Schedule of Specific Commitments

MALAYSIA

(For the First Package of Commitments)

MALAYSIA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments		
II. SECTOR SPECIFIC COMMITMENTS ¹					
BUSINESS SERVICES A. <u>Professional Services</u> Architectural services (CPC 8671)	1), 2) None	1), 2) Architectural services must be authenticated by a licensed professional			
	 3) Architectural services may be supplied only by a natural person 4) Unbound except as indicated in the horizontal section and, in respect of 2b) only an architect who is a consultant to a project in collaboration with a Malaysian professional architect for wholly foreign funded projects 	architect in Malaysia 3) None 4) Unbound except for the categories of natural persons referred to under market access	4) The qualifying examination to determine the competence and ability to supply the service for the purposes of registration with the professional bodies will be conducted in the English language		
Engineering services (CPC 8672)	1) None	Engineering services must be authenticated by a registered professional engineer in Malaysia			

An asterisk against a CPC code number indicates that the corresponding service subsector in this schedule covers only a part or parts of the service subsector classified under the CPC concordance.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments	
	 a) Engineering services may be supplied only by a natural person. b) For multi-disciplinary practices (Architecture, Engineering and/or Quantity Surveying), foreign equity up to a maximum of 10 percent for joint ventures by professionals who are registered in the country of origin. Foreign directorship is not allowed 	2) None 3) None		
	4) Unbound except as indicated in the horizontal section and in respect of 2 (b), subject to temporary registration for a period of one year per temporary registration	Engineering services must be authenticated by a registered professional engineer in Malaysia	4) The qualifying examination to determine the competence and ability to supply the service for the purposes of registration with the professional bodies will be conducted in the English language. Other requirements as per in ASEAN Engineer Registry	
Medical speciality services covering forensic medicine, nuclear medicine, geriatrics, microvascular surgery, neurosurgery, cardiothorasic	1), 2) None3) Medical speciality services may be supplied only by a natural person	1), 2) None 3) None		
surgery, plastic surgery, clinical immunology and oncology, traumatology, anaesthesiology, intensive care specialist, child	4) Unbound except as indicated in 2 (a) in the horizontal section	None other than: practice only in private hospitals of at least 70 beds;	The qualifying examination to determine the competence and ability to supply the service will	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments	
psychiatry and physical medicine (CPC 93122)		practice to be only at a specified location and a change of location requires approval; and the setting up of individual or joint group practices is not permitted.	be conducted in the English language	
B. Computer and Related Services				
Consultancy services related to the installation of computer	1), 2) None	1), 2) None		
hardware (CPC 841)	3) None	3) None		
	4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section	Unbound except for the categories of natural persons referred to under market access		
Consultancy services related to software implementation	1), 2) None	1), 2) None		
covering advisory and implementation services for	3) None	3) None		
customised software (CPC 842)	4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section	Unbound except for the categories of natural persons referred to under market access		
Data Processing Services (CPC 843)	1), 2) None	1), 2) None		
	3) None	3) None		
	4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section	Unbound except for the categories of natural persons referred to under market access		

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Database services (CPC 8440)	1), 2) None	1), 2) None	
,	3) None	3) None	
	4) Unbound except as indicated in 1 (a) and (b) and 2 (a) and (c) in the horizontal section	Unbound except for the categories of natural persons referred to under market access	
2. COMMUNICATION SERVICES			
C. Telecommunication Services			
Basic Telecommunications			
Based on domestic regulations, Malaysia has reclassified its communications service sector on the basis of provision of Network Facility services (NFP), provision of Network Service (NSP), provision of Application Service (ASP)			
Basic local, inter-exchange and international services; supplied over public telecommunications transport networks using any network technology; facilities regardless of whether the means of delivery of services are wired or wireless are mapped into the aforementioned three categories	1), 2) None 3) With respect to NFP and NSP components of the service, only through an acquisition of shares of existing licensed NFP(I), NSP(I) With respect to ASP(I), through a locally incorporated joint-venture corporation with	1), 2) None 3) None	Pro-competition regulatory principle respect of interconnection arrangement and competition (Refer to Annex I)

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	Malaysian individuals or Malaysian-controlled corporations; or through acquisitions of shares of an existing licensed ASP(I) operator/corporations		
	- For NFP(I) and NSP(I), foreign shareholding of up to 30 percent in these service providers is allowed		
	- For ASP(I), foreign shareholding of up to 49 percent in these service providers is allowed		
	[The management control of such companies shall be in the hands of Malaysians and in the case of Telekom Malaysia, the foreign shareholding permitted shall not exceed 30 percent foreign in aggregate with not one single country holding more than 5 percent of the equity at any one time]		
	Unbound except as indicated in horizontal commitments	Unbound except as indicated in horizontal commitments	

iviodes of supply: 1) Cross-border	supply 2) Consumption abroad	3) Commercial presence 4)	Presence of natural persons
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Individual licence 1. NFP (I) ² 2. NSP (I) ³ 3. ASP (I) ⁴			
Value-Added Services	1), 2) None	1), 2) None	
Telecommunication services of which enhanced value-added services must be provided from channels or lines obtained only from licensed NFP(I) and NSP(I) operators and are also mapped into the three categories below	3) With respect to NFP and NSP components of the service, only through acquisition of shares of existing licensed NFP(C), NSP(C). With respect to ASP, through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations; or through acquisitions of shares of an existing licensed ASP(C) operator/corporations	3) None	

Commercial presence 4)

Presence of natural persons

Consumption abroad

Explanatory note for Individual Licence Categories

Modes of supply: 1) Cross-horder supply

Explanatory note for Class Licence Categories

² Network facilities provider (NFP) individual licence enables the provision of network facilities services such as earth stations, fixed links and cables, public payphone facilities, radiocommunications transmitters and links, satellite hubs and towers, poles, ducts and pits used in conjunction with other network facilities.

³ Network service provider (NSP) individual licence enables the provision of network services such as bandwidth services, broadcasting transmission services, cellular mobile services, customer access services and mobile satellite services.

⁴ Application Service Provider, individual licence enables the provision of applications services such as PSTN telephony, public cellular telephone telephony services, IP telephony, public payphone service and public switched data service.

Modes of supply: 1) Cross-borde	er supply 2) Consumption abroad	3) Commercial presence 4)	Presence of natural persons
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Class licence 1. NFP (C) ⁵ 2. NSP (C) ⁶ 3. ASP (C) ⁷	 For NFP(C) and NSP(C), foreign shareholding of up to 30 percent in these service providers is allowed With respect to ASP(C), foreign shareholding of up to 49 percent in these service provider is allowed Unbound except as indicated in horizontal commitments. 	4) Unbound except as indicated in horizontal commitments	

⁵ Network facilities provider class licence enables the provision of niched or limited purpose network facilities such as radio communications transmitters for public mobile radio network services, radio communications transmitters for public radio paging network services, radio communications transmitters and links for public wireless data network services, for sole purpose of end users in buildings or a single clustered building complex.

⁶ Network service provider class licence enables the provision of niched customer access or niched connection services such as public mobile radio network service, one or two way radio paging network services, terrestrial wireless fixed/mobile data network services for the specific purposes of messaging, surveillance, ticketing or inventory management, offered for the sole purpose of connecting end users in a building or a single clustered building complex.

⁷ Applications service provider class licence enables the provision of applications services such as audiotext hosting services provided on an opt-in basis, directory services, messaging services.

Explanatory Note

- 1) This sector is governed by the Communications and Multimedia Act 1998 and it subsidiary rules and regulations.
- 2) Definitions as per Communications and Multimedia Act 1998
 - a. Network facilities mean any element or combination of elements of physical infrastructure used principally for, or in connection with, the provision of network services, but does not include customer equipment.

 Network facilities provider means a person who is an owner of any network facilities.
 - b. Network services means a service for carrying communications by means guided and/unguided electromagnetic radiation. Network service provider means a person who provides network services.
 - c. Application service means a service provided by means of, but not solely by means of, one or more network services. Application service provider means a person who provide an applications service.
- 3) Definitions as per Communications and Multimedia (Licensing) (Amendment) Regulations 2001
 - a. Network facilities provider class licensee means a person who is registered with the Commission to provide a network facility in accordance with the povisions of the Act and these Regulations.
 Network facilities provider individual licensee means an individual licence granted to a network facilities provider in accordance with the provisions of the Act and these Regulations.
 - Network service provider class licensee means a person who is registered with the Commission to provide a network service in accordance with the provisions of the Act and these Regulations.
 Network service provider individual licensee means an individual licence granted to a network service provider in accordance with the provisions of the Act and these Regulations.
 - c. Application service provider class licensee means a person who is registered with the Commission to provide an application service in accordance with the provisions of the Act and these Regulations.
 Application service provider individual licensee means an individual licence granted to an applications service provider in accordance with the provisions of the Act and these Regulations.

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
3.CONSTRUCTION AND RELATED ENGINEERING SERVICES			
Construction work (CPC 511, 512, 513, 514, 515, 516, 517)	Unbound due to lack of technical feasibility	Unbound due to lack of technical feasibility	
310, 317)	2) None	2) None	
	3) (a) Only through a representative office, regional office, or locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both and aggregate foreign shareholding in the joint-venture corporation shall not exceed 30 percent	(a) None for representative office, regional office, or locally incorporated joint-venture corporations	
	(b) Foreign construction companies that are not locally incorporated may carry out the following construction projects jointly with local contractors, on project-by- project basis: i. Construction projects wholly financed by foreign investment and/or grants ii. Construction projects financed by loans of	(b) Unbound for foreign construction companies that are not locally incorporated	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	international tendering according to the terms of loans iii. Projects with foreign investment equal to or more than 50 percent where local expertise is not available iv. 100 percent Malaysian funded construction projects where local expertise is not available Subject to compulsory subcontracting to local subcontractors		
	Unbound except as indicated in the horizontal section	Unbound except for the categories of natural persons referred to under market access	
4. EDUCATIONAL SERVICES			
C. <u>Higher Education</u>			
Other Higher Education Services provided by privately funded higher education institutions excluding private higher education institutions with government equity or that receive government assistance (CPC 92390)	Unbound except for franchise and twinning arrangements between foreign based institutions and Malaysian based educational institutions Unbound except for students	1) Unbound 2) Unbound	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	moving abroad including students under franchise and twinning arrangements		
	3) Only through a joint venture with foreign equity not exceeding 49 percent and subject to an economic needs test	3) Unbound	3) More than 49 percent foreign equity will be considered subject to an additional economic needs test which includes among others
			(a) Courses offered are critic to Malaysia e.g. Medicine Dentistry, Engineering, Business, Science and Technology
			(b) Research- based programmes
			(c) Collaborative research with local institutions
			(d) share of foreign students
	4) Unbound except as indicated in the horizontal section	4) Unbound except as indicated in the horizontal section	

Modes of supply:	1)	Cross-border supply	2)	Consumption abroad	3)	Commercial presence	4)	Presence of natural persons
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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
5. FINANCIAL SERVICES, INCLUDING INSURANCE			
ALL FINANCIAL SERVICES			
3. Direct insurance companies.	1), 2) Unbound* except as otherwise specified in this schedule.	1), 2) Unbound* except as otherwise specified in this schedule.	
	3) Branches of foreign insurance companies are required to be locally incorporated by 30 June 1998 and foreign shareholding not exceeding 51 percent is permitted.	None except as indicated in the finance sector horizontal section and in the respective activity listed below.	
	Foreign shareholding not exceeding 51 percent is also permitted for the existing foreign shareholders of locally incorporated insurance companies which were the original owners of these companies. Provided aggregate foreign shareholding in such companies does not exceed 51 percent.		
	New entry is limited to equity participation by foreign insurance companies in locally incorporated insurance companies and aggregate		

^{*} Due to lack of technical feasibility

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	foreign shareholding in such company shall not exceed 30 percent.		
	Unbound for new licenses.		
	Acquisition by a foreign insurance company of an aggregate of more than 5 percent shareholding in a locally incorporated insurance company must meet at least one of the following criteria: (a) The foreign insurance company has the ability to facilitate trade and contribute to financial and economic development of Malaysia;		
	(b) The country of the foreign insurance company has significant trade and investment interests in Malaysia;		
	(c) The country of the foreign insurance company does not have a significant representation in the Malaysian insurance industry; or		
	(d) The foreign insurance company has the ability to provide technical expertise and know-how to contribute to the financial and economic		

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	development of Malaysia.		
	An insurance company is not allowed to acquire more than 5 percent share:		
	(a) In another insurance company in Malaysia that carries on the same class of insurance business as that carried on by it; or		
	(b) In an insurance broking company.		
	Other persons holding more than 5 percent shareholding in an insurance company are not permitted to acquire more than 5 percent shareholding in:		
	(a) Another insurance company carrying on the same class of insurance business as that carried on by the insurance company in which the person is a shareholder; or		
	(b) An insurance broking company.		
	4) Unbound except the following:	4) Unbound except for the	
	(a) Unless otherwise specified, temporary presence of	categories of natural persons referred to under market access.	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	natural persons is offered only in respect of supply through the mode of commercial presence.		
	(b) Two (2) senior manager for branches of foreign insurance companies and locally incorporated insurance companies with an aggregate foreign shareholding of 50percent or more.		
	A senior manager is an individual possessing proprietary knowledge and authority essential to the establishment, control and operation of the services of the financial service supplier.		
	(c) Five (5) specialists or experts for each institution for areas relating to:		
	(i) underwriting of specialized classes of general business;(ii) information technology; and(iii) actuarial functions.		
	(d) Entry shall be limited to a maximum period of five years.		

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
A. BANKING AND OTHER FINANCIAL SERVICES, EXCLUDING INSURANCE			
Advisory, intermediation and other auxiliary financial services, including credit reference and analysis, investment advice on acquisitions, corporate restructuring and strategy.	Provision of investment and portfolio advice requires commercial presence. Services other than investment and portfolio advice to residents must be undertaken jointly with commercial banks or merchant banks in Malaysia.	1) None	
	 Services other than investment and portfolio advice to residents must be undertaken jointly with commercial banks or merchant banks in Malaysia. 	2) None	
	3) Entry as a non-bank is limited to: (a) Establishment of a locally incorporated joint-venture company and aggregate foreign shareholding in such company shall not exceed 30 percent; or	3) None	
	(b) A representative office.		
	Representative offices (including those of commercial banks, merchant banks and securities		

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	companies) are permitted to undertake research, information and liaison services only.		
	Representative offices of securities companies are not permitted to publish and circulate research work in Malaysia.		
	Offshore banks, offshore investment banks and offshore companies in Labuan can only provide services to non-resident customers.		
	4) For banks, one (1) specialist or expert.	For banks, unbound except as indicated in the finance sector horizontal section.	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	For non-banks, one (1) senior manager and one specialist or expert.	For non-banks, unbound except as indicated in the all-sector horizontal section.	
	For representative offices, three (3) foreign nationals subject to only one (1) foreign national for the two (2) top posts and the other two (2) for managerial level posts. Entry shall be limited to a maximum period of five years.		
Operational headquarters (OHQ) for financial sector	1), 2) Unbound*	1), 2) Unbound*	
(Provides services to commercial and investment banking institutions in activities relating to work	Only through a locally incorporated wholly foreignowned company.	3) None	
carried out in Malaysia for its offices and related companies outside Malaysia, pertaining to general management and administration, business	A foreign-owned company, a regional office of a foreign-owned company which transfers its OHQ services to Malaysia, a regional office of a foreign-owned company established in		

Commercial presence 4)

Presence of natural persons

Consumption abroad 3)

Malaysia, and a foreign-owned

incorporated in Malaysia, may

Malaysia and fulfil the following

company which is already

seek to qualify as an OHQ.

An OHQ must operate in

criteria:

and research and

planning, technical

and sales promotion

planning, training and

personnel management, provision of treasury and

fund management services

support, marketing control

Modes of supply: 1) Cross-border supply

^{*} Due to lack of technical feasibility.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
development).	(a) Carry out at least three of the OHQ service activities;(b) Have a sizeable network of		
	companies outside Malaysia which includes the parent company or its head office and related companies;		
	(c) Have a well established foreign-owned company which is sizeable in terms of assets and employees;		
	(d) Have a network of companies with a substantial number of qualified executives, professionals, technical and other supporting personnel;		
	 (e) Be able to make decisions independently without consultation with its head office or parent company located outside Malaysia; 		
	(f) Be able to contribute to the Malaysian economy by: (i) Using services such as legal, accounting etc. provided by Malaysians; (ii) Creating job		

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Sector or Sub-sector	Malaysians; (iii) Enabling greater inflow of foreign funds. 4) One (1) specialist or expert per organisation subject to the following conditions: (a) Such persons must possess knowledge at an advanced level of continued expertise and who possess proprietary knowledge of the organisation's new service products and technology, research equipment and techniques or management (b) Entry shall be limited to a maximum of five years and renewable	4) None	Additional Commitments
6. HEALTH RELATED AND SOCIAL SERVICES			
Hospital Services			
Private hospital services (CPC 93110*)	1), 2) None 3) Economic needs test; Only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both	None Stablishment of feeder outpatient clinics is not permitted	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
7. TOURISM AND TRAVEL	and aggregate foreign shareholding in the joint-venture corporation shall not exceed 40 percent; and The joint-venture corporation shall operate a hospital with a minimum of 100 beds 4) Unbound except as indicated in the horizontal section	Unbound except for the categories of natural persons referred to under market access	
RELATED SERVICES			
Convention Centre (over 3,000 participants) (The development of a	Unbound due to lack of technical feasibility	Unbound due to lack of technical feasibility	
building that consists of Exhibition Halls, Meeting	2) Unbound	2) Unbound	
Rooms, a conference hall with more than 3,000 seating capacity, a banquet and a business centre equipped	On joint-venture basis with foreign investors allowed up to 30 percent equity	3) None	
with state of the art telecommunication and teleconferencing facilities to cater for the needs of the convention industry. The centre will also provide adequate carparks, shops and	4) Unbound	4) Unbound except as indicated in the horizontal section	
restaurants/cafes to exhibitors, participants and visitors)			

Modes of supply: 1) Cross-border s	supply 2) Consumption abroad	3) Commercial presence 4)	Presence of natural persons
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Theme Parks (A family based recreational area/amusement centre which may consist of rides, mechanical and/or high-tech simulation equipment with various kinds of amusement facilities built around a theme or several themes. Activities to be offered will contain elements of entertainment, edutainment, adventure and excitement. The concept of the park can either be outdoor or indoor or a combination of both)	1) Unbound due to lack of technical feasibility 2) Unbound 3) i) Requirement of local incorporation ii) Foreign equity allowed up to 100 percent for the first five years (computed from the date of incorporation) iii) After 5 years, aggregate foreign equity is limited to 51 percent so that at least 49 percent are held by Malaysians	1) Unbound due to lack of technical feasibility 2) Unbound 3) None	
	4) Unbound	4) Unbound	
8. TRANSPORT SERVICES Maritime Freight Forwarding Services (The activity consisting of organising and monitoring shipment operations on behalf of shippers, through the procurement of transport and related services, reparation of documentation and provision of business information)	 None Only through a representative office, regional office or joint-venture corporation with Malaysian individuals or Malaysian-controlled corporations or both. Foreign equity allowable up to a maximum of 49 percent Unbound except as indicated 	1), 2) None3) None4) Unbound except for the	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	in the horizontal section	categories of natural persons referred to under market access	
Air Transport Selling and marketing of air transport services	1) None	1) None	
nanoport con moc	2) None	2) None	
(Opportunities for the air carrier concerned to sell and market	3) Unbound	3) Unbound	
freely its air transport services including all aspects of marketing such as market research, advertising and distribution. The activities do not include the pricing of air transport services nor the applicable conditions)	4) Unbound	4) Unbound	
Computer reservation system services	1) None	1) None	
(Services provided by	2) None	2) None	
computerised sytems that contain information about air	3) Unbound	3) Unbound	
carriers' schedules availability, fares and fare rules, through which reservations can be made or tickets may be issued)	4) Unbound	4) Unbound	