

Financial Services

Malaysia Overnight Rate as Alternative Reference Rate

Bank Negara Malaysia (“BNM”) announced on 24 September that the Malaysia Overnight Rate (“MYOR”) is an alternative reference rate for Malaysia. The MYOR:

- will be administered and calculated by BNM as the volume-weighted average rate of unsecured overnight Ringgit interbank transactions, including BNM’s overnight monetary operations (excluding Standing Facilities).
- will run in parallel with the existing Kuala Lumpur Interbank Offered Rate (“KLIBOR”) but the two-month and 12-month KLIBOR tenors will be discontinued with effect from 1 January 2023.

In respect of the launch of the MYOR, BNM has issued:

- a policy document on the MYOR which came into effect on 24 September 2021; and
- a policy document on the KLIBOR Rate Setting which will come into effect on 30 September 2021 (when it will supersede the earlier policy document issued on 27 December 2016).

BNM has also indicated that it is in the midst of developing a new Islamic benchmark rate to replace the Kuala Lumpur Islamic Reference Rate (“KLIRR”) by the first half of 2022. As such, BNM has issued an [exposure draft on the Malaysia Overnight Rate](#) (“MYOR-I”) seeking for public feedback by 25 October 2021.

CONTACT US FOR FURTHER INFORMATION FINANCIAL SERVICES MATTERS.

Legal Updates

SEPTEMBER 2021

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Immigration

Home Quarantine Online Application

Following a backlog of 6,000 home quarantine applications, the Malaysian Government announced on 20 September 2021 that returning expatriates and Malaysians who have been fully vaccinated can now apply for their home quarantine applications via the designated online portal¹ effective from 21 September 2021².

The application must be made seven to 10 days prior to the applicant's arrival in Malaysia. All applications for arrivals from 28 September 2021 onwards should be made via this portal, according to Health Minister Khairy Jamaluddin. The minimum qualifying criteria set out by the Ministry of Health are:

- The applicant must be fully vaccinated.
(For Pfizer, AstraZeneca and Sinovac, this means the recipient must have received two complete doses and more than 14 days have passed since the date of the second dose.

For Johnson & Johnson or Cansino, the recipient must have received one complete dose and more than 28 days have passed since the date of the vaccine dose.)

- Home or residence must be suitable following a risk evaluation based on:
 - Number of persons in the home or residence;
 - Number of elderly persons in the home or residence (above 60 years of age);
 - Number of children in the home or residence (below 12 years of age);
 - Number of persons with chronic illnesses in the home or residence;
 - Number of pregnant mothers in the home or residence;
 - Number of rooms in the home or residence;
 - Number of bathrooms in the home or residence;

- Number of bedrooms with ensuite bathrooms in the home or residence.
- The applicant must have a negative RT-PCR test result.

The risk evaluation undertaken by the Ministry of Health is on a case-to-case basis. The applicant will receive an outcome within three days from the submission date.

Prior to the home quarantine online application, travellers who entered Malaysia via Johor were required to submit their home quarantine application at least seven days prior to their arrival through cprcjkj@moh.gov.my while all other home quarantine applications were made through hso@moh.gov.my³.

Lifting of Entry Restrictions for Sri Lanka, India, Nepal, Bangladesh and Pakistan

With effect from 20 September 2021, the Malaysian Government has decided to lift the entry restrictions for travellers from India, Sri Lanka, Bangladesh, Pakistan and Nepal. The travellers from these countries are still subject to the entry approval granted by the Director General of Immigration. The travellers are required to apply for the entry permission via the online portal⁴.

As part of the initiatives to curb the spread of Covid-19, all travellers from these countries who have obtained their entry approvals must be fully vaccinated. They are required to undertake the RT-PCR test upon their arrival and thereafter undergo mandatory quarantine.

CONTACT US FOR FURTHER INFORMATION REGARDING IMMIGRATION MATTERS.

¹ <https://ecovid19.moh.gov.my/outbreak-portal-hqa/index>.

² www.bernama.com/en/news.php?id=2005157.

³ www.nst.com.my/news/nation/2021/08/722230/travellers-entering-through-johor-checkpoints-must-submit-application.

⁴ <https://esd.imi.gov.my/portal/latest-news/announcement/lifted-entry-restrictions-for-india-srilanka-bangladesh-pakistan-nepal/>.

Tax & Revenue

Income tax

The Inland Revenue Board has recently published [Rangka Kerja Audit Majikan](#) (presently available in Malay language only) on their official website.

Service tax

A revised version of the [Industry Guide on Professional Services](#) (as at 21 September 2021) has recently been published on the Royal Malaysian Customs Department's MySST website to replace the earlier version dated 19 May 2021.

CONTACT US FOR FURTHER INFORMATION REGARDING TAX & REVENUE MATTERS.

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