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Malaysia's New Overstay Policy: What Employers and Expatriates Need to Know

Immigration Update

OCTOBER 2025

Changes in October 2025

In December 2024, Malaysia's Home Minister, Datuk Seri Saifuddin Nasution Ismail, announced that the country's 25 immigration depots, including temporary facilities, were operating at 82.5% capacity, housing 17,326 detainees out of a total capacity of 20,750 as of 30 September 2024[1].

As of August 2025, enforcement operations have resulted in the detention of 35,225 illegal immigrants and the deportation of 36,557 individuals[2], reflecting the government's ongoing commitment to robust immigration enforcement.

While the immigration depots across Malaysia are operating within their designated capacities, the government has proactively implemented measures to prevent overcrowding in the depots.

To address the risk of overcrowding and streamline the management of overstay offenders, the Immigration Department of Malaysia has introduced the *Program Pengurusan Tinggal Lebih Masa* ("Overstay Management Programme"), effective 21 October 2025[3].

This initiative aims to expedite legal processes, reduce congestion at detention depots and acknowledge legitimate circumstances leading to overstays.

Key Policy Change

Under the new programme:

- Employment Pass ("EP") and Dependant Pass ("DP") holders who have overstayed not more than 90 days will be subjected to a compound ("fine") without referral to the respective *Bahagian Penguatkuasa Imigresen Department* ("Enforcement Division").

  It is worth noting that all cases of overstaying previously required investigation papers to be opened and had to

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go through Court proceedings before an outcome was achieved. This new programme aims to expedite the legal process by eliminating the need to pursue such matters in Court[4].

- Compound rates are as follows:

  - Overstay of 1 – 30 days: RM30 per day (capped at RM900);
  - Overstay of 31 – 60 days: RM1,000;
  - Overstay of 61 – 90 days: RM2,000.

- The following categories remain subject to prosecution and referral to the Enforcement Divisions:

  - Overstay exceeding 90 days;
  - Repeated overstay cases;
  - Overstay under Special Pass;
  - Individuals with criminal or immigration offence records in Malaysia; and
  - Names listed under the "*Senarai Syak*" ("Suspect List").

The primary objective of this new policy is to accelerate the handling of overstay cases and to reduce congestion at immigration detention depots across Malaysia. Previously, the legal process for managing overstayers was lengthy and could take up to 14 days to complete. With the implementation of the Overstay Management Programme, this timeframe has been reduced with the expedited management of such matters.

This expedited process allows for faster repatriation of individuals who have overstayed, which in turn helps to alleviate the strain on immigration detention facilities.

Importantly, the policy also acknowledges that not all overstays are intentional or due to negligence. Many foreign individuals may find themselves overstaying because of legitimate or unavoidable circumstances, such as illness, accidents, or natural disasters. The new approach is designed to take such circumstances into account, ensuring that the system remains fair and humane while maintaining compliance with immigration regulations.

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Advice for Employers and Pass Holders

1. Start Early
   Begin the renewal or extension process for EP and DP applications at least three (3) months before the pass expiry date. Early preparation helps avoid last-minute complications and reduces the risk of accidental overstays.

2. Monitor Expiry Dates
   Keep a centralised record of all employees' pass expiry dates. Set up automated reminders or calendar alerts to ensure you are notified well in advance of any upcoming renewals.

3. Seek Professional Guidance
   If you anticipate any challenges in complying with the pass conditions, such as medical emergencies, accidents, or other reasonable circumstances, secure professional assistance promptly.

4. Understand the New Policy
   Familiarise yourself with the new compounding rates and eligibility criteria. Note that overstays of up to 90 days may be resolved by paying a compound, but overstays exceeding 90 days, repeated offences, or cases involving Special Passes or criminal records will still be prosecuted.

5. Stay Updated
   Immigration policies and procedures can change. Regularly check for updates to ensure you are following the latest requirements.

For any immigration-related inquiries please contact Ms. Suganthi Singam at suganthi@shearndelamore.com or Ms. Siow Wei Qing at weiqing.siow@shearndelamore.com .

[1] Immigration depots operating within capacity, says Saifuddin.
[2] Foreigners who overstay no more than 90 days to be issued compound, says Saifuddin Nasution | Malay Mail.
[3] latest update from immigration department on overstay and special pass applications — Expats | MDEC.
[4] Foreigners who overstay for up to 90 days to be issued compound notice | The Star.