

GUIDELINE ON APPLICATION FOR MANUFACTURING LICENCE

1. INTRODUCTION

1.1. The Industrial Coordination Act (ICA), 1975 defines manufacturing activity as *"...the making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade".**

1.2. The Industrial Coordination Act, 1975 requires person(s) engaging in any manufacturing activity with;

- shareholders' funds of RM2.5 million and above;
- or**
- employing 75 or more full-time paid employees;

to apply for a Manufacturing Licence.

2. ELIGIBILITY CRITERIA

2.1 Companies with shareholders' funds of RM2.5 million and above **or** engaging 75 **or** more full-time paid employees*;

2.2 Project's Capital Investment Per Employee (CIPE) is at least RM140,000.00;

2.3 Total full-time workforce of the company comprises of at least 80% Malaysians. Employment of foreign workers including outsourced workers is subject to current policies*;

2.4 At least 25% of the company's full time workforce are managerial, technical, and supervisory (MTS) staff with degree and/or diploma/certificate **or** product's value added is at least 40%;

2.5 The project must be consistent with the national economic and social objectives and promotes an orderly development of manufacturing activities in Malaysia.

***Note**

1. "Shareholders' funds" are the aggregate amount of a company's paid-up capital, reserves, balance of share premium account and balance of profit and loss appropriation account.

2. *"Full-time paid employees" refers to all persons normally working in the establishment for at least six hours a day and at least 20 days a month for 12 months during the year and receives salary. This includes traveling sales, engineering, maintenance and repair personnel who are paid by and are under the control of the establishment. It also includes directors of incorporated enterprises except those paid solely for their attendance at board of directors meetings.*

3. APPLICATION PROCEDURE

- 3.1 Applications should be made online through **MIDA e-Manufacturing License** portal at the following URL:

<https://eml.mida.gov.my/>

- 3.2 For enquiries and clarification, please refer to:

Website : www.mida.gov.my
Tel : 603-2267 3633
Fax : 603-2274 7970 / 2273 4204
E-mail : investmalaysia@mida.gov.my

GUIDELINE ON APPLICATION FOR EXEMPTION FROM MANUFACTURING LICENCE

1. INTRODUCTION

- 1.1. The Industrial Co-ordination Act, 1975, defines manufacturing activities as “...*the making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article of substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of part and ship repairing but shall not include any activity normally associated with retail or wholesale trade.*”*
- 1.2. A company with **shareholders’ fund not exceeding RM2.5 million and employing not more than 75 full-time paid employees***, may apply for an exemption from Manufacturing Licence.
- 1.3. The project must be consistent with the national economic and social objectives and promotes an orderly development of manufacturing activities in Malaysia.

***Note**

1. *"Shareholders' funds" are the aggregate amount of a company's paid-up capital, reserves, balance of share premium account and balance of profit and loss appropriation account.*
2. *"Full-time paid employees" refers to all persons normally working in the establishment for at least six hours a day and at least 20 days a month for 12 months during the year and receives salary. This includes traveling sales, engineering, maintenance and repair personnel who are paid by and are under the control of the establishment. It also includes directors of incorporated enterprises except those paid solely for their attendance at board of directors meetings.*

2. APPLICATION PROCEDURE

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