

Mobility: Immigration alert

July 2023

Malaysia

Updates to the Labor Market Testing requirements for Employment Pass applicants

Executive summary

Effective 15 June 2023, Malaysian companies that seek to sponsor foreign workers for an Employment Pass (EP), including individuals with specialized skills, must now conduct a labor market test and advertise the job online for at least 14 days prior to filing the EP application.

Background

Employers that seek to hire foreign workers to fill available positions in Malaysia must advertise the positions on the Ministry of Human Resources' national employment ("[MYFutureJobs](#)") portal and conduct interviews with local applicants (e.g., Malaysian citizens) prior to hiring foreign workers and sponsoring them for an EP. Employers may only submit EP applications on behalf of foreign individuals after obtaining approval (i.e., an Advertisement Acknowledgment Letter) from the Malaysian Social Security Organization (SOCSO). Certain positions are not subject to the advertising requirement.

Key developments

Effective 15 June 2023, employers are required to advertise vacant job positions on the [MYFutureJobs](#) portal for at least 14 days (down from 30 days previously). As previously, employers must conduct interviews with local applicants and if no suitable local candidates are found, they must submit a Hiring Outcome Report with the SOCSO. The report includes details regarding the interview and the candidate and must be submitted at least eight days after the online publication

of the job advertisement. Upon receiving the report and verifying its contents, the SOCSO issues an Advertisement Acknowledgment Letter to the sponsoring company.

While positions requiring applicants with specialized skills are no longer exempt from the advertising requirement, exemptions remain in place in situations where the following criteria are met:

- The foreign applicant will be hired into a C-suite and/or key post
- The foreign applicant will earn a basic monthly salary of MYR15,000 or more
- The applicant is an investor, shareholder or proprietor
- The applicant is being hired in Malaysia pursuant to a corporate transfer, placement or trade agreement
- The applicant is an athlete or a professional sportsperson being hired into a Malaysian sports organization or club
- The applicant is seeking to renew their existing EP and will remain in the same job role
- The hiring office in Malaysia is a representative or regional office of the office outside of Malaysia where the applicant is employed
- The hiring office is an international organization as defined under the International Organizations (Privilege and Immunities) Act 485

Impact on employers

The new policies will expedite the process for positions where employers were previously required to advertise the vacancy online, while lengthening the process for positions that require applicants with specialized skills. Employers may consider how these changes impact their day-to-day current hiring and recruitment policies.

Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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