

REDUCING UNNECESSARY REGULATORY BURDENS ON BUSINESS: MAINTENANCE, REPAIR AND OVERHAUL (MRO) FOR OIL AND GAS SERVICES INDUSTRY

May 2017

Issues Paper

The Maintenance, Repair and Overhaul (MRO) for Oil and Gas Services Issues Paper

MPC is releasing this issues paper to assist individuals and organisations to prepare and participate in the review. It contains and outlines:

- the scope of the review;
- matters about which MPC is seeking comment and information; and
- information about how you can get involved in the review.

Participants may add any comments which they consider relevant to the review.

Due date for submissions: 22 August 2017

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CONTENTS

	page
1.0 TERMS OF REFERENCE	1
1.1 Making a submission or meeting with the MPC	2
1.1.1 Use of information	3
1.1.2 Confidential Information	3
2.0 THE PROPOSED SCOPE OF THE STUDY	4
2.1 What is to be covered by this study?	4
2.1.1 Maintenance Repair and Overhaul for the oil and gas industry (MRO)	5
2.2 What are unnecessary regulatory burdens and restrictions on competition?	7
2.2.1 What regulation will be covered in this review?	7
2.2.2 Why do governments regulate industries?	8
2.2.3 What are regulatory burdens?	9
2.2.4 What are unnecessary regulatory burdens?	10
3.0 OUR APPROACH	11
3.1 Structure, conduct, performance	11
3.2 Where regulations impact on the MRO business	11
3.3 Concerns businesses have with any aspect of the regulation of MRO	11
4.0 AN INVITATION TO COMMENT	12
5.0 POSSIBLE ISSUES	13
5.1 Business concern 1- Goods and Services Tax (movement of equipment)	13
5.2 Business concern 2-Goods and services tax (impact on cash flow)	15
5.3 Business concern 3- work permit for non Sarawakian	17
5.4 Business concern 4- importation of explosive material	18
5.5 Business concern 5-Investment tax allowance	19
5.6 Business concern 6- setting up of bonded warehouse	21

1.0 TERMS OF REFERENCE

The Malaysian Productivity Corporation (MPC) is undertaking a study on reducing unnecessary regulatory burdens on the Maintenance Repair and Overhaul (MRO) for the oil and gas services industry. This study arises from the mandate given to MPC under the 11th Malaysia Plan to carry out regulatory reviews, making it easier to do business in Malaysia.

Without presumption, this project shall highlight concerns of the industry players with the current regulatory framework in relation to the MRO business and the feedback from the relevant regulators. The report will focus on the regulations that businesses consider burdensome to them (in complying with the requirements) and investigate the purpose or intent of such regulations with a view to reducing or removing any unnecessary regulatory burdens. MPC is interested not only in written rules but also on how they are administered by the regulators. In addition, MPC will also be seeking to identify regulations which create unnecessary barriers to competition.

The purpose of this issues paper is to outline what is being reviewed and our proposed approach to this review so that interested parties can find out how they may participate. MPC may also directly contact interested parties, representatives of the public and private sectors, with expertise or experience in the Malaysian MRO business who can assist in the study.

The issues identified in this paper represent those that seem most relevant at this stage and may change as MPC receives more feedback from interested parties. The paper draws on a range of reports on the MRO business, including the MPC's reviews already conducted on this topic. Hence, parties should feel free to raise any other issues they consider relevant to this study.

The responses to this issues paper, along with other information gathered through targeted interviews and research, will contribute towards the development of the

draft report, which will set out the options for addressing unnecessary regulatory burdens in the MRO business.

Updates on the progress of this review will be provided on the MPC's website.

1.1 Making a submission or meeting with the MPC

Anyone is invited to make a submission (written or electronic) on the issues relating to the MRO business. A submission can range from a short letter on a single issue to a more substantial document covering a range of issues. Your submission may respond to any or all of the issues outlined, depending on your interest. In addition, you are welcome to raise other issues and provide other information that you think might be relevant to this study. Where possible any views outlined in the submission should be supported by evidence, such as references to independent research, facts and figures, or examples. While every submission is welcome, multiple, identical submissions do not carry any more weight than the merits of an argument in a single submission. Please also include your name, or the name of your organisation, and contact details. Should you wish to remain anonymous, please indicate this and MPC will keep your name confidential.

Submissions may be sent by completing the 'expression of interest' form that can be downloaded at MPC corporation's website (<http://www.mpc.gov.my/reducing-unnecessary-regulatory-burdens-rurb-2>) and submit to us through email or post. Electronic submissions should be in Adobe Acrobat or Microsoft Word or compatible format. If you would prefer a meeting with MPC instead of putting in a submission, please indicate this on the form.

1.1.1 Use of information

The information provided in the submissions will be used to form our analysis and advice given to the government on unnecessary regulatory burden for the MRO business, to gauge the position and preference of the stakeholders and more generally to increase MPC's knowledge of the MRO business. We may contact submitters directly if we require clarification on any matters in the submission.

We intend to post the written submissions received on the issues paper on MPC's website at <http://www.mpc.gov.my/reducing-unnecessary-regulatory-burdens-rurb-2>. Therefore, please read the advice below regarding confidential or private information.

1.1.2 Confidential Information

If your submission contains any confidential information, please indicate this on the front of the submission. In addition, the confidential information should be clearly marked within the text, for example, by including the confidential information in square brackets or as a separate appendix.

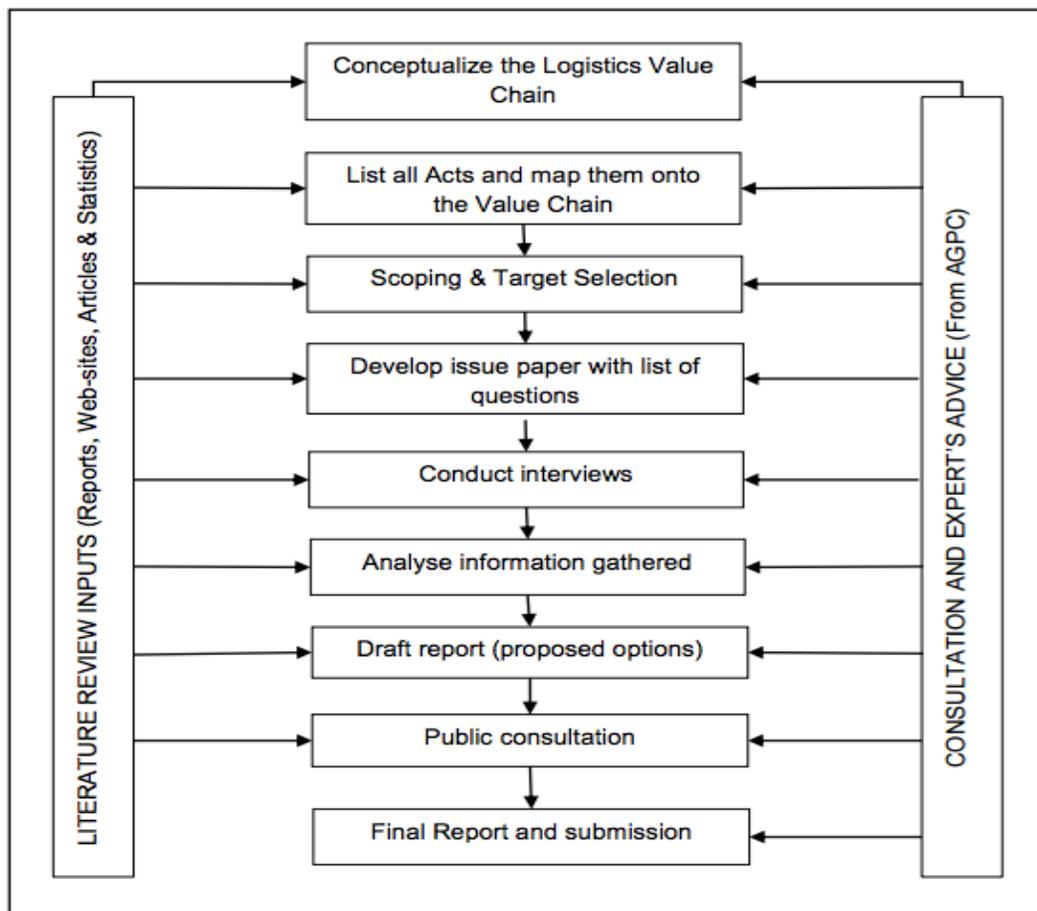
If you wish to provide a submission with confidential information, we prefer that you also provide a separate public version of the submission which excludes the confidential information. If provided, the public version will be posted on the MPC's website.

2.0 THE PROPOSED SCOPE OF THE STUDY

2.1 What is to be covered by this study?

The study will emulate the approach used by the Australian Government Productivity Commission (AGPC). The team will select a sample of MRO companies across the country and will interview the senior management personnel to identify the regulatory issues of concern. Based on the principles of good regulatory practices, the team will formulate feasible options for further deliberation. These issues and options will be subject to further consultation with relevant stakeholders in order to develop concrete recommendations that will reduce unnecessary regulatory burdens. Figure 2.1 below summarises the study process for this review.

Figure 2.1: The study process for the review



Source: Malaysian Productivity Corporation

In undertaking the review, MPC will:

1. identify areas that are:
 - a) unnecessarily burdensome, complex or redundant;
 - b) duplicative regulations or roles of regulatory bodies, including in other jurisdictions; and/or
 - c) unnecessarily restrictive to competition
2. develop a short list of priority areas for removing or reducing regulatory burdens which impact mainly on the sector under review and have the potential to deliver the greatest productivity gains to the economy; and
3. for this short list, identify regulatory and non-regulatory options which might alleviate the regulatory burdens - including those which will enhance regulatory consistency across jurisdictions, or reduce duplication and overlap in regulation or in the role of regulatory bodies - and, where appropriate, recommend which option/s are the most suitable.

2.1.1 Maintenance Repair and Overhaul for the oil and gas industry (MRO)

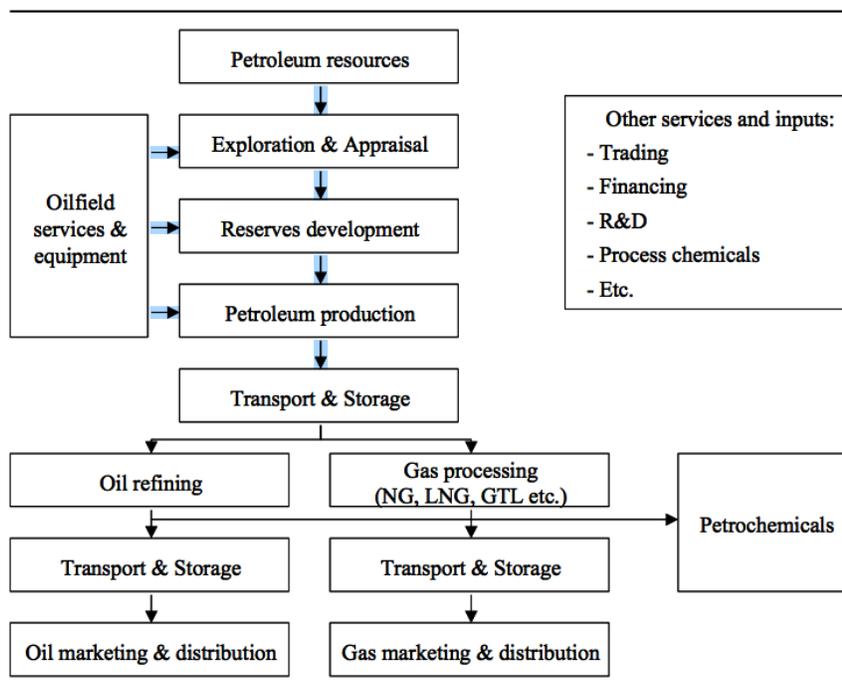
The value chain of the oil and gas industry

The value chain of the oil and gas industry is divided into the upstream and downstream segments (figure 2.2). Activities in the upstream segment are the exploration, development and production of hydrocarbon resources namely crude oil and/or natural gas.

Downstream activities are the refinement of crude oil, processing of gas including liquefaction, marketing, trading and distribution of end products to consumers. Transportation and storage are critical in both the upstream and downstream segments of the value chain. In the upstream segment, crude oil is transported by means of pipelines to storage facility and refinery. Tankers are used to export crude oil to international markets. Pipelines are used to transport natural gas from the production site to the processing plant and customers.

In the downstream segment, refined oil is transported to storage facility by pipelines. Pipelines, railways and roads are normally used to distribute end products in domestic markets, while tankers are used to reach customers in transoceanic markets. Natural gas pipeline network transports pure natural gas from production sites or processing plants to consumers. Liquefaction process converts natural gas into liquid form (LNG) for the purpose of transportation using specialised LNG carriers equipped with pressurised, refrigerated, and insulated tanks. Similar specialised tankers are also used to transport natural gas liquids. Storage facilities for refined oil are often located near the refining facilities and are connected to pipeline systems to facilitate shipment. Natural gas is usually stored underground, in large storage reservoirs. Natural gas can also be stored in liquid form as liquefied natural gas (LNG). Natural gas, natural gas liquid and certain petroleum refinery products also represent the principal feedstock for the petrochemicals industry, hence the inclusion of the MRO services for the industry in the study.

Figure 2.2: The value chain of the oil and gas industry



**source: World Bank Group*

MRO services

The MRO business provides a wide variety of support services throughout the entire value chain of the oil and gas industry. MRO services for the industry are mainly in the form of preventive and corrective maintenance that involves repair, overhaul, inspection, testing and calibration of equipment, instruments and meters to keep them in good working conditions that meet the technical and safety standards and to ensure they make accurate measurements and readings as well as to protect the wellbeing of personnel.

The MRO business provides services in the upstream segment of the oil and gas industry that include the maintenance of drilling equipment, wells, offshore infrastructure, platforms and processing facilities for optimum productivity. MRO services are also required in the downstream sector for the maintenance of equipment, instruments and facilities at the refineries, processing and liquefaction plants, as well as those at the petrochemical plants.

The pipeline networks need maintenance to check for leakage and put in place appropriate preventive or corrective measures. The maintenance of vessels such as storage tanks, trucks, demountable tanks, ships, barges and specialised natural gas liquid and LNG carriers ensures accurate quantity measurement of oil and liquefied gas on board the vessels. Vehicle maintenance is crucial for safe and reliable transportation of crude and refined oil and natural and liquefied gas.

2.2 What are unnecessary regulatory burdens and restrictions on competition?

2.2.1 What regulation will be covered in this review?

MPC is assessing both written regulation and the administration and enforcement of regulations. With regards to written regulation, all types of legislative instruments used by the Malaysian Federal and State Governments as well as rules set by Local Governments, such as by-laws, guidelines, circulars, code or policies are potentially under review. The conditions contained in licenses, permits,

consents, registration requirements and leases are also under review where they impose compliance burdens or restrict competition,

2.2.2 Why do governments regulate industries?

Governments impose regulation to ensure that the economic market operates effectively and efficiently in a smooth, fair and honest manner, with the purpose of achieving economic, social, political and environmental outcomes for the government while safeguarding the interests of consumers and securing the welfare of the society.

When regulation is used appropriately it addresses market imperfections which would otherwise result in less than optimal levels and qualities of output. Regulation promotes a competitive and fair trading environment in the market, improving the efficiency with which economic resources are allocated. Regulation minimises market uncertainty and creates a stable and predictable environment to encourage investment, which ultimately benefits consumers. An efficient market promotes economic growth which creates high level of employment, alters the distribution of income for greater economic equity in the society and enables the fulfilment of social and environmental goals.

Market failure

Market failure exists when the competitive outcome of markets is not efficient from the point of view of society as a whole. This is usually because the benefits that the free-market offers on individuals or businesses carrying out a particular activity diverge from the benefits to society as a whole. The result is a loss of economic and social welfare.

For the MRO business, the main market imperfections of relevance are those arising from:

- Monopoly market power of dominant firms that undermines competition and leads to inefficient allocation of resources, preventing small and medium

businesses from entering the market.

- Negative externalities due to economic activities that cause harmful effect on third parties and degrade the environment. Externalities such as the greenhouse effect, water and air pollution are harmful to the public health, plants and animals.
- Information failure where firms or individuals have a lack of information about economic decision due to information asymmetries, failure to disclose information, lack in awareness or misinformation.

2.2.3 What are regulatory burdens?

Regulatory burdens are costs that result from mandatory compliance with regulation placed on business by government or its agents that would otherwise not arise. Where requirements from regulation create a change in business behaviour and practices, a regulatory burden can be said to exist. Regulations can adversely impact business in various ways. Most fall under the following four categories of cost impacts:

- a) administrative and operational requirements, such as:
 - i. reporting, record keeping
 - ii. getting legal advice, training
- b) requirements on the way goods are produced or services applied, such as:
 - i. prescription on production methods
 - ii. occupational registration requirements, requiring professionals to use particular techniques
- c) requirements on the characteristics of what is produced or supplied, such as:
 - i. being required to provide air bags in all motor vehicles
 - ii. requiring teachers or trainers to cover particular topics
- d) lost production and marketing opportunities due to prohibitions, such as:
 - i. when certain products or services are banned.

2.2.4 What are unnecessary regulatory burdens?

While it is usually necessary that some burden is placed on business for regulation to achieve its objectives, where it is poorly designed or its enforcement and administration is not implemented well, it may impose greater burdens than necessary. Unnecessary regulatory burdens arise as additional costs involved in meeting excessive or unnecessary requirements of the regulatory frameworks.

Examples of unnecessary burdens are:

- a) excessive coverage of regulations, including regulatory creep⁴, so that regulations that encompass more activity than was intended or is needed to achieve their objectives;
- b) subject-specific regulations that cover much the same ground as other generic regulation;
- c) prescriptive regulation that unduly limits flexibility, such as preventing:
 - i. businesses from meeting the underlying objectives of regulation in different ways
 - ii. use of the best technology
 - iii. product changes to better meet consumer demand;
- d) overly complex regulation;
- e) unwieldy licence application and approval processes;
- f) excessive time delays in obtaining responses and decisions from regulators;
- g) rules or enforcement approaches that inadvertently provide incentives to operate in less efficient ways;
- h) unnecessarily invasive regulator behavior, such as overly frequent inspections or information requests;
- i) an overlap or conflict in regulations and/or the activities of different regulators; and
- j) inconsistent application or interpretation of regulation by regulators.

3.0 OUR APPROACH

3.1 Structure, conduct, performance

The study will emulate the approach used by the AGPC to identify regulatory burdens of most concern to the MRO business and identify which of these burdens are unnecessary in that they could be reduced without compromising the achievement of the objectives of the regulations. It will review any regulations and guidelines that could impair the business performance.

3.2 Where regulations impact on the MRO business

Although there is no specific Act governing the MRO business, MRO business must comply with the relevant Acts and regulations associated with MRO services provided at various stages of value chain of the oil and gas industry. For example, MRO businesses are bound by the Customs Act 1967 and the GST Act 2013 relating to the movements of goods such as equipment, within and out of Malaysia and the Immigration Act 1959 on matters regarding the employment of expatriates and foreign workers. Other relevant Acts include the Employment Act 1955, Environmental Quality Act 1974, Factories and Machinery Act 1967 and Occupational Safety and Health Act 1993. MRO service providers often encounter problems/issues when complying with the regulatory requirements of those Acts.

3.3 Concerns businesses have with any aspect of the regulation of the MRO

MPC is interested in the views of interested parties on concerns they have with regulations and/or the way they are administered or enforced. Without limiting, in any way, the issues that participants may wish to raise, the sort of areas which may be relevant include:

- a) The time and financial costs directly involved in complying with regulations, such as form filling, mandatory returns and etc.
- b) Regulatory requirements which limit a business's capacity to enter parts of the industry or to expand.
- c) Factors which affect a business's decision to provide a service

- d) Regulations on financing a project such as the limit allowed for banks/financiers to finance a project.
- e) Requirements that must be satisfied to gain approval.
- f) Regulatory requirements/enforcement during the provision of service such as permits to obtain explosive material, tax on servicing equipment, safety of employees at sites, and issue of labours.
- g) Issuance of certificate of fitness upon completion of service.

4.0 AN INVITATION TO COMMENT

The MPC is seeking feedback from interested parties, public and private sector representatives, with expertise or experience in the Malaysian MRO business, who can assist in the study. Below are some of the information sought that will help in our review:

- Which regulations concern you the most? Why?
- Which regulations are the hardest to comply with?
- Which regulations do you think are too burdensome given what they are trying to achieve?
- Do you think any regulations are not justified at all?
- Are some regulatory requirements inconsistent?
- Do you consider other regulatory administrators do a good or a poor job? In what ways?
- Do you find administrators are consistent in their decisions?
- Do you find they are helpful or unhelpful in advising you how to comply?
- Are there any publicly available guidelines?
- How long do regulators take to respond to applications, etc?
- Do you have any suggestions for reducing the burden of compliance of regulations?

5.0 POSSIBLE ISSUES

The following subsections describe a number of issues that were gathered from the initial engagement with businesses in the MRO business.

5.1 Business concern 1 - Goods and Services Tax (movement of equipment)

A company must charge GST on its own equipment taken out from its principle place of business in Labuan for a few months to service its client outside Labuan. The equipment will be returned to Labuan upon the completion of the servicing activity.

Background

Under the GST legislation, Labuan is one of three Designated Areas, the other two being Langkawi and Tioman. [Guide on Designated Area (section 7)] A designated area is considered to be a place outside Malaysia.

GST is charged on any taxable supply of goods and services made in the course or furtherance of business in Malaysia and any importation of goods into Malaysia by a taxable person. [GST Act 2014 (section 9)] Therefore, GST is not charged for taking the equipment out from Labuan to an overseas client as they are both considered to be outside Malaysia. [General Guide Draft (section 5)]

However, if the client is in Malaysia, then the above situation is deemed to be an importation of goods into Malaysia under lease agreement, where there is no sale involved and there is no transfer of ownership. The equipment is thus subject to GST at the exit point in Labuan. The value of the lease agreement may be used as the transaction value for the purpose of GST. [GST Act 2014 (section 156), Guide on Designated Area (sections 10 and Q24 of FQA)].

FQA

Q24. I am a manufacturer in Selangor and I have an agreement to lease a machine from a trader in Labuan for a period of two years. The equipment will be sent to my premise in Selangor and will be returned to Labuan as soon as the contract expires. What is the treatment of GST on the lease?

A24. Under the normal rule of GST, lease of goods is a supply of services and GST is imposed on the payment made regularly. However, if the lease involves goods transported from a designated area into Malaysia, the lease is deemed to be an importation of goods. In your case, when the machine is sent to you, that machine is subject to GST at the exit point in Labuan. Nevertheless, if you are a registered person, GST paid on the import is claimable as your input tax credit. Please refer to paragraph 9 above.

Guide on Designated Area (FQA Q24)

Issue

Having to pay GST every time the equipment enters Malaysia is very taxing on the client as the GST for the “importation” of the equipment must be paid up front. The much needed cash for his business operation is used instead to pay the GST upfront which may result in a cash flow problem. Although the recipient of the equipment in Malaysia is entitled to claim the GST paid on the import as his input tax credit if he is a registered person, [General Guide Draft (section 109)] the inconvenience is an unnecessary burden to the Labuan based company and its client in Malaysia.

5.2 Business concern 2 - Goods and services tax (impact on cash flow)

GST is a burden for SME's cash flow.

Background

GST is charged and levied on any supply of goods or services made in the course of furtherance of any business by a taxable person in Malaysia. GST is also charged on any importation of goods and services into Malaysia as per section 9 of GST Act 2014.

A taxable person is assigned a taxable period which will end on the last day of the month of any calendar year according to the table below. The length of taxable period or the date on which any taxable period begins or ends may be varied. [General Guide (sections 151, 152)]

Annual sales	Category	Taxable period of
RM 5 Million and above	A	One month
Less than RM 5 Million	B	Three months

General Guide (sections 151, 152)]

The GST return must be furnished and the tax paid in the amount due not later than the last day of the month following the end of the taxable period [General Guide (sections 164, 165, 175, 176)]

Issues

1. Generally, GST is accounted for on an invoice basis, which requires the taxable person to account for output tax on the date in which the tax becomes due and claim input tax on the date in which he holds a valid tax invoice. [GST Act 2014 (section 37), General Guide (sections 153)]

An invoice does not immediately translate to cash. There is usually a considerable time lap involved before the actual payment materialises. As a

result, there may not be sufficient fund to pay the amount due to GST on time. Consequently, the taxable person is imposed a late payment penalty as shown below. [General Guide (section 181)]

Tax remains unpaid	Rate of penalty	Cumulative
1-30 days	5%	5%
31-60 days	5%	10%
61-90 days	3%	13%
91-120 days	3%	16%
121-150 days	3%	19%
151-180 days	3%	22%
181 days or more	3%	25%

General Guide (section 181)]

2. GST on the importation of goods is payable at the time the customs duty if any, is paid to Customs. If no customs duty is applicable, the GST is payable at the time such goods are released from customs control [General Guide (sections 106, 107, 108)]

The amount of GST for importation of goods that must be paid upfront is usually significant. Again, the issue of cash flow is centrepiece.

Even if the taxable person is able to fulfil his obligation, it puts a dent to his cash flow and hence affects the efficiency of his business operation. These prove to be a burden, financially and psychologically, to the taxable person.

5.3 Business concern 3 - work permit for non Sarawakian

Sarawak Government imposes a work permit requirement for non Sarawakian.

Business is concerned with the SOP at the Bintulu Immigration office, where an oil and gas specialist must be present in Bintulu before the company can apply for his work permit. Typically, the processing time is 5 days which costs the business about RM20,000 for the unproductive waiting period.

Background

The Immigration Act 1959/1963 is applied as a special law for Sarawak in accordance with the special provision given to the East Malaysia states in the Act. [The Immigration Act 1959/1963 (Part VII)] The special provision allows Sarawak to enforce and administer the Act independently of the Federal Government. This means that the state authority has the privilege of making and administering its own rules and procedures according to its interpretation of the Act. The state Director has the same authority as vested in the Director General of the Federal Immigration department in exercising powers and discretions in line with any directions given to him by the State authority. The Minister does not entertain any appeal against the state Director's decision without the concurrence of the state authority. [The Immigration Act 1959/1963 (sections 64, 65)]

Sarawak has independent control of entry into the state which requires non Sarawakian including other Malaysians to have a valid entry permit for entering and remaining in the state. [The Immigration Act 1959/1963 (section 66)]

Issue

Non Sarawakian who intends to work in the state must have a valid work permit. The application for work permit can be made at any of the state's immigration offices such as in Kuching, Miri and Bintulu.

Malaysian MRO companies are experiencing differing SOPs at the immigration offices when applying for their employees' work permits. The Bintulu Immigration office requires the presence of the employee concerned in Bintulu before the company makes the application for his work permit. However, the Miri office does not impose such condition.

The requirement puts a financial constraint on the company. Bringing in the personnel to Bintulu compels the company to compensate him for the duration of his stay, even though he cannot start work yet. The typical processing time for an application is five days. In addition to that, there are travelling expenses, including insurance that must be borne by the company. The unnecessary cost for the work permit of an oil and gas specialist would set the company back by RM20,000.

5.4 Business concern 4 - importation of explosive material

Importing explosive materials requires approval from the police. The business raises its concern that the company is required to get the approval from Ketua Polis Sabah. The location of the company in Labuan and the unavailability of Ketua Polis Sabah constraints business activities.

Background

The manufacture, use, sale, storage, transport, import and export of explosives is governed by the Explosive Act 1957 (Act 207) under the jurisdiction of the Ministry of Home Affairs. The importation of explosives requires a license from the Royal Malaysia Police. There are two types of license for the importation of explosives, completely knocked down (CKD) and completely built up (CBU) explosives.

[\[www.rmp.gov.my\]](http://www.rmp.gov.my)

The form for the application of license to import CKD must be obtained at the nearest district police headquarters. The approval for the license is given by the district chief of police.

The applicant of the importation license of CBU must obtain the form at the nearest district police headquarters. The approval for the license is given by the Ministry of Home Affairs.

Issue

A company in Sabah is required to obtain the approval from the state Police Chief for the importation of explosives. As the company is based in Labuan while the Police Chief of Sabah holds office in Kota Kinabalu, the requirement imposes a significant burden on the company. It is inconvenient for the company personnel to travel the long distance every time it needs to obtain an approval. There is also the uncertainty of the availability of the Police Chief at a time that his approval is needed. These two factors result in delays and unnecessary costs that ultimately affect the business operation hence productivity.

5.5 Business concern 5 - Investment tax allowance

Business complains about the difficulty in obtaining approval for Investment Tax Allowance.

Background

The Malaysian Government has made available a tax incentive in the form of Investment Tax Allowance to new or expanding companies providing integrated logistics services. [www.mida.gov.my]

The Investment Tax Allowance amounts to 60% of the qualifying capital expenditure incurred within five years from the date on which the first qualifying capital expenditure is incurred. The allowance can be offset against 70% of statutory income.

In order to qualify for the Investment Tax Allowance, the company must satisfy the following criteria:

- The company is locally incorporated under the Companies Act, 1965.
- The company is an integrated logistics services provider undertaking the following three principal activities:
 - Freight forwarding
 - Warehousing
 - Transportation
 and at least one of the following activities:
 - Distribution
 - Other related and value-added services/activities (e.g. palletizing, product assembly/installation, breaking bulk, consolidation, packaging/re-packaging, procurement, quality control, labelling/relabelling, testing, etc.)
 - Supply chain management.
- At least 60% of the equity is owned by Malaysian.
- The company must own a minimum of infrastructure of,
 - 20 units of commercial vehicles
 - 5000 sq. metres of warehousing facilities

Issue

The approval process for Investment Tax Allowance involves a few agencies such as MIDA, ECER, MOF and LHDN. However, Malaysian business finds it difficult to get a consensual approval from these agencies. There have been instances of inconsistencies in the ruling for the approval. A company with an investment plan of RM100 million had applied for an Investment Tax Allowance. Two of the agencies had given their approval however another had refused to do so.

Such situations could discourage investors from coming to the country. Efforts should be made to effectively create a favourable environment for investment.

5.6 Business concern 6 - setting up of bonded warehouse

Business raises its concern on the tedious Customs application process for setting up a bonded warehouse.

Background

Warehousing services falls under the category of logistics services. An operator can choose to operate as a Public Bonded Warehouse or a Private Bonded Warehouse. [Malaysia: Investment in the Services Sector, (Logistics Services)] A bonded or licensed warehouse is a warehouse or other place licensed for the warehousing of dutiable goods under section 65 of the Customs Act 1967.

- A Public Bonded Warehouse caters for the general public for bringing in dutiable goods. It is managed by private companies or government linked companies (GLCs).
- A Private Bonded Warehouse is managed by companies for storing their own dutiable goods and that of their related companies only.

[Malaysia: Investment in the Services Sector, (Logistics Services), GST Guide on Warehousing Scheme revised as at 22 December 2015, www.customs.my]

A company wishing to operate a public or private warehouse needs to apply for a license from the Customs Department. The following approvals must be obtained prior to applying for the license:

- Approval from DOE when operators store hazardous goods.
- Approval from the Fire and Rescue Department and other Technical Agencies.
- CCC from the Local Authority.

Issue

Business complains of unclear procedure for the application of the warehouse license. Business cannot get access to a proper guideline from the Customs Department's website. Precious resources in terms of manpower, time and money is spent making multiple visits to the Customs office in an effort to satisfy the requirements of the application, which is an unnecessary burden to the business.

Attachment : Expression of interest

RURB ON MRO SERVICES

Please complete and submit this form with your submission:

By email: safura@mpc.gov.my/alamin@mpc.gov.my OR by fax: (03) 7960 0211

Or by post: Malaysia Productivity Corporation

A-06-01, Tingkat 6, Blok A, PJ8

No.23, Jalan Barat, Seksyen 8

46050 Petaling Jaya, Selangor

Organization.....

Address.....

.....

State & Postcode

Principal contact

Phone

Position.....

Fax

Email address.....

Mobile

Please indicate your interest in this review:

- Be informed of developments including receiving the draft report
- Would like to be interviewed by the MPC
- Would like to make a submission
- Nature of your activity

Due date for submissions

Please send submissions to the MPC by **22 August 2017**