

Your Business **Our Priority**



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Pasukan Petugas Khas Pemudahcara Perniagaan *Special Task Force To Facilitate Business*

**PUBLIC-PRIVATE PARTNERSHIP  
THROUGH PEMUDAH**

# A presentation to the Malaysian Employer's Federation

12 April 2017



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# Contents

- 1. Public-Private Partnership Through PEMUDAH**
- 2. PEMUDAH's Efficiency Improvements**
- 3. Moving Forward**



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# PEMUDAH - In Context



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# PEMUDAH: Terms of Reference

- To review the status of the public and private service delivery system in terms of the processes, procedures, legislation and human resource and to introduce new policies for improvement;
- To benchmark best practices to improve the ease of doing business;
- To enhance collaboration among public and private sector agencies to improve Malaysia's competitiveness;
- To monitor the implementation of policies, strategies and procedures that would improve the efficiency and effectiveness of the public and private sector delivery system; and
- To take appropriate action to address issues in line with the National philosophy of 1Malaysia, People First, Performance Now.



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# Vision, Values & Approach

## **VISION:**

To achieve a globally benchmarked, customer-centric, innovative, entrepreneurial and proactive public and private sector delivery service in support of a vibrant, resilient and competitive economy and society.

## **VALUES:**

- A sense of urgency
- Proactive public-private sector collaboration
- Facilitation, not hampering
- No more regulation than necessary

## **APPROACH:**

- Establish Focus Groups/Taskforces
- Fact-based analysis – base-line studies, international reports as reference, BPR
- Leverage on ICT – reduce human discretion and interface
- Best Practices – learn from the best; sharing with international visitors (Heritage Foundation, Columbia Law School, SEA World Bank Group etc)
- Monitoring and Reporting
- Engagement with stakeholders



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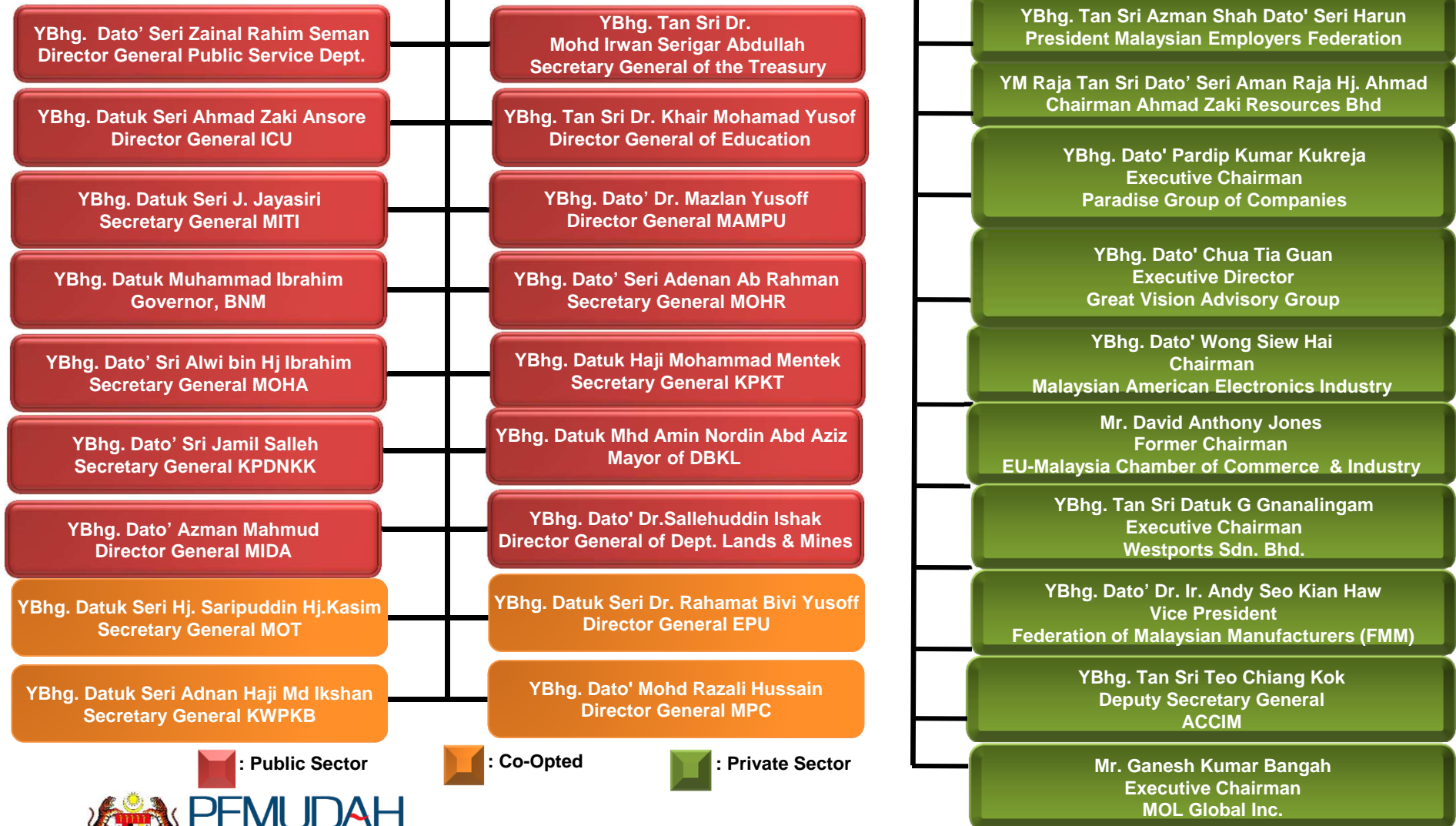
# Pemudah Members



YBhg. Tan Sri Dr. Ali Hamsa  
Chief Secretary To The Government



YBhg. Tan Sri Saw Choo Boon  
Immediate Past President, FMM



 : Public Sector

 : Co-Opted

 : Private Sector

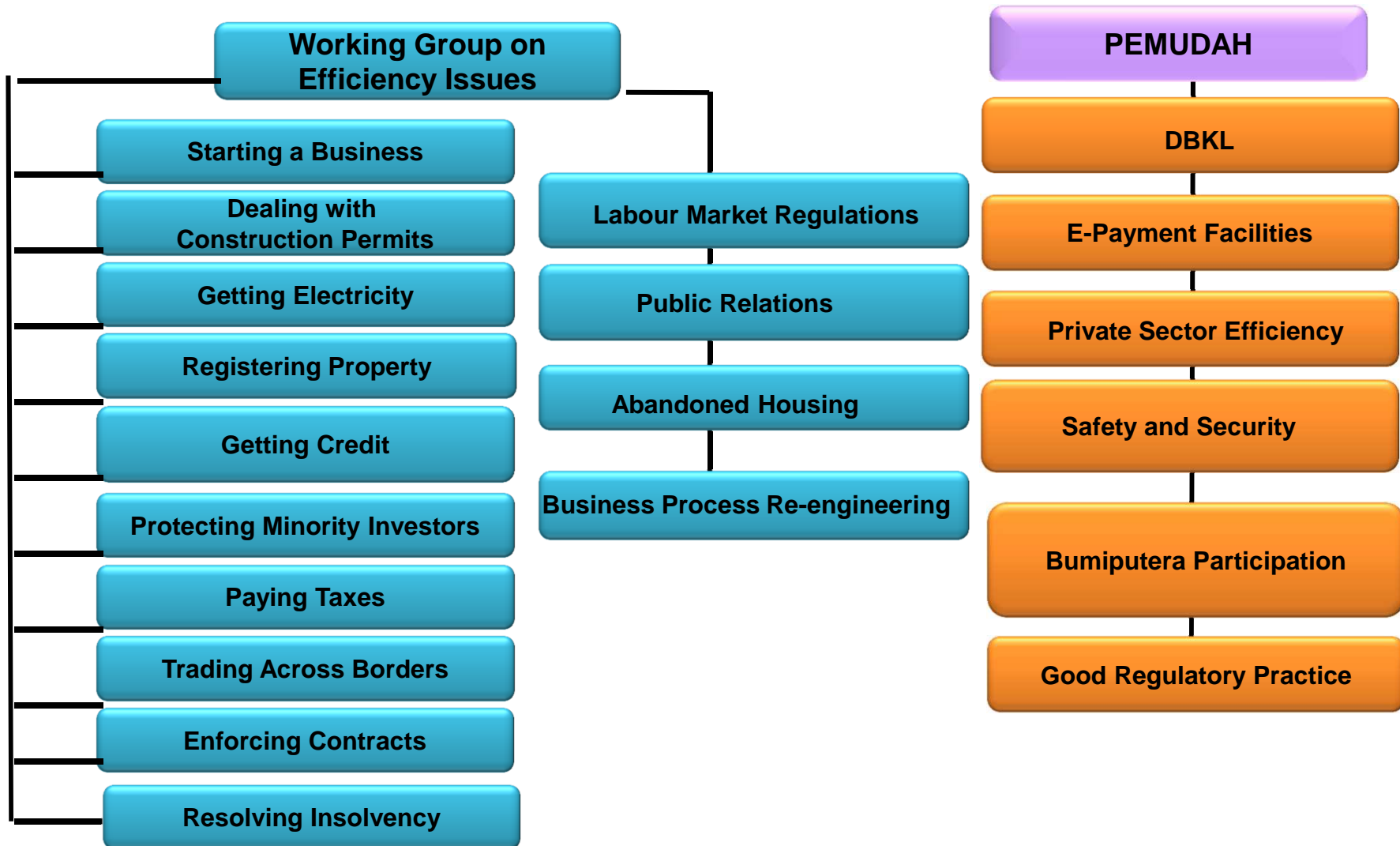


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# ISSUES COVERED

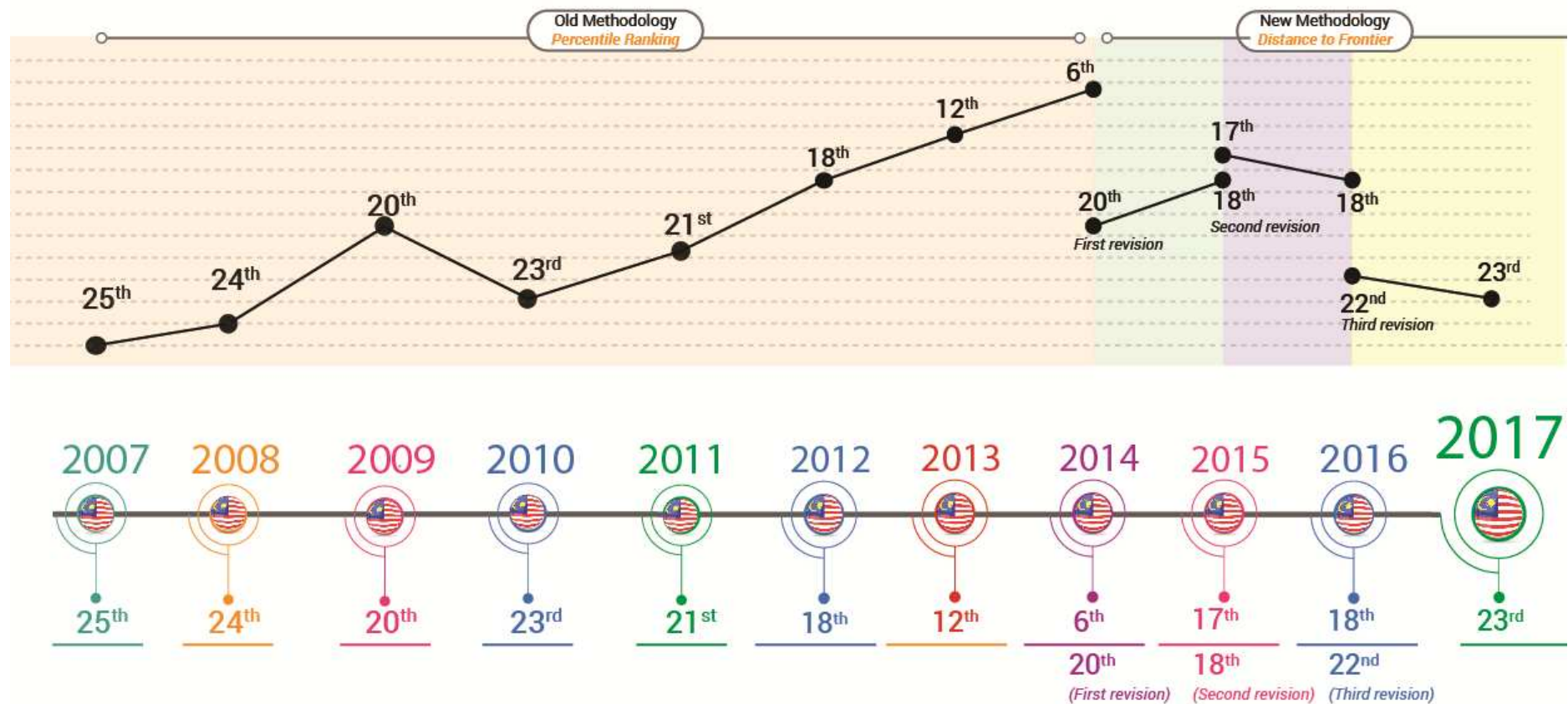


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# OVERALL PERFORMANCE AND TRENDS



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# INTERNATIONAL RANKINGS: MALAYSIA'S OVERALL PERFORMANCE

## WORLD BANK DOING BUSINESS REPORT 2017



RANKING **23/190**

DTF  
Score: **78.11/100**

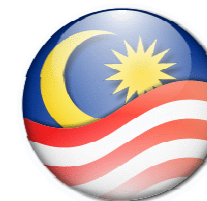
## IMD WORLD COMPETITIVENESS YEARBOOK 2016



RANKING **19/61**

Score: **83.05/100**

## W E F G L O B A L C O M P E T I T I V E N E S S R E P O R T 2 0 1 6 - 2 0 1 7



RANKING **25/138**

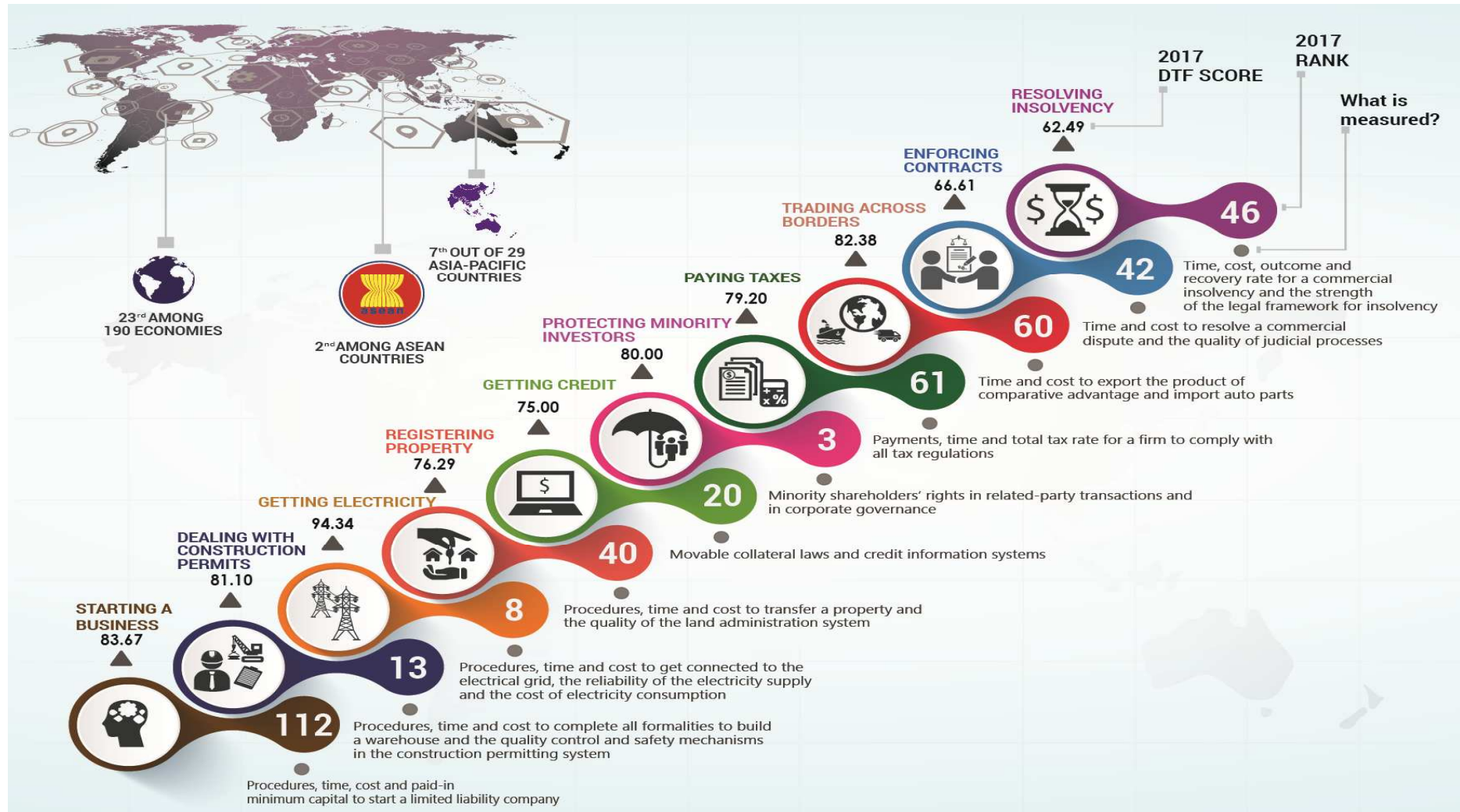
Score: **5.16/7.0**



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# MALAYSIA: IMPROVEMENTS IN SUB-INDICATORS



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# MALAYSIA: WORLD BANK DB 2017 & DB 2016 INDICATORS

## Ease of Doing Business

Areas	2017		2016 (Revised)		2016 (Published)		Best Performer Globally DB2016
	Rank	DTF Score	Rank	DTF Score	Rank	DTF Score	
Protecting Minority Investors	3	80.00	3	80.00	4	78.33	Singapore, New Zealand, DTF : 83.33
Getting Electricity	8	94.34	7	94.33	13	90.05	Korea, Rep. (1) DTF : 99.88
Dealing with Construction Permits	13	81.10	13	81.08	15	81.10	New Zealand (1) DTF : 87.40
Getting Credit	20	75.00	29	70.00	28	70.00	New Zealand (1) DTF : 100.00
Registering Property	40	76.29	39	76.32	38	76.32	New Zealand (1) DTF : 94.44
Enforcing Contracts	42	66.61	40	66.61	44	66.61	Korea, Rep. (1) DTF : 84.91
Resolving Insolvency	46	62.49	45	62.49	45	62.49	Finland (1) DTF : 93.89
Trading Across Borders	60	82.38	58	82.38	49	86.74	Denmark, Austria, Italy (1) DTF : 100.00 *15 economies
Paying Taxes	61	79.20	59	79.31	31	84.31	United Arab Emirates, (1) DTF : 99.44
Starting a Business	112	83.67	59	89.31	14	95.34	New Zealand (1) DTF : 99.96

# REGIONAL COMPARISON: ASEAN ECONOMIES



ECONOMY		DB 2017	DTF score		DB 2016	DTF score
<div>Ranked 2<sup>nd</sup> in ASEAN</div>	Singapore	2	85.05	↑	3	84.50
	Malaysia	23	78.11	↓	22	78.18
	Thailand	46	72.53	→	46	71.65
	Brunei Darussalam	72	65.51	↑	97	60.28
	Vietnam	82	63.83	↑	91	61.11
	Indonesia	91	61.52	↑	106	58.51
	Philippines	99	60.40	→	99	59.53
	Cambodia	131	54.79	↓	128	54.54
	Lao PDR	139	53.29	↓	136	52.44
	Myanmar	170	44.56	↑	171	44.01

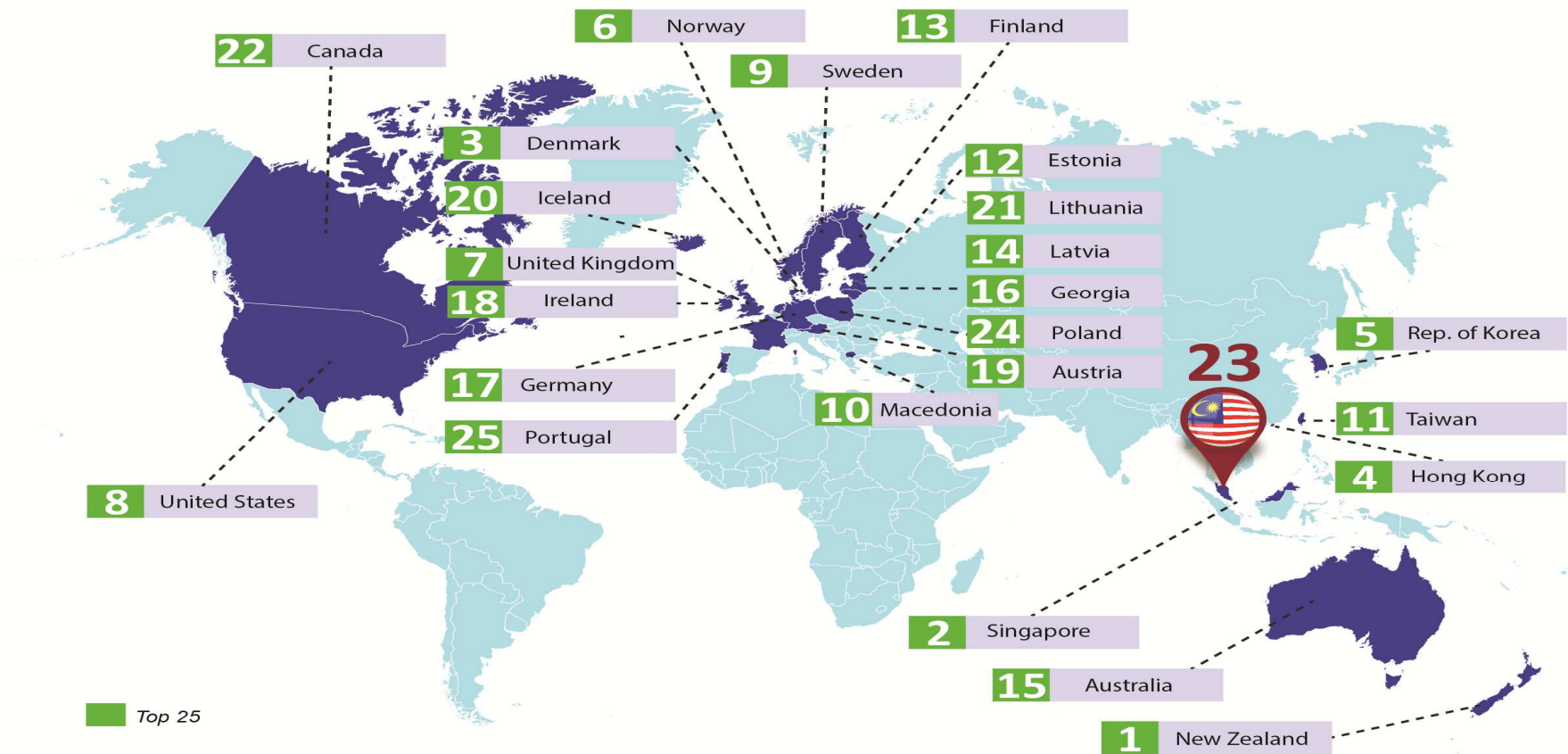


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# REGIONAL COMPARISON: MALAYSIA, TOP 25 ECONOMIES


















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# COMPARISON: SINGAPORE, REP. OF KOREA, MALAYSIA, JAPAN & THAILAND

## OVERALL RANKING

						
INDICATORS		2nd	5th	23th	34th	46th
	Starting a Business	6	11	112	89	78
	Dealing with Construction Permits	10	31	13	60	42
	Getting Electricity	10	1	8	15	37
	Registering Property	19	39	40	49	68
	Getting Credit	20	44	20	82	82
	Protecting Minority Investors	1	13	3	53	27
	Paying Taxes	8	23	61	70	109
	Trading Across Borders	41	32	60	49	56
	Enforcing Contracts	2	1	42	48	51
	Resolving Insolvency	29	4	46	2	23



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# Examples of PEMUDAH's Efficiency Improvements



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# Start A Business in A Day



Standard identification number of a business entity for use in its interaction with Government agencies.

**1 procedure**  
**1 day**  
**RM1,000**

**10 procedures**  
**31 days**  
**RM3,000**

**3 procedures**  
**4 days**  
**RM1,000**

**TARGET**

- Mandatory online incorporation is in place. Closure of over-the-counter services for incorporation of companies nationwide effective December 2014.
- Procedure, name search and application for registration process can be done instantaneously.
- Savings of RM45 (for e-stamping and reduction of cost for post-incorporation items).
- The Companies Act 2016 will be brought into force, in stages, starting from 31 January 2017 and will introduce significant simplification processes and cost reductions for doing business



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# Dealing with Construction Permits

- 22 procedures
- 284 days



- 15 procedures
- 79 days



- KLISBEST provides another lane for complex and high risk project, streamlined the procedures, improved transparency on permitting requirements.
- KL TRAX enhance monitoring of construction permit applications (from date of submission until Certificate of Completion and Compliance (CCC))
- A Construction Industry Transformation Plan (CITO) 2016-2020 is being mooted to support transformational initiatives.



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# Getting Electricity

- 59 procedures
- 51 days



- 4 procedures
- 31 days



- Malaysia has set the frontier in regulatory quality and efficiency in reliability of supply and transparency of tariffs index, scoring 8 on the scale of 0-8.
- TNB's initiative to set up a web page with a bill calculator making it easier for customers to estimate their future electricity costs based on the voltage level and subscribed capacity of their connection and their estimated monthly consumption during peak and off-peak periods, was recognised by the World Bank as exemplary to other economies.



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# Business Licensing Electronic Support System



- **Launched on 5 September 2008**
- **On-line one-stop centre for business licensing:**
  - **Increased speed, transparency and predictability**
  - **On-line tracking and monitoring**
- **Phase I:**
  - **101 licences/permits/approvals in the construction, manufacturing and hotel sectors was completed in June 2009**
- **Phase II and III:**
  - **As at 31 March 2015, 337 licences/permits/approvals have been implemented.**
- **Target:**
  - **All business licensing throughout the country**



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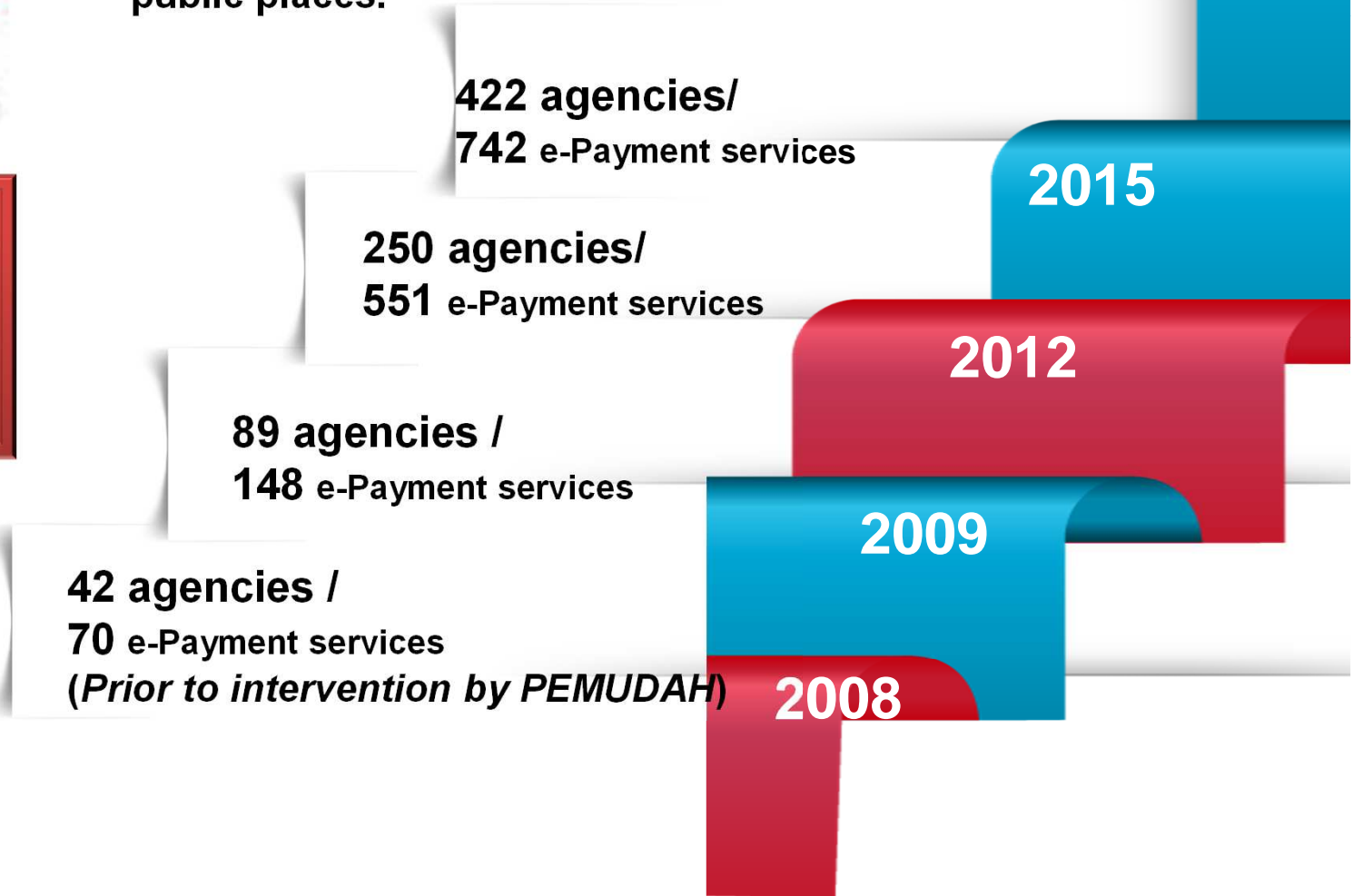


# e-Payment Facilities



**Increasing  
number of  
agencies  
accepting on-  
line payments**

- Created for easy recognition to facilitate e-payment
- Other channels: post offices, banks, and kiosks at public places.



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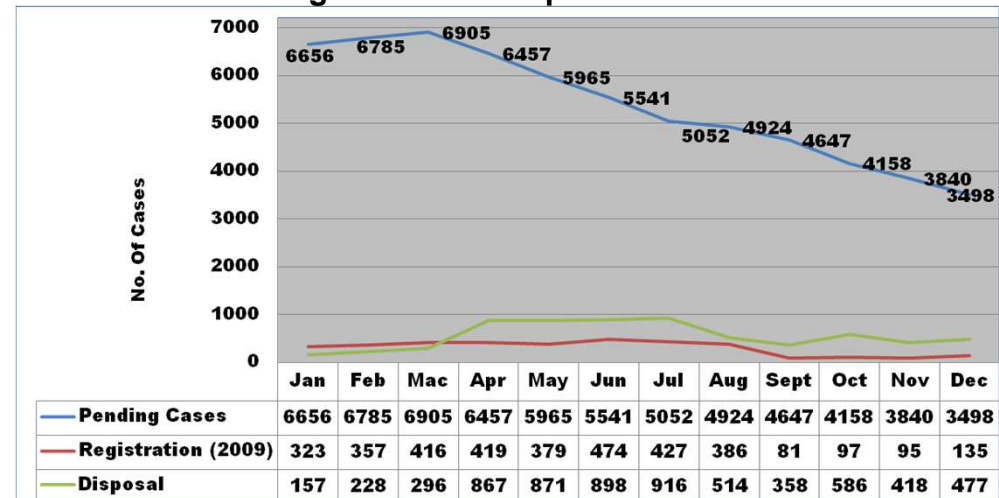
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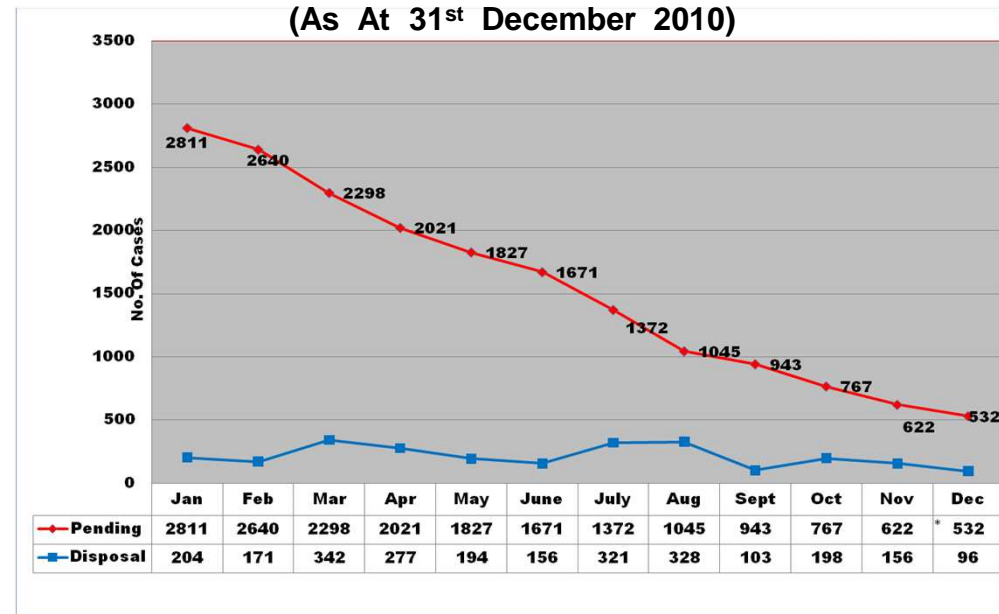
# New Commercial Courts (NCC)

- Two New Commercial Courts (NCC) were established in 2009
  - Cases are targeted for disposal within 9 months
  - Digitalise from registration to hearings to increase efficiency and effectiveness
- Construction court established in 2013
- Other specialised courts planned for e.g. tourist courts

NCC – Registration & Disposal of Cases 2009



Commercial Cases – Tracking Chart, High Court of Kuala Lumpur  
(As At 31<sup>st</sup> December 2010)



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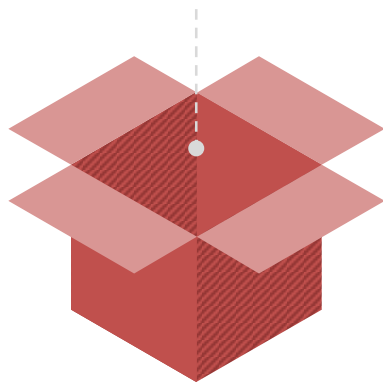
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# Resolving Insolvency

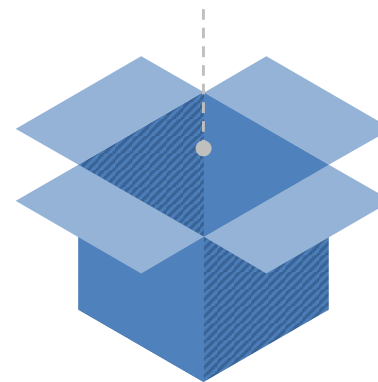
- 2.3 years
- Cost 15% of estate
- Recover 38.3 cents/dollar



DB2008



- 1.0 year
- Cost 10% of estate
- Recover 81.3 cents/dollar



CURRENT  
(DB2017)

- Introduction of the **corporate rescue mechanisms** of ‘**Judicial Management**’ and ‘**Corporate Voluntary Arrangement**’ as well as overall improvements on insolvency laws such as **shorter winding-up processes under the Companies Bill**.
- The new framework will provide more avenues to **resolve insolvency rehabilitation process**, where companies **emerge as a going concern as opposed to being wound-up and sold off as piecemeal**.



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# Labour Market

## ➤ E-labour court

**Objective:** e-labour court is designed to facilitate and make it easy for the clients to keep track on their labour court cases

**Outcomes:** Monitoring of cases , Expediting of cases , Simplifying the processes , Accessibility to clients to check status and Enhancement of transparency

## ➤ Modernising the Industrial Court Procedure :

**Objective:** To adopt practices introduced in the civil court via the usage of Digital Recording System (with Speech Recognition Technology)

**Outcomes:** To expedite the process of hearing and handing down awards of the Industrial Court

**Status:** All the 11 courtrooms have been installed with Digital Recording System and it is fully functioning. Currently verification on the transcript is going on. Average accuracy of Transcripts is: Bahasa Malaysia: 90% English : 85% .



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# FOCUS GROUP ON SAFETY AND SECURITY (FGSS)

**SET UP JUNE 2012**

**Engagement between local authorities  
and the public to curb social problems**

**Blue Ocean Policing surveillance and joint patrols by  
Royal Malaysian Police and Malaysian Armed Forces**

**Strengthening the NBOS Certified  
Security Guards (CSG) Programme**

**My Beautiful Neighbourhood Programme between MOHA  
and local communities for safety and security awareness**

**Police presence at community,  
business and worship areas**

**NGO and private sector  
engagements for crime prevention**

**Improved biometric vetting of foreigners  
at KLIA to prevent illegal entry**

**Reducing smuggling activities**

**Combating drug trafficking**

**Strengthening security and enforcement  
at the nation's border areas**



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# ABANDONED HOUSING PROJECTS COMPLETED POLICY IMPROVEMENTS

Effective 15 June 2015, the amended Housing Development (Control & Licensing) Act 1966 (Act 118) was enforced concurrently with the Strata Management Act 757 and Strata Title Act 318 to curb the abandoning of housing projects. The following are some of the initiatives undertaken:



Prosecute errant housing developers with fines of between RM250,000 and RM500,000 or an imprisonment term not exceeding 3 years or both upon conviction.

Require applicants for a developer's licence to be financially stable.



The National Housing Department monitors the progress work at abandoned projects through regular site visits and via the quarterly submission of Form 7F by developers.

A list of blacklisted developers is posted on the website of the Ministry of Urban Wellbeing, Housing and Local Government (KPKT).



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# FOCUS GROUP ON BUMIPUTERA PARTICIPATION (FGBP)

SET UP NOVEMBER 2013



➤ Priority Areas:

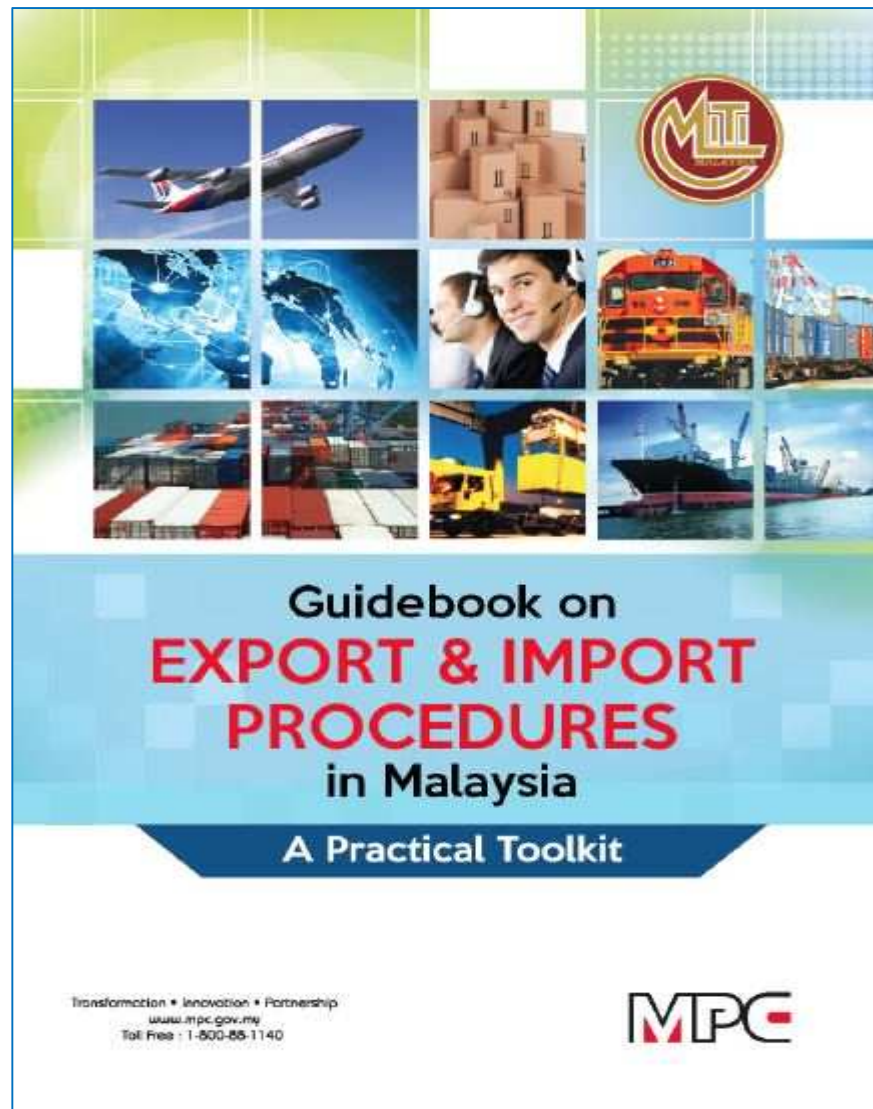
- Halal Industries
- Retail & Wholesale Retailers
- Bumiputera Participation in Global Halal Market
- Other Area of Concern Raised.



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# GUIDEBOOK ON IMPORT AND EXPORT PROCEDURES IN MALAYSIA



- Provide guidelines on the Malaysian procedures on Import and Export;
- Improve understanding on functions of various players related to import and export in Malaysia; and
- Enhance competencies of business community in international trade.

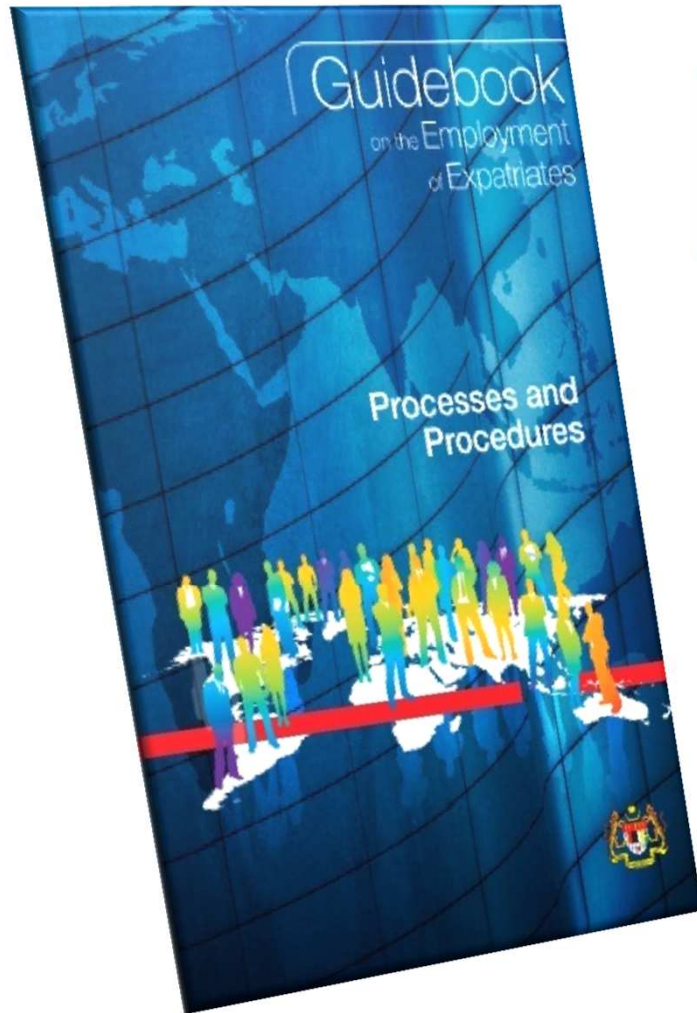


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# Attracting and Retaining Talent



## Guidebook on Employment of Expatriates

- Clear definition of skilled workers.
- Extension of work permit from 2 to 5 years.
- Set up executive counters at all state offices.



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# A Host of Additional Initiatives

- **Immigration** – facilitating employment of foreign and skilled workers
- **Education** – supply of skilled labour to the industry
- **Safety & Security** – protecting commercial assets
- **Improving Kuala Lumpur** – traffic, illegal posters, cleanliness, etc.
- **Abandoned Housing Projects** – revived 178 (79%) out of 226 abandoned housing projects, between 2009-2015
- **Private Sector Delivery Systems** such as telecommunication, banking
- **Employing Workers** – efficiency of industrial courts, review of Employment Act and Industrial Relations Act
- And various issues as they arise or complaints from the public/ business community such as taxi services, halal certification, etc.



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PEMUDAH at State level: State and local authorities are integral part of the public delivery system...

**Registering of Property / Land Matters**

**Dealing with Construction Permits**

**Approval of permits and licences for businesses**

**Good Regulatory Practice**



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# Good Regulatory Practice

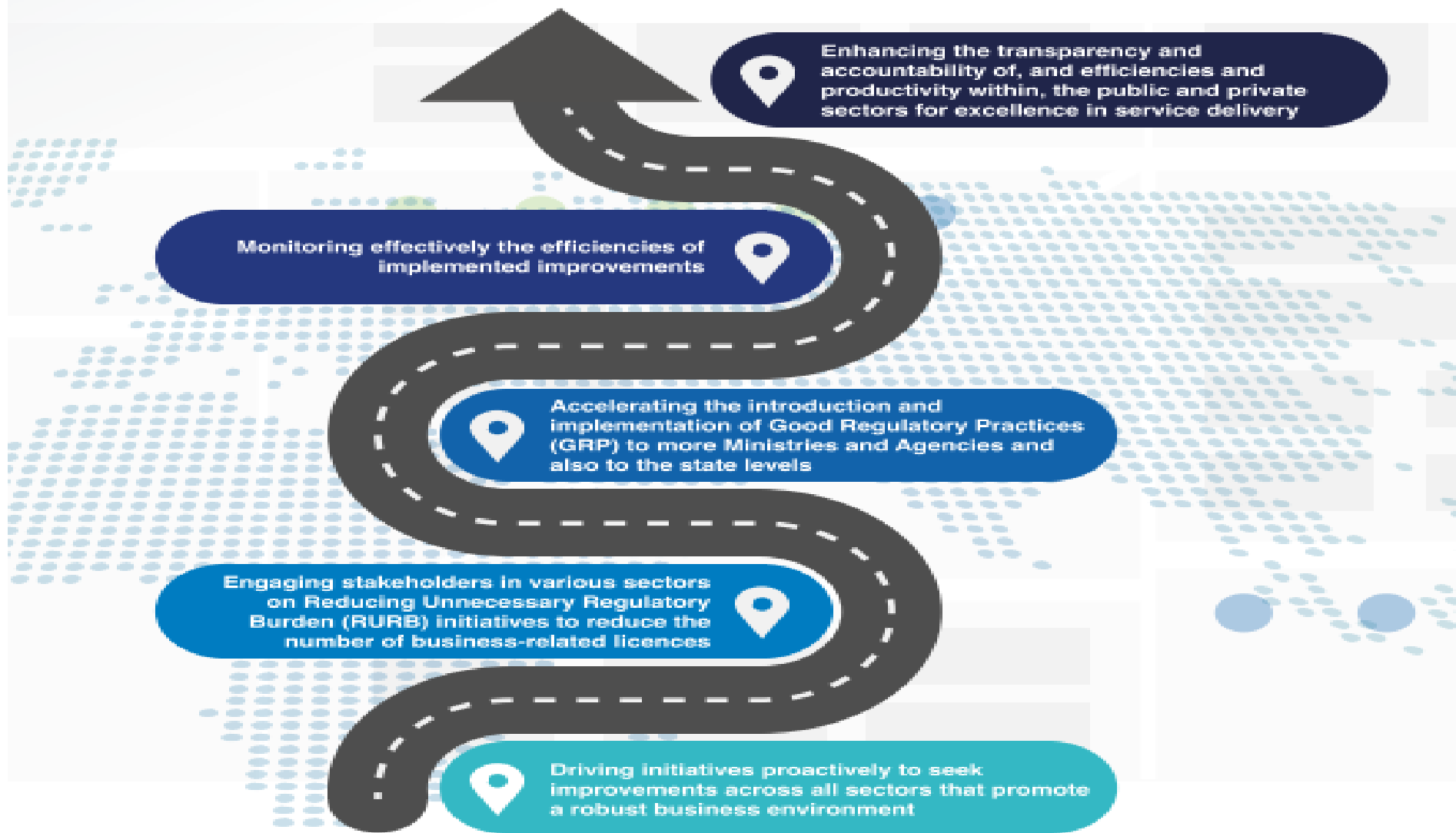
- Launching of 'National Policy on the Development and Implementation of Regulations', 'Best Practice Regulation Handbook' and 'Quick Reference of Best Practice Regulation Handbook' by Chief Secretary to the Government on 15 July 2013
- Developed Regulatory Impact Statement (RIS) Portal to be used as a repository and reference for all regulators and stakeholders
- A total of 355 Regulatory Coordinators (RCs) from 152 ministries and agencies have registered with MPC and have received training on Regulatory Impact Analysis (RIA) from OECD
- Requirement for Online Public Engagement by all Ministries and Agencies for all new proposals or amendments to the draft law (including by-laws, policies, regulations, etc.)



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# The Way Forward



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