

MALAYSIA: INVESTMENT IN THE SERVICES SECTOR

MARKET RESEARCH SERVICES





Introduction

This booklet is one of a series of 20 booklets prepared by MIDA for the purpose of providing investors with relevant information on establishing projects in the identified services sub-sectors in Malaysia. The complete list of booklets is as follows:

- Booklet 1:** General Policies, Facilities and Guidelines
- Booklet 2:** Regional Operations
- Booklet 3:** Research and Development (R&D) Services
- Booklet 4:** Logistics Services
- Booklet 5:** Specialised Technical Support Services
- Booklet 6:** Information and Communication Technology Services
- Booklet 7:** Environmental Management Services
- Booklet 8:** Distributive Trade Services
- Booklet 9:** Tourism and Travel Related Services
- Booklet 10:** Education and Industrial Training Services
- Booklet 11:** Legal Services
- Booklet 12:** Accounting, Auditing and Taxation Services
- Booklet 13:** Architectural Consultancy Services
- Booklet 14:** Surveying Consultancy Services
- Booklet 15:** Medical and Healthcare Services
- Booklet 16:** Engineering and Energy Consultancy Services
- Booklet 17:** Management Consultancy Services
- Booklet 18:** Market Research Services
- Booklet 19:** Advertising Services
- Booklet 20:** Quick Reference

MIDA is the Government's principal investment promotion and development agency under the Ministry of International Trade and Industry (MITI) to oversee and drive investments into the manufacturing and services sectors in Malaysia. Headquartered in Kuala Lumpur Sentral, MIDA has 12 regional and 21 overseas offices. MIDA continues to be the strategic partner to businesses in seizing the opportunities arising from the technology revolution of this era. For more information, please visit www.mida.gov.my and follow us on Twitter, Instagram, Facebook, LinkedIn, TikTok and YouTube channel.

For the latest updates, please visit MIDA's website at www.mida.gov.my.

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With a population that is multi-ethnic and multi-cultural, Malaysia is a microcosm of Asia's rich diversity in terms of fashion, food, and fads. Malaysia's people are both deeply rooted in traditional values and also well-exposed to international and modern outlooks. As such, businesses need to undertake market research in order to ensure that their products are received optimally in the marketplace.

Market research services (classified under MSIC code 73200) are defined as the investigation services designed to secure information on the prospects and performance of an organisation's products in the market. It includes market analysis (size and other characteristics of a market) and analysis of consumer's attitudes and preferences utilising personal interviews, telephone and mail surveys, historical data, etc. Economic and social intelligence services not in connection with merchandised products, such as industry analysis, econometric modelling, demographic analysis, etc., are also included.

1. SETTING UP YOUR BUSINESS

The setting up of architectural consultancy services requires the intended professional to register with SSM under the Registration of Businesses Act, 1956 or incorporate a company under the Companies Act, 2016. A foreign company shall not carry on business in Malaysia unless it incorporates a local company or registers a branch in Malaysia.

A foreign company is defined under the Companies Act, 2016 as:

- A company, corporation, society, association or other body incorporated outside Malaysia; or
- An unincorporated society, association, or other body which under the law of its place of origin may sue or be sued or hold property in the name of the secretary or other officer of the body or association duly appointed for that purpose and which does not have its head office or principal place of business in Malaysia.

1.1 Registration with Ministry of Finance (MOF)

Any consulting firm intending to tender for Government contracts must register with MOF using the codes specified by MOF.

Conditions that must be fulfilled for registration with MOF:

- Firm with accumulated/paid-up capital as follows:
 - Sole proprietorship - minimum of RM50,000
 - Partnership - minimum of RM50,000
 - Sdn. Bhd. - minimum of RM50,000
- The firm needs to have a legitimate office address, whether leased or its own property.
- The business premise is not allowed to use the address of an online office, P.O. Box, mailing box office services, or other premises where the traceability and capacity of the firm is difficult to be determined.
- The firm must have at least three staff members under permanent employment and contributing to the Employees Provident Fund (EPF), with the following composition:
 - one professional with at least one degree in a related field;
 - one semi-professional with at least a diploma in a related field; and
 - one clerk.
- The owner of the firm must be appointed as a full-time Director, and can be appointed as part of the professional staff or the management, but is not allowed to be appointed as a worker in the firm.
- The owner of the firm must have the necessary professional qualification in the field of expertise applied for, in accordance with the provision of the relevant laws and regulations, and is required to submit his relevant CV/work experience.
- The professional staff and the semi-professional staff are required to submit their first degrees or diplomas together with their relevant CVs/work experience.
- All equity/shareholders must have at least five (5) years of working experience in the field of expertise applied for after obtaining their first degree.
- The field of expertise submitted for registration with MOF must be consistent with the practising licence issued by the respective Professional Boards.
- The consulting firm needs to have an active current account.
- For professions whose ethics of service are governed by the Professional Boards, the equity/shareholders shall be registered with their respective Professional Boards. The field of expertise to be registered with MOF will be the expertise approved by the Professional Boards.
- For professions whose ethics of service are yet to be governed by the Professional Boards, the field of expertise to be registered with MOF will be based on the academic qualification and the working experiences of the owner.
- The consulting firm is required to submit its registration certificate with the Professional Board as compliance with the provisions of the Act of the Professional Board for purposes of carrying out consultancy services.

Application must be made through e-Perolehan at www.eperolehan.gov.my

Please refer to the above website for policy of registration, registration code, and other relevant information.

1.2 Business Licence

Companies intending to set up an office are required to obtain a business premise/signboard licence from the respective local authorities, depending on the nature of the business activity.

There are 155 local authorities in Malaysia responsible for approving business premise and signboard licences. The requirements for obtaining a business premise/signboard licence may vary from one local authority to another.

Applicants are advised to contact the relevant local authority (based on the location of the business premises) regarding the specific rules and regulations pertaining to business premise/signboard registration. The fees may vary according to each of the local authorities.

Contact details for local authorities are available in the Quick Reference Booklet in this series.

2. EQUITY POLICY

The Government encourages joint-ventures between Malaysian and foreign investors to increase local participation in business.

3. EMPLOYING EXPATRIATE PROFESSIONALS

Companies or firms providing market research services in Malaysia may employ expatriates by submitting their applications for Employment Passes to the Immigration Department.

However, they must first apply for approval to employ expatriates from the Expatriate Committee of the Immigration Department prior to submitting the Employment Pass applications.

Key posts will be considered if the foreign paid-up capital is at least RM500,000. However, this sum is only a guideline and the number of key posts considered is dependent on the company's needs, on a case-by-case basis.

Spouses and children of expatriates can apply for Dependant Passes once the expatriates have been issued with the Employment Pass. The Dependant Passes may be applied for either together with the application for the Employment Pass or after the Employment Pass has been approved. Spouses and children of expatriates who enter the country on visit (temporary employment or professional) passes will be issued visit (social) passes.

4. GENERAL AGREEMENT ON TRADE IN SERVICES (GATS), ASEAN FRAMEWORK AGREEMENT ON SERVICES (AFAS) AND FREE TRADE AGREEMENTS (FTAs)

Updates and information regarding the Schedule of Specific Commitments of GATS, AFAS, and FTAs are available from MITI's website at www.miti.gov.my.



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