



Setting up Institutional Mechanisms for Reform in Malaysia



Presentation Agenda

- **Structuring the reform institutional framework: PEMUDAH**
 - Ensuring accountability
 - Engaging the private sector
- Promoting a reform agenda at the subnational level
- The Dos and Don'ts



The Special Task Force to Facilitate Business

- Established in 2007.
- Forge closer **collaborations** between **public and private sectors**.

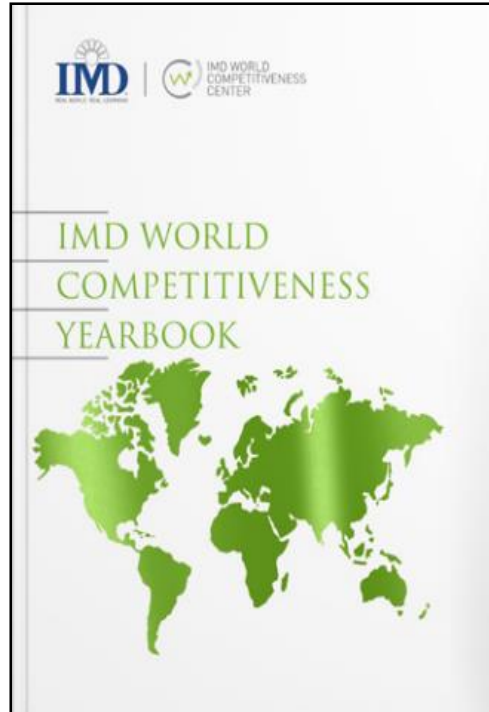
OBJECTIVES:

- Improve business regulation, service delivery, ease of doing business and proactive launch and pursuance of new improvement initiatives.

The Special Task Force to Facilitate Business

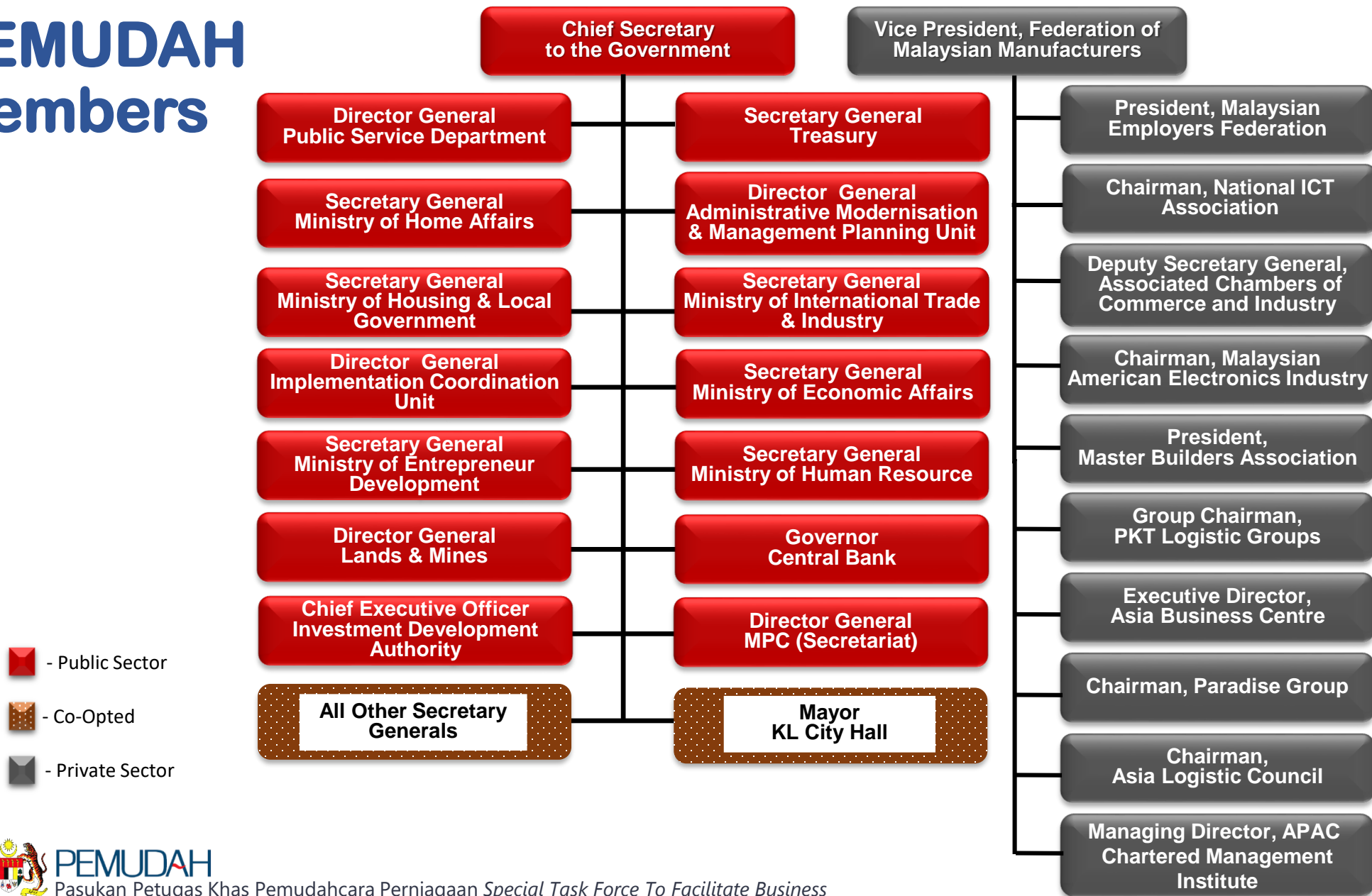
- The scope of work carried out receives impetus from the **World Bank Doing Business Report**.
- Improvement conducted through **Technical Working Groups (TWG)** under PEMUDAH.
- **Accomplished many achievements** that impacted business environment positively.
- **Savings on time and costs** in doing business and resulted in enhanced national competitiveness, productivity and economic resilience.

PEMUDAH uses competitiveness reports as an **entry point** to encourage collaboration among stakeholders and to reduce unnecessary regulatory burdens.



...and then move into **reality beyond** the rankings

PEMUDAH Members



PEMUDAH

Pasukan Petugas Khas Pemudahcara Perniagaan *Special Task Force To Facilitate Business*

PEMUDAH Governance Structure

12 TWGs

Prime Minister
Cabinet Meeting

Joint Ministerial Committee
Co-Chairs: MOF Minister and MITI Minister

PEMUDAH
Co-Chairs: KSN & Industry Captain

TWG Starting a Business

- MAMPU & Industry

TWG Dealing with Construction Permits

- Housing & Local Government, KL City Hall & Industry

TWG Getting Electricity

- Energy Commission & Industry

TWG Registering Property

- Lands and Mines & Industry

TWG Getting Credit

- Companies Commission & Industry

TWG Government Procurement (New)

- MOF & Industry

TWG Paying Taxes

- Ministry of Finance & Industry

TWG Trading Across Borders

- MITI & Industry

TWG Enforcing Contracts

- Office of The Chief Registrar, Federal Court of Malaysia & Industry

TWG Protecting Minority Investors

- Securities Commission & Industry

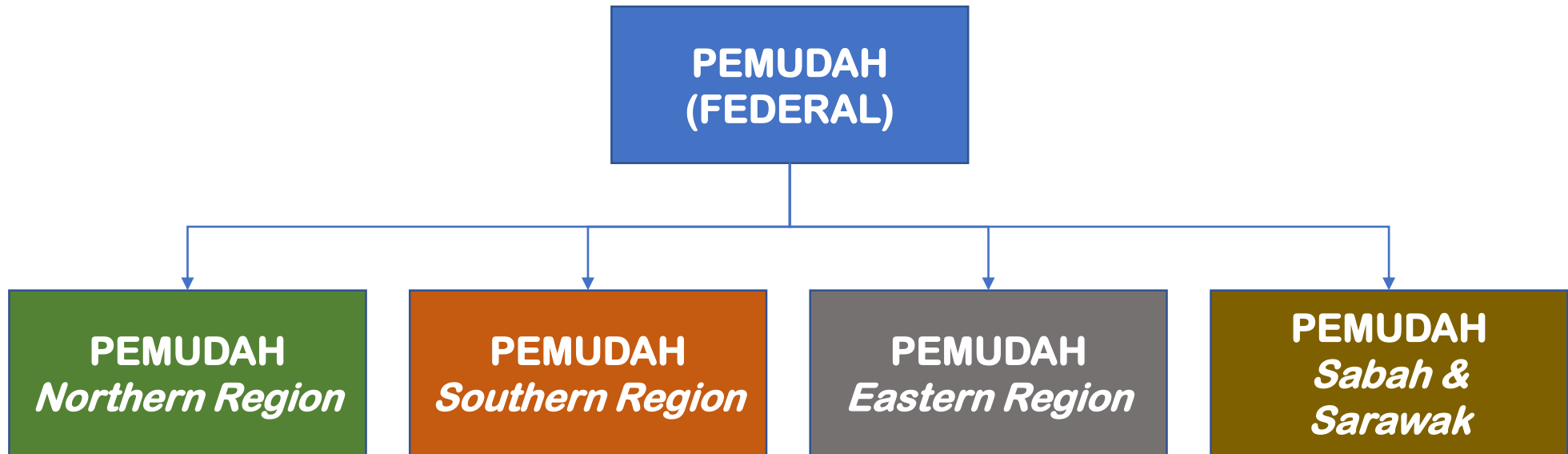
TWG Resolving Insolvency

- Domestic Trade and Consumer Affairs & Industry

TWG e-Payment

- Ministry of Finance & Industry

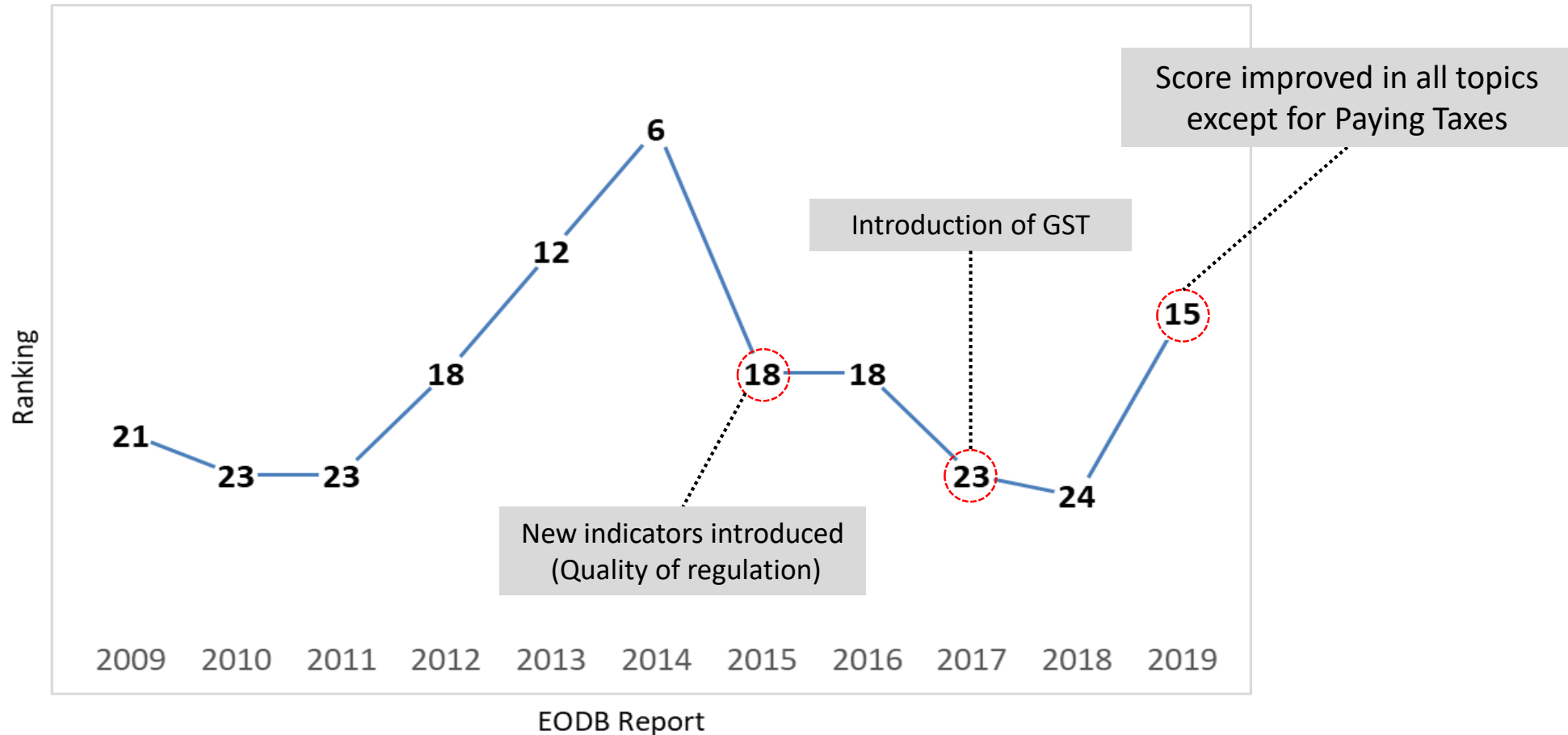
PEMUDAH (Federal + Regional)



PEMUDAH Secretariat

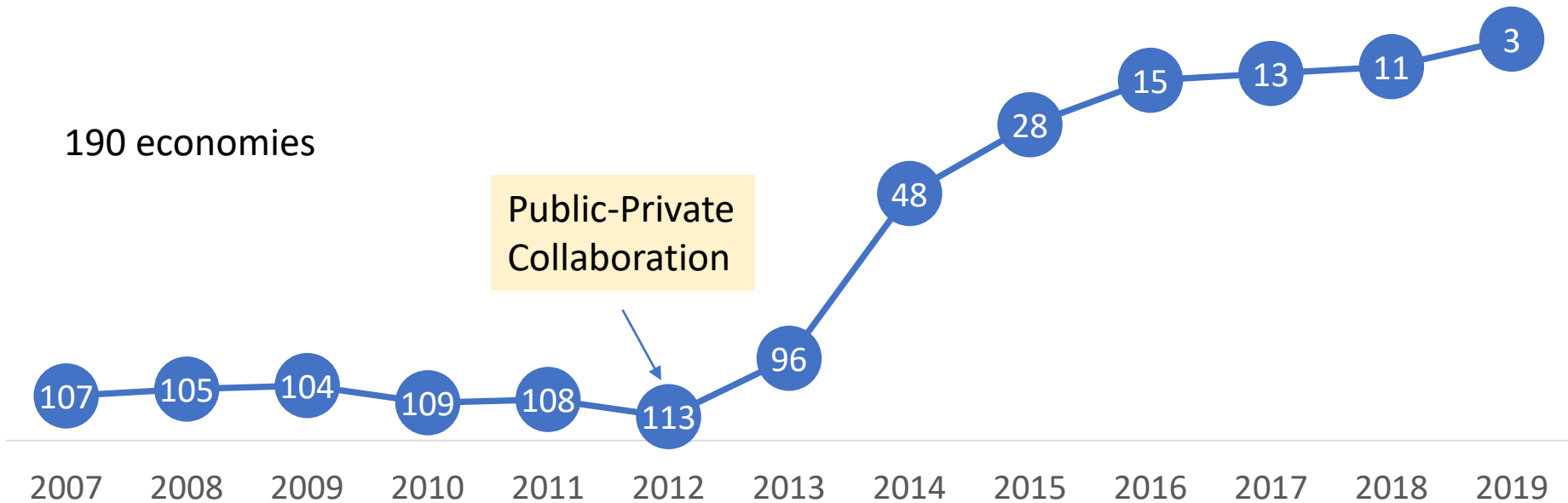
- Manages issues raised.
- Manages all PEMUDAH meetings / engagements.
- Ensure TWGs progress as planned.
- Liaise with all ministries / agencies / business associations.
- Prepare reports.

Malaysia's Ranking in Doing Business



CASE #1: Dealing with Construction Permits

PEMUDAH's TWG DCP co-chaired by Secretary General of Housing & Local Government, Mayor of KL City Hall and private sector has contributed to the improvement in the ranking of DCP



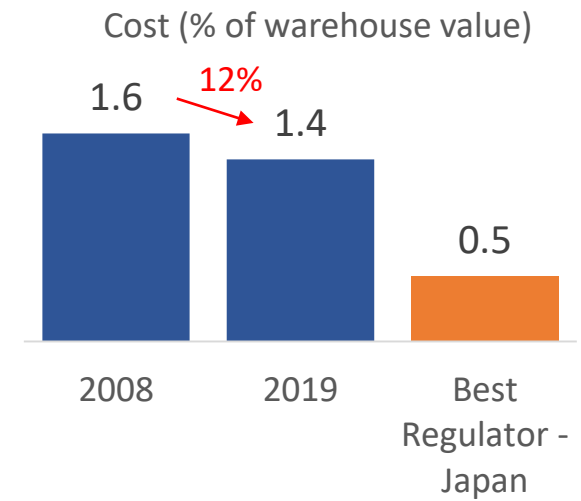
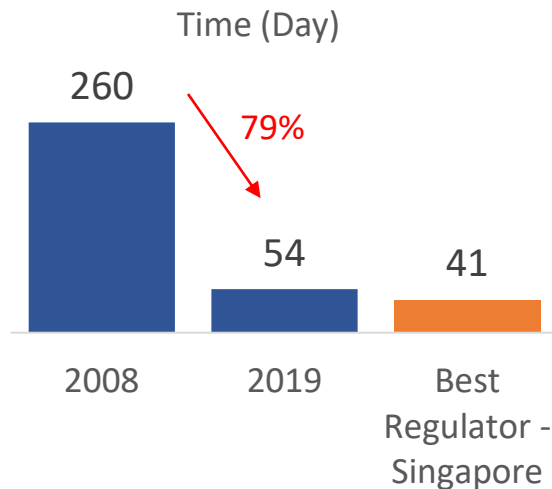
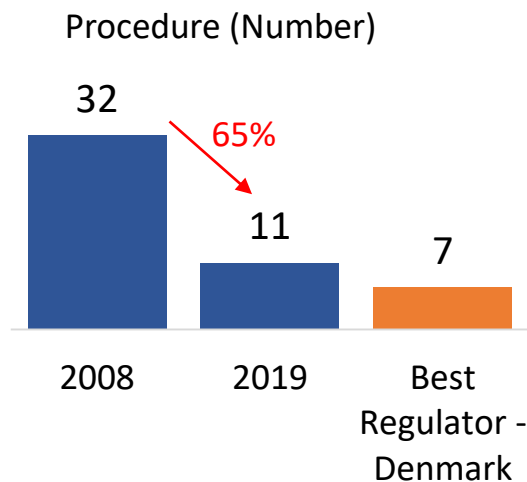
WB's DB Case Study: Kuala Lumpur; Small-scale non-residential development projects

GRP initiatives have successfully reduced regulatory compliance cost to businesses

Indicator: Dealing with Construction Permits for Kuala Lumpur

Procedure (number of interaction) reduced from 32 to 11

Processing time improved significantly from 260 days to 54 days



Vision and Values

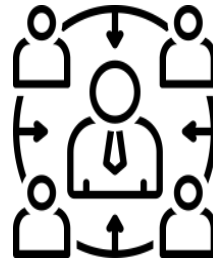
To achieve a globally benchmarked, customer-centric, innovative, entrepreneurial and proactive **public-private sector service delivery** in support of a vibrant, resilient and competitive economy and society, driven by following values:



A sense of urgency



Proactive public-private sector collaboration



Facilitation, not hampering



No more regulation than necessary



Zero tolerance for corruption

PEMUDAH's Terms of Reference

- **Review existing regulations** in terms of regulatory policy and delivery as well as related processes, procedures, legislations and human resources, and to **propose new policies for improvements**;
- **Benchmark best practices** to improve the ease of doing business;
- **Enhance collaboration** between public sector agencies and private sector stakeholders to **improve Malaysia's competitiveness**;
- **Monitor the implementation** of policies, strategies, processes and procedures to improve the efficiency and effectiveness of the public and private sector service delivery; and
- **Take appropriate action to address and resolve issues** in line with the National Agenda and Good Regulatory Practices (GRP).

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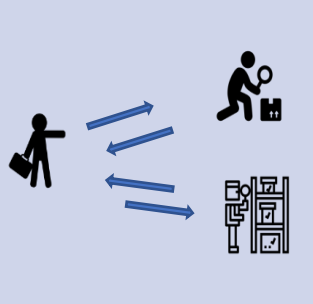
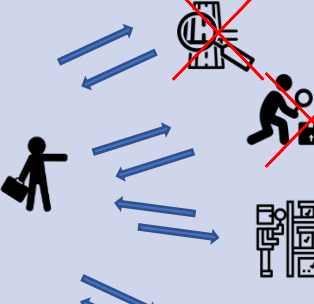
TWG e-Payment

- Ministry of Finance & Industry

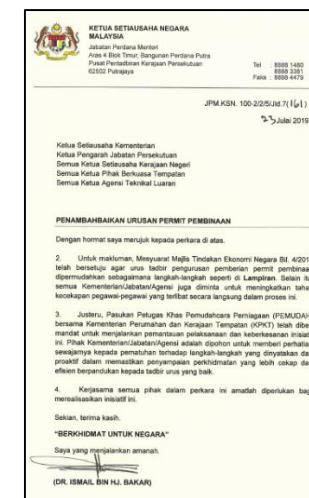
Improvements to 15th (DB2019) Were Due To Reforms in 6 Topics

- **Starting a Business**
Introduced online registration system for GST
Reduction in time to start a business from 23.5 to 13.5 days
- **Dealing with Construction Permits**
Reduced time for processing permit applications and streamlined procedures through reforms in OSC
Reduction in time to obtain construction permit from 78 to 54 days
- **Getting Electricity**
Streamlined approval process through launching the Tenaga Express program – eliminated site visit process for new commercial electricity connections
Reduction in procedures to obtain an electricity connection from 4 to 3 procedures.
- **Registering Property**
Implementation of online single window platform for property searches
Reduction in procedures to register property from 8 to 6 procedures.
- **Trading Across Borders**
Introduced electronic submission & processing of documents, strengthened border infrastructure and enhanced customs administration and inspections
Reduction in time to export (Border compliance) from 45 to 28 hours.
- **Resolving Insolvency**
Introduced a new restructuring procedure – reorganization procedure for commercial entities, as an alternative to liquidation
Improvement in strength of insolvency framework index (0-16) to 7.5 from previously index 6.0.

Case 1: New Framework of Dealing With Construction Permits (Outside Kuala Lumpur): After PEMUDAH's Intervention

Before Construction	During Construction	Post Construction
		
Review of plans/ Issuance of permits	Interim Site Inspections	Final Site Inspections
Current 300 days	30 days	60 days
Proposals (1 to 3): 30 days to 60 days	15 days	15 days

Issuance of **KSN Instruction Letter** on 23 July 2019 to respective Secretary Generals, Head of Local Councils and Technical Agencies.



Total time taken: 90 days (from 390 days)

Case 2: Its Time To Move Beyond World Bank's DB Case Study... Setting up Private Hospital

Business Concerns:

Healthcare Industry Players had to go back and forth 10-20 times to the Ministry of Health to obtain a drawing's approval.

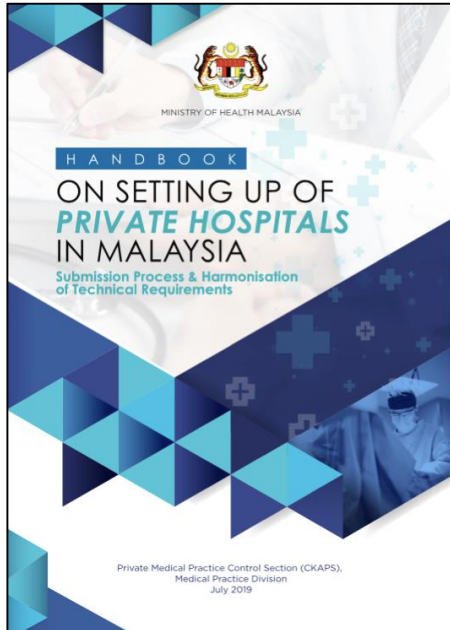
Solution & Result:

Through Public-Private Partnership the process has been eased and the numbers of submission has reduced **from 10-20 times to 1-2 times**.

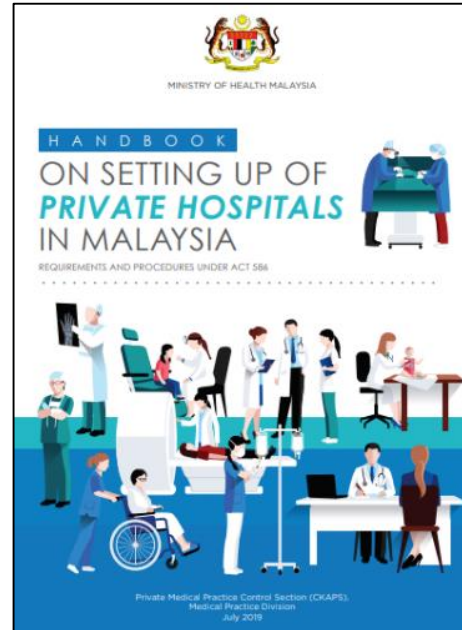
Among the initiatives that has been taken were:

- Conducted **training sessions** to the industry players; and
- Published **4 Handbooks and Guidelines** on the setting-up of new private hospitals in Malaysia.

Beyond EODB: Improvement In Setting-up New Private Hospitals



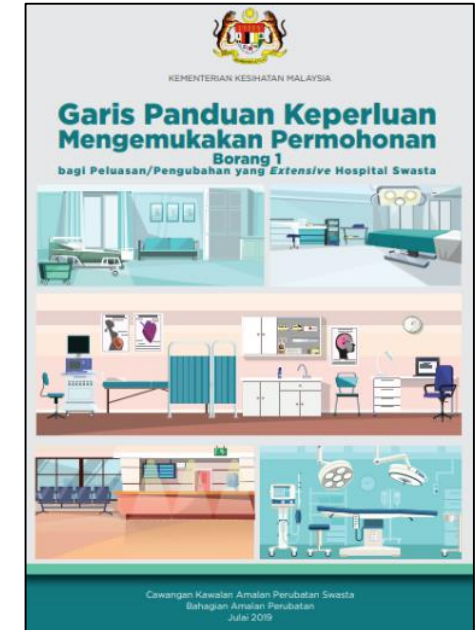
Handbook on Setting Up New Private Hospital in Malaysia: Submission Process and Harmonization of Technical Requirement



Handbook on Setting Up New Private Hospital in Malaysia: Requirement and Procedures Under Act 586

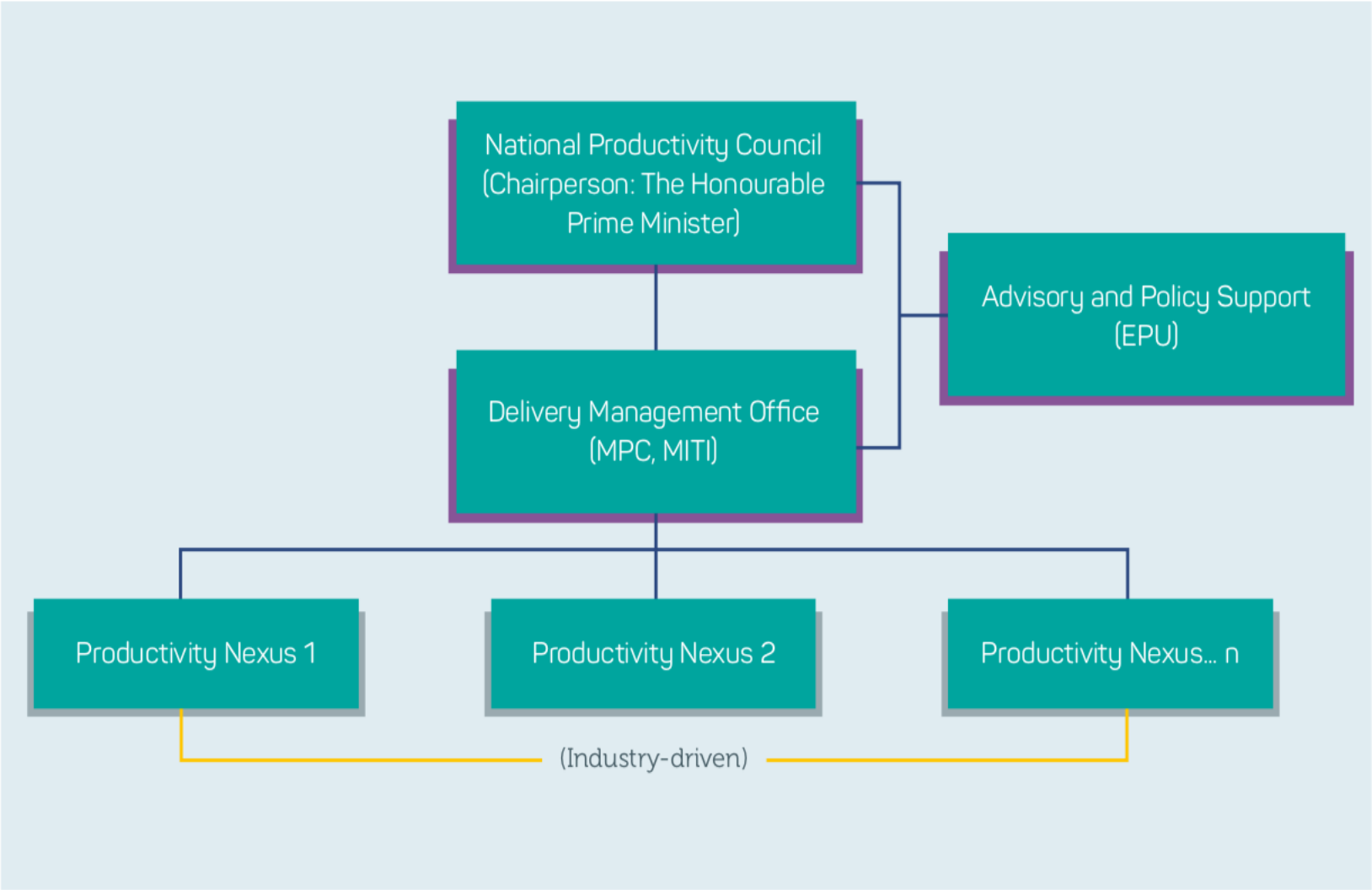


License Renewal Application Procedures for Private Hospitals



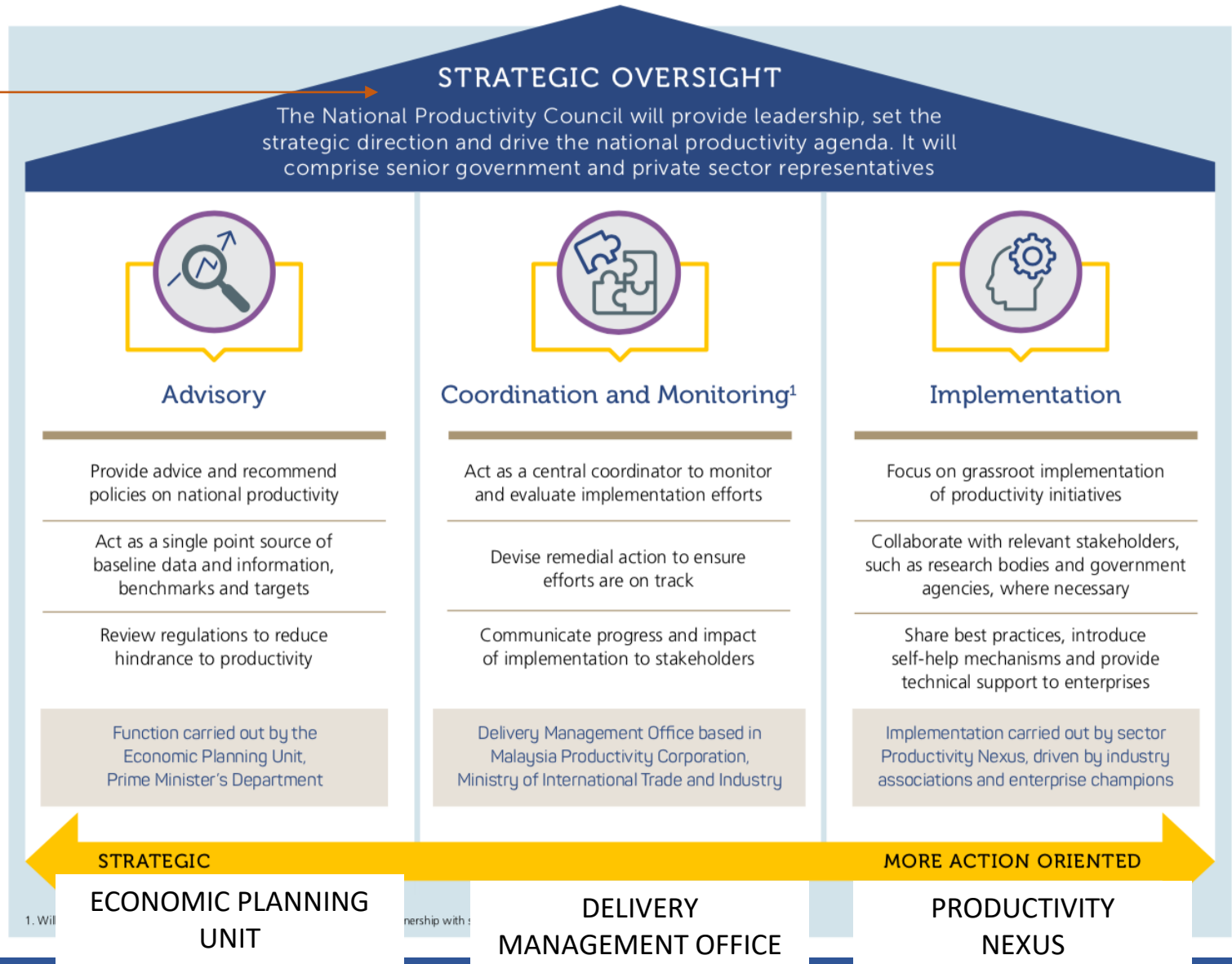
Guidelines for Extensive Expansion or Modification for Private Hospitals

Governance Structure of Malaysia Productivity Blueprint



4 Key Roles of Governance Bodies

NATIONAL PRODUCTIVITY COUNCIL



Delivery Management Office (DMO) coordinates initiatives across stakeholders



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EODB Sub-National Initiatives

1. Malaysia in collaboration with the World Bank Group is conducting a sub-national study for:
 - Dealing with Construction Permits (14 state capitals);
 - Trading Across Borders (with major sea ports in several states); and
 - Registering Properties.

EODB Sub-National Initiatives

- 2) PEMUDAH conducts awareness and competency trainings on EODB indicators to sub-national stakeholders.



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The Dos and Don'ts

1. Public – Private Collaboration is a MUST! Establish a Technical Working Group (TWG) comprising of all key stakeholders.
2. Initially work on solution for the EODB CASE STUDY in Vientiane.
3. Set reform target for each indicator. (short-term and mid-term) and learn form international frontiers.

The Dos and Don'ts

4. Develop and implement action plan. For EODB ranking be aware of the assessment period.
5. Monthly monitoring the progress and challenges.
6. Escalate the issue (especially policy matters) which cannot be resolved at the TWG level.

Thank you, “*Terima kasih*”

