

Revised Expatriate Salary & Employment Pass Policy (Effective 1 June 2026)

EXPATS SERVICE CENTRE

Confidentiality and Disclaimer

These slides are strictly private and confidential and shall not be circulated or reproduced in any form whatsoever, without the prior written consent of MDEC. MDEC reserves its right to seek any remedy or relief for any unauthorized use of the slides and/or the information therein. The information contained in these slides is prepared solely for the limited purpose described in these slides. These slides may be incomplete without the accompanying oral commentary and may not be sufficient as a stand-alone document. MDEC does not provide business consultation, legal, financial, accounting or tax advice and the materials herein should not be relied on or construed as such. Information or data from a third party may be used or quoted in these slides. MDEC has not independently verified this information or data. Whilst all efforts have been taken to ensure the accuracy and completeness of the information contained in these slides, MDEC cannot accept responsibility for any action or decision made in reliance of the information contained herein or any liability incurred, or loss suffered as a consequence of relying on the information contained herein. MDEC reserves its right to amend or update the information contained in these slides from time to time.

The Revised Expatriate Salary Requirement and Employment Pass (EP) Policy will take effect on **1 June 2026**. This revision aims to:

- ✿ Promote more strategic and sustainable employment of expatriates in Malaysia.
- ✿ Strengthen the development of local talent through structured transfer of knowledge, skills and expertise from expatriates to the Malaysian workforce.
- ✿ Support employers in planning workforce transitions effectively, while ensuring business continuity
- ✿ Align with the principles of Malaysia MADANI, which emphasize progressive, transparent, and well-structured policies that support long-term national talent development

EP CATEGORY: CURRENT vs REVISED POLICY

Effective 1 JUNE 2026



EP Category	Requirement Area	Current Policy	Revised Policy
Category I	Minimum Basic Salary	RM10,000 and above	RM20,000 and above
	EP Duration	Not specified. The contract duration is capped at a maximum of five (5) years.	Up to 10 years
	Dependent Eligibility	Yes	Yes
Category II	Minimum Basic Salary	RM5,000 – RM9,999	RM10,000 – RM19,999
	EP Duration	Not specified. The contract duration is capped at a maximum of two (2) years.	Up to 10 years (with succession plan)
	Dependent Eligibility	Yes	Yes
Category III	Minimum Basic Salary	RM3,000 – RM4,999	RM5,000 – RM9,999
	EP Duration	Not specified. The contract duration is capped at a maximum of one (1) years.	Up to 5 years (with succession plan)
	Dependent Eligibility	No for Non MD companies	Yes for Non MD companies

KEY CHANGES TO EMPLOYMENT PASS POLICY



EFFECTIVE DATE



1 JUNE 2026

For New & Renewal Applications



MINIMUM SALARY

CATEGORY I: RM20K++
CATEGORY II: RM10K++
CATEGORY III: RM5K++



Basic Monthly Salary only
(Taxable in Malaysia)



Excludes allowances, incentives, bonuses



Exclude salary paid outside Malaysia



MAXIMUM DURATION



Maximum employment duration applies



Based on same employer, position and EP category



Strictly tied to the employing company



DEPENDENT ELIGIBILITY



Eligibility to bring dependent (s) to Malaysia

- ✓ **Dependent Pass (DP):**
Spouse and children below 18 years old
- ✓ **Social Visit Pass (SVP):**
Parent, Parent-in-law, children aged 18 to 25 years old

ADDITIONAL REQUIREMENTS

MANDATORY
Succession Plan



UPSKILL local employees during EP tenure



Applicable to Category II and Category III

APPLICATION SCENARIO: Existing EP

Current EP Expiry Date	EP Renewal Submission Date	EP Policy
1 May 2026	Before 1 June 2026 (i.e 2 February to 1 May 2026)	Current EP Policy
1 July 2026	Before 1 June 2026 (i.e 2 April to 31 May 2026)	Current EP Policy
	On/After 1 June 2026 (i.e 1 June to 1 July 2026)	Revised EP Policy
1 December 2026	After 1 June 2026 (i.e 2 September to 1 Dec 2026)	Revised EP Policy

*Note: The example shown in the table below refers to Employment Pass Category III under Non-MD companies.

Scenario	Before EP Renewal (i.e 1 June to 1 Dec 2026)		After EP Renewal (i.e EP from 2 Dec 2026 onwards)	
	Dependent	Succession Plan	Dependent	Succession Plan
Current EP III valid until 1 December 2026	Not Eligible	N/A	Eligible	Required

Thank you

 MyMDEC  mymdec  mymdec  mdec.my

  Malaysia Digital Economy Corporation