providers Guideline; and (vi) the DPO Professional Development Pathway and Training Roadmap. Click [here](#), [here](#) and [here](#) to read our Legal Updates, which provide a brief overview of the guidance set out in the guidelines referred to above.

- **Coming into force of changes to the Communications and Multimedia Act 1998 ("**CMA**"):** The Communications and Multimedia (Amendment) Act 2025 ("**CMA Amendment Act**"), passed by the Malaysian Parliament in December 2024, introduced significant amendments to the CMA. Most of the provisions under the CMA Amendment Act came into force on 11 February 2025.

Certain provisions, however, have yet to come into operation and will take effect on a later date to be appointed by the Minister. These include: (i) the new section 233A relating to the sending of unsolicited commercial messages; and (ii) the new sections 252A and 252B governing the preservation and disclosure of communications data. Notwithstanding this, the Malaysian Communications and Multimedia Commission has issued public consultation papers setting out its

proposed implementation framework for these provisions, ahead of their formal coming into force.

These amendments reflect increased regulatory attention on harmful content, online communications, digital services and the handling of communications data, with potential implications for service providers, platform operators and businesses engaging in digital and online activities. Click [here](#) to read our Legal Update which outlines the key changes introduced by the CMA Amendment Act.

- **Landmark ruling on the constitutionality of provisions regulating offensive content:** In *Heidy Quah Gaik Li v The Government of Malaysia* [2025] MLJU 2677, the Court of Appeal delivered a landmark ruling holding that the prohibition against content that is "*offensive ... with the intention to annoy*" under section 233(1)(a) of the CMA is unconstitutional. This provision has been the foundational base used by the Government to regulate online expression and content. The ruling has wide implications for content moderation and enforcement under the CMA. As the Government of Malaysia has filed an appeal to the Federal Court, with a decision to be delivered in the first quarter of 2026, the implications of this case remain to be seen. Click [here](#) to read our Legal Update which discusses the Court of Appeal decision.
- **Commencement of the Malaysian Media Council Act 2025 ("**MMCA**"):** The MMCA, aimed at establishing an independent statutory media council to regulate and develop the media industry, officially came into force on 14 June 2025. In conjunction with its commencement, the Minister of Communications also announced the appointment of the founding board members of the newly established Malaysian Media Council ("**Council**"). The Council will be responsible for drawing up a Code of Conduct and a Dispute Resolution Procedure to handle public complaints against the media industry under the MMCA.
- **Deemed registration of social media service and internet messaging service providers under the CMA:** Malaysia's new licensing framework for internet messaging service providers and social media service providers under the CMA came into force on 1 January 2025. Under this framework, large-scale platforms with

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more than eight million users in Malaysia are required to obtain an Application Service Provider (Class) licence ("**ASP(C) Licence**") under the CMA.

However, as of December 2025, only TikTok, WeChat and Telegram were compliant with this licensing requirement. In response, the Communications Minister issued a Ministerial Declaration on 15 December 2025 stipulating that internet messaging service providers and social media service providers with at least eight million users in Malaysia will be deemed to be registered as ASP(C) licensees under the CMA with effect from 1 January 2026.

The effect of this deemed registration is that such qualified platforms will automatically be subject to the ASP(C) licensee obligations, including the requirements under the Online Safety Act 2025, which came into force on 1 January 2026.

Restructuring & Insolvency – Cross-Border Insolvency Bill 2025

Malaysia's Cross-Border Insolvency Bill 2025 ("**Insolvency Bill**") was passed by the Malaysian Parliament in September 2025. The Insolvency Bill adopts the UNCITRAL Model Law to establish a statutory framework for recognition of foreign insolvency proceedings and judicial cooperation in cross-border corporate insolvencies. It also addresses a long-standing gap in Malaysian insolvency law by providing greater certainty and coordination in cross-border restructurings and liquidations. The UNCITRAL Model Law is intended to apply to cases of insolvency involving assets and creditors located in more than one jurisdiction, with the objective of encouraging cooperation, coordination and consistency between courts across different jurisdictions. Click [here](#) to read our Legal Update, which provides a practical guide to the Insolvency Bill by outlining its key features and examining how case law from other jurisdictions may influence the Malaysian courts' interpretation of the Insolvency Bill, once it comes into force.

Restructuring & Insolvency – Pre-Packaged Scheme of Arrangement: First High Court Guidance

In *Pestech International Berhad* [2025] CLJU 1477, the High Court sanctioned one of Malaysia's first pre-packaged schemes of arrangement under section 369C

of the Companies Act 2016 and clarified that the provision operates as a modified version of the section 366 scheme process, with the principal distinction being the absence of a court-convened meeting. The Court confirmed that established section 366 principles continue to apply, subject to modification, and articulated a modified *Buckley* test focusing on disclosure, creditor classification and voting, statutory compliance, fairness, *bona fides*, and the absence of any defect rendering the scheme unlawful or inoperable.

Restructuring & Insolvency – Federal Court Clarifies Liquidators' Powers and Priority of Payments

In *Victor Saw Seng Kee v Wong Weng Foo & Co; London Biscuits Berhad (In Liquidation)* [2025] CLJU 3042, the Federal Court reaffirmed that liquidators have wide discretion in the conduct of a winding up, provided their decisions are made in good faith and with commercial justification. The Federal Court confirmed that post-winding up costs incurred to preserve or realise value, including expenses to facilitate a going-concern sale, may be treated as liquidation expenses, and that courts will not readily interfere with commercially reasonable decisions. Click [here](#) to read our Legal Update for further information regarding the Federal Court's decision.

Competition Law – Enforcement Momentum, Court Endorsements and Sectoral Scrutiny

2025 marked a year of intensified enforcement by the Malaysia Competition Commission ("**MyCC**"). MyCC issued multiple infringement findings and proposed decisions involving bid-rigging in public procurement, including road construction, flood mitigation projects and tenders for building and facility maintenance, landscaping and civil engineering works; as well as price-fixing cartels in childcare services. This was reinforced by the High Court's decision upholding MyCC's abuse of dominance finding in the *Dagang Net* case, alongside MyCC's acceptance of undertakings in the Menumbok–Labuan speedboat sector. Beyond enforcement, MyCC expanded its regulatory footprint through market reviews of the digital economy, sectoral engagement in the Umrah industry, and strategic cooperation via Memoranda of Understanding with the Malaysian Institute of Chartered Secretaries and Administrators ("**MAICSA**") and the Korea Fair Trade Commission.

Dispute Resolution & Litigation – Court of Appeal Affirms Recognition and Enforcement of International Centre for Settlement of Investment Disputes ("ICSID") Arbitral Award

The Malaysian Court of Appeal in *Republic of Zimbabwe v Elisabeth Regina Maria Gabriele Von Pezold & Ors* [unreported] unanimously upheld the decision of the Kuala Lumpur High Court to recognise and enforce a foreign arbitral award rendered under the auspices of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States ("**ICSID Convention**") as if it is a judgment of the Malaysian High Court. In its ruling, the Court of Appeal held, among others, that a contracting state to the ICSID Convention, which has ratified the same, has waived its immunity from jurisdiction in respect of the recognition and enforcement of ICSID arbitral awards. This landmark ruling marks the first occasion where the Malaysian Court of Appeal has recognised and enforced an ICSID arbitral award. Click [here](#) to read our Legal Update for further information regarding the Court of Appeal's decision.

Dispute Resolution & Litigation – Urban Renewal Bill 2025

The Urban Renewal Bill 2025 ("**UR Bill**") was introduced for first reading in the Dewan Rakyat on 21 August 2025. The UR Bill seeks to establish a national framework to facilitate the redevelopment, regeneration, and revitalisation of ageing or underutilised urban properties in Peninsular Malaysia and the Federal Territory of Labuan. Among other objectives, the UR Bill seeks to address longstanding legal constraints, including the unanimous consent requirement under the Strata Titles Act 1985, through the introduction of streamlined procedures and revised consent mechanisms for redevelopment. While the UR Bill initially proposed tiered consent thresholds based on the age and condition of buildings, the Government has announced that all urban renewal projects will be subject to a standardised 80% owner consent threshold following stakeholder feedback. The UR Bill also establishes federal and state-level committees to oversee and coordinate urban renewal initiatives. Property owners, developers, and investors should closely monitor the UR Bill's progress, as its final form may significantly affect redevelopment rights, consent requirements, and compensation safeguards.

Dispute Resolution & Litigation – Back-to-back Payment Terms Void Outside of Adjudication under the CIPAA

Under section 35 of the CIPAA, a conditional payment clause or "back-to-back" clause in a construction contract is void. There have been conflicting High Court and arbitration decisions about whether such construction contract clauses are valid when no adjudication proceedings have been commenced under CIPAA. The Court of Appeal in *SPM Energy Sdn Bhd & Anor v Multi Discovery Sdn Bhd* [2025] CLJU 410 clarified that section 35 of the CIPAA applies to "*construction contracts*" (as defined in section 4 of the CIPAA) in Court or Arbitral Proceedings when no adjudication proceedings have been commenced under CIPAA, subject to two exceptions: (i) construction contracts entered into by a natural person for any construction work of any building which is less than four storeys high and which is wholly intended for his occupation; and (ii) where a person, class of persons, contract, matter or transaction or class of contracts, matters or transactions has been exempted from CIPAA application by the Minister.

Dispute Resolution & Litigation – Federal Court Issues Key Rulings on SC's Civil Action for Insider Trading Disgorgement

In *Sreesanthan a/l Eliathamby v Suruhanjaya Sekuriti Malaysia* [2025] 6 MLJ 54, the Federal Court affirmed the SC's power to commence civil actions for disgorgement of insider trading profits without the Attorney General's consent. The Court held that insider trading under section 89E of the Securities Industry Act 1983 is not a strict liability offence and does not require proof of an intention to use inside information, only that the person knew or ought reasonably to have known the information was not generally available. The Federal Court further ruled that the materiality of insider information may be assessed with reference to facts and circumstances both at and after the time of the impugned trade. It rejected the argument that such civil proceedings constitute "*proceedings for an offence*" under Article 145(3) of the Federal Constitution. This decision confirms the constitutionality and scope of the SC's civil enforcement regime and should apply with equal force under the Capital Markets and Services Act 2007.

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Employment & Benefits – Amendments to the Employees Provident Fund Act Affecting Foreign Employees

On 1 October 2025, the Employees Provident Fund (Amendment) Act 2025 came into force. Under the amended framework, Employees Provident Fund ("EPF") contributions are now mandatory for foreign employees (i) whose country of domicile is outside Malaysia; and (ii) who enter and remain temporarily in Malaysia under the authority of any pass issued under Malaysian immigration laws. In this regard, both employers and foreign employees are required to contribute to the EPF at the rate of 2% of the employee's monthly wages. Employers engaging foreign employees should review their existing payroll and employment arrangements to ensure compliance with the amended EPF contribution requirements, including the implementation of the applicable contribution rates.

Employment & Benefits – Increase in Minimum Wage

The minimum wage for employees in Malaysia has been increased from RM1,500 to RM1,700 per month, effective 1 February 2025, for employers with five or more employees and for employers carrying out professional activities classified under Malaysian Standard Classification of Occupations (MASCO); and effective 1 August 2025, for all other employers, regardless of the number of employees. This rate applies throughout Malaysia under the Minimum Wages Order 2024 [P.U.(A) 376/2024]. Employees who are compensated solely through piece rates, tonnage, tasks, trips, or commissions must also receive a minimum monthly wage of RM1,700 from 1 August 2025.

Dispute Resolution & Litigation – Federal Court Confirms AIAC's Immunity from Judicial Review under the CIPAA

In *Asian International Arbitration Centre v One Amerin Residence Sdn Bhd* [2025] 3 CLJ 633, the Federal Court of Malaysia held that AIAC is immune from judicial review for acts performed in good faith within its statutory role under the CIPAA. The Court confirmed that the immunity extends to AIAC's administrative and procedural functions as the domestic authority for statutory adjudication, and it rejected the argument that immunity applies only to AIAC's international functions and not to its domestic functions. The Federal Court further clarified that such immunity is not intended to oust the court's jurisdiction but rather provide statutory protection from legal proceedings. Click [here](#) to read our Legal Update for further information regarding the court's decision.

Gazing Into: 2026

Looking ahead to 2026, Malaysia's legal and regulatory landscape is expected to continue evolving, with **further legislative developments, regulatory initiatives** and **judicial guidance** anticipated across a range of practice areas. Some of the key developments that organisations should monitor include:



TMT/Data Protection – A Further Wave of Regulatory Developments for the TMT Space

In the coming year, the TMT space is expected to see a further wave of regulatory developments, building on the significant legislative reforms and policy initiatives announced and implemented in the past two years. Regulatory focus is likely to be centred on artificial intelligence ("AI"), data protection, digital platforms, e-commerce and cybercrime. These developments will have important implications for businesses operating in the digital economy. Notable upcoming developments that businesses should closely monitor include:

- **Further supplementary guidelines and regulations under the PDPA:** In 2025, the Commissioner issued several public consultation papers for proposed supplementary guidelines, including guidelines on data portability, automated decision-making and profiling, data protection by design, and data protection impact assessments, as well as proposed amendments to the Personal Data Protection Standards 2015 and the Personal Data Protection Regulations 2013. These instruments are expected to be finalised and issued in 2026, and will be supplemented by additional guidance (e.g. on personal data in the context of AI and processing of minor's personal data) or regulations as the amended PDPA continues to be operationalised.
- **Establishment of a new Data Commission:** The Digital Minister previously announced that the Malaysian Government is considering the establishment of a Data Commission ("**Commission**") to serve as a dedicated regulatory body to address data-related risks extending beyond the scope of personal data protection. The proposed Commission is intended to enhance regulatory oversight and will be vested with broader supervisory and enforcement powers over data-related matters. The establishment of such a Commission is also expected to contribute to a clearer and more coordinated data governance framework, with the potential to strengthen public trust and investor confidence in Malaysia's data security and data governance ecosystem.

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- **Introduction of an AI Governance Bill:** In November 2025, the Digital Minister indicated that the drafting of Malaysia's first AI Governance Bill ("**AI Bill**") is nearing completion, with the AI Bill expected to be introduced in 2026. The proposed legislation is expected to adopt a risk-based regulatory approach, addressing issues such as AI-related harm, incident reporting and ethical principles to guide the safe deployment of AI across sectors. The AI Bill is expected to form part of a broader AI legislative framework to be presented to the Cabinet in June 2026.
- **Review and Update of the Malaysian Communications and Multimedia Content Code 2022 ("**2022 Content Code**") by the Communications and Multimedia Content Forum ("**CMCF**"):** The CMCF initiated a review of the 2022 Content Code with a view to updating the provisions and guidance set out therein, and to align with recent amendments to the content standards under the CMA. The review also seeks to address emerging challenges, including issues arising from AI-generated content, online harm and the spread of misinformation. The review is expected to be completed in 2026. Once finalised, the revised 2022 Content Code will be subject to approval by, and registration with, the Malaysian Communications and Multimedia Commission.
- **Review of Malaysia's e-commerce legal framework:** The Ministry of Domestic Trade and Cost of Living has completed its review of Malaysia's e-commerce legal framework, which commenced in 2024, and published its findings in a final report. This report is intended to serve as the foundation for the formulation of a new e-commerce law. Key areas of focus include strengthening consumer protection, enhancing fairness in online transactions, and introducing targeted regulatory requirements for e-commerce activities. The study findings are expected to be consolidated into a policy paper for presentation to the Cabinet, prior to the drafting and tabling of a new bill in Parliament.
- **Coming into force of the Online Safety Act 2025 ("**ONSA**"):** The ONSA seeks to promote online safety in Malaysia through the regulation of harmful content and the imposition of statutory duties on online service providers. It came into force on 1 January 2026. The ONSA will apply to licensed network service providers, application service providers and content application service providers under the CMA, including large social media and internet messaging service providers that have been deemed to be licensed under the CMA. The ONSA is expected to introduce new compliance obligations on online safety governance and content moderation for regulated entities. These obligations are to be supplemented by a suite of subsidiary regulations and guidelines to be issued to operationalise the ONSA, including four subsidiary regulations that came into force on 1 January 2026. Click [here](#) for our Legal Update which provides a brief overview of the obligations being introduced by the ONSA.
- **New Cybercrime Bill:** The Chief Executive of National Cyber Security Agency ("**NACSA**") has announced that a new Cybercrime Bill is currently being drafted to replace the Computer Crimes Act 1997, which is no longer adequate to address contemporary cyber threats. The proposed Cybercrime Bill is also expected to give effect to Malaysia's international commitments following its accession to the Budapest Convention on Cybercrime and its signing of the United Nations Convention against Cybercrime, including by strengthening investigative powers, enhancing cross-border cooperation mechanisms and updating offences to reflect evolving cybercrime risks.
- **Amendments to the Perbadanan Kemajuan Filem Nasional Malaysia Act 1981 ("**FINAS Act**"):** The FINAS Act is the primary legislation governing the powers and functions of the National Film Development Corporation Malaysia ("**FINAS**"), which serves as the principal regulator of the film industry in Malaysia and is responsible for overseeing the production, distribution and exhibition of films in Malaysia. During the December 2025 parliamentary sittings, the Malaysian Parliament passed the Perbadanan Kemajuan Filem Nasional Malaysia (Amendment) Bill 2025 ("**FINAS Amendment Bill**"). Among other things, the FINAS Amendment Bill expands FINAS' operational and enforcement powers, including by increasing penalties for offences, and enhancing FINAS' authority to issue guidelines as well as mandate industry training programmes. Once the FINAS Amendment Bill comes into force in 2026, increased regulatory oversight and enforcement activity for the film industry may be expected, potentially supported by the issuance of further

guidelines to operationalise the expanded statutory powers.

Competition Law – Key Competition Law Risks, Enforcement Trends and Compliance Priorities

Businesses should expect continued and possibly heightened cartel enforcement, particularly in procurement-heavy sectors and industries with strong trade association activity. The breadth of MYCC's proposed decisions in 2025 signals its willingness to pursue cartel risks in smaller and decentralised markets. At the same time, MyCC's digital economy market review and growing international cooperation suggest a more forward-looking and data-driven enforcement agenda, with closer scrutiny of digital platforms and cross-border conduct. Companies should therefore prioritise competition compliance, audit readiness and dawn-raids preparedness as enforcement activity deepens.

Dispute Resolution & Litigation – The Arbitration (Amendment) Act 2024 and the AIAC Arbitration Rules 2026 Come into Force

The Arbitration (Amendment) Act 2024 ("**Arbitration Amendment Act**") came into force on 1 January 2026, introducing several key reforms to Malaysia's arbitration framework. Notably, pursuant to the Arbitration Amendment Act, an arbitral award is now automatically recognised as binding, thereby eliminating the need for a separate recognition process. An application to the High Court is required only for the enforcement of the award. The Arbitration Amendment Act also contains provisions to permit and regulate third-party funding in arbitration. In tandem with these legislative reforms, the AIAC has introduced the AIAC Arbitration Rules 2026 ("**2026 Rules**"), which also took effect on 1 January 2026. The 2026 Rules complement the statutory amendments by modernising various procedural aspects of AIAC-administered arbitrations and reinforcing institutional best practices.

General – Consumer Protection Act: Lemon Law Reforms

Under Budget 2026, the Government announced that Malaysia will introduce 'lemon law' protections through amendments to the Consumer Protection Act 1999. These amendments aim to provide buyers with rights where products, particularly vehicles, suffer from serious defects or repeated breakdowns after purchase. This differs from warranties, as 'lemon law' protections

may apply even where a warranty remains valid or has expired, and requires manufacturers to be held responsible when a product fails to meet the standards promised. Buyers may have legal recourse to obtain a refund or demand a replacement. These measures are expected to restore consumer confidence, compel manufacturers to revisit quality assurance regimes and compliance standards, and ensure that consumers are not left bearing losses caused by products that repeatedly fail to deliver. Overall, these reforms represent a meaningful step towards strengthening consumer protection and promoting fair practices in Malaysia's automotive market.

Employment & Benefits – Deferred Expansion of Employment Insurance Framework

The Employment Insurance System (Amendment) Bill 2025 ("**EISA Bill**") was passed by the Dewan Rakyat on 2 December 2025, but its tabling before the Dewan Negara has been postponed to 2026. The proposed amendments would expand the role of the Social Security Organisation ("**SOCISO**") to provide employment services to a wider group of persons, including casual, gig, and platform workers. Proposed enforcement provisions requiring employers to notify SOCISO of job vacancies, including potential fines for failure to notify within seven days, are under review and may be revised. The EISA Bill also introduces enhanced benefits such as mobility assistance allowances and higher re-employment and training allowances. Employers should monitor developments closely as the EISA Bill may reshape compliance obligations and workforce planning.

Restructuring & Insolvency – Cross-Border Insolvency Framework

Malaysia's Cross-Border Insolvency Bill 2025, which adopts the UNCITRAL Model Law, was passed by the Dewan Negara in September 2025 and is expected to fully come into force in 2026, marking a major reform of the insolvency landscape. The legislation grants foreign creditors and insolvency representatives direct access to Malaysian courts on broadly equal footing with local creditors. It introduces a structured regime for recognising foreign main and non-main proceedings, together with interim, automatic, and discretionary reliefs upon recognition. Safeguards are built in to protect local creditors and public policy, particularly before assets may be transferred out of Malaysia. The legislation will shape how Malaysian insolvency proceedings interact with foreign insolvency and

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restructuring processes involving corporate groups, creditors, and assets across jurisdictions.

Corporate – Proposed Amendments to the Stamp Act 1949

The Finance Act 2025 ("**Finance Act**"), which proposes several amendments to the Stamp Act 1949, was passed by the Malaysian Parliament in December 2025. It came into force on 1 January 2026. Key changes include an increase in stamp duty to 8% on transfers of residential property to foreign companies and non-citizens or non-permanent residents. The Finance Bill also raises the stamp duty exemption threshold for employment contracts from RM300 to RM3,000 in monthly wages. Additional amendments introduce a 24-month deadline for refund applications on duties paid for agreements deemed conveyances upon sale, shift liability for stamp duty on property exchanges to the transferee, and empower the Collector of Stamp Duties to offset excess stamp duty or tax payments against other taxes due.

Employment & Benefits – Introduction of the Gig Workers Act 2025

On 31 December 2025, the Gig Workers Act 2025 ("**GW Act**") was gazetted. The GW Act defines a "gig worker" as an individual who is a citizen or permanent resident of Malaysia who enters into a service agreement for the performance of: (i) any service with a contracting entity that is a platform provider; or (ii) any service specified in the Schedule of the GW Act with a contracting entity that is not a platform provider, and who receives earnings for such services. For this purpose, a "platform provider" is defined as a digital intermediary system provider that connects the service by a gig worker to a service user. Gig workers are afforded statutory protections, including protection against termination without just cause or excuse or on grounds of discrimination. These individuals are entitled to be informed of, among others, the method of payment of earnings, tips and gratuities. The GW Act also provides for the establishment of the Gig Workers Tribunal to determine disputes referred to it by the Minister of Human Resources. The GW Act will come into force on a date to be appointed by the authorised Minister and will be published in a separate gazette. Contracting entities should review their existing arrangements in anticipation of its implementation.

Employment & Benefits – Ministry of Human Resources Set to Table Four Major Labour Law Reforms

The Ministry of Human Resources is set to introduce four key legislative amendments to improve worker protection and enhance Malaysia's Technical and Vocational Education and Training ("**TVET**") system. Under the Social Security Act 1969, a new 24/7 protection scheme will provide coverage for about 10 million formal sector workers. The Employment Insurance System Act 2017 will strengthen support for unemployed workers through financial aid, employment interventions, and job placement assistance. The National Skills Development Act 2006 will upgrade national skills standards, introduce three new Malaysian Skills Certificate (SKM) categories, and improve TVET quality to boost youth employability. Finally, the Skills Development Fund Act 2004 will expand and streamline access to funding for upskilling and reskilling programs.

Projects & Infrastructure, Energy & Natural Resources – Government Procurement Bill: New Procurement Framework Expected to Take Effect in 2026

On 28 August 2025, Parliament passed the Government Procurement Bill 2025 ("**GP Act**") which is expected to come into force in 2026. The Act marks Malaysia's first comprehensive statutory framework governing public procurement, including government construction contracts. It is intended to standardise procurement processes, and evaluation criteria and remedies for aggrieved bidders. For the construction industry, this is expected to increase compliance obligations and documentation scrutiny for contractors dealing with Federal and State Governments or Government-Linked entities' projects. Once implemented, the GP Act will materially change how public construction contracts are tendered, challenged, and administered, requiring contractors to recalibrate their bidding and risk-management strategies. Click [here](#) to read our Legal Update for further information regarding key features of the GP Act.

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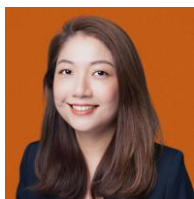
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