



## REPRESENTATIVE OFFICE / REGIONAL OFFICE IN MALAYSIA

A Representative Office/Regional Office of a foreign company/organisation in the manufacturing and services sector is an office which is established in Malaysia to perform permissible activities for its head office/principal.

The Representative Office/Regional Office do not undertake any commercial activities and only represents its head office/principal to undertake designated functions.

The Representative Office's/Regional Office's operation is completely funded from sources outside Malaysia.

The Representative Office/Regional Office is not required to be incorporated under the Malaysia Companies Act 2016 ("CA 2016"). The setting up of a Representative/Regional Office requires prior approval by the Government of Malaysia.

### Definition

#### > Representative Office

A Representative Office is an office of a foreign company/organisation approved to collect relevant information on investment opportunities in the country especially in the manufacturing and services sector, enhance bilateral trade relations, promote the export of Malaysian goods and services and carry out research and development (R & D).

#### > Regional Office

A Regional Office is an office of a foreign company/organisation that serves as the coordination centre for the company's/organisation's affiliates, subsidiaries and agents in South-East Asia and the Asia Pacific. The Regional Office established is responsible for the designated activities of the company/organisation within the region it operates.

### Eligibility criteria of applicant

- > The proposed operational expenditure of the Representative/Regional Office must be at least RM300,000 per annum.
- > The Representative/Regional Office should be financed by funds emanating from sources outside Malaysia.

### Application

- > Application (excluding banking, financial and tourism services) for a Representative/Regional Office would be submitted to the Malaysian Investment Development Authority (MIDA).
- > Application for a Representative Office relating to banking and financial services would be submitted to the Central Bank of Malaysia/Bank Negara Malaysia.
- > Application for a Representative Office relating to tourism services would be submitted to the Ministry of Tourism, Malaysia.

**Kensington Corporate Services (Malaysia) Sdn. Bhd. is a management services company in Malaysia and is able to assist you with registration of Representative Office/Regional Office in Malaysia.**

### Duration of establishment

- > Company and Others (including non-profit organizations not relating to trade)  
Minimum of two (2) years depending on the merits of each case.
- > Government and Trade Association  
Duration is based on requirements of the applicant.



### Activities allowed

The approved Representative/Regional Office is established to perform the following permissible activities for its head office or principal:-

- > Gathering and analysis of important information or undertaking feasibility studies on investment and business opportunities in Malaysia and the region;
- > Planning or coordination of business activities;
- > Identifying sources of raw materials, components or other industrial products;
- > Undertake research & product development;
- > Act as a coordination centre for the corporation's affiliates, subsidiaries and agents in the region; and
- > Other activities which will not result directly in actual commercial transactions

### Activities not allowed

Representative/Regional Office is not allowed to carry out the following activities:-

- > Be engaged in any trading (including import and export), business or any form of commercial activity.
- > Lease warehousing facilities; any shipment / trans-shipment or storage of goods shall be handled by a local agent or distributor.
- > Sign business contracts on behalf of the foreign corporation or provide services for a fee.
- > Participate in the daily management of any of its subsidiaries, affiliates or branches in Malaysia.

If you wish to undertake the above business activities, you may do so by locally incorporating a company under CA 2016.

### Expatriate post

A Representative/Regional Office will be given expatriate post and the number allowed would depend on the functions and activities of the Representative/Regional Office. Expatriates will only be considered for managerial and technical posts.

The proposed expatriate must be currently employed by the applicant company or its subsidiary or within the group.

An expatriate working in a Representative Office is subject to normal income tax in Malaysia.

However, an expatriate working in a Regional Office is taxed only on the portion of their chargeable income attributed to the number of days that they are in the country.



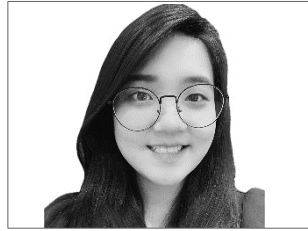
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JTC is a publicly listed, global professional services business with deep expertise in fund, corporate and private client services.

Every JTC person is an owner of the business and this fundamental part of our culture aligns us with the best interests of all of our stakeholders.

Our purpose is to maximise potential and our success is built on service excellence, long-term relationships and technology capabilities that drive efficiency and add value.

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