

The Gig Workers Bill 2025: A Landmark Shift in Legal Recognition and Safeguards for Gig Workers

Introduction

In recent years, the gig economy has emerged as a powerful force, fundamentally transforming Malaysia's labour market. Driven by technological innovation, rising living costs, and a growing demand for flexible work arrangements, the sector has experienced unprecedented growth across various industries.

However, while the gig economy offers flexibility and new income opportunities, it also potentially leaves workers vulnerable to risks.

In Malaysia, gig workers have historically been excluded from protections that traditional employees receive, such as guaranteed minimum wage, statute-mandated contributions to social security and retirement schemes, access to health insurance, and even protection against unfair dismissal.

Many gig workers are bound by unstable, short-term contracts, exposing them to delayed payments, withheld earnings, and sudden contract terminations without recourse.

The case of **Loh Guet Ching v Minister of Human Resources** [2022] MLJU 2503 ("the Grab Case") highlights the challenges faced by gig workers in Malaysia in respect of the lack of protection against unfair dismissals.

In this case, a former Grab driver, applied for judicial review to challenge the decision of the Minister of Human Resources declining to refer her representation of unfair dismissal against "Grab" to the Industrial Court (prior to the amendments to the **Industrial Relation Act 1967**¹).

The judicial review application was dismissed by the High Court, and on appeal, the Court of Appeal upheld the High Court's decision — ruling that Grab drivers do not fall within the category of "*workman*" as defined under section 2 of the **Industrial Relations Act 1967** and therefore cannot file a representation for unfair dismissal. The Federal Court later dismissed her application for leave to appeal to appeal to the Federal Court.²

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The above-mentioned issues faced by the gig workers and the Grab Case, emphasised the pressing need for legislative reform; a concern that ultimately paved the way for the Gig Workers Bill 2025 (“**the Bill**”) which seeks to safeguard the rights of gig workers, clarify the responsibilities of contracting entities, and standardise service agreements.

The Bill has since been passed by Dewan Rakyat on 28 August 2025 and approved by Dewan Negara on 9 September 2025, and when the Bill becomes law (i.e. upon it being gazetted as an Act, and coming into effect on a date to be determined later) it is estimated that approximately 1.2 million of the gig workers in Malaysia will stand to benefit from the formal recognition of benefits and rights under the law³.

In this update, we highlight some of the key features and provisions which the Bill/upcoming Act will introduce.

Key Features and Provisions Under the Bill

1. Key Definitions

The Bill introduces key definitions that create a distinct legal status for gig workers, separate from employees:

- (a) **Gig worker:** A Malaysian citizen or permanent resident who enters into a service agreement with a contracting entity to perform services in exchange for earnings.
- (b) **Contracting entity:** Any individual, body corporate, or platform provider that engages gig workers.
- (c) **Platform provider:** A digital intermediary system that connects gig workers to service users.
- (d) **Service agreement:** Any oral or written agreement between a contracting entity and a gig worker for services in Malaysia in exchange for earnings. It explicitly excludes a “*contract of service*” under the **Employment Act 1955** or a “*contract of employment*” under the **Industrial Relations Act 1967**.

2. Contractual Provisions

The Bill provides that the service agreements between gig workers and the contracting entity must clearly state amongst others, the names of the parties, the period of the agreement, the services involved, each party's obligations, the rate and details of earnings, the method of payment, and benefits or tips (if any).

Existing service agreements remain valid for their specified duration but are now subject to the protections and requirements provided by the Bill. Any terms that are

less favourable to gig workers than those provided under the Act are void and replaced with the statutory terms and conditions, although agreements may still offer more favourable conditions if both parties agree to the same.

Such requirements for basic contents of the service agreements would help establish a clear and consistent framework for service agreements, thereby providing greater clarity on the rights and obligations between parties.

3. Key Rights of Gig Workers

The Bill also provides amongst others, the following,

- (a) Gig workers would be entitled to be informed of the terms of their service agreement, including the nature of the services, payment rates and methods, prior to undertaking the service.
- (b) Gig workers are also entitled to timely payment of earnings, to be consulted and informed of any variation to the terms of the agreement, and to access to dispute resolution. Most importantly, a gig worker's service cannot be terminated without just cause or excuse, and any contractual terms attempting to waive or limit these rights shall be null and void.
- (c) Enhanced protections for the gig workers working through digital platforms, whereby platform providers must disclose the use of automated systems for monitoring or assigning work, together with their potential consequences, and workers must be given access to a non-automated (i.e. human) review of decisions made by these systems.
- (d) If payment terms are not expressly set out in the service agreement, contracting entities are required to pay within 7 days of service completion. Deductions from earnings are tightly restricted to specific situations, such as recovery of overpayments. Gig workers, other than those engaged by individuals, may also request an earnings slip.
- (e) Clear safeguards for suspensions and deactivation. A platform provider may only suspend or deactivate a worker in accordance with the service agreement or where misconduct is involved. Any suspension for inquiry purposes must not exceed 14 days, the worker must be notified in writing, and they must be given an opportunity to be heard. If no grounds are established, access must be restored with compensation for lost earnings.
- (f) Right of the gig workers to form or join associations under the Societies Act 1966.

The Bill closes a major gap by granting gig workers clear legal rights and protections. It sets out what gig workers are entitled to and what contracting entities must provide, with additional rules for those working through digital platforms.

4. Dispute Resolution Mechanisms

In addition to some of the rights mentioned above, the Bill also establishes a structured dispute resolution framework to ensure gig workers have accessible and effective avenues to address grievances with the contracting entities.

- Internally

A gig worker may lodge a complaint of a dispute (in relation to the terms and conditions of the service agreement, any rights of the gig worker, or any other matters relating to the Bill) in writing to a contracting entity, other than an individual or sole proprietor.

Upon receiving the complaint, the contracting entity shall initiate and resolve the dispute by way of an internal grievance mechanism (provided under the service agreement) within 30 days of the lodging of the complaint.

It should be noted that whilst this early resolution stage is valuable, it may lead to inconsistent practices as the Bill leaves flexibility in how contracting entities design their mechanisms.

- Externally

A gig worker may also lodge a complaint of dispute for a conciliation before a Conciliator (Director General or Deputy Director General for Industrial Relations, and any appointed officer) in the following circumstances:

- (a) Where there is a complaint of dispute against a contracting entity who is an individual or a sole proprietor;
- (b) Where the gig worker is dissatisfied with the decision of platform provider who deactivates the access of a gig worker to the digital intermediary system (preventing him from performing the services under the agreement);
- (c) Where the contracting entity does not provide for internal grievance mechanism;
- (d) Where the gig worker is dissatisfied with the decision of the contracting entity through the internal grievance mechanism; or
- (e) Where the dispute failed to be resolved through internal grievance mechanism after the 30-days period has lapsed.

Conciliators may facilitate settlements, or where a settlement seems unlikely, refer the matter to the Gig Workers Tribunal (“**Tribunal**”). The Minister of Human Resources may also conciliate any dispute and refer unresolved disputes to the Tribunal.

The Tribunal will be a dedicated body designed to provide gig workers with a fair and accessible avenue for resolving disputes referred to by the Conciliators or the Minister, as the case may be. This represents a landmark step towards protecting gig workers, offering them a formal redress mechanism that was previously unavailable for them.

However, the jurisdiction of the Tribunal does not extend to offences under the Bill, social security matters, occupational health matters, which are governed by the Labour Department, the Social Security Organisation (“**SOCISO**”), and Department of Safety and Health respectively.

Proceedings are open to the public, and parties may not be represented by advocates and solicitors, instead, they represent themselves or can be assisted by authorised employees, trade association officials, or family members. It should be noted that this restriction against having legal representation may, however, restrict adequate representation in more complex cases or even create an unfair playing ground before the Tribunal, especially in cases where the contracting entities may have large legal teams consisting of legally trained individuals.

Under the Bill, Tribunal awards must be delivered promptly, ideally within 30 days of the last hearing, and may include compensation, reinstatement of access to platforms, refunds of wrongful deductions, or variation of service agreements. Tribunal awards are binding, deemed to have the force of a Sessions Court order, and are enforceable. Appeals to the High Court must be filed within 14 days of the Tribunal’s decision.

Non-compliance with Tribunal awards is a criminal offence, carrying fines of up to RM50,000, imprisonment of up to two years, or both, with daily fines for continuing breaches — with the Director General of Labour overseeing compliance and enforcement of awards of the Tribunal.

5. Social Security Protection

The Bill further establishes a framework that extends social security protection to gig workers, anchoring them within Malaysia’s existing SOCISO system.

This framework, however, only applies to platform providers (but not any other contracting parties) — whereby platform providers must amongst others, ensure

that the necessary registration of workers, deduction of earnings as contributions made to the Self-Employment Social Security Scheme (“SESSS”) administered by SOCSO; thereby ensuring protection against loss of income arising from illness, injury, or other risks.

The Bill does not appear to impose an obligation on the part of the platform providers to make contributions to SOCSO for the benefit of their gig workers like how traditional employers are required to, thereby putting a clear demarcation between obligations of a traditional employer and a platform provider.

The Bill also provides the gig workers the right to access clear information on these deductions through the provider’s digital platform and requires the platform providers to implement any occupational safety, health, and welfare measures directed by SOCSO under cooperative programs.

Non-compliance may result in imprisonment for a term not exceeding two years or a fine not exceeding RM10,000 or both.

By making platform providers responsible for registration and contributions, the burden of compliance is shifted away from the individual gig workers, some of whom may decide to forgo social security protections over retaining their earnings.

6. Occupational Safety and Health

The Bill also introduces a framework to safeguard gig workers’ occupational safety and health, which applies to contracting entities other than individuals and to gig workers themselves.

Contracting entities are under a clear statutory duty to ensure safe working conditions. They must conduct risk assessments to identify hazards and implement appropriate control measures; provide safe equipment and facilities; and ensure that gig workers are not exposed to risks arising from the entity’s arrangements or processes.

Entities are also required to give workers adequate information, instruction, training, and supervision tailored to the risks identified. Emergency procedures must be developed and implemented, and any occupational accidents or diseases must be reported to the Director General of Occupational Safety and Health.

Gig workers themselves also have responsibilities which include, ensuring that they comply safety and health measures provided by contracting entities, follow instructions regarding safe practices, and adhere to established emergency procedures.

Breaches of these duties are criminalised, carrying penalties of up to RM2,000 in fines, three months' imprisonment, or both — applying to both contracting employees as well as gig workers.

These provisions bring gig workers within Malaysia's occupational safety framework for the first time. However, it is pertinent to bear in mind that many gig workers operate independently, outside traditional workplaces, making it difficult to implement training or risk assessments. At the same time, criminalising workers for non-compliance may place a heavy burden on individuals who lack bargaining power or resources.

7. Establishment of the Consultative Council

Lastly, the Bill also introduces the establishment of the Consultative Council which is amongst others, responsible to advise and make recommendation to the Government on matters such as the minimum earnings rates, the formula to be applied on the earnings, and the minimum standard to be applied in accordance with sectors, regional areas and type of gig worker or services, and other matters relating to the Bill.

Future Outlook and Conclusion

This Bill marks a historic milestone as Malaysia's first law dedicated to gig worker protection. This is a crucial step towards a fairer and more inclusive gig economy. This legislative development marks a pivotal change as it formally acknowledges gig workers as a distinct labour group while establishing legal safeguards for their welfare. With its passage, Malaysia is the 16th country to legally define gig workers⁴.

It also represents a turning point in Malaysia's labour law, directly addressing the vulnerabilities exposed in the Grab Case. This gap is now decisively bridged: the Bill establishes a dedicated Tribunal, enforceable remedies, and procedural safeguards against arbitrary termination, giving gig workers the legal recognition they previously lacked.

Malaysia's move is part of a wider global trend. Singapore's Platform Workers Act 2024, for example, similarly sets out rights and obligations for platform operators and workers, establishes platform work associations, and amends existing laws to expand coverage. It defines "*platform services*" to include ride-hailing and delivery work, much like in Malaysia. Key features include mandatory Central Provident Fund contributions for platform workers, mirroring Malaysia's requirement for SESSS contributions under SOCSO.

The Singapore's Platform Workers Act 2024 also imposes record-keeping obligations, requires earnings slips, and extends work injury compensation and occupational safety protections through amendments to existing legislation. Both frameworks reflect a comprehensive effort to embed worker welfare into the gig economy, underscoring the

global recognition of gig workers as a distinct labour category requiring statutory safeguards.

There is no doubt that the Bill is a step in the right direction. Its success, however, will depend on consistent enforcement, adequate resourcing, and genuine cooperation from contracting entities. It is also equally important to ensure gig workers are aware of their rights and can access the Tribunal without barriers.

If these challenges are met, the Bill could transform the precarious gig work into a sustainable model of fair and flexible labour.

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¹ For more details on the amendments to the Industrial Relations Act 1967, please click [here](#).

² [2022] MLJU 2503; <https://tinyurl.com/bdf5zxbp>.

³ <https://tinyurl.com/377wsfpy>.

⁴ <https://tinyurl.com/55xnfc3x>.

⁵ We extend our thanks to Amandeep Atwal for his valuable input and collaborative support in this article.