



MALAYSIA'S REVISED SCHEDULE OF LEVY FOR FOREIGN WORKERS

The Department of Foreign Affairs has reported on the decision by the Malaysian government to revise the schedule of levy for foreign workers after a two month freeze in its implementation and at the same time conducting a series of consultations with stakeholders. **The levy is the fee paid by the foreign workers upon processing and yearly renewal of their work visas.** According to the Home Ministry of Malaysia, the decision was reached after the rates proposed earlier by the government met resistance from employers who complained that the increase in levy was too high and could affect businesses, particularly those that are dependent on foreign labor.

Below are the revised new levy rates for foreign workers which took effect in peninsular Malaysia last 18 March 2016:

	Old Rates	Proposed Rates	Final Approved Rates	Difference
Manufacturing	RM1,250	RM2,500	RM1,850	RM600
Construction	RM1,250	RM2,500	RM1,850	RM600
Plantation	RM590	RM1,500	RM640	RM50
Agriculture	RM410	RM1,500	RM640	RM230
Service	RM1,850	RM2,500	RM1,850	Unchanged

The increase in the foreign worker's levy will cover more than two million workers in various sectors across all states in Malaysia which will impose similar rate of increase. **Foreign domestic workers are not covered by the increase and will remain at RM410.**

Source: DFA, Philippine Embassy-Singapore

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