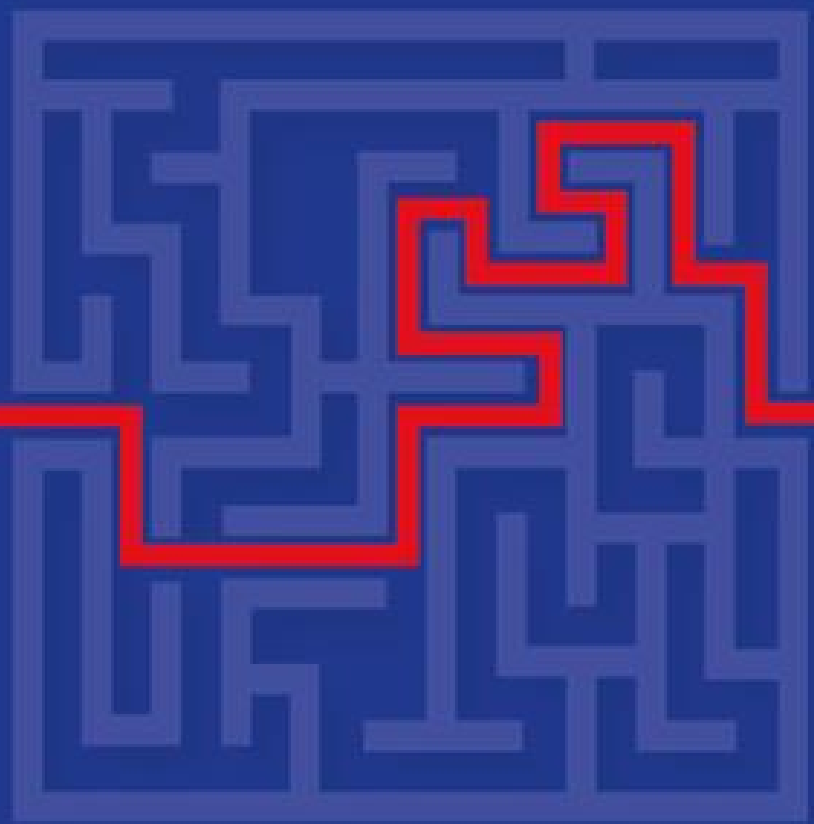




PEMUDAH

Pusat Pelanggan Ekspres Pemudahdaraan Perniagaan
The Special Task Force To Facilitate Business

Malaysia In Doing Business 2014



CONTENTS

Overview	3
Methodology	4
Highlights of Malaysia's Performance	8
Starting a Business	12
Dealing with Construction Permits	15
Getting Electricity	18
Registering Property	20
Getting Credit	23
Protecting Investors	25
Paying Taxes	27
Trading Across Borders	29
Enforcing Contracts	31
Resolving Insolvency	33
Way Forward	35
Industry's Perspective	40
 Appendices	
1. Doing Business Indicators for Malaysia and Selected Asian Countries	42
2. Overall Ranking on Doing Business 2014	46
3. Ranking on Doing Business 2014: ASEAN Countries	49
4. Ranking on Doing Business 2014: Asia-Pacific Countries	49
5. The 10 Economies Improving the Most Across 3 or More Areas Measured by Doing Business in 2012/2013	50
6. Good Practices Around the World	51

DOING BUSINESS 2014

Overview

1. The Doing Business 2014 is the 11th in a series of annual reports published by the World Bank (WB) and the International Financial Corporation (IFC) investigating the regulations that enhance business activity and those that constrain it. Doing Business presents quantitative indicators on business regulations and the protection of property rights that can be compared across 189 economies. Four economies have been added this year—Libya, Myanmar, San Marino and South Sudan. Regulations affecting 10 stages of the life of a business measured are:



2. The indicators presented and analysed in Doing Business measure business regulations and the protection of property rights and their effect on businesses, especially small and medium-size domestic firms. The indicators used to measure the relevant areas are:
 - i. The number of procedures to start a business or to register and transfer commercial property (those that are mandated by law or regulations);
 - ii. Time includes the days when actions take place and the waiting period between action;
 - iii. Costs (official costs of court procedures, including legal fees and other administrative fees);
 - iv. Other indicators such as recovery rate, hiring and firing indices, strength of legal rights index, credit information index and documents for export.
3. The report benchmarks the regulations that affect private sector firms, in particular small and medium size enterprises which helps mobilise policy makers to reduce the cost and complexity of government procedures and to improve the quality of institutions. In addition, a thriving private sector with new firms entering the market, creating jobs and developing innovative products contributes to a more prosperous society.
4. The Government plays a crucial role in supporting a dynamic ecosystem for firms. They set the rules that establish and clarify property rights, reduce the cost of resolving disputes and increase the predictability of economic transactions.

METHODOLOGY

5. The 11th edition of Doing Business Report 2014 seeks to measure business regulations for local firms. The project focuses on small and medium-size companies operating in the largest business city of an economy. It presents quantitative indicators on the regulations that apply to firms at different stages of their life cycle.

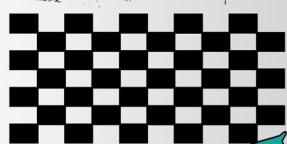
6. Doing Business captures several important dimensions of the regulatory environment as they apply to local firms. It provides quantitative measures of regulations for Starting a Business, Dealing with Construction Permits, Getting Electricity, Registering Property, Getting Credit, Protecting Investors, Paying Taxes, Trading Across Borders, Enforcing Contracts and Resolving Insolvency.
7. Thus, the economies that rank highest on the ease of doing business are not those where there is no regulation but those where governments have managed to create rules that facilitate interactions in the marketplace without needlessly hindering the development of the private sector. In essence, Doing Business is about smart business regulations, not necessarily fewer regulations.
8. Regulation is a reality from the beginning of a firm's life to the end. The life cycle shown below captures all the regulations as measured by Doing Business that affect the firms.



The Doing Business 2014 presents quantitative indicators on 10 areas of business regulation for 189 economies. The 10 areas are:

- **Starting a Business**
- **Dealing with Construction Permits**
- **Getting Electricity**
- **Registering Property**
- **Getting Credit**
- **Protecting Investors**
- **Paying Taxes**
- **Trading Across Borders**
- **Enforcing Contracts**
- **Resolving Insolvency**

Starting a Business



Records all procedures that are officially required for an entrepreneur to start up and formally operate an industrial or commercial business. These include obtaining all necessary licenses and permits and completing any required notifications, verifications or inscriptions for the company and employees with relevant authorities.

Dealing with Construction Permits



Records all procedures required for business in the construction industry to build a standardised warehouse. These procedures include submitting all relevant project-scientific documents (for example, building plans and site maps) to the authorities; obtaining all necessary clearances, licenses, permits and certificates; completing all required notifications; and receiving all necessary inspections. Doing Business also records procedures for obtaining connections for water, sewerage and a fixed telephone landline.

Getting Electricity



Records all procedures required for a business to obtain a permanent electricity connection and supply for a standardised warehouse. These procedures include applications and contracts with electricity utilities, all necessary inspections and clearances from the utility and other agencies and the external and final connection works.

Registering Property



Records the full sequence of procedures necessary for a business (buyer) to purchase a property from another business (seller) and to transfer the property title to the buyer's name so that the buyer can use the property for expanding its business, use the property as collateral in taking new loans or, if necessary, sell the property to another business.

Getting Credit



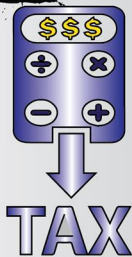
Measures the legal rights of borrowers and lenders with respect to secured transactions through one set of indicators and the sharing of credit information through another.

Protecting Investors



Measures the strength of minority shareholder protections against directors' misuse of corporate assets for personal gain. The indicators distinguish 3 dimensions of investors protections: transparency of related-party transactions (extent of disclosure index), liability for self-dealing (extent of director liability index) and shareholders' ability to sue and directors for misconduct (ease of shareholder suits index).

Paying Taxes



Records the taxes and mandatory contributions that a medium-size company must pay in a given year as well as measures of the administrative burden of paying taxes and contributions.

Trading Across Borders



Measures the time and cost (excluding tariffs) associated with exporting and importing a standardised cargo of goods by ocean transport. The time and cost necessary to complete every official procedure for exporting and importing the goods.

Enforcing Contracts



Indicators on enforcing contracts measure the efficiency of the judicial system in resolving a commercial dispute. The data are built by following the step-by-step evolution of a commercial sale dispute before local courts.

Resolving Insolvency



Studies the time, cost and outcome of insolvency proceedings involving domestic entities.

HIGHLIGHTS OF MALAYSIA'S PERFORMANCE

Malaysia Achieves Top 6th Position in World Bank's Doing Business Report 2014

Malaysia is the 6th Easiest Place To Do Business in the World

"Malaysia is ranked number one for Getting Credit, number four for Protecting Investors, number five in Trading Across Borders and is the 6th most competitive among 189 economies in the World Bank Doing Business 2014"












9. Malaysia achieves a commendable surge to 6th position among 189 economies in the latest World Bank Doing Business 2014. It is indeed encouraging that Malaysia achieved this well-ahead of its target to be among the top 10 by 2015. At 6th position, Malaysia has been placed in the same league as Singapore, Hong Kong, New Zealand, United States and Denmark. This ranking also places Malaysia ahead of economies like the Republic of Korea, Norway, United Kingdom, Australia and Finland. The top 20 countries of 189 economies which are easiest to do business are shown in Table 1.
10. Getting Credit and Protecting Investors continue to achieve 1st position and 4th position respectively for six years in a row. In the area of Trading Across Borders, Malaysia improved to 5th position and is now placed among the top ten in the world. Other significant improvements made were in the areas of Starting a Business, Dealing with Construction Permits, Enforcing Contracts, Resolving Insolvency and Getting Electricity.

Table 1 : TOP 20 countries of the World Bank Doing Business

Economy	Doing Business (Rank)		
	2014	2013	2012
Singapore	1	1	1
Hong Kong SAR, China	2	2	2
New Zealand	3	3	3
United States	4	4	4
Denmark	5	5	5
Malaysia	6	12	18
Korean Rep.	7	8	8
Georgia	8	9	16
Norway	9	6	6
United Kingdom	10	7	7
Australia	11	10	15
Finland	12	11	11
Iceland	13	14	9
Sweden	14	13	14
Ireland	15	15	10
Taiwan, China	16	16	25
Lithuania	17	27	27
Thailand	18	18	17
Canada	19	17	13
Mauritius	20	19	23

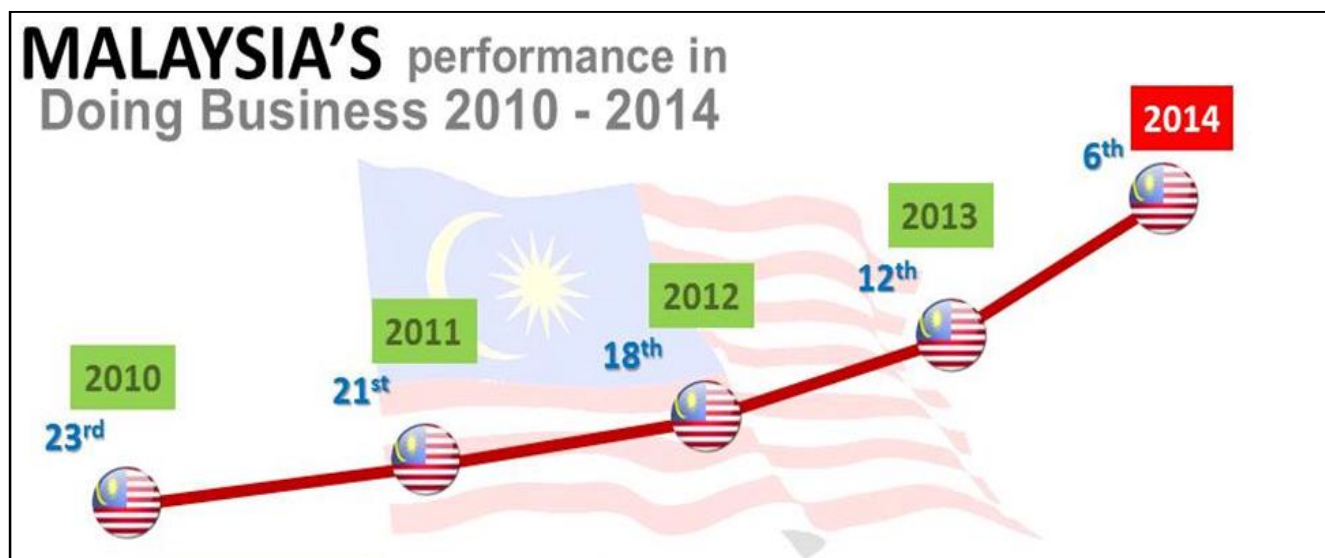
11. Malaysia welcomes the World Bank's findings as this achievement is testimony to the efforts made by both the public and private sectors which inevitably contribute to Malaysia's aspiration to become a high income nation, a reality in the near future. In this regard, the Task Force to Facilitate business (PEMUDAH) has proven to be a platform where the public and private sectors collaborate to create a sense of urgency in improving the Government service delivery, enhance Malaysia's competitiveness and ensure businesses are facilitated efficiently. Since its inception in 2007, Malaysia's performance in the World Bank Doing Business has improved from 25th position to 6th position this year and PEMUDAH remains a unique collaboration in supporting the Government's Transformation Agenda.
12. Malaysia is one of the 20 economies that have shown the most improvements from 2010 to 2013. Malaysia also features among the economies that improved the most, with good practices. Malaysia has made Starting a Business less costly by reducing the company registration fees while in Dealing with Construction Permits, the establishment of one-stop centres has facilitated construction processes. Others include making it easy to register property and to get credit, protecting investors and making it easy to enforce contracts. Malaysia is also credited among 45 other economies for establishing committees to improve the business environment. The efficiency of internal processes at the utility providers and improvement in its communication and dialogues with contractors has made Getting Electricity in Malaysia much easier. Malaysia improved its performance in 6 areas of Doing Business, maintained 2 areas and recorded declines in the other 2 areas as shown in Table 2.

Table 2: Malaysia's Performance in the 10 Areas of Doing Business 2014

<u>Indicator</u>	<u>Rank 2014</u>	<u>Rank 2013</u>	<u>Change in Performance</u>
OVERALL	6	12	6 
Starting a Business	16	54	38 
Dealing with Construction Permits	43	96	53 
Getting Electricity	21	28	7 
Registering Property	35	33	2 
Getting Credit	1	1	- 
Protecting Investors	4	4	- 
Paying Taxes	36	15	21 
Trading Across Borders	5	11	6 
Enforcing Contracts	30	33	3 
Resolving Insolvency	42	49	7 

13. Achieving 6th position in this World Bank Report is Malaysia's best performance yet and is the country's largest leap in competitiveness ranking in recent years, and reinforces Malaysia's position as a preferred destination for trade and investments among local and foreign investors. Malaysia's performance in Doing Business over the last 5 years is shown in Figure 1.

Figure 1: Malaysia's Performance in Doing Business 2010-2014



14. Malaysia's performance in the 10 areas of Doing Business showed significant improvements in Starting a Business, Dealing with Construction Permits, Getting Electricity, Trading Across Borders, Enforcing Contracts and Resolving Insolvency over the years. Getting Credit and Protecting Investors maintained their top 10 positions for the past six years at first and fourth respectively. Although significant improvements were shown in many areas, efforts are still required specifically in the areas which are ranked above 30 as reflected in the heat map.

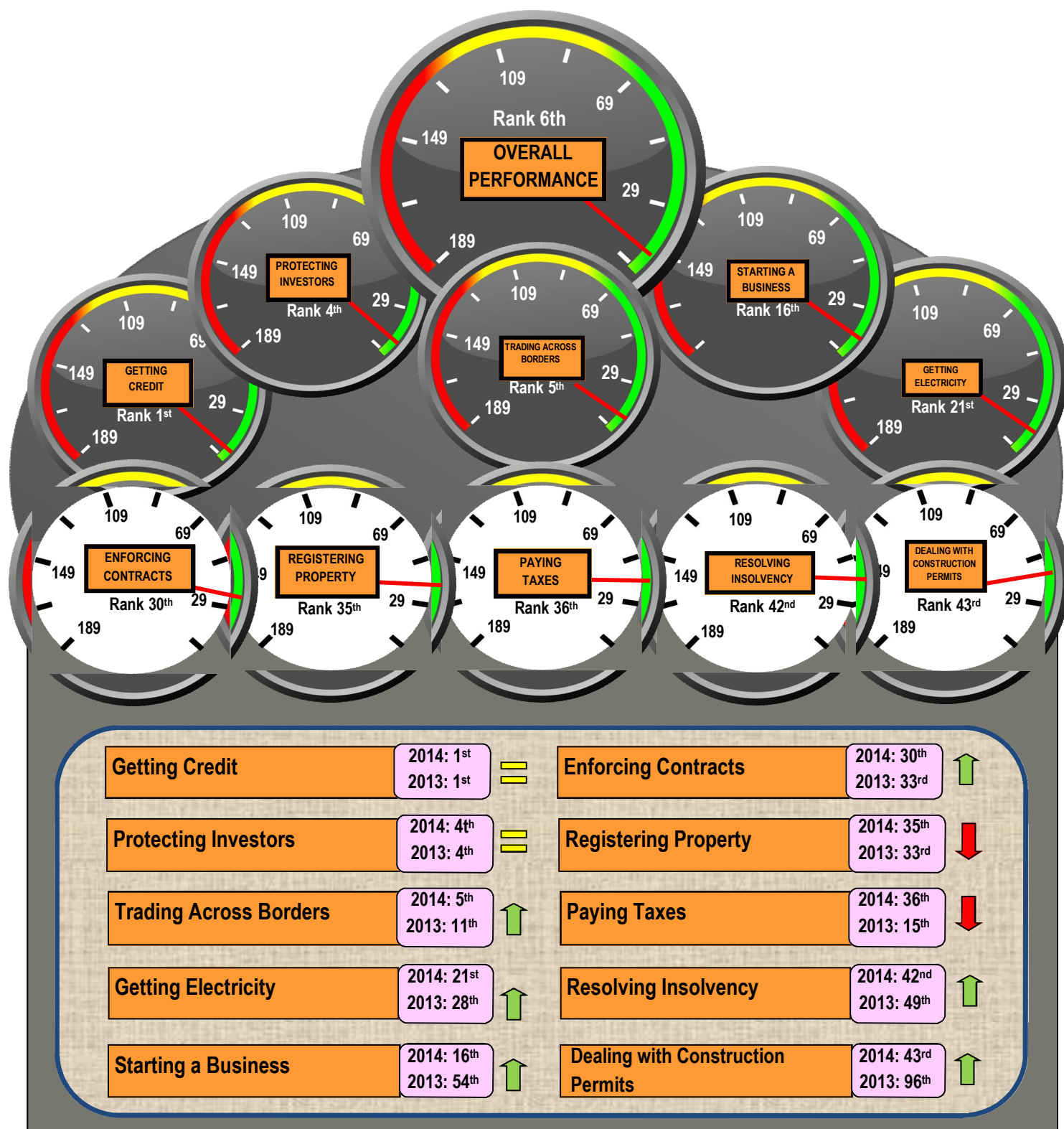
Doing Business 2014 Heat Map for Malaysia

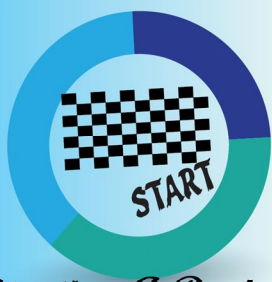
Evolu ^o n in Malaysia's Rank	Overall	Start ^o ng a Business	Deal ^o ng with Construc ^o n Permits	Get ^o ng Electricity	Reg ^o stering Property	Get ^o ng Credit	Protect ^o ng Investors	Paying Taxes	Trad ^o ng Across Borders	Enforc ^o ng Contracts	Resolv ^o ng Insolvency
DB Edi ^o n	Rank										
2014 (n=189)	6	16	43	21	35	1	4	36	5	30	42
2013 (n=185)	12	54	96	28	33	1	4	15	11	33	49
2012 (n=183)	18	50	113	59	59	1	4	41	29	31	47
2011 (n=183)	21	113	108	-	60	1	4	23	37	59	55
2010 (n=183)	23	88	109	-	86	1	4	24	35	59	57

Best Worst

15. Notwithstanding the highly significant improvement, the Government acknowledges that there is no room for complacency in driving efficiency of the public service which is critical to support the growing and competitive economy. The Government is well aware that there is still much that needs to be done. Although commendable advances were made in various areas, there are still areas where intensified efforts are required as shown in Figure 2.

Figure 2: Dashboard on 10 Areas of Doing Business





Records all procedures that are officially required for an entrepreneur to start up and formally operate an industrial or commercial business. These include obtaining all necessary licenses and permits and completing any required notifications, verifications or inscriptions for the company and employees with relevant authorities.

Indicator	Malaysia DB 2014	Malaysia DB 2013	Malaysia DB 2012	Top Performer
Starting a Business (rank)	16	54	50	New Zealand
Procedures (number)	3	3	4	New Zealand (1), Canada (1)
Time (days)	6	6	6	New Zealand (0.5)
Cost (% of income per capita)	7.6	15.1	16.4	Denmark (0.2)
Paid-in Min. Capital (% of income per capita)	0.0	0.0	0.0	Burkina Faso (306.2)

16. Malaysia recorded 16th position in Starting a Business in Doing Business 2014 (DB2013 : 54th). To further facilitate Starting a Business in Malaysia, the Companies Commission of Malaysia (SSM) had implemented the Malaysian Corporate Identity Number (MyCoID) initiative which confers the single corporate identity to companies as a source of reference when they transact with the Government.



JUST ONE NUMBER TO DO BUSINESS WITH GOVERNMENT

17. As a result of the introduction of MyCoID and the MyCoID Portal, it is easier for companies to transact with Government agencies resulting in enhanced efficiency of transactions, reduction in costs and increased productivity. The take-up rate on the use of MyCoID for company incorporation has increased significantly following the mandatory requirement imposed by SSM commencing from 16 May 2013 for name search and incorporation of companies to be done via the MyCoID portal for Kuala Lumpur, Selangor and Negeri Sembilan. SSM envisioned that this new directive be extended nationwide in stages.



One MyCoID,
One Corporate
Entity, Reduced
Redundancy,
Increased
Productivity,
Better Efficiency!

18. To minimise the financial implication, the original incorporation fee of RM3,000 for the second tier of authorised capital has been reduced to RM1,000 effective 1 April 2013. Under the revised fee schedule, such reduced fee is applicable to companies which are incorporated with authorised capital of up to RM400,000.

Where is **Starting a Business** easiest - and where most difficult?

Easiest	Rank	Most Difficult	Rank
New Zealand	1	Myanmar	189
Canada	2	Eritrea	188
Singapore	3	Haiti	187
Australia	4	Equatorial Guinea	185
Hong Kong SAR, China	5	Congo, Dem. Rep.	185
Armenia	6	Cambodia	184
Macedonia, FYR	7	Chad	183
Georgia	8	Congo, Rep.	182
Rwanda	9	Suriname	181
Azerbaijan	10	Bolivia	180

19. The new Limited Liability Partnerships Act 2012 which came into force in December 2012 introduces limited liability partnerships (LLP) as a new alternative business vehicle which offers flexibility in terms of its formation, maintenance and termination. Entrepreneurs now have more options to choose the most preferred form of business vehicle and the introduction of LLP would benefit small businesses (start-ups), professional groups, joint ventures and venture capital funds.

20. The long term initiatives will be to introduce the new Companies Bill to facilitate the entrance into the corporate sector and the overall modernisation of the Malaysian corporate legal framework for the nation. This new framework will simplify laws and procedures and remove obstacles for companies based on private/public distinction while facilitating the growth of private companies.

MyCOLD Gateway System (MGS)

- ✓ Name Search
- ✓ Application of Company Name
- ✓ New Company Incorporation and Simultaneous Registration with 5 Agencies
- ✓ Lodgment of Post Incorporation Forms

Start A Business in A Day



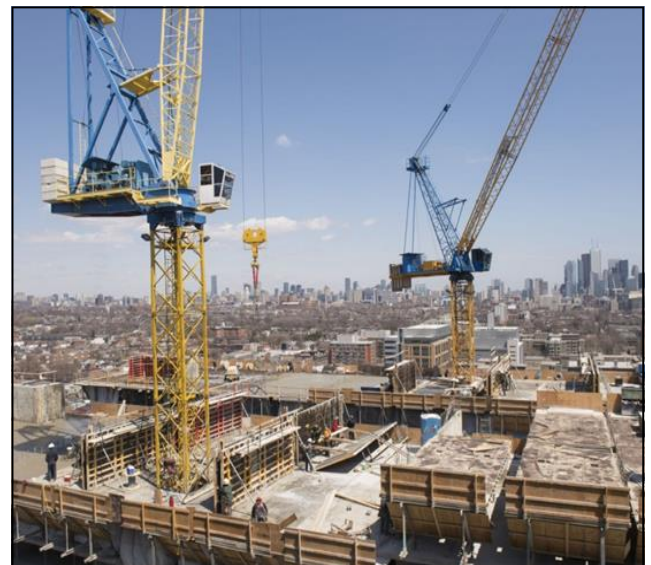


Dealing with Construction Permits

Records all procedures required for a business in the construction industry to build a standardised warehouse. The procedures include submitting all relevant project-specific documents (for example, building plans and site maps) to the authorities; obtaining all necessary clearances, licenses, permits and certificates; completing all required notifications; and receiving all necessary inspections. Doing Business also records procedures for obtaining connections for water, sewage and a fixed telephone landline.

Indicator	Malaysia DB 2014	Malaysia DB 2013	Malaysia DB 2012	Top Performer
Dealing with Construction Permits (rank)	43	96	113	Hong Kong
Procedures (number)	15	37	22	Hong Kong (6)
Time (days)	130	140	260	Singapore (26)
Cost (% of income per capita)	14.7	17.5	7.1	Qatar (1.1)

21. Dealing with Construction Permits in Malaysia registered marked improvement to rank 43rd (DB 2013 : 96th). Among the initiatives undertaken to facilitate construction permits were introducing Standard Guidelines, simplification of statutory requirements, categorising risk-based and self-regulatory inspection system and improving operational features of the existing One-Stop Centre (OSC) for construction permits.



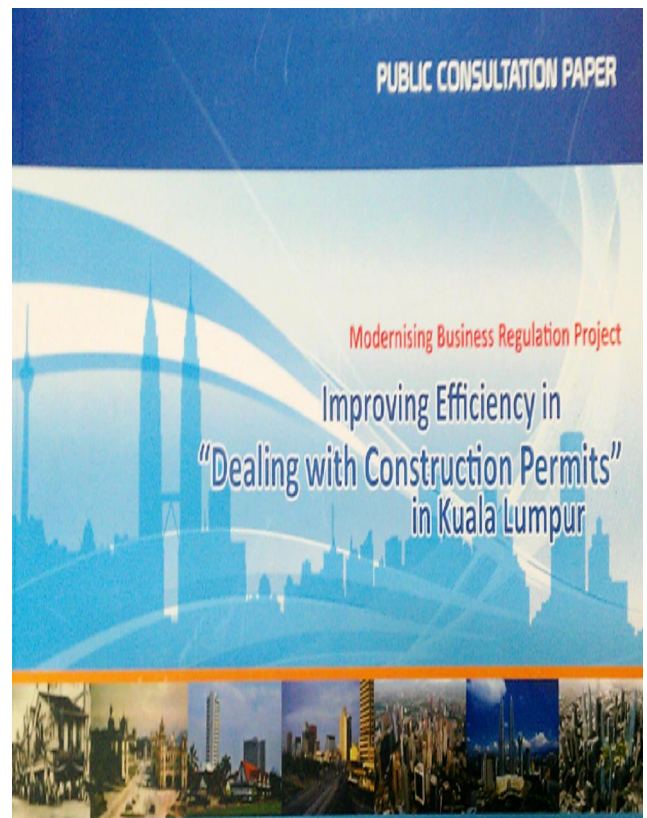
22. A thorough review of the regulatory and non-regulatory procedures and processes had led to the introduction of OSC 1 Submission as a gateway for seeking approvals for construction of small-scale non-residential projects, leading to reduced number of procedures from 37 to 15 and time taken from 140 days to 130.
23. On-going initiatives include implementing best practices by empowering the private sector in the process and in approving the application; to implement a 100% online system for main processes; to enhance the coordination efficiency of the technical agencies at OSC DBKL; to implement a Merit/Demerit System to prevent misdemeanour by the Submitting Person; to monitor the processing time of approval by all technical agencies, adhering to the agreed time frame, to monitor the processing time of approval by all technical agencies, adhering to the agreed time frame; to integrate the payment system into the online system that will be developed; and to promote the model of enhancing efficiency in Dealing with Construction Permits to other major cities in Malaysia.

Malaysia registered marked improvement of 53 places in Dealing with Construction Permits, to be ranked 43rd. The improvement is spurred by the strengthening of one stop centres and the streamlining of procedures to facilitate the construction process.

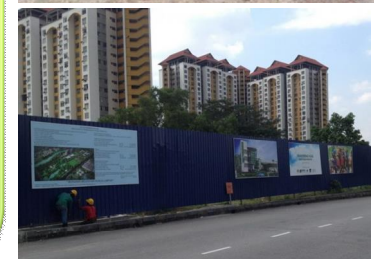
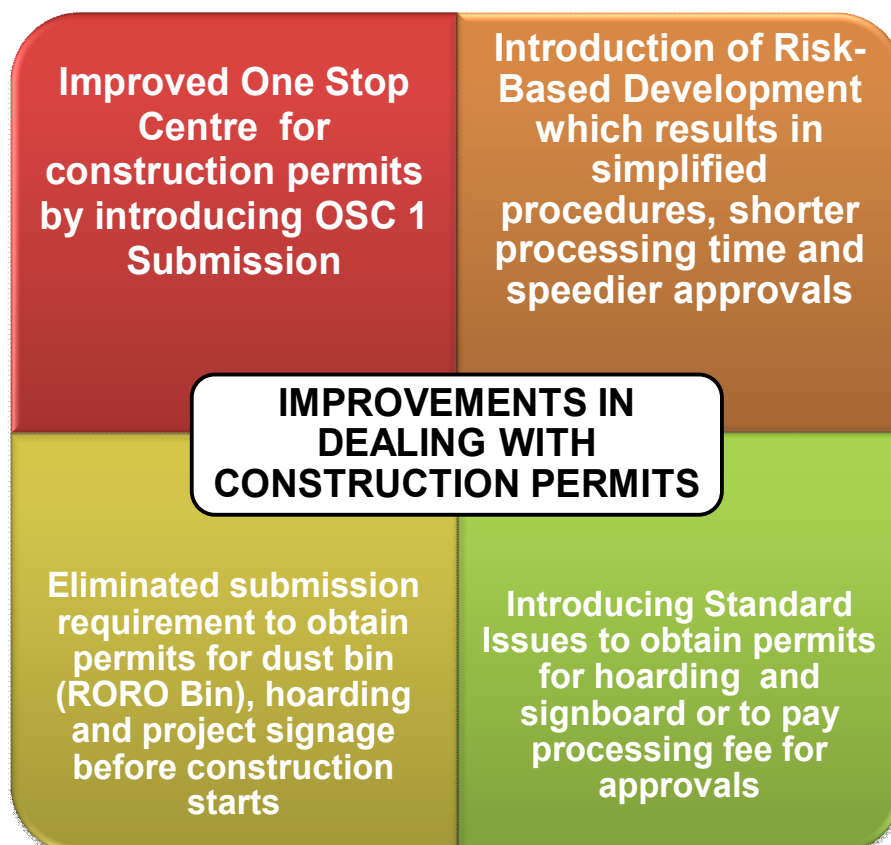
Where is **Dealing with Construction Permits** easiest and where most difficult?

Easiest	Rank	Most Difficult	Rank
Hong Kong, SAR, China	1	Albania	189
Georgia	2	Eritrea	189
Singapore	3	Libya	189
Bahrain	4	Syrian Arab Republic	189
United Arab Emirates	5	China	185
St. Vincent and the Gernadines	6	Tajikistan	184
Taiwan, China	7	India	182
Denmark	8	Serbia	182
Grenada	9	Argentina	181
Australia	10	Azerbaijan	180

24. With the success of the OSC 1 Submission for small-scale non-residential development of OSC Kuala Lumpur City Hall (DBKL), the way forward is to roll out the Dealing with Construction Permits Framework to all localities, continuously monitor and evaluate its transformation and adapting best practices through international benchmarking. Further strengthening of the permit approval procedures through public and private consultation forums and collaboration will be continued. These consultation forums will ensure that regular feedback and views are taken into account for continuous improvement and promotion of good regulatory practices in Malaysia.



Construction Permits





Getting Electricity

Records all procedures required for a business to obtain a permanent electricity connection and supply for a standardised warehouse. These procedures include applications and contracts with electricity utilities, all necessary inspections and clearances from the utility and other agencies and the external and final connection works.

Indicator	Malaysia DB 2014	Malaysia DB 2013	Malaysia DB 2012	Top Performer
Getting Electricity (rank)	21	28	59	Iceland
Procedures (number)	5	5	6	German (3), Japan (3)
Time (days)	32	46	51	German (17)
Cost (% of income per capita)	49.1	53.9	95.5	Japan (0.0)

25. The efficiency of internal processes of utility providers and improvement in its communication and dialogues with contractors has made Getting Electricity in Malaysia much easier contributing to an improved performance to 21st position (DB 2013: 28th). Significant improvements were recorded in terms of days and costs of getting electricity.



26. To streamline procedures, expedite the time and lower costs of providing electricity connections to power consumers, various workshops with Tenaga Nasional Berhad (TNB), other utility providers and relevant authorities had been organised to brainstorm towards achieving implementable solutions for the improvement of electricity connections for the benefit of developers and investors. These include mitigation measures aimed at identifying activities that cause the most delays in pre-connection and connecting processes, termed as a time trap (bottleneck) that limits output.

27. Continuous improvement through benchmarking good practices used globally in ease of getting electricity connections will be undertaken. Improvement initiatives include, further streamlining of approval process between the power utility and other public agencies, regulating electrical profession to ensure general electricity safety, transparency of connection charges/processes, reduction of special features cost and setting of performance requirements for new connections and customer service standards.

The efficiency of internal processes and improvements in communication and dialogues with contractors have made Getting Electricity much easier in Malaysia.

Where is **Getting Electricity** easiest and where most difficult?

Easiest	Rank	Most Difficult	Rank
Iceland	1	Bangladesh	189
Korea, Rep.	2	Guinea-Bissau	188
Germany	3	Madagascar	187
United Arab Emirates	4	Tajikistan	186
Hong Kong, SAR, China	5	Nigeria	185
Singapore	6	South Sudan	184
Switzerland	8	Malawi	183
Sweden	9	Senegal	182
San Marino	10	Azerbaijan	181
Trinidad and Tobago	10	Kyrgyz Republic	180



Registering Property

Records the full sequence of procedures necessary for a business (buyer) to purchase a property from another business (seller) and to transfer the property title to the buyer's name so that the buyer can use the property for expanding its business, use the property as collateral in taking new loans or, if necessary, sell the property to another business.

Indicator	Malaysia DB 2014	Malaysia DB 2013	Malaysia DB 2012	Top Performer
Registering Property (rank)	35	33	59	Georgia
Procedures (number)	5	5	5	Georgia (1) Portugal (1)
Time (days)	14	14	48	Portugal (1)
Cost (% of property value)	3.3	3.3	3.3	Georgia (0.0) Saudi Arabia (0.0)

28. Registering Property in Malaysia recorded a marginal decline in performance to 35th position (DB2013 : 33rd). The two countries that have overtaken Malaysia are Singapore and Italy. Singapore improved by making transferring property easier by introducing an online procedure for property transfers. While, Italy made transferring property easier by eliminating the requirement for an energy performance certificate for commercial buildings with no heating.

29. Among the initiative undertaken was the issuance of a circular entitled “*Penyeragaman Prosedur Permohonan Semakan Buku Daftar Strata bagi Mengemaskini Daftarai Strata*” by the Department of Director of Land and Mines office (JKPTG) aimed at advising the land offices and administrators to adopt a standard procedure for the application to check the register for the purpose of updating the strata titles.

The Department of Director of Land and Mines office (JKPTG) had issued a circular entitled “Penyeragaman Prosedur Permohonan Semakan Buku Daftar Strata bagi Mengemaskini Daftarai Strata”.

30. On-going initiatives are to monitor the performance of all land offices in Peninsular Malaysia in meeting the client charter of one day registration for standard property; where in 2012, eight out of 12 states achieved 100% compliance; to develop the Automated Valuation System which will integrate LHDN's Electronic Stamp Duty Assessment and Payment System (STAMPS) with the Valuation and Property Services Department's (JPPH) Valuation Information System (VIS) to further reduce the number of days for property valuation; and to standardise the Consent Forms used by all land offices (consent to transfer and consent to charge) used by all Land Offices (PTGs) for ease of application.



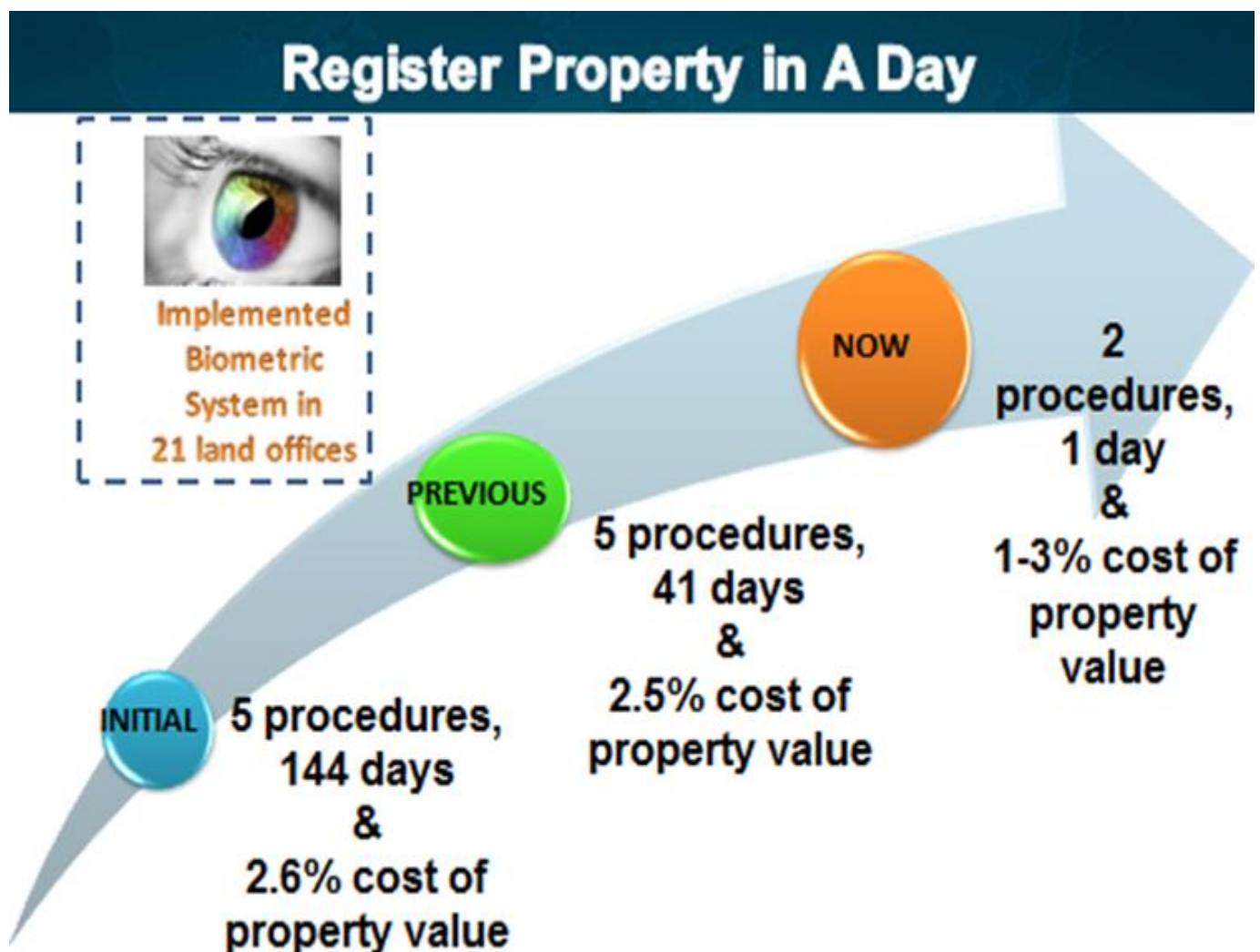
In 2012, 8 out of 12 states achieved 100% compliance of 1 day registration for standard property.

Where is **Registering Property** easiest and where most difficult?

Easiest	Rank	Most Difficult	Rank
Georgia	1	Libya	189
New Zealand	2	Marshall Islands	189
Belarus	3	Micronesia FED. Sts.	189
United Arab Emirates	4	Timor-Leste	189
Armenia	5	Nigeria	185
Lithuania	6	Eritrea	184
Denmark	7	South Sudan	183
Rwanda	8	Liberia	181
Kyrgyz Republic	9	Belgium	180
Norway	10		

31. It is vital that continuous improvements are undertaken to make registering property more efficient. The biometric system is being introduced in 21 Land Offices to enhance the security on land administration and to prevent/minimise fraudulent land transfers. The biometric system is presently targeted to be implemented for all freehold land. In terms of policy initiative, the National Land Code 1965, is being reviewed to identify inadequacies and to suggest appropriate recommendations for the necessary changes towards creating a reformed legal and institutional framework.

Ensure that all land offices meet the client charter of one day registration for standard property. Security through the biometric system is also being implemented.





Getting Credit

Measures the legal rights of borrowers and lenders with respect to secured transactions through one set of indicators and the sharing of credit information through another.

Indicator	Malaysia DB 2014	Malaysia DB 2013	Malaysia DB 2012	Top Performer
Getting Credit (rank)	1	1	1	Malaysia & United Kingdom
Strength of legal rights index (0-10)	10	10	10	Malaysia (10), United Kingdom (10), Australia (10)
Depth of credit information index (0-6)	6	6	6	Malaysia (6), United Kingdom (6), Japan (6)
Public registry coverage (% of adults)	52.9	56.1	49.4	Korea Rep (100), Portugal (100)
Private bureau coverage (% of adults)	77.2	81.8	83.4	New Zealand (100), United Kingdom (100), Japan (100)

32. Malaysia and the United Kingdom continuous to secure top ranking on ease of Getting Credit. Malaysia's ranking of 1st position six years in a row since 2007, is attributable to Malaysia's strengths in reforms on legal rights of borrowers and lenders.

33. The depth of Malaysia's credit information systems had resulted in enhanced effectiveness of collateral and bankruptcy laws in facilitating lending. It is recognised globally that a matured and developed financial sector must have effective and efficient systems to manage credit risks in order to sustain the financial needs of the government, industry and consumers.



34. Similarly Bank Negara Malaysia's Credit Bureau essentially plays an important role in the area of credit risk management and the promotion of a sound credit culture in the financial system of the country through its online system known as Central Credit Reference Information System (CCRIS) - the key enabler for efficient and reliable data collection and dissemination of credit information. Indeed, credit reporting institutions play a vital role in supporting the financial stability and promoting credit market efficiency, improving the depth of credit market transactions and broaden access to finances. This is reflected by Malaysia's number one ranking for six consecutive years in terms of ease of Getting Credit.

Malaysia's ranking of 1st position six years in a row since 2007, is attributable to Malaysia's strengths in reforms on legal rights of borrowers and lenders.

Where is **Getting Credit** easiest and where most difficult?

Easiest	Rank	Most Difficult	Rank
Malaysia	1	Eritrea	186
United Kingdom	1	Libya	186
Georgia	3	San Marino	186
Hong Kong, SAR, China	3	São Tomé and Príncipe	186
Macedonia, FYR	3	Djibouti	180
Montenegro	3	Iraq	180
New Zealand	3	Madagascar	180
Poland	3	Malta	180
Singapore	3	South Sudan	180
United States	3	Syrian Arab Republic	180



Protecting Investors

Measures the strength of minority shareholder protections against directors' misuse of corporate assets for personal gain. The indicators distinguish 3 dimensions of investors protections: transparency of related-party transactions (extent of disclosure index), liability for self-dealing (extent of director liability index) and shareholders' ability to sue and directors for misconduct (ease of shareholder suits index).

Indicator	Malaysia DB 2014	Malaysia DB 2013	Malaysia DB 2012	Top Performer
Protecting Investors (rank)	4	4	4	New Zealand
Extent of disclosure index (0-10)	10	10	10	Singapore (10)
Extent of director liability index (0-10)	9	9	9	Singapore (9)
Ease of shareholder suits index (0-10)	7	7	7	Hong Kong (10), New Zealand (10)
Strength of investor protection index (0-10)	8.7	8.7	8.7	New Zealand (9.7)

35. Malaysia has been consistently ranked 4th in the world since 2009. This performance had been maintained in the current DB 2014. Malaysia was also ranked 4th in Asia as a destination for investment by global multinational companies (MNCs) as reported in the Asia Business Outlook Survey (ABOS), Economist Corporate Network, 2013, and maintains its placing in a ranking of the world's top 50 global services locations for eight consecutive years, according to the latest A.T. Kearney Global Services Location Index 2011 report. Strong investor protection policies implemented had contributed to Malaysia's commendable standing.



36. The government has engaged in ambitious reforms across the board which have led to increased liberalisation and more efficient regulations and have contributed to a strong enabling environment for business. Investors will also continue to benefit from a dynamic and rapidly integrating region as well as Malaysia's platform of liberal market-friendly policies and provision of business-friendly incentives for high technology, creative and value added sectors.

37. Protecting investors' environment would continuously be enhanced, largely governed by self-regulation, high standards of disclosure and due diligence as well as corporate governance practices.



Investors benefit from a dynamic and rapidly integrating region as well as Malaysia's platform of liberal market-friendly policies and provision of business-friendly incentives for high technology, creative and value added sectors.

Where is **Protecting Investors** easiest and where most difficult?

Easiest	Rank	Most Difficult	Rank
New Zealand	1	Afghanistan	189
Singapore	2	Lao PDR	187
Hong Kong, SAR, China	3	Libya	187
Malaysia	4	Suriname	186
Canada	4	Djibouti	182
Colombia	6	Myanmar	182
Ireland	6	South Sudan	182
Israel	6	Venezuela, RB	182
United States	6		
United Kingdom	10		
South Africa	10		



Paying Taxes

Records the taxes and mandatory contributions that a medium-size company must pay in a given year as well as measures of the administrative burden of paying taxes and contributions.

Indicator	Malaysia DB 2014	Malaysia DB 2013	Malaysia DB 2012	Top Performer
Paying Taxes (rank)	36	15	41	United Arab Emirates
Payments (number per year)	13	13	13	Hong Kong (3)
Time (hours per year)	133	133	133	United Arab Emirates (12)
Total tax rate (% of profit)	36.3	24.5	34.0	United Arab Emirates (14.9)

38. Initiatives that have been implemented were consolidation of Public Ruling and its addendums as well as to facilitate the tax payer by introducing e-filing and e-payment of withholding tax. The number of days and hours taken to pay taxes remains the same the last 3 years. However, the total tax rate at 36.3% of profit pulled down the position of Paying Taxes in Malaysia to 36th position (DB 2013: 15th).



39. Malaysia's e-filing initiatives had been documented as a case study in the Doing Business 2014. It was acknowledged by the World Bank that the time that businesses need to comply with Malaysian Tax Regulation fell from 145 hours in 2009 to 133 in 2012. The number of payments and time to pay taxes remain encouraging, however, the total tax rate at 36.3% of profit remains uncompetitive as compared to the top performer United Arab Emirates at 14.9%.



Paying Taxes remain encouraging, however, the total tax rate at 36.3% of profit remains uncompetitive as compared to the top performer United Arab Emirates at 14.9%.

40. The Inland Revenue Board (IRB) has also introduced Form B & Form BE for individuals and Form C for companies. For easy reference by the taxpayers, several guidelines on trading over the internet and introduction of e-Ledger (i.e. Tax Position Statement for the company) has been implemented by the IRB.

41. The Customs will be introducing e-filing for Sales Tax which will reduce the number of payments from 13 to 8 payments. e-Caruman introduced by EPF and simplification of tax returns by the IRB would also result in reduction of time taken to pay taxes and help to improve paying taxes ranking in the immediate term.

Where is **Paying Taxes** easiest and where most difficult?

Easiest	Rank	Most Difficult	Rank
United Arab Emirates	1	Chad	189
Qatar	2	Central African Republic	188
Saudi Arabia	3	Venezuela, RB	187
Hong Kong, SAR, China	4	Guinea	186
Singapore	5	Bolivia	185
Ireland	6	Gambia, The	184
Bahrain	7	Congo, Rep.	183
Canada	8	Senegal	182
Oman	9	Mauritania	181
Kiribati	10	Cameroon	180



Trading Across Borders

Measures the time and cost (excluding tariffs) associated with exporting and importing a standardised cargo of goods by ocean transport. The time and cost necessary to complete every official procedure for exporting and importing the goods.

Indicator	Malaysia DB 2014	Malaysia DB 2013	Malaysia DB 2012	Top Performer
Trading Across Borders (rank)	5	11	29	Singapore
Documents to export	4	5	6	Ireland (2), France (2)
Time to export (days)	11	11	17	Singapore (6), Hong Kong (6), United States (6), Denmark (6)
Cost to export (US\$ per container)	450	435	450	Malaysia (450)
Documents to import	4	6	7	France (2), Ireland (2)
Time to import (days)	8	8	14	Singapore (4)
Cost to import (US\$ per container)	485	420	435	Singapore (440)

42. Malaysia made a breakthrough to 5th position (DB2013:11th) and is now placed among the top ten in the world among 189 countries in the area of Trading Across Borders. The import and export process flows at major ports in Malaysia had been streamlined based on best practices at Port Klang and this had been published at the Ministry of International Trade and Industry (MITI's) portal as well as other stakeholders' websites .



43. Other improvements include standardising the import/export process flow at major ports in Malaysia to expedite the import/export process combining the invoice and packing list documents for export to reduce paperwork and expedite the export process as well as conducting Trade Facilitation Initiatives Project to expedite trade processes and reduce the number of required documents .



44. A Consultative Committee on ancillary charges was set up to oversee issues regarding fees and charges imposed by logistics players. Port Klang authority being one of the agencies under the Ministry of Transport, has taken the initiatives in developing the online Port Ancillary Services System (ePass) to facilitate and speed up the process of acquiring approval of license for Ancillary Services in Port Klang .

Trade Facilitation
Initiatives Project to
expedite trade processes
and reduce the number
of required documents.

45. The Ministry of International Trade and Industry (MITI), Ministry of Transport (MOT) and relevant agencies are working closely to enhance logistics services in Malaysia that is in line with the Government's efforts to improve the industry's competitiveness in the international arena.

A Consultative
Committee on ancillary
charges was set up to
oversee issues regarding
fees and charges
imposed by logistics
players.

Where is **Trading Across Borders** easiest and where most difficult?

Easiest	Rank	Most Difficult	Rank
Singapore	1	Uzbekistan	189
Hong Kong, SAR, China	2	Tajikistan	188
Korea, Rep.	3	South Sudan	187
United Arab Emirates	4	Kazakhstan	186
Malaysia	5	Central African Republic	185
Sweden	6	Afghanistan	184
Estonia	7	Chad	183
Denmark	8	Kyrgyz Republic	182
Finland	9	Mongolia	181
Israel	10	Congo, Rep.	180



Enforcing Contracts

Indicators on enforcing contracts measure the efficiency of the judicial system in resolving a commercial dispute. The data are built by following the step-by-step evolution of a commercial sale dispute before local courts.

Indicator	Malaysia DB 2014	Malaysia DB 2013	Malaysia DB 2012	Top Performer
Enforcing Contracts (rank)	30	33	31	Luxembourg
Time (days)	425	425	425	Singapore (150)
Cost (% of claim)	27.5	27.5	27.5	Luxembourg (9.7)
Procedures (number)	29	29	29	Singapore (21), Ireland (21)

46. Malaysia has been implementing an ambitious upgrade of the computerisation system to reduce judicial delays which includes two information technology contracts totaling \$43 million. Court Recording and Transcription System (CRT), e-filing system and electronic case management system are applied so that the registration process can be registered online. The new system is expected to expedite hearings and reduce judicial delays. Currently, Malaysia has introduced Rules of Court 2012 that have affected the current judiciary process especially on the current procedures and the authority of the registrars.



47. Enforcing Contract in Malaysia is currently ranked 30th recording an improvement of 3 positions. (DB 2013: 33rd). A special taskforce has also been established to review the Enforcement of Judgment and Auction Process. The working committee has visited the Legal Execution Department (LED), Bangkok, Thailand to benchmark and improve execution process and plans are underway to conduct a study on judiciary process efficiency for improvement.

48. To achieve a targeted 20th position in the Doing Business 2015, a few initiatives are being undertaken such as analysing the efficiency of court processes in selected courts in Malaysia; publishing Malaysia Court Guidebook to create awareness to the public to serve as a quick reference for information on court process; increase awareness of process improvements among legal practitioners; and benchmarking countries which ranked top 10.

A Court Guidebook was published to create awareness to the public to serve as a quick reference for information on court process; and increase awareness on process improvements among legal practitioners.

Where is **Enforcing Contracts** easiest and where most difficult?

Easiest	Rank	Most Difficult	Rank
Luxembourg	1	Timor-Leste	189
Korea, Rep.	2	Myanmar	188
Iceland	3	India	186
Norway	4	Bangladesh	185
Germany	5	Suriname	184
Austria	6	Sao Tome and Principe	183
France	7	Honduras	182
Finland	8	Benin	181
Hong Kong, SAR, China	9	Central African Republic	180
Russian Federation	10	Syrian Arab Republic	179



Resolving Insolvency

Studies the time, cost and outcome of insolvency proceedings involving domestic entities.

Indicator	Malaysia DB 2014	Malaysia DB 2013	Malaysia DB 2012	Top Performer
Resolving Insolvency (rank)	42	49	47	Japan
Time (years)	1.5	1.5	1.5	Ireland (0.4)
Cost (% of estate)	10	15	15	Norway (1)
Recovery rate (cents on the dollar)	48.9	44.7	44.6	Japan (92.8)

49. Malaysia has improved to 42nd position for Resolving Insolvency in DB 2014 (DB 2013 : 49th). Continuous efforts had been carried out by the Focus Group Resolving Insolvency team members through industry surveys and mapping exercises to determine the preferred mode of Resolving Insolvency based on the hypothetical case given by the World Bank. The efforts had culminated in demonstrating to the World Bank that Malaysian secured creditors have the power to determine the insolvency method and based on the hypothetical case given, receivership is always the preferred option.



50. Long term initiatives will be introduced by the Companies Commission of Malaysia (SSM) through insolvency reforms within the new Companies Bill. SSM envisions the tabling of the new Companies Bill to be by the end of 2013 or early 2014. The expected implementation date is expected in 2015. The main highlights of the insolvency reforms under the new Companies Bill include the introduction of 2 corporate rescue mechanism provisions in the form of 'judicial management' and 'corporate voluntary arrangement' as alternatives for financially troubled companies to be revitalised rather than to be liquidated.
51. Measures have also been taken to shorten the duration to wind up a company by extending the commencement of winding-up to the date of the Court's Order compared to the existing provision where winding-up is considered commenced once the petition is filed in the Court. The threshold for statutory amount of debts will be increased from RM500 to RM5000 to prevent the liquidation process from being abused. New provision will be introduced to empower the Courts to terminate winding up proceedings. Roles of liquidators and receivers/managers will also be enhanced and refined. The decoupling of audit requirements for liquidator's qualification is expected to attract more talented and experienced professionals to render services in the insolvency field.

We can expect to see improvements in our rankings for Resolving Insolvency in the coming years through the implementation of the new insolvency laws which aim to be facilitative to the corporate community.

Where is **Resolving Insolvency** easiest and where most difficult?

Easiest	Rank	Most Difficult	Rank
Japan	1	Central African Republic	189
Norway	2	Chad	189
Finland	3	Angola	189
Singapore	4	Bhutan	189
Netherlands	5	Cape Verde	189
Belgium	6	Comoros	189
United Kingdom	7	Equatorial Guinea	189
Ireland	8	Eritrea	189
Canada	9	Grenada	189
Denmark	10	Guinea-Bissau	189



WAY FORWARD

52. The government has engaged in ambitious reforms across the board which have led to increased liberalisation, more efficient regulations and have contributed to a strong enabling environment for business. In the World Bank Doing Business 2014, Malaysia continuous to achieve 1st Position in Getting Credit and 4th in Protecting Investors, six years in a row since 2007. In the area of Trading Across Borders, Malaysia made a breakthrough to 5th position and is now placed among the top 10 in the world. Other significant improvements made were in the areas of Starting a Business, Dealing with Construction Permit, Enforcing Contract, Resolving Insolvency and Getting Credit. The World Bank further acknowledges that Malaysia's advancement to 6th position among 189 economies is attributable to the fact that Malaysia is among the economies that improved the most across three or more Doing Business areas.

Ambitious reforms across the board has led to increased liberalisation and efficient regulations for a strong enabling business environment. Malaysia surged to 6th position among 189 economies.



53. Successful initiatives such as the new Limited Liability Partnership Act 2012 which offers flexibility in terms of its formation, maintenance and termination, reduction of company registration fees in Starting a Business and establishment of one-stop centres to facilitate the construction processes in OSC will be continued while new ones will be introduced. The National Policy on the Development and Implementation of Regulations (NPDIR) which will address the gaps in the management system for regulations to put Malaysia in a position to meet international best practices in regulations in Good Regulatory Practice had launched Public and private consultation forums as well as dialogues will also be continued to strengthen the regulatory reforms.

54. In Starting a Business, the *proposed introduction of the new Companies Bill to facilitate the entrance into the corporate sector, is expected to simplify laws and procedures and remove obstacles for companies based on private/public distinction while facilitating the growth of private companies.* In Trading Across Borders, to enhance service delivery for customs, continuous improvement initiatives through a customer-centric service delivery approach to reduce regulatory burden in customs clearance and control through improving release time of goods, processing time of online submission and other initiatives are being undertaken. To further promote awareness among companies to apply for Authorised Economic Operators (AEO) status, outreach programmes are being undertaken to enhance the level of compliance and awareness among traders/operators on the importance of monitoring and managing the security of their respective supply chain.



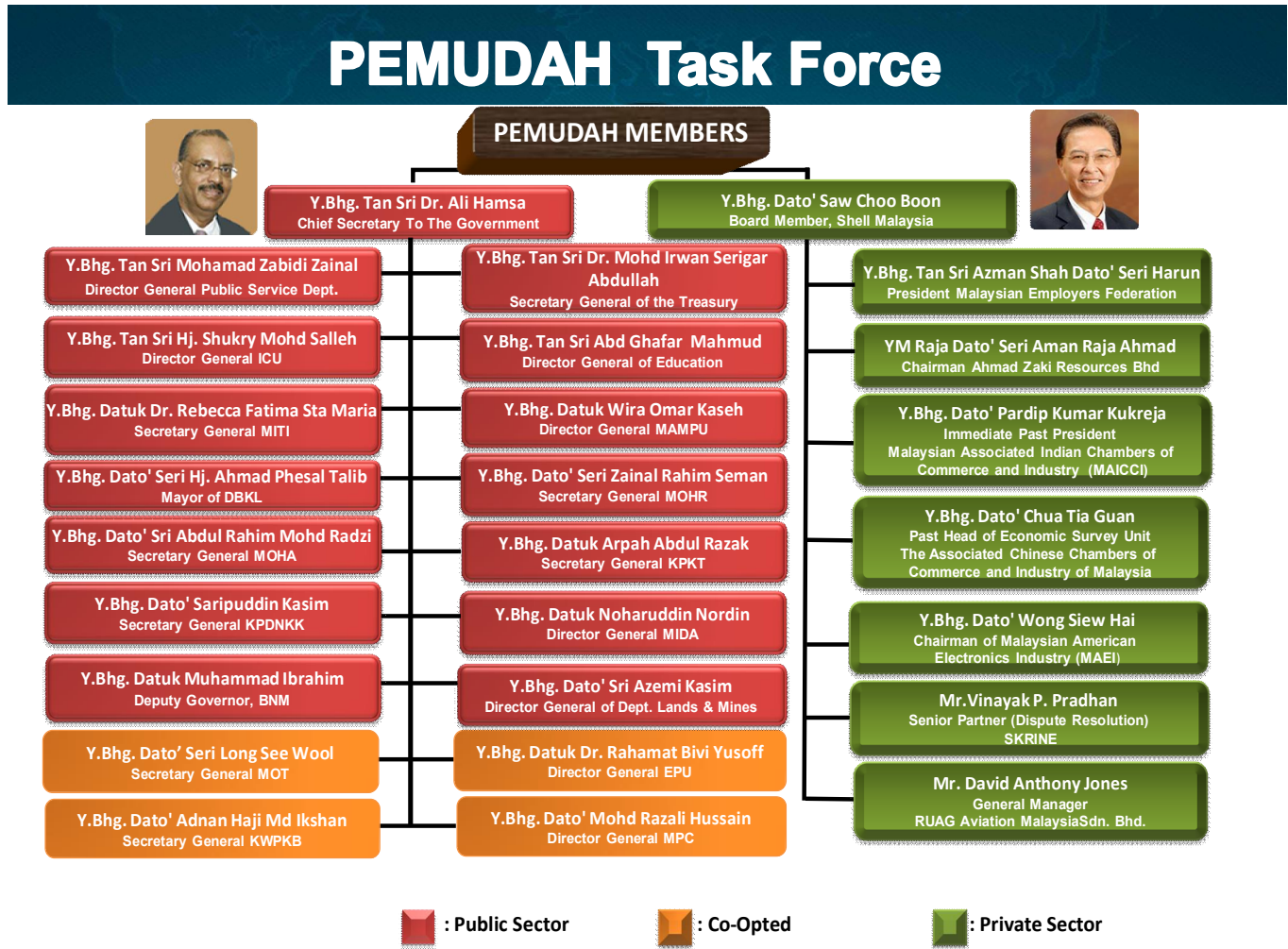
Launching of the National Policy on the Development and Implementation of Regulations (NPDIR) and Regulatory Impact Statement

New initiatives to be undertaken include the introduction of the new *Companies Bill to facilitate the entrance into the corporate sector.*

Outreach programmes to get companies to apply for Authorised Economic Operators status will enhance the level of compliance and awareness on the importance of monitoring and managing the supply chain.

PEMUDAH ensures effective implementation and sustainability of initiatives as well as dissemination of information through various media engagements.

55. While the Government has implemented the policies and measures to improve competitiveness, Malaysian businesses have played a vital role in leveraging on this business climate to create change and drive growth. The World Bank report is testimony to the efforts made by both the public and private sectors, specifically through the Task Force to Facilitate Business (PEMUDAH), to ensure that Malaysia is the preferred place to do business. With the emergence of new competitors and global economic uncertainties, the road ahead remains challenging. Nevertheless PEMUDAH acclaimed locally and internationally for its public-private sector collaboration, will be steadfast in its commitment to enhancing Malaysia's competitiveness and achieving the goal of high income nation.



56. PEMUDAH through the secretariat, Ministry of International Trade and Industry (MITI) and the Malaysia Productivity Corporation, an agency under MITI which coordinates all Focus Groups activities, will continue to drive the efforts of all the various Working Groups, Task Forces and Focus Groups established since its inception. The objective is to enhance transparency and accountability of the public and private sectors and monitor the efficiency of improvements implemented. Paramount to this effort is the strong collaboration that has been developed with international and local experts to tackle issues related to ease of doing business.

57. The challenge is to extend progress into new and continuing areas that impact not only on national development and the business environment but on ordinary citizens. Various initiatives to disseminate information to the business community and media through publications and engagements had been undertaken. Most recent, is the Journalism Competition, calling all journalists to come on board to showcase actual experiences of business facilitation; to share the stories of Malaysian reformers and what they have accomplished; to inform citizens of how they can take advantage of faster, cheaper, simpler ways of dealing with regulations and to provide feedback on whether reforms are actually working and what businesses and citizens want as their next priorities. Understanding on how Malaysia's reform initiatives matter and obtaining constant feedback will help push the nation towards new levels of competitiveness.



PEMUDAH
PASUKAN PETUGAS KHAS PEMUDAHARA PERNIAGAAN
THE SPECIAL TASK FORCE TO FACILITATE BUSINESS

2013 Journalism competition

PEMUDAH Calling All Journalists To Demonstrate their Skills - showcase real-life experiences, real-life stories of yourself or the public experiencing the services related to ease of doing business in Malaysia.

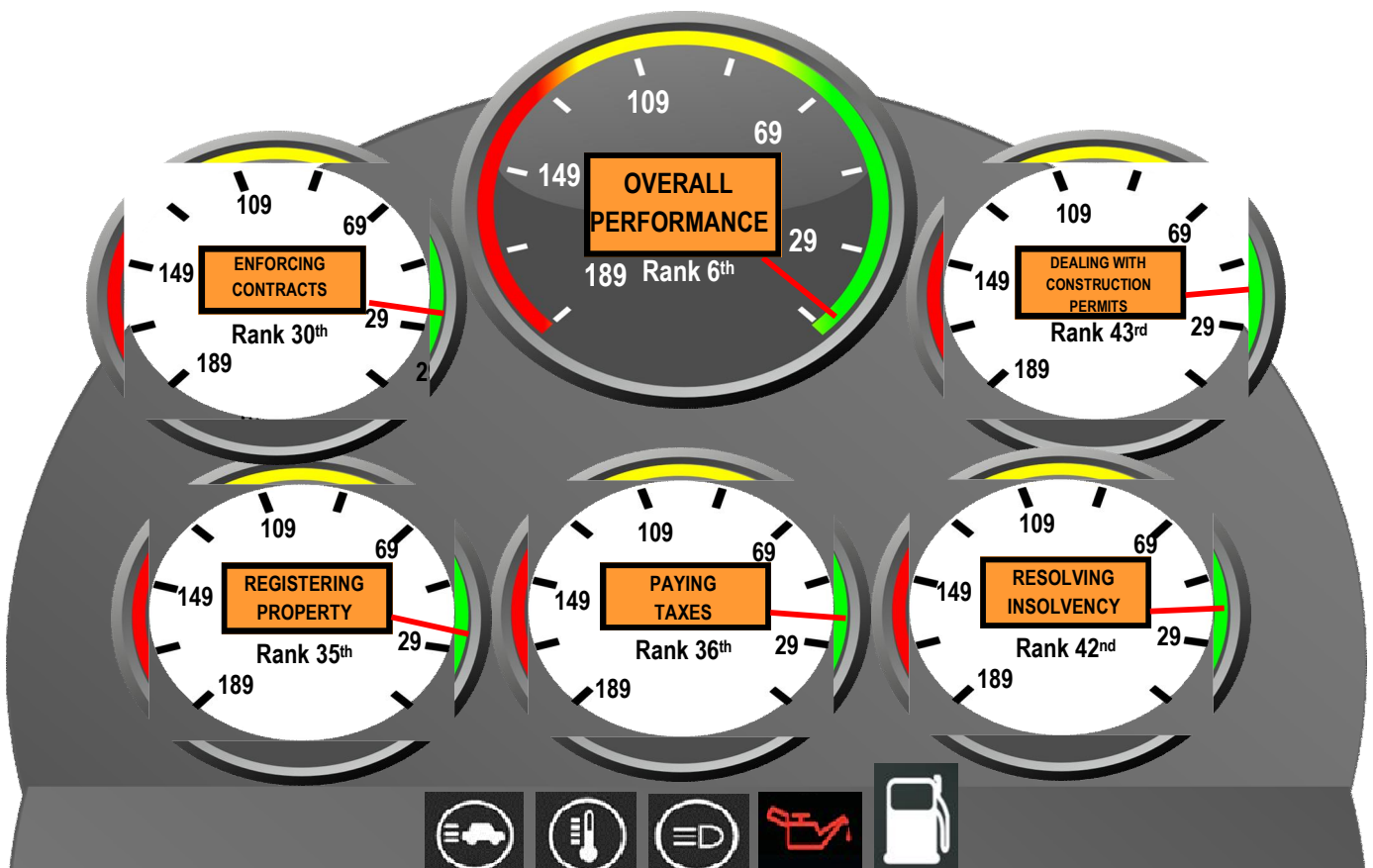
Extended from 30th September 2013 to 15th December 2013

- Starting a Business
- Dealing with Construction Permits
- Getting Electricity
- Registering Property
- Getting Credit
- Protecting Investors
- Paying Taxes
- Trading Across Borders
- Enforcing Contracts
- Resolving Insolvency

Policies and measures to improve competitiveness has played a vital role in leveraging Malaysian businesses for better change and higher growth.

58. Moving forward, Malaysia remains committed to be among the top nations in ease of doing business and a high income economy. Challenges undoubtedly remain with new competitors constantly emerging and economic uncertainties globally. This is Malaysia's best performance yet. However, the Government is aware that there is still much that needs to be done. As we move forward, we are constantly challenged to do more taking cognizance of the competition that we face both regionally and globally. Our main challenge will lie not only in addressing operational inefficiencies in service delivery but also in reviewing regulations to further reduce the burden of doing business in Malaysia.
59. Although Malaysia has achieved commendable strides in Doing Business and is among the economies that improved the most across three or more doing business areas, we should not be complacent and must continue to focus efforts on those areas that are ranked 30 and above as shown in the dashboard below:

Figure 3: Dashboard on Areas for Improvement



INDUSTRY'S PERSPECTIVE



YBhg. Dato' Saw Choo Boon

*Board Member, Shell
Malaysia &
PEMUDAH Co-Chair*

Malaysia's ranking of 6th in the World Bank Doing Business Report 2014 is due to the many improvements made in service delivery. Recognition and commendation must go to the tireless efforts put in by all the members of PEMUDAH's working groups, focus groups and task forces, ably supported by the Malaysia Productivity Corporation. The full support of the Prime Minister and the Chief Secretary and the excellent working relationship between the private and public sectors have also been contributory.

The continued improvement in Malaysia's business environment and competitiveness is most welcomed by the business community as this would mean lower cost of doing business. We should also be able to attract more investments to support our goal of achieving developed nation status by 2020.

The improved rankings bear testimony to the capacity of the civil service to deliver efficient and effective services that meet global benchmarks. In addition the improved rankings endorse the significant outcomes that can be achieved when the public and private sectors collaborate and share oneness in purpose in moving the Malaysian development agenda forward. There is no end to improvement and PEMUDAH must now work even harder to achieve more. Our next goal must be to be in the top 5 or 3, and I believe this is achievable given the determination and devotion of all the private and public members involved in PEMUDAH's efforts.

PEMUDAH - In Context



- **A sense of urgency**
- **Proactive public-private sector collaboration**
- **Facilitation, not hampering**
- **No more regulation than necessary**
- **Zero tolerance for corruption**

Terms of Reference

- To review the status of the public and private service delivery system in terms of the **processes, procedures, legislation and human resource** and to introduce new policies for improvement;
- To benchmark **best practices** to improve the **ease of doing business**;
- To **enhance collaboration** among public and private sector agencies to improve Malaysia's competitiveness;
- To monitor the **implementation of policies, strategies and procedures** that would improve the efficiency and effectiveness of the public and private sector delivery system; and
- To take **appropriate action** to address issues in line with the National philosophy of **1Malaysia, People First, Performance Now**.

With the emergence of new competitors and global economic uncertainties, the road ahead remains challenging. Nevertheless PEMUDAH is committed to enhancing Malaysia's competitiveness and achieving the goal of high income nation by focusing its efforts in:

- Enhancing transparency and accountability of the public and private sector;
- Collaborating with TalentCorp in attracting and retaining talent and expertise in the country;
- Reducing significantly the number of business-related licences in all sectors; and
- Effectively monitoring the efficiency of the improvements implemented.

INDUSTRY'S PERSPECTIVE



Mr. David Anthony Jones

General Manager , RUAG Aviation Malaysia Sdn. Bhd. & PEMUDAH Member

This is a tremendous result and a testament to the work carried out by PEMUDAH and the excellent collaboration between industry and government. We must however acknowledge the fine work carried out by the civil service in driving change as any policy and procedural amendments are only as good as their implementation. Their support in maintaining or even possibly bettering our position will be crucial going forward.

This result is even more remarkable given that each country has the desire to improve. Our principal task now will be to continuously monitor best practices and not to rest on our laurels. This will not be easy and the support of all involved is critical to ensure we continue to improve.

I am particularly pleased with the improvement in our ranking of starting a business as this is an important factor in encouraging more foreign investment. We have also maintained our number one position in obtaining credit. As foreign investors in Malaysia and with the growing importance of ASEAN, we need to be able to trade across borders with ease and it is pleasing to note that our position has significantly improved to fifth place. To achieve this, we have reduced time required as well as the number of documents.

A great result and my congratulations to all those involved.

Ir Bashir Ahamed Maideen

*Managing Director,
Nadi Consult Era Sdn Bhd
& Member of Focus Group
on Dealing with
Construction Permits*



OSC 1 Submission is a successful new development framework, which I find it easy to comply, burdenless, business friendly to follow. I have been in this industry for 25 years and this is a long waited model by all submitting persons like me to submit development application. The OSC 1 Submission has been tested and proven in the Petronas Station Penchala Link (Ara Damansara) project. The pilot test revealed that the approval to develop the Petronas KM 2.95 Penchala Link (Ara Damansara) was made easier and faster with the new OSC 1 Submission and cost savings were realised with the reduction in procedures. Estimated savings of RM20,000 were made possible as interaction reduced and procedures simplified.

In this private-public collaboration, I would like to thank tireless efforts done by Kuala Lumpur City Hall, Fire and Rescue Department of Malaysia, Malaysian Communication and Multimedia Commission, National Water Services Commission, Energy Commission, Board of Architects Malaysia, Board of Engineers Malaysia, Syarikat Bekalan Air Selangor Sdn Bhd, Indah Water Konsortium Sdn Bhd, Tenaga Nasional Berhad and also members of the PEMUDAH Focus Group of Dealing Construction Permits to improve the process and cut down red tapes. I hope this initiative will be expanded to other localities.

DOING BUSINESS INDICATORS FOR MALAYSIA AND SELECTED ASIAN COUNTRIES

INDICATOR	Malaysia DB2014	Malaysia DB2013	DB 2014							
			China	Japan	Thailand	Taiwan, China	Korea, Rep.	Hong Kong SAR, China	Singapore	Best performer globally
Starting a Business (rank)	16	54	158	120	91	17	34	5	3	New Zealand
Procedures (number)	3	3	13	8	4	3	5	3	3	New Zealand (1) Canada (1)
Time (days)	6	6	33	22	27.5	10	5.5	2.5	2.5	New Zealand (0.5)
Cost (% of income per capita)	7.6	15.1	2.0	7.5	6.7	2.3	14.6	0.8	0.6	Denmark (0.2)
Paid-in Min. Capital (% of income per capita)	0.0	0.0	78.2	0.0	0.0	0.0	0.0	0.0	0.0	Burkina Faso (306.2)
Dealing with Construction Permits (rank)	43	96	185	91	14	7	18	1	3	Hong Kong
Procedures (number)	15	37	25	14	8	10	11	6	11	Hong Kong (6)
Time (days)	130	140	270	193	157	94	29	71	26	Singapore (26)
Cost (% of income per capita)	14.7	17.5	344.7	28.1	8.3	15.9	123.9	15.4	15.7	Qatar (1.1)
Getting Electricity (rank)	21	28	119	26	12	7	2	5	6	Iceland
Procedures (number)	5	5	5	3	4	4	4	4	4	Germany (3) Japan (3)
Time (days)	32	46	145	105	35	24	18	38	36	Germany (17)
Cost (% of income per capita)	49.1	53.9	499.2	0.0	67.3	49.4	17.7	1.5	27.5	Japan (0.0)

DOING BUSINESS INDICATORS FOR MALAYSIA AND SELECTED ASIAN COUNTRIES

INDICATOR	Malaysia DB2014	Malaysia DB2013	DB 2014							
			China	Japan	Thailand	Taiwan, China	Korea, Rep.	Hong Kong SAR, China	Singapore	Best performer globally
Registering Property (rank)	35	33	48	66	29	31	75	89	28	Georgia
Procedures (number)	5	5	4	6	2	3	7	5	5	Georgia (1) Portugal (1)
Time (days)	14	14	29	13	2	4	9	35.5	5.5	Portugal (1)
Cost (% of property value)	3.3	3.3	3.6	5.8	6.3	6.2	5.1	7.7	2.9	Georgia (0.0) Saudi Arabia (0.0)
Getting Credit (rank)	1	1	73	28	73	73	13	3	3	Malaysia & United Kingdom
Strength of legal rights index (0-10)	10	10	5	7	5	5	8	10	10	Malaysia (10), United Kingdom (10), Australia (10)
Depth of credit information index (0-6)	6	6	5	6	5	5	6	5	5	Malaysia (6), United Kingdom (6), Japan (6)
Public registry coverage (% of adults)	52.9	56.1	30.2	0.0	0.0	0.0	100.0	0.0	0.0	Korea Rep (100), Portugal (100)
Private bureau coverage (% of adults)	77.2	81.8	0.0	100	49.2	94.1	100	93.6	60.3	New Zealand (100), United Kingdom (100), Japan (100)
Protecting Investors (rank)	4	4	98	16	12	34	52	3	2	New Zealand
Extent of disclosure index (0-10)	10	10	10	7	10	9	7	9	10	Singapore (10)
Extent of director liability index (0-10)	9	9	1	6	7	5	4	8	9	Singapore (9)
Ease of shareholder suits index (0-10)	7	7	4	8	6	5	7	10	9	Hong Kong (10) New Zealand (10)
Strength of investor protection index (0-10)	8.7	8.7	5.0	7.0	7.7	6.3	6.0	9.0	9.3	New Zealand (9.7)

DOING BUSINESS INDICATORS FOR MALAYSIA AND SELECTED ASIAN COUNTRIES

INDICATOR	Malaysia DB2014	Malaysia DB2013	DB 2014							
			China	Japan	Thailand	Taiwan, China	Korea, Rep.	Hong Kong SAR, China	Singapore	Best performer globally
Paying Taxes (rank)	36	15	120	140	70	58	25	4	5	United Arab Emirates
Payments (number per year)	13	13	7	14	22	12	10	3	5	Hong Kong (3)
Time (hours per year)	133	133	318	330	264	221	187	78	82	United Arab Emirates (12)
Total tax rate (% of profit)	36.3	24.5	63.7	49.7	29.8	35.0	27.9	22.9	27.1	United Arab Emirates (14.9)
Trading Across Borders (rank)	5	11	74	23	24	18	3	2	1	Singapore
Documents to export (number)	4	5	8	3	5	5	3	3	3	Ireland (2), France (2)
Time to export (days)	11	11	21	11	14	10	8	6	6	Singapore (6), Hong Kong (6), Denmark (6), United States (6)
Cost to export (US\$ per container)	450	435	620	890	595	655	670	590	460	Malaysia (450)
Documents to import (number)	4	6	5	5	5	6	3	3	3	Ireland (2), France (2)
Time to import (days)	8	8	24	11	13	10	7	5	4	Singapore (4)
Cost to import (US\$ per container)	485	420	615	970	760	720	695	565	440	Singapore (440)

DOING BUSINESS INDICATORS FOR MALAYSIA AND SELECTED ASIAN COUNTRIES

INDICATOR	Malaysia DB2014	Malaysia DB2013	DB 2014							
			China	Japan	Thailand	Taiwan, China	Korea, Rep.	Hong Kong SAR, China	Singapore	Best performer globally
Enforcing Contracts (rank)	30	33	19	36	22	84	2	9	12	Luxembourg
Time (days)	425	425	406	360	440	510	230	360	150	Singapore (150)
Cost (% of claim)	27.5	27.5	11.1	32.2	15	17.7	10.3	21.2	25.8	Luxembourg (9.7)
Procedures (number)	29	29	37	31	36	45	33	27	21	Singapore (21), Ireland (21)
Resolving Insolvency (rank)	42	49	78	1	58	16	15	19	4	Japan
Time (years)	1.5	1.5	1.7	0.6	2.7	1.9	1.5	1.1	0.8	Ireland (0.4)
Cost (% of estate)	10	15	22	4	36	4	4	9	3	Norway (1)
Recovery rate (cents on the dollar)	48.9	44.7	36.0	92.8	42.2	81.8	82.3	81.2	89.4	Japan (92.8)

*Note: * Two or more economies share the top ranking on this indicator. A number shown in place of an economy's name indicates the number of economies that share the top ranking on the indicator. For a list of these economies, refer the Doing Business website (<http://www.doingbusiness.org>).*

OVERALL RANKING ON DOING BUSINESS 2014

Economy	Doing Business (Rank)			Economy	Doing Business (Rank)		
	2014	2013	2012		2014	2013	2012
Singapore	1	1	1	Belgium	36	33	28
Hong Kong SAR, China	2	2	2	Armenia	37	32	55
New Zealand	3	3	3	France	38	34	29
United States	4	4	4	Cyprus	39	36	40
Denmark	5	5	5	Puerto Rico (U.S.)	40	41	43
Malaysia	6	12	18	South Africa	41	39	35
Korean Rep.	7	8	8	Peru	42	43	41
Georgia	8	9	16	Colombia	43	45	42
Norway	9	6	6	Montenegro	44	51	56
United Kingdom	10	7	7	Poland	45	55	62
Australia	11	10	15	Bahrain	46	42	38
Finland	12	11	11	Oman	47	47	49
Iceland	13	14	9	Qatar	48	40	36
Sweden	14	13	14	Slovak Republic	49	46	48
Ireland	15	15	10	Kazakhstan	50	49	47
Taiwan, China	16	16	25	Tunisia	51	50	46
Lithuania	17	27	27	Spain	52	44	44
Thailand	18	18	17	Mexico	53	48	53
Canada	19	17	13	Hungary	54	54	51
Mauritius	20	19	23	Panama	55	61	61
Germany	21	20	19	Botswana	56	59	54
Estonia	22	21	24	Tonga	57	62	58
United Arab Emirates	23	26	33	Bulgaria	58	66	59
Latvia	24	25	21	Brunei Darussalam	59	79	83
Macedonia, FYR	25	23	22	Luxembourg	60	56	50
Saudi Arabia	26	22	12	Samoa	61	57	60
Japan	27	24	20	Fiji	62	60	77
Netherlands	28	31	31	Belarus	63	58	69
Switzerland	29	28	26	St. Lucia	64	53	52
Austria	30	29	32	Italy	65	73	87
Portugal	31	30	30	Trinidad and Tobago	66	69	68
Rwanda	32	52	45	Ghana	67	64	63
Slovenia	33	35	37	Kyrgyz Republic	68	70	70
Chile	34	37	39	Turkey	69	71	71
Israel	35	38	34	Azerbaijan	70	67	66

OVERALL RANKING ON DOING BUSINESS 2014 (cont'd)

Economy	Doing Business (Rank)		
	2014	2013	2012
An̄gua and Barbuda	71	63	57
Greece	72	78	100
Romania	73	72	72
Vanuatu	74	80	76
Czech Republic	75	65	64
Mongolia	76	76	86
Dominica	77	68	65
Moldova	78	83	81
Guatemala	79	93	97
Seychelles	80	74	103
San Marino*	81	-	-
St. Vincent and the Grenadines	82	75	75
Zambia	83	94	84
Bahamas, The	84	77	85
Sri Lanka	85	81	89
Kosovo	86	98	117
Morocco	87	97	94
Uruguay	88	89	90
Croat̄a	89	84	80
Albania	90	85	82
Barbados	91	88	-
Russian Federation	92	112	120
Serbia	93	86	92
Jamaica	94	90	88
Maldives	95	95	79
China	96	91	91
Solomon Islands	97	92	74
Namibia	98	87	78
Vietnam	99	99	98
Palau	100	111	116
St. Kitt̄s and Nevis	101	96	95
Costa Rica	102	110	121
Malta	103	102	-
Kuwait	104	82	67
Nepal	105	108	107

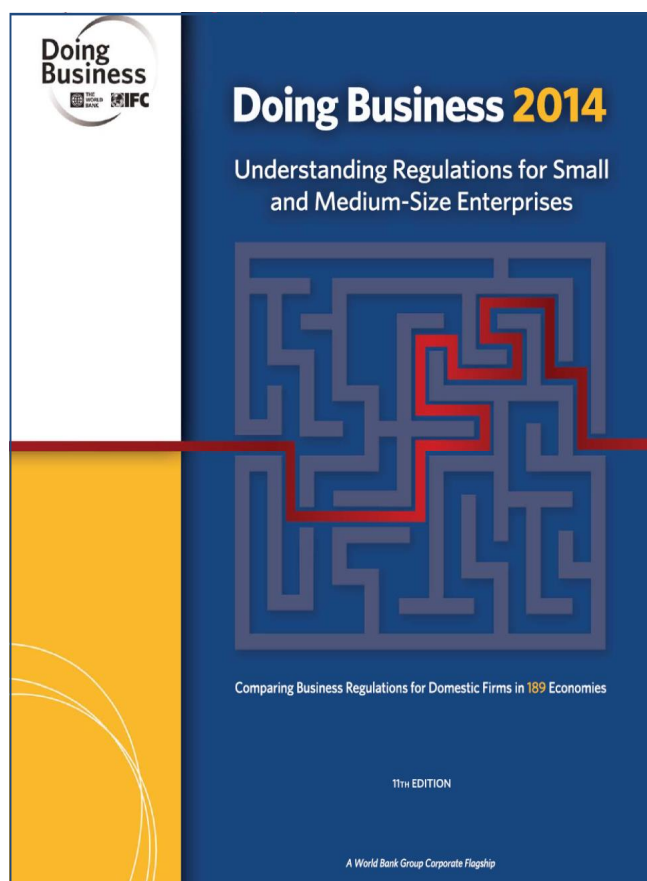
Economy	Doing Business (Rank)		
	2014	2013	2012
Belize	106	105	93
Grenada	107	100	73
Philippines	108	138	136
Paraguay	109	103	102
Pakistan	110	107	105
Lebanon	111	115	104
Ukraine	112	137	152
Papua New Guinea	113	104	101
Marshall Islands	114	101	106
Guyana	115	114	114
Brazil	116	130	126
Dominican Republic	117	116	108
El Salvador	118	113	112
Jordan	119	106	96
Indonesia	120	128	129
Cape Verde	121	122	119
Kiribā	122	117	115
Swaziland	123	123	124
Nicaragua	124	119	118
Ethiopia	125	127	111
Argentina	126	124	113
Honduras	127	125	128
Egypt, Arab Rep.	128	109	110
Kenya	129	121	109
Bangladesh	130	129	122
Bosnia and Herzegovina	131	126	125
Uganda	132	120	123
Yemen, Rep.	133	118	99
India	134	132	132
Ecuador	135	139	130
Lesotho	136	136	143
Cambodia	137	133	138
West Bank and Gaza	138	135	131
Mozambique	139	146	139
Burundi	140	159	169

OVERALL RANKING ON DOING BUSINESS 2014 (Cont'd)

Economy	Doing Business (Rank)		
	2014	2013	2012
Bhutan	141	148	142
Sierra Leone	142	140	141
Tajikistan	143	141	147
Liberia	144	149	151
Tanzania	145	134	127
Uzbekistan	146	154	166
Nigeria	147	131	133
Madagascar	148	142	137
Sudan	149	143	135
Gambia, The	150	147	149
Iraq	151	165	164
Iran, Islamic Rep.	152	145	144
Algeria	153	152	148
Burkina Faso	154	153	150
Mali	155	151	146
Micronesia, Fed. Sts.	156	150	140
Togo	157	156	162
Comoros	158	158	157
Lao PDR	159	163	165
Djibouti	160	171	170
Suriname	161	164	158
Bolivia	162	155	153
Gabon	163	170	156
Afghanistan	164	168	160
Syrian Arab Republic	165	144	134
Equatorial Guinea	166	162	155
Côte d'Ivoire	167	177	167
Cameroon	168	161	161
São Tomé and Príncipe	169	160	163
Zimbabwe	170	173	171
Malawi	171	157	145
Timor-Leste	172	169	168
Mauritania	173	167	159
Benin	174	175	175
Guinea	175	178	179

Economy	Doing Business (Rank)		
	2014	2013	2012
Niger	176	176	173
Haiti	177	174	174
Senegal	178	166	154
Angola	179	172	172
Guinea-Bissau	180	179	176
Venezuela, RB	181	180	177
Myanmar*	182	-	-
Congo, Dem. Rep.	183	181	178
Eritrea	184	182	180
Congo, Rep.	185	183	181
South Sudan*	186	-	-
Libya*	187	-	-
Central African Republic	188	185	182
Chad	189	184	183

**New Entrant*



RANKING ON DOING BUSINESS 2014 ASEAN COUNTRIES

Economy	Doing Business (Rank)		
	2014	2013	2012
Singapore	1	1	1
Malaysia	2	2	3
Thailand	3	3	2
Brunei Darussalam	4	4	4
Vietnam	5	5	5
Philippines	6	8	7
Indonesia	7	6	6
Cambodia	8	7	8
Lao PDR	9	9	9
Myanmar	10	—	—

RANKING ON DOING BUSINESS 2014 ASIA – PACIFIC COUNTRIES

Economy	Doing Business (Rank)		
	2014	2013	2012
Singapore	1	1	1
Hong Kong SAR, China	2	2	2
New Zealand	3	3	3
Malaysia	4	6	7
Korea, Republic	5	4	4
Australia	6	5	5
Taiwan, China	7	7	9
Thailand	8	8	6
Japan	9	9	8
Brunei Darussalam	10	12	11
Kyrgyz Republic	11	10	10
Mongolia	12	11	12
Sri Lanka	13	13	13
China	14	14	14
Vietnam	15	15	15
Nepal	16	17	17
Philippines	17	22	21
Pakistan	18	16	16
Indonesia	19	18	19
Bangladesh	20	19	18
India	21	20	20
Cambodia	22	21	22
Lao PDR	23	23	23
Myanmar	24	—	—

**MALAYSIA AND THE 10 ECONOMIES IMPROVING THE MOST ACROSS 3 OR MORE
AREAS MEASURED BY DOING BUSINESS IN 2012 / 2013**

		(1)	(2)	(3)	(4)	(5)
Economy	Rank	Starting a Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit
Ukraine	112	✓	✓	✓	✓	✓
Rwanda	32	✓	✓		✓	✓
Russian Federation	92	✓	✓	✓	✓	
Philippines	108		✓			✓
Kosovo	86	✓	✓		✓	
Djibouti	160	✓				✓
Côte d'Ivoire	167	✓	✓		✓	
Burundi	140	✓	✓	✓	✓	
Macedonia, FYR	25		✓	✓	✓	✓
Guatemala	79	✓	✓			
Malaysia	6	✓	✓	✓		

		(6)	(7)	(8)	(9)	(10)
Economy	Rank	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Resolving Insolvency
Ukraine	112		✓	✓		✓
Rwanda	32	✓	✓	✓		✓
Russian Federation	92			✓		
Philippines	108		✓			
Kosovo	86					
Djibouti	160					✓
Côte d'Ivoire	167				✓	
Burundi	140		✓	✓		
Macedonia, FYR	25	✓	✓			
Guatemala	79		✓			
Malaysia	6					

GOOD PRACTICES AROUND THE WORLD

TOPIC	PRACTICES	ECONOMIES ^a	EXAMPLES
Making it easy to start a business	Putting procedures online	109	Azerbaijan; Chile; Costa Rica; Hong Kong SAR, China; FYR Macedonia; New Zealand; Peru; Singapore
	Having no minimum capital requirement	99	Cape Verde; Greece; Kazakhstan; Kenya; Kosovo; Lithuania; Mexico; Mongolia; Morocco; Netherlands; Serbia; United Kingdom; West Bank and Gaza
	Having a one-stop shop	96	Bahrain; Benin; Burkina Faso; Burundi; Côte d' Ivoire; Georgia; Guatemala; Republic of Korea; Kosovo; Peru; Vietnam
Making it easy to deal with construction permits	Having comprehensive building rules	140	Azerbaijan; Comoros; France; Taiwan; China
	Using risk-based building approvals	87	Belize; Estonia; Indonesia; Namibia
	Having a one-stop shop	36	Burundi; Guatemala; Malaysia; Montenegro
Making it easy to obtain an electricity connection	Streamlining approval processes (utility obtains excavation permit or right of way if required)	170 ^b	Armenia; Austria; Cambodia; China; Kuwait; Malaysia; Panama
	Providing transparent connection costs and processes	103 ^c	France; Germany; Ireland; Netherlands; Trinidad and Tobago
	Reducing the financial burden of security deposits for new connections	98	Argentina; Austria; Brazil; Kyrgyz Republic; Latvia; Mozambique; Nepal; Russian Federation
	Ensuring the safety of internal wiring by regulating the electrical profession rather than the connection process	41	Denmark; Germany; Iceland; Japan; San Marino
Making it easy to register property	Using an electronic database for encumbrances	116	Chile; Denmark; Jamaica; Republic of Korea; Sweden
	Offering cadastre information online	51	Colombia; Finland; Malaysia; South Africa; United Kingdom
	Offering expedited procedures	18	Kazakhstan; Mongolia; Nicaragua; Portugal; Romania
	Setting fixed transfer fees	10	Georgia; New Zealand; Russian Federation; Rwanda; Slovak Republic
Making it easy to get credit	<i>Legal rights</i>		
	Allowing out-of-court enforcement	124	Australia; Guatemala; India; Peru; Russian Federation; Serbia; Sri Lanka
	Allowing a general description of collateral	92	Cambodia; Canada; Nigeria; Puerto Rico (U.S.); Romania; Rwanda; Singapore
	Maintaining a unified registry	65	Afghanistan; Bosnia and Herzegovina; Ghana; Honduras; Montenegro; New Zealand; Romania
	<i>Credit information</i>		
	Distributing data on loans below 1% of income per capita	128	Brazil; Bulgaria; Germany; Kenya; Malaysia; Sri Lanka; Tunisia
	Distributing both positive and negative credit information	109	China; Croatia; India; Italy; Jordan; Panama; South Africa
	Distributing credit information from retailers, trade creditors or utilities as well as financial institutions	57	Fiji; Lithuania; Nicaragua; Rwanda; Saudi Arabia; Spain
Protecting investors	Allowing rescission of prejudicial related-party transactions ^d	74	Brazil; Ghana; Iceland; India; Mauritius; Rwanda
	Regulating approval of related-party transactions	62	Belarus; Bulgaria; France; Thailand; United Kingdom
	Requiring detailed disclosure	52	Hong Kong SAR; China; New Zealand; Singapore; United Arab Emirates; Vietnam
	Allowing access to all corporate documents during the trial	47	Chile; Ireland; Israel; Slovak Republic; Tanzania
	Requiring external review of related-party transactions	43	Australia; Arab Republic of Egypt; Sweden; Turkey; Zimbabwe
	Allowing access to all corporate documents before the trial	31	Greece; Indonesia; Japan; South Africa; Timor-Leste
	Defining clear duties for directors	30	Colombia; Kuwait; Malaysia; Mexico; Slovenia; United States
Making it easy to pay taxes	Allowing self-assessment	160	Argentina; Canada; China; Rwanda; Sri Lanka; Turkey
	Allowing electronic filing and payment	76	Australia; Colombia; India; Lithuania; Malta; Mauritius; Tunisia
	Having one tax per tax base	55	FYR Macedonia; Namibia; Paraguay; United Kingdom
Making it easy to trade across borders	Allowing electronic submission and processing	151 ^e	Greece; Lao PDR; South Africa; Uruguay
	Using risk-based inspections ^f	134	Botswana; Georgia; Mauritania; United States
	Providing a single window ^f	73 ^g	Azerbaijan; Colombia; Mexico; Mozambique
Making it easy to enforce contracts	Maintaining specialized commercial court, division or judge	90	Canada; Côte d' Ivoire; Hungary; Luxembourg; Mauritius; Togo;
	Allowing electronic filing of complaints	17	Austria; Israel; Malaysia; United Arab Emirates; United States
Making it easy to resolve insolvency	Requiring professional or academic qualifications for insolvency administrators by law	110	The Bahamas; Belarus; Colombia; Namibia; Poland; United Kingdom
	Allowing creditors' committees a say in insolvency proceeding decisions	109	Australia; Bulgaria; Philippines; United States; Uzbekistan
	Specifying time limits for the majority of insolvency procedures	97	Albania; Italy; Japan; Republic of Korea; Lesotho; Ukraine
	Providing a legal framework for out-of-court workouts	84	Argentina; Hong Kong SAR, China; Latvia; Philippines; Romania

Among 189 economies surveyed, unless otherwise specified.

Among 154 economies surveyed.

Based on data from *Doing Business 2013*.

Rescission is the right of parties involved in a contract to return to a state identical to that before they entered into the agreement.

Forty-four have a full electronic data interchange system, 107 a partial one.

Among 181 economies surveyed.

Eighteen have a single-window system that links all relevant government agencies, 55 a system that does so partially.

Source: *Doing Business database*.

For further information on Malaysia in Doing Business 2014,
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