

**REVISED EXPATRIATE
SALARY
&
EMPLOYMENT PASS
POLICY**

COMPILED QUESTIONS & ANSWERS

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A. SALARY & EP CATEGORIES

1. What are the revised minimum basic salary requirements for EP Category I, II and III effective 1 June 2026?

The revised minimum basic monthly salary requirements effective 1 June 2026 are as follows:

Category I RM20,000 and above

Category II RM10,000 – RM19,999

Category III RM5,000 – RM9,999

2. If our expatriate already holds a valid Employment Pass, will the revised policy affect the current pass?

Existing passes will remain valid until their expiry date.

3. Is the salary threshold based on basic salary only, or can allowances, bonuses, incentives and overseas-paid salary be included?

The salary threshold is based on basic monthly salary only. Allowances, incentives, bonuses, and salary paid outside Malaysia are not counted toward the minimum salary requirement.

4. If an expatriate's current salary does not meet the revised threshold, what are the company's options at renewal?

Renewal applications submitted before 1 June 2026 will continue to be assessed under the existing policy, provided that the renewal falls within the permitted three-month renewal window.

However, any new application or renewal submitted on or after 1 June 2026 will be assessed based on the revised policy requirements.

If the expatriate's salary does not meet the revised threshold at renewal, the company should review and align the salary with the applicable threshold before submission. At this stage,

companies should plan their applications based on the revised salary thresholds under the applicable framework.

5. If renewal applications must be submitted within three (3) months before the pass expiry date, can companies submit the renewal earlier than that in order to be assessed under the existing policy before 1 June 2026?

Renewal applications must be submitted within three (3) months prior to the expiry date of the current pass.

As such, applications cannot be submitted earlier than the stipulated three-month window.

Companies are therefore advised to plan accordingly based on the pass expiry date and the policy implementation timeline.

6. If an EP holder's salary changes and results in a change of pass category at renewal, how will the application be treated?

A change in pass category will be treated as a new application under the relevant category. The existing pass must first be cancelled or shortened, where applicable, before a new application is submitted under the new category.

7. Are there special salary considerations for niche or hard-to-fill roles where no suitable local talent is available?

At this stage, companies are advised to plan all applications, including specialised or niche roles, based on the revised salary thresholds under the applicable framework. Applications submitted on or after 1 June 2026 will generally be assessed in accordance with the revised policy requirements currently in force.

Any specific arrangement under the revised policy will be subject to the applicable eligibility and assessment requirements.

B. DEPENDANTS & FAMILY

8. Can EP Category III holders under non-MD companies bring dependants under the revised policy?

For applications submitted from 1 June 2026 onwards, EP Category III holders under the revised framework for non-MD companies are eligible for dependant applications.

Under the existing policy, EP Category III holders under non-MD companies are not eligible for dependant applications.

9. If an EP Category II holder is downgraded to Category III at renewal, what happens to existing dependant passes?

Existing dependant passes will remain valid until their expiry date, subject to the validity of the principal pass.

However, if the principal pass category changes at renewal, any subsequent dependant pass application or renewal will need to follow the updated category and validity of the principal pass, and will be assessed based on the revised policy requirements and prevailing immigration rules.

10. How will the new policy affect existing dependent passes that have already been approved prior to the implementation date?

Existing valid passes remain valid until their expiry date. Any new application or renewal submitted on or after 1 June 2026 will be assessed based on the revised policy requirements.

11. Will the system automatically reject dependant renewal if the main EP category becomes Category III?

No. Under the revised policy, EP category III is eligible to bring dependents

12. If the principal Employment Pass category changes at renewal, how will existing dependant passes be treated?

Existing valid passes for dependent remain valid until their expiry date. During the renewal for principle, the dependent will follow the principle accordingly.

13. Are parents and parents-in-law eligible under the relevant Social Visit Pass arrangement under the revised framework?

For applications submitted from 1 June 2026 onwards, EP Category III holders under non-MD companies may apply for the relevant Social Visit Pass for parents and parents-in-law.

Under the existing policy, EP Category III holders under non-MD companies are not eligible to apply for the relevant Social Visit Pass for parents and parents-in-law.

14. Are dependants or spouse visa holders allowed to work, and will a separate pass or endorsement be required?

Dependant Pass or spouse-related pass holders are not allowed to work under that pass. Any individual who intends to work must obtain the appropriate employment pass.

C. RENEWAL & POLICY APPLICATION

15. Which policy applies if a complete application is submitted before 1 June 2026?

A complete application submitted before 1 June 2026 will be assessed under the existing policy, even if approval is issued after 1 June 2026.

16. What is a complete application submission?

A complete application submission refers to an application where all mandatory documents have been submitted and received by MDEC, including successful payment transaction.

17. Which policy applies if an application is submitted before 1 June 2026 but approval is issued after that date?

If the application was complete at the time of submission before 1 June 2026, it will continue to be assessed under the existing policy, even if the approval is issued after that date.

18. Which policy applies if the application was submitted before 1 June 2026 but is still in verification stage?

The applicable policy depends on whether a complete application was submitted before 1 June 2026. If a complete application was submitted before that date, it will be assessed under the existing policy.

19. Which policy applies if a pass was approved before 1 June 2026 but not yet endorsed?

If the application was approved before 1 June 2026 but pending for endorsement, it will be failed under the existing policy, provided that approval letter is still valid. However please adhere to the announcement made on 8 April 2026 on the endorsement requirement.

<https://www.mdec.my/expats/announcement>

20. If a renewal is submitted before 1 June 2026, will it still be assessed under the existing policy?

Yes. If the renewal was submitted as a complete application before 1 June 2026, it will be assessed under the existing policy, even if approval or endorsement takes place after that date.

21. Can renewal applications be submitted earlier than the normal renewal window in order to fall under the existing policy?

No. Renewal applications must be submitted within three (3) months prior to the expiry date of the current pass and cannot be submitted earlier solely to fall under the existing policy.

22. If an application is returned and resubmitted after 1 June 2026, will it be assessed under the revised policy?

If an application was initially submitted as a complete application before 1 June 2026, it may still be assessed under the existing policy, even if it is returned and resubmitted, provided the resubmission is made within the permitted timeframe from the original submission date. If the initial submission was incomplete, or the resubmission does not meet the applicable requirement, the application may be subject to the revised policy.

D. APPLICATION PROCESS

23. Are there any changes to EP approval procedures under the revised policy?

The revised policy mainly changes the applicable requirements, such as salary thresholds, employment duration, dependant-related matters, and succession plan requirements. The overall application and approval process remains unchanged unless otherwise notified by the relevant authorities.

24. What supporting documents are required for senior executives, directors, or founders?

There are no specific changes to the supporting document requirements for these positions under the revised framework. Companies should continue to follow the applicable checklist and submission requirements. The job description should clearly set out the role and responsibilities relevant to the application to facilitate assessment. Where applicable, the succession plan requirement must also be met.

25. Does the revised policy apply to directors, shareholders and founders of the company?

Yes. Directors, shareholders, and founders are also subject to the revised policy, based on the applicable pass category and requirements.

26. Do companies still need to comply with MyFutureJobs / job advertising requirements?

Yes. There are no changes to the applicable MyFutureJobs / job advertising requirements under the revised policy. Companies must continue to comply with these requirements, where applicable.

27. Will the process remain fully through eXpats system, or are there still manual or email steps?

At this stage, applications continue to follow the current submission channel and operational process.

28. Will there be any changes to approval SLA or processing timelines after the policy revision?

At this stage, no separate change to the existing processing timeline has been announced under the revised policy. Processing remains subject to the completeness of the application and the relevant assessment process.

29. Are there any changes to supporting document requirements under the revised policy?

Yes. Under the revised policy, companies may be required to provide additional supporting documents or information as part of the assessment process, including succession planning documents and other applicable verification requirements.

For applications under specific arrangements, companies must provide supporting documents to verify that the company operates within the GBS sector, such as membership with GBS Malaysia, CCAM (The Contact Centre Association of Malaysia), or any other relevant document subject to MDEC's satisfaction. Companies must also justify the native or near-native language requirement for the role.

Companies should continue to refer to the applicable checklist and system requirements when submitting applications.

E. SUCCESSION PLAN

30. When must a succession plan be submitted under the revised policy?

For applications subject to the revised policy, employers should be prepared to submit a succession plan as part of the supporting documents required for assessment. Where the system requires it, the document must be uploaded in order to complete the application submission.

31. Must the succession plan be submitted during renewal, and if so, at every renewal or only once?

The succession plan forms part of the revised policy requirements and is tied to the expatriate's employment period. Where the application is subject to the revised policy, employers should be prepared to submit and maintain a succession plan as part of the assessment process, including during renewal.

32. Is there an official template for succession plan, or may employers use their own format based on the guidelines?

Until a formal template is released, employers may prepare the succession plan in their own format, provided it clearly covers the required elements such as:

- a. positions and functions to be transferred to local employees;
- b. training, mentoring, and knowledge transfer;
- c. timeline for readiness of local successors; and
- d. operational continuity planning.

33. How will succession plans be assessed and monitored?

Succession plans are assessed and monitored through documentation requirements and periodic reporting under the revised policy. Employers should maintain proper records to

demonstrate that the succession plan is being implemented, as failure to do so may affect future applications.

34. How should companies track and document succession plan progress for compliance purposes?

Although no formal tracking format has yet been published, companies should maintain clear internal records showing that the succession plan is being actively implemented. This should include documentation such as:

- a) identified local successors for the relevant role;
- b) training and mentoring records;
- c) knowledge transfer activities completed;
- d) competency development milestones;
- e) timeline updates; and
- f) any changes made to ensure business continuity.

This approach is consistent with the policy objective of demonstrating structured transfer of knowledge and local workforce development.

35. What happens if the identified local successor resigns or is no longer suitable during the succession plan period?

If the identified local successor resigns or is no longer suitable, the company should review and update the succession plan accordingly, including identifying a replacement candidate where necessary and keeping proper records of the changes. The company should also ensure that the succession plan continues to support the transfer of knowledge and development of local talent within the required employment period. The company to consider to have identify more than 1 successor to avoid such situation.

F. EMPLOYMENT DURATION

36. What does “up to 5 years” or “up to 10 years” mean under the revised policy — per application, per category, or total period with the employer?

“Up to 5 years” or “up to 10 years” refers to the maximum employment duration under the relevant Employment Pass category, and the calculation is tied to the employing company.

37. Is the maximum duration counted against the expatriate as an individual, or against the employing company?

The maximum employment duration is tied to the employing company, not to the expatriate as an individual.

38. Will the maximum employment duration start counting only from 1 June 2026?

The revised employment duration framework takes effect from 1 June 2026. For existing pass holders, the current pass remains valid until its expiry date, and any renewal or new application submitted on or after 1 June 2026 will be assessed under the revised policy.

39. Does the revised policy mean that each EP will automatically be approved for the full maximum duration?

No. The approval duration for each pass remains subject to the current submission and approval practice:

EP Category I: up to 5 years

EP Category II: up to 2 years

EP Category III: up to 1 year

The pass duration remains renewable, subject to the maximum stay allowed under the applicable category and approval by the relevant approving authority.

In other words, each application will not automatically be issued for the full maximum period, even though the overall maximum duration is subject to the revised policy.

40. After the maximum duration is reached, can the pass still be renewed under the same category?

In general, once the expatriate has reached the maximum employment duration for the relevant Employment Pass category, further renewal under the same category will not be allowed. Companies are therefore encouraged to plan their workforce transition accordingly.

41. If the expatriate moves from EP Category III to EP Category II after reaching the lower-category limit, does the duration reset?

Yes. If there is a change of pass category, the employment duration calculation will start again from the issuance date of the new category.

42. If the expatriate changes role or position with the same employer, does the duration reset?

The revised policy states that the employment duration is tied to the employing company. A change of role or position with the same employer does not on its own indicate a reset of the duration, unless it involves a change of Employment Pass category.

43. If the company rotates executives such as CEOs every 2 to 3 years, how does the duration rule apply?

The duration rule applies to each individual expatriate pass under the relevant category. Where executives are rotated, each application will remain subject to the revised policy requirements, including the applicable duration limit and, where relevant, the succession plan requirement.

G. COMMON SCENARIOS

44. If an expatriate changes employer after 1 June 2026, how is the maximum employment period calculated?

The revised policy applies to applications submitted on or after 1 June 2026. Where there is a change of employer, the maximum employment period under the revised policy will be recalculated from the approval date of the new pass issued under the new employer.

45. If an expatriate changes EP category, must the existing pass be cancelled first and a new application submitted?

Yes. Under the revised policy framework, if the Employment Pass category changes, the existing pass must first be cancelled and a new application must be submitted under the relevant category. The employment duration will then be counted from the approval or issuance date of the new pass category.

46. If a pass needs to be cancelled or shortened before submitting a new category application, must the expatriate leave Malaysia?

No. Under the revised policy framework, the expatriate is not required to leave Malaysia solely due to the change of Employment Pass category, provided the expatriate continues to hold a valid immigration status or approval during the process.

However, companies must ensure that the expatriate holds a valid pass or approval that permits employment before allowing the expatriate to continue working. Where the existing pass has been cancelled, employment activities should only continue upon issuance of the relevant approval or pass.

47. If an expatriate changes position within the same EP category, will the maximum employment duration reset?

Where the change of position remains within the same EP category and under the same employer, the maximum employment duration will continue to be counted from the original approval date under the revised policy. It will not reset solely due to a change of position.

For example, if an EP Category II holder changes from a Project Manager role to a Senior Project Manager role under the same employer while remaining under EP Category II, the employment duration will continue from the original EP Category II approval date.

48. If expatriate currently holds EP Category II with a salary of RM5,000. Can the same category be maintained upon renewal after 1 June 2026?

Applications submitted on or after 1 June 2026 will be assessed based on the revised salary thresholds.

As RM5,000 does not meet the revised EP Category II salary threshold, the company may need to either revise the salary to meet the EP Category II requirement, or submit a new application under EP Category III, subject to meeting the relevant requirements.

49. Are there any special transition arrangements under the revised policy?

Please note that eligible Employment Pass Category III (EPIII) applications within the Global Business Services (GBS) sector involving roles that require native or near-native language proficiency can continue to be assessed under the existing salary requirements until 1 June 2027.

Eligibility is subject to MDEC's assessment and verification requirements, including confirmation of the GBS-related company or operation and justification of the native language requirement.

50. What should companies start doing now to prepare for the revised policy?

Companies should review their expatriate workforce structure, ensure salary alignment with the revised thresholds, and strengthen succession planning and knowledge transfer initiatives to ensure readiness for the revised policy, effective 1 June 2026.

Companies that wish for applications to be assessed under the existing policy must ensure that complete applications are submitted before 1 June 2026, including successful payment, and in compliance with the applicable submission requirements. For renewals, applications must be submitted within the permitted three-month renewal window.

For eligible Employment Pass Category III (EPIII) applications within the Global Business Services (GBS) sector involving roles that require native or near-native language proficiency, can continue to be assessed under the existing salary requirements until 1 June 2027, subject to the relevant eligibility and assessment requirements.