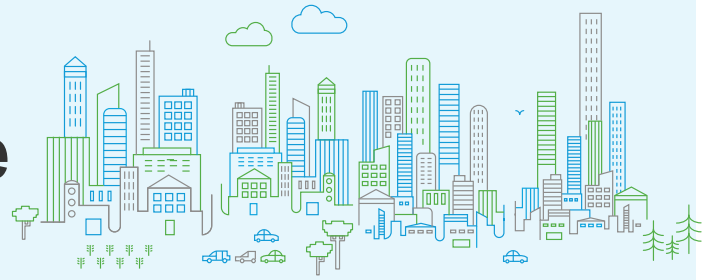


Malaysia My Second Home (“MM2H”) Programme

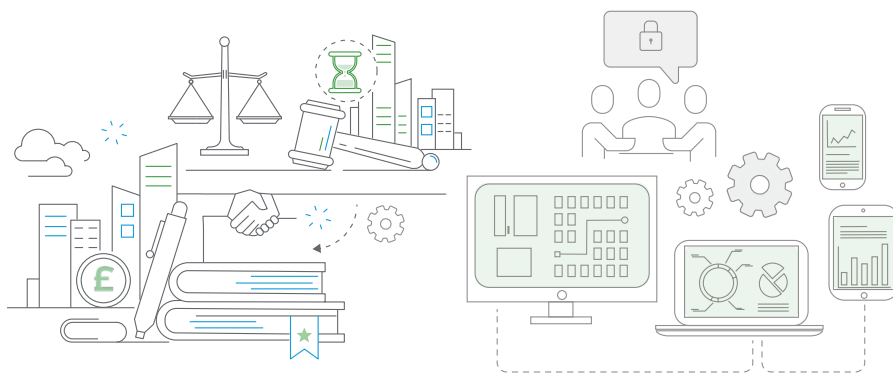


BACKGROUND AND RECENT DEVELOPMENT

The first MM2H Programme (“West Malaysia MM2H”) was launched by the Malaysian Government in 2002 with the purpose of attracting foreigners to retire and live in Malaysia for an extended period.

Since its inception up to year 2019, it has contributed to RM 58 billion in revenue via visa fees, purchase of properties and cars, fixed deposits and monthly household expenses, among others.

This created spillover effects to the local industries, such as the education, medical and tourism industry. Residential property market also benefits from West Malaysia MM2H as some MM2H visa holders could have sold the house in their home country prior to moving to Malaysia and invested millions in their new home in Malaysia.



West Malaysia MM2H, Sarawak MM2H and Sabah MM2H

Apart from West Malaysia MM2H which was revamped in October 2021 with new but stricter rules, there are also Sarawak MM2H and Sabah MM2H which differ from West Malaysia MM2H in terms of eligibility requirements. The Sarawak MM2H was introduced in January 2007 whereas the Sabah MM2H was approved by the Sabah State Government on 2 February 2023. Full conditions of the Sabah MM2H has yet to be announced as of the date of this article.

SUMMARY OF ELIGIBLE REQUIREMENTS, TERMS AND CONDITIONS

For easy reference, we summarise the requirements, terms and conditions of West Malaysia MM2H and Sarawak MM2H in the table below :-

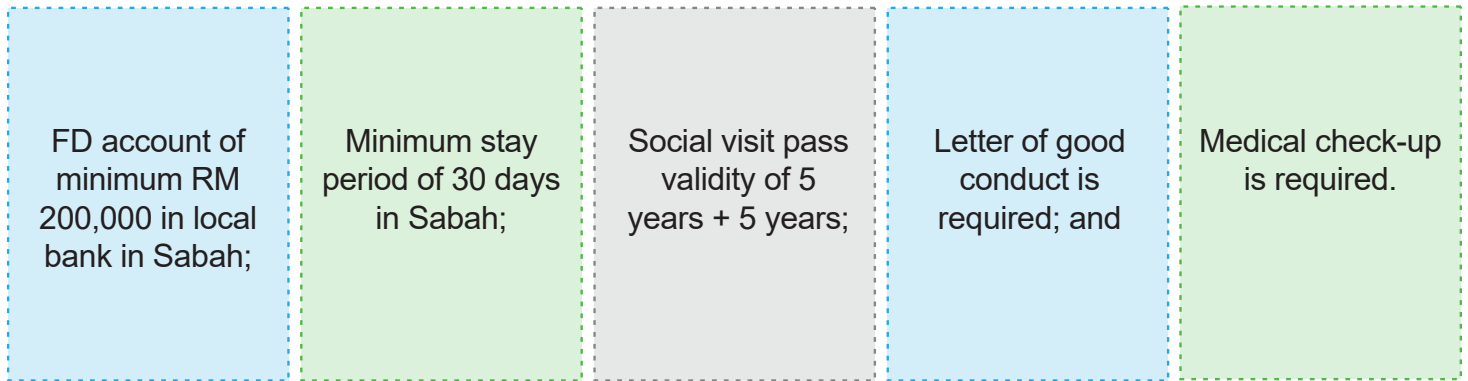
Conditions	West Malaysia MM2H	Sarawak MM2H
Minimum age	<ul style="list-style-type: none"> 35 years old 	<ul style="list-style-type: none"> 50 years old and no age limit for spouse. Exceptions : - 40 to 49 years old and undergoing long term medical treatment in Sarawak or having children studying in Sarawak or having investment in residential property in Sarawak of at least RM 600,000; 30 to 39 years old and undergoing long term medical treatment in Sarawak or having children studying in Sarawak
Offshore income / pension (per month)	<ul style="list-style-type: none"> Minimum RM 40,000 (RM 10,000 previously) * Upon application, must fulfil monthly income AND liquid assets requirement 	<ul style="list-style-type: none"> Minimum RM 7,000 (individual) or RM 10,000 (couple) * Upon application, must fulfil either one of the monthly income or liquid assets requirement
Proof of liquid assets	<ul style="list-style-type: none"> Minimum RM 1,500,000 [up from RM 350,000 for those above 50 years old and RM 500,000 for those 50 years old and below previously] * Upon application, must fulfil monthly income AND liquid assets requirement 	<ul style="list-style-type: none"> Minimum RM 50,000 (individual) or RM 100,000 (couple) in saving accounts anywhere in the world * Upon application, must fulfil either one of the monthly income or liquid assets requirement
Fixed deposit ("FD") account	<ul style="list-style-type: none"> At least RM 1,000,000 in a local bank [up from RM 150,000 for those above 50 years old and RM 300,000 for those 50 years old and below previously] Additional FD of RM 50,000 per dependent is required for applicants between 35 to 49 years old Up to RM500,000 can be withdrawn for education, health care or buying a house 	<ul style="list-style-type: none"> At least RM 150,000 (individual) or RM 300,000 (couple) in a local bank in Sarawak

SUMMARY OF ELIGIBLE REQUIREMENTS, TERMS AND CONDITIONS (CONT.)

Conditions	West Malaysia MM2H	Sarawak MM2H
Minimum stay period	<ul style="list-style-type: none"> 90 days per year in Malaysia (no requirement previously) 	<ul style="list-style-type: none"> 30 days per year in Sarawak
Social visit pass validity	<ul style="list-style-type: none"> 5 years + 5 years (i.e. 5-years visa with renewable for another 5 years) (10 years previously) 	
Processing fees (per applicant)	<ul style="list-style-type: none"> RM 5,000 (main applicant) + RM 2,500 (dependent) 	<ul style="list-style-type: none"> No processing fee
Visa fee (per year)	<ul style="list-style-type: none"> RM 500 during the visa duration (RM 90 previously) 	
Letter of Good Conduct	<ul style="list-style-type: none"> Required for all applicants and dependents aged 18 years old and above from origin country per passport 	
Health insurance	<ul style="list-style-type: none"> Local / worldwide which covers Malaysia 	<ul style="list-style-type: none"> Must purchase in Sarawak
Medical check-up	<ul style="list-style-type: none"> In Peninsular Malaysia 	<ul style="list-style-type: none"> In Sarawak. Where application is done abroad, medical check-up from home country is required and 2nd check-up is required in Sarawak after approval
Security bond	<ul style="list-style-type: none"> To be paid to the Immigration Department per applicant and dependent. Amount varies depending on nationality. 	<ul style="list-style-type: none"> To be paid to the Immigration Department per applicant. Amount varies depending on nationality.
Working	<ul style="list-style-type: none"> Allowed to start a company by becoming a shareholder without referring to the Immigration authorities. 	<ul style="list-style-type: none"> Allowed to work, be employed or be involved in active investments and business. Prior approval may be required.

SUMMARY OF ELIGIBLE REQUIREMENTS, TERMS AND CONDITIONS (CONT.)

Some of the requirements of the Sabah MM2H, as disclosed by Datuk Christina Liew, the Sabah Culture and Environment Minister includes :-



Difference in MM2H Programme among Peninsular Malaysia, Sabah and Sarawak was due to provisions under Sections 64 and 65 of the Immigration Act 1959/63 where Sabah and Sarawak are given autonomy to manage its own immigration affairs such as the entry of foreigners into their state.

As of the date of this article, the Tourism, Arts and Culture Ministry (MOTAC) and Home Ministry will collaborate to smoothen the application process. Tourism Malaysian, an agency under MOTAC will promote West Malaysia MM2H via a one-stop centre. Such one-stop centre will assist with processing applications and collating documents for onward submission to the Home Ministry or the Immigration Department for pass issuance.

CHALLENGES

The stringent requirements from West Malaysia MM2H Programme could result in prospective applicants pause and think twice before choosing Malaysia as their second home. For existing MM2H visa holders, they may consider to leave Malaysia for better similar programmes offered by other countries.

There is also feedback from existing MM2H visa holders and prospective applicants which showed that the revamped West Malaysia MM2H is no longer attractive due to stringent rules. It was proven by the ranking published by International Living which showed that Malaysia had dropped out from its annual list of 'The World's Best Places to Retire' for two consecutive years i.e. 2022 and 2023.

Further, Mr Anthony Liew, the president of MM2H Consultants Association, said that the number of applications has dropped by 90%. The average number of applications was 5,200 a year from 2017 to 2019 and this number has dropped to just about 10% after the revamp of of West Malaysia MM2H Programme.



RSM COMMENT

The Federal Government should relook into the West Malaysia MM2H programme if it still want to attract foreigners to help to boost the Malaysia economy through consumption, investment and spending. For instance :-

the income level needs to be reduced to a realistic level.

FD requirement needs to be relooked into as prospective applicants may be hesitant to convert their hard earned money into a currency which has been depreciating throughout the recent years and lock them into banks with lower interest.

In short, the Federal Government should find out more on the background and financial capabilities of existing MM2H visa holders and prospective applicants and thereafter, re-tailor the West Malaysia MM2H so that it can become attractive again to eligible foreigners.

Although prospective applicants could still consider enrolling into Sarawak MM2H or the impending Sabah MM2H which have less stringent requirements, especially on financial requirements and minimum stay period, undoubtedly, Peninsular Malaysia may still be the main consideration for foreigners, taking into accounts its proximity to prime location and access to much more developed infrastructures.

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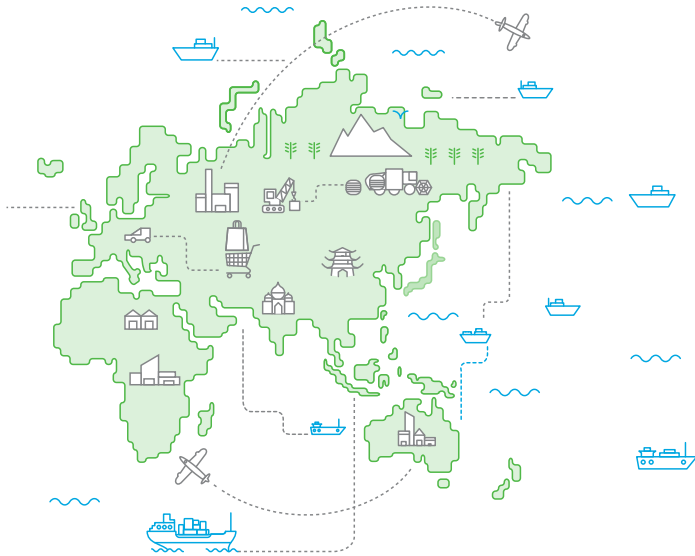
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