

**Protocol to Implement the ~~Eighth~~ Ninth Package of Commitment on Financial Services  
under the ASEAN Framework Agreement on Services**

**MALAYSIA  
SCHEDULE OF SPECIFIC COMMITMENTS**

**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p><b>PREAMBLE:</b>  In addition to the Eighth Package of commitments under the ASEAN Framework Agreement on Services (AFAS), Malaysia's schedule of specific commitments in financial services includes, where relevant, the First (1998), Second (2002), Third (2005), Fourth (2008), Fifth (2011), Sixth (2015), <del>and</del> Seventh (2016) <u>and Eighth (2019)</u> Packages of commitments, and commitments in relation to Qualified ASEAN Banks (QABs) under the ASEAN Banking Integration Framework.</p>			
<p><b>FINANCIAL SERVICES, INCLUDING INSURANCE</b></p> <p>Horizontal Commitments Applicable to the Financial Services Sector:</p> <ol style="list-style-type: none"> <li>The commitments in the financial services sector are in accordance with the General Agreement on Trade in Services and the Annex on Financial Services.</li> <li>The limitations listed under the all-sector horizontal section shall not apply to financial services, unless otherwise indicated.</li> <li>In respect of offshore banks, offshore investment banks, commercial banks, international Islamic banks, investment banks, QABs, offshore insurance companies, offshore reinsurance companies, offshore insurance brokers, offshore insurance underwriting managers, offshore insurance managers, insurance companies, reinsurance companies, international takaful operators and representative offices of commercial banks and investment banks, the following limitations on market access and national treatment shall apply in addition to specific limitations to the activity of each financial service as specified for each activity in this Schedule.</li> <li>For further clarity, <ol style="list-style-type: none"> <li>Malaysia's commitments cannot be interpreted as applying to the supply of Shariah-compliant financial services, unless specific entries are made in the banking, insurance or capital markets sub-sectors accordingly<sup>1</sup>;</li> <li>only where commitments are made under the ASEAN Banking Integration Framework, a distinction is made between QABs and non-QABs. All other commitments apply to all ASEAN members.</li> </ol> </li> </ol>			
ALL FINANCIAL SERVICES		<p>(3) Limitations on land and other immovable property as contained in the all-sector horizontal section.</p> <p>Unbound for measures affecting financial services accorded, to any</p>	

<sup>1</sup> This approach is consistent with Malaysia's commitments at the WTO and under existing FTAs.

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(ALL FINANCIAL SERVICES – cont'd)	(4) Limitations that are applicable to all sectors under the Horizontal Commitments in Malaysia's Schedule of Movement of Natural Persons Commitments of the ASEAN Agreement on the Movement of Natural Persons will apply when indicated in each activity.	Bumiputera or to assist development of any Bumiputera financial institution to achieve objectives of the National Development Policy (NDP).  (4) Limitations that are applicable to all sectors under the Horizontal Commitments in Malaysia's Schedule of Movement of Natural Persons Commitments of the ASEAN Agreement on the Movement of Natural Persons will apply when indicated in each activity.	
1. Offshore banks, offshore investment banks, offshore direct insurance companies, offshore reinsurance companies, offshore insurance brokers, offshore insurance underwriting managers and offshore insurance managers.	(1), (2) Unbound* except as otherwise specified in this schedule.  (3) Entry is confined to Labuan.  Entry is limited to establishment of a branch registered or a subsidiary incorporated in Malaysia.  (4) Unbound, except for temporary presence of natural persons in respect of supply through the mode of commercial presence.	(1), (2) Unbound* except as otherwise specified in this schedule.  (3) None.  (4) Unbound, except for temporary presence of natural persons in respect of supply through the mode of commercial presence.	

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<p>2. Commercial banks, investment banks and international Islamic banks;</p> <p>For QABs of the Republic of Indonesia incorporated in Malaysia, commercial banks and Islamic banks;</p> <p>For QABs of the Republic of the Philippines incorporated in Malaysia, commercial banks and Islamic banks; and</p> <p>For QABs of the Kingdom of Thailand incorporated in Malaysia, commercial banks.</p>	<p>(1), (2) Unbound* except as otherwise specified in this schedule.</p> <p>(3) For QABs:</p> <p>a. of the Republic of Indonesia, up to three QABs.</p> <p>Each QAB may establish presence as a commercial bank, Islamic bank, or both.</p> <p>QABs are required to be locally incorporated in accordance with the Financial Services Act 2013 and the Islamic Financial Services Act 2013.</p>	<p>(1), (2) Unbound* except as otherwise specified in this schedule.</p> <p>(3) For QABs:</p> <p>a. of the Republic of Indonesia, none except as indicated in the all financial services horizontal section.</p>	<p>For QABs:</p> <p>a. of the Republic of Indonesia, Indonesian QABs are allowed to meet minimum paid up capital requirement in accordance with domestic laws and regulations in installments over the duration of five years and can be extended if the conditions warrant.</p> <p>Regulatory measures will not be imposed as a barrier to unduly restrict market access and national treatment/ operational flexibility of QABs.</p>

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(Commercial banks, investment banks and international Islamic banks – cont'd)	<p>b. of the Republic of the Philippines, unbound except for the following:</p> <p>(i) Three QABs. Each QAB may establish presence as a commercial bank or an Islamic bank. Each QAB may conduct commercial banking business or Islamic banking business, or both.</p> <p>(ii) Each QAB may establish presence by way of local incorporation or through the acquisition of controlling shares in an existing commercial bank or Islamic bank.</p> <p>(iii) None for equity participation in QABs.</p>	<p>b. of the Republic of the Philippines, none except as indicated in the all financial services horizontal section.</p>	<p>Indonesian QABs shall be a member of the Malaysia deposit insurance institution.</p> <p>b. of the Republic of the Philippines, QABs of the Republic of the Philippines are allowed to meet minimum paid up capital requirement in accordance with domestic laws and regulations in installments over the duration of five years.</p>

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(Commercial banks, investment banks and international Islamic banks – cont'd)	<p>c. of the Kingdom of Thailand, unbound except for the following:</p> <p>(i) Three commercial banks, including existing banks and designated QABs from the Kingdom of Thailand.</p> <p>(ii) QABs are required to be locally incorporated in accordance with the Financial Services Act 2013.</p> <p>(iii) None for equity participation in QABs.</p> <p>A candidate applying to be a QAB shall be granted a license once the candidate meets prudential requirements.</p>	<p>c. of the Kingdom of Thailand, none except as indicated in the all financial services horizontal section.</p>	<p>c. of the Kingdom of Thailand, the minimum paid-up capital for QABs of the Kingdom of Thailand is RM 300 million.</p> <p>Preferential treatment under the QABs section will only be applied to designated QABs.</p> <p>With reference to Mode 3 commitments, if a bank from the Kingdom of Thailand ceases operation in Malaysia, the quota that was originally allocated or reserved for that bank may be utilised by other banks from the Kingdom of Thailand which can then apply to be a QAB.</p>

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(Commercial banks, investment banks and international Islamic banks – cont'd)	<p>For non-QABs:</p> <p>The 13 wholly-foreign owned commercial banks are permitted to remain wholly-owned by their existing shareholders<sup>2</sup>.</p> <p>Unbound for new licenses except for new licences for the establishment of international Islamic banks operating through a wholly foreign-owned subsidiary or branch to conduct international Islamic banking business.</p> <p>For licensed international Islamic banking business, unbound except as specified in the respective activities.</p> <p>Entry is limited to equity participation by foreign banks in Malaysian-owned or controlled commercial banks and investment banks and aggregate foreign shareholding in a commercial bank or an investment bank shall not exceed 30 percent.</p> <p>Foreign commercial banks and investment banks are required to be locally incorporated in accordance with the Financial Services Act 2013. Entry is also permitted through the</p>	<p>For non-QABs:</p> <p>None except as indicated in the all financial services horizontal section and in the respective activity listed in the sub-sectors below.</p> <p>Acquisition by a foreign bank of an aggregate of 5 percent or more of shareholding in a Malaysian-owned or controlled commercial bank or investment bank must meet the following criteria:</p> <p>(a) The foreign bank has the ability to facilitate trade and contribute to the financial and economic development of Malaysia;</p> <p>(b) The country of the foreign bank has significant trade and investment interests in Malaysia; and</p> <p>(c) The country of the foreign bank does not have significant representation in the Malaysian banking industry.</p>	

<sup>2</sup> Refers to the 13 wholly-foreign owned commercial banks specified in Malaysia's Schedule of Specific Commitments under the General Agreement on Trade in Services.

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(Commercial banks, investment banks and international Islamic banks – cont'd)	<p>setting up of representative offices. Representative offices can only undertake research, exchange of information and liaison services.</p> <p>(4) Unbound except for the following:</p> <p>(a) Unless otherwise specified, temporary presence of natural persons is offered only in respect of supply through the mode of commercial presence.</p> <p>(b) Five senior managers and ten specialists or experts for each commercial bank or investment bank.</p> <p>A senior manager is an individual possessing proprietary knowledge and authority essential to the establishment, control and operation of the services of the financial service supplier.</p> <p>Specialists or experts for each commercial bank or investment bank for areas relating to:</p> <p>(i) Trade financing;  (ii) Corporate finance;  (iii) Treasury management;  (iv) Information technology;  (v) Risk management;  (vi) Capital market products;  (vii) Derivatives instruments;</p>	<p>(4) Unbound except for the categories of natural persons referred to under market access.</p>	



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(Commercial banks, investment banks and international Islamic banks – cont'd)	<p>(viii) Credit risk management; and</p> <p>(ix) Internal control.</p> <p>(c) For a representative office of a commercial bank or investment bank, two foreign nationals. Only one foreign national for the two top posts.</p> <p>(d) None for international Islamic banks.</p> <p>(e) Entry shall be limited to a maximum period of five years</p>		
3. Direct insurance companies, reinsurance companies and international takaful operators.	<p>(1), (2) Unbound* except as otherwise specified in this schedule.</p> <p>(3) The carrying on of direct insurance and reinsurance business requires a license from the Minister of Finance. A license will not be granted unless the Minister of Finance determines that the application for license will be in the "best interest of Malaysia".</p> <p>The acquisition of shares or interest-in-shares requires approval by the Minister of Finance or the Central Bank, as the case may be. Approval will not be granted unless the Minister of Finance or the Central Bank, as the case may be, determines that the acquisition will be in</p>	<p>(1), (2) Unbound* except as otherwise specified in this schedule.</p> <p>(3) None except as indicated in the all financial services horizontal section and in the respective activity listed below.</p>	

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(Direct insurance companies, reinsurance companies and international takaful operators– cont'd)	<p>the “best interest of Malaysia”.</p> <p>In making a determination of whether the granting of a license or the acquisition of shares is in the “best interest of Malaysia”, the Minister of Finance and the Central Bank will have regard to:</p> <ul style="list-style-type: none"> <li>(a) The effect of the investment on the level and nature of economic activity in Malaysia, including the effect on productivity, efficiency and quality of financial services;</li> <li>(b) The contribution towards enhancing international trade and investment linkages between Malaysia and other countries;</li> <li>(c) The effect of the investment on the stability of the financial system, including on conduct and behaviors that could pose a risk to the financial system; and</li> <li>(d) The degree and significance of participation of Malaysians in the financial sector.</li> </ul> <p>None for international takaful operators.</p> <p>Foreign insurance companies are required to be locally incorporated in accordance with the Financial Services Act 2013.</p>		

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(Direct insurance companies, reinsurance companies and international takaful operators– cont'd)	<p>(4) None except for the following:</p> <p>(a) Unless otherwise specified, temporary presence of natural persons is offered only in respect of supply through the mode of commercial presence.</p> <p>(b) Entry shall be limited to a maximum period of ten years.</p>	(4) None except for the categories of natural persons referred to under the column of Limitation on Market Access.	
<b>FINANCIAL SERVICES ACTIVITIES</b>			
<b>A. BANKING AND OTHER FINANCIAL SERVICES, EXCLUDING INSURANCE</b>			
<b>(i) For Qualified ASEAN Banks of the Republic of Indonesia</b>			
All commercial banking businesses, as listed under paragraph 5 (a) of the Annex on Financial Services of the General Agreement on Trade in Services.	<p>(1), (2) Unbound, except as listed in the respective activities below as set out for non-QABs.</p> <p>(3) Commitments made are as indicated in the all financial services horizontal section “(2. Commercial banks, investment banks and international Islamic banks...) for QABs of the Republic of Indonesia”.</p> <p>(4) Unbound, except as listed in the respective subsectors below.</p>	<p>(1), (2) Unbound, except as listed in the respective activities below as set out for non-QABs.</p> <p>(3) None for scope of activities, including Islamic banking activities, in so far as the scope of activities are permitted to be conducted by commercial banks.</p> <p>None for establishment of delivery channels (including branching and off-site ATMs) and access to networking with e-payment system including ATM Networks, internet banking, mobile banking and other electronic channels.</p> <p>(4) Unbound, except as listed in the respective subsectors below.</p>	

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<b>(ii) For Qualified ASEAN Banks of the Republic of the Philippines</b>			
All commercial banking and Islamic banking businesses in relation to the respective activities below as set out for non-QABs.	<p>(1), (2) Unbound, except as listed in the respective activities below as set out for non-QABs.</p> <p>(3) Commitments made are as indicated in the all financial services horizontal section (2. Commercial banks, investment banks and international Islamic banks...) for QABs of the Republic of the Philippines.</p> <p>(4) Unbound, except as listed in the respective activities below.</p>	<p>(1), (2) Unbound, except as listed in the respective activities below as set out for non-QABs.</p> <p>(3) None for scope of activities of a commercial bank or an Islamic bank.</p> <p>For branching, none for establishment of branches, off-site ATMs and other forms of delivery channels.</p> <p>(4) None for existing measures. Unbound for future measures.</p>	
<b>(iii) For Qualified ASEAN Banks of the Kingdom of Thailand</b>			
All commercial banking businesses in relation to the respective activities below as set out for non-QABs.	<p>(1), (2) Unbound, except as listed in the respective activities below as set out for non-QABs.</p> <p>(3) Commitments made are as indicated in the all financial services horizontal section (2. Commercial banks, investment banks and international Islamic banks...) for QABs of the Kingdom of Thailand.</p> <p>(4) The Central Bank of Malaysia will not adopt or maintain limitations for employment of ASEAN nationals.</p>	<p>(1), (2) Unbound, except as listed in the respective activities below as set out for non-QABs.</p> <p>(3) None for scope of activities of a commercial bank.</p> <p>None for up to 40 branches (excluding Head Office and including off-site ATMs) or more as agreed between the central banks of Malaysia and Thailand.</p> <p>(4) The Central Bank of Malaysia will not adopt or maintain limitations for employment of ASEAN nationals.</p>	

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(All commercial banking businesses in relation to the respective activities below as set out for non-QABs –cont'd)	Unbound for employment of non-ASEAN nationals, except as listed in the respective activities below as set out for non-QABs.	Unbound for employment of non-ASEAN nationals, except as listed in the respective activities below as set out for non-QABs.	
<b>(iv) For non-Qualified ASEAN Banks</b>			
Acceptance of deposits, and other repayable funds from the public, wholesale and retail.	<p>(1) Soliciting, advertising and acceptance of deposits in Malaysia are not allowed.</p> <p>(2) None.</p> <p>(3) Only permitted through a commercial bank, an investment bank or an offshore bank.</p> <p>Offshore banks in Labuan are permitted to accept foreign currency deposits only. Offshore investment banks in Labuan are not permitted to accept deposits.</p> <p>(4) Unbound except as indicated in the all financial services horizontal section.</p>	<p>(1) None.</p> <p>(2) None.</p> <p>(3) For commercial banks, unbound for branching (including off-premises ATMs) and networking with ATMs in Malaysia.</p> <p>(4) Unbound except as indicated in the all financial services horizontal section.</p>	

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Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transactions.	<p>(1), (2) Financial services associated with lending to residents in any currency in excess of an equivalent of RM25 million must be undertaken jointly with commercial banks or investment banks in Malaysia.</p> <p>(3) Entry as a non-bank<sup>3</sup> is limited to:</p> <p>(a) Foreign financial institutions through the establishment of a locally incorporated joint-venture company and aggregate foreign shareholding in such company shall not exceed 30 percent; or</p> <p>(b) A representative office.</p> <p>Representative offices can only undertake research and liaison services.</p> <p>Provision of factoring services by a commercial bank requires the setting up of a separate entity and shareholding by a foreign-controlled commercial bank shall not exceed 30 percent.</p> <p>Investment banks are not permitted to provide consumer credit and home mortgages.</p>	<p>(1), (2) None.</p> <p>(3) Foreign controlled banking institutions in Malaysia are allowed to extend credit facilities (including factoring and leasing) up to a maximum of 50 percent of the total credit facilities obtained by non-resident controlled companies from banking institutions.</p> <p>For commercial banks, unbound for branching (including off-premises ATMs) and networking with ATMs in Malaysia.</p>	

<sup>3</sup> Means any non-bank for scheduled businesses as referred to in Malaysia's Schedule of Specific Commitments under the General Agreement on Trade in Services.

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(Lending of all types - cont'd)	<p>Only commercial banks are permitted to provide overdraft facilities.</p> <p>Offshore banks and offshore investment banks are permitted to lend in foreign currencies only.</p> <p>(4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except one foreign national for a management post which is not the CEO post, for each establishment.</p> <p>For representative offices of non-banks<sup>4</sup>, two foreign nationals subject to only one foreign national for the two top posts.</p> <p>Entry shall be limited to a maximum period of five years.</p>	<p>(4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except for the categories of natural persons referred to under market access.</p>	
Financial leasing.	<p>(1), (2) Leasing services to residents in any currency must be undertaken jointly with leasing companies or investment banks in Malaysia.</p> <p>(3) Provision of leasing services by a commercial bank requires the setting up of a separate entity and</p>	<p>(1), (2) None.</p> <p>(3) None.</p>	

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(Financial leasing – cont'd)	<p>shareholding by a foreign controlled commercial bank shall not exceed 49 percent.</p> <p>Entry as a non-bank is limited to:</p> <p>(a) Foreign financial institutions through the establishment of a locally incorporated joint-venture company and aggregate foreign shareholding in such company shall not exceed 49 percent; or</p> <p>(b) A representative office.</p> <p>Representative offices can only undertake research and liaison services.</p> <p>Entry is permitted through the establishment of a branch or subsidiary in Labuan by reputable foreign leasing companies. Such offshore entity can only transact in foreign currencies.</p> <p>International Islamic banks, offshore banks and offshore investment banks are permitted to carry on financial leasing business in foreign currencies only.</p> <p>(4) Unbound except for the following:</p> <p>(a) Two foreign nationals, one for management post which is not the CEO post and one technical post,</p>	<p>(4) Unbound except for the categories of natural persons referred to under market access. For offshore leasing companies, unbound except for temporary</p>	



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(Financial leasing – cont'd)	<p>for each establishment; and</p> <p>(b) None for international Islamic banks.</p> <p>For representative offices, two foreign nationals subject to one foreign national for the two top posts. Entry shall be limited to a maximum period of five years.</p> <p>For offshore leasing companies, unbound except for temporary presence of natural persons in respect of supply through the mode of commercial presence.</p>	<p>presence of natural persons in respect of supply through the mode of commercial presence.</p>	
All payment and money transmission services, namely credit and debit cards, travellers cheques and bankers drafts <u>and remittance business.</u>	<p>(1) Electronic fund transfer system requires approval.</p> <p><u>Unbound for remittance business.</u></p> <p>(2) None, <u>except unbound for remittance business.</u></p> <p>(3) Offshore banks are permitted to extend payment and money transmission services to non-residents only.</p> <p>Only commercial banks are permitted to issue credit cards, debit cards or provide checking account services.</p> <p>International Islamic banks are only permitted to issue travellers cheques</p>	<p>(1) <del>(1)</del>—None, <u>except unbound for remittance business.</u></p> <p><del>(2)</del> <del>(2)</del>—None, <u>except unbound for remittance business.</u></p> <p>(3) For commercial banks, unbound for branching (including off-premises ATMs) and networking with ATMs in Malaysia.</p> <p>Branching (including dispensers) is permitted for travellers cheques companies with foreign shareholding not exceeding 30 percent.</p>	

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(All payment and money transmission services – cont'd)	<p>and bankers drafts.</p> <p>Sale or purchase of foreign currency and purchase of travellers cheques other than by commercial banks require money changer's license. Entry is limited to establishment of a locally incorporated joint-venture company and aggregate foreign shareholding in such company shall not exceed 30 percent.</p> <p><u>For remittance business, unbound except for no limitation on foreign equity participation in a locally incorporated non-bank remittance business.</u></p> <p>(4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks <u>except for remittance business</u>, unbound except one foreign national for a management post which is not the CEO post, for each establishment.</p> <p>Entry shall be limited to a maximum period of five years.</p> <p><u>Unbound for remittance business.</u></p>	<p><u>For remittance business, unbound except as indicated in the all financial services horizontal section.</u></p> <p>(4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks <u>except for remittance business</u>, unbound except for the categories of natural persons referred to under market access.</p> <p><u>Unbound for remittance business.</u></p>	

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Charge cards.	<p>(1), (2) None.</p> <p>(3) Entry is limited to establishment of a company incorporated in Malaysia. Approval of the Central Bank is required.</p> <p>(4) Unbound except for two senior managers for each establishment. Entry shall be limited to a maximum period of five years.</p>	<p>(1), (2) None.</p> <p>(3) None.</p> <p>(4) Unbound except for the categories of natural persons referred to under market access.</p>	
Guarantees and commitments.	<p>(1), (2) None except banks established in Malaysia may be given the right of first refusal.</p> <p>(3) None.</p> <p>(4) Unbound except as indicated in the all financial services and all-sector horizontal section of Malaysia's Schedule of Movement of Natural Persons Commitments of ASEAN Agreement on The Movement of Natural Persons.</p>	<p>(1), (2) None.</p> <p>(3) None.</p> <p>(4) Unbound except as indicated in the all financial services and all-sector horizontal section of Malaysia's Schedule of Movement of Natural Persons Commitments of ASEAN Agreement on The Movement of Natural Persons.</p>	
Money and foreign exchange broking services.	<p>(1), (2) Broking services, involving Ringgit Malaysia and financial instruments issued in Malaysia must be effected through authorized dealers and money and foreign exchange brokers incorporated in Malaysia.</p>	<p>(1), (2) None.</p>	

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(Money and foreign exchange broking services – cont'd)	<p>(3) Entry is limited to:</p> <p>(a) equity participation in existing institutions<sup>5</sup> and aggregate foreign shareholding in such institutions shall not exceed 30 percent; or</p> <p>(b) the establishment of a branch or subsidiary, by a money and foreign exchange broker, registered or incorporated in Labuan.</p> <p>Money and foreign exchange broking services by offshore entities are confined to foreign currencies only.</p> <p>(4) Unbound.</p> <p>For offshore money and foreign exchange brokers, unbound except for temporary presence of natural persons in respect of supply through the mode of commercial presence.</p>	<p>(3) None.</p> <p>(4) Unbound.</p> <p>For offshore money and foreign exchange brokers, unbound except for temporary presence of natural persons in respect of supply through the mode of commercial presence.</p>	

<sup>5</sup> Refers to the existing institutions specified in Malaysia's Schedule of Specific Commitments under the General Agreement on Trade in Services.

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**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>Trading for own account or account of customers in the following:</p> <ul style="list-style-type: none"> <li>– money market instruments</li> <li>– foreign exchange</li> <li>– transferable securities</li> <li>– exchange rate and interest rate instruments</li> <li>– derivative products, including futures and options</li> <li>– other negotiable instruments, including bullion.</li> </ul>	<p>(1) Dealing in securities for account of customers is limited to securities traded on recognised stock exchanges.</p> <p>Dealing in derivatives for account of customers is limited to derivatives contracts traded on the derivatives market of a Specified Exchange and are not contracts prohibited by the Malaysian regulatory authorities.</p> <p>(2) None.</p> <p>(3) Transactions by offshore banks and offshore investment banks in Labuan must be conducted in foreign currencies, except for the sale or purchase of currencies with authorized banks in Malaysia.</p> <p>Transactions by offshore banks and offshore investment banks in Labuan for own accounts are limited to instruments created and issued by offshore companies in Labuan and foreign companies abroad.</p> <p>Trading for accounts of customers by offshore banks, offshore investment banks and offshore companies in Labuan is confined to non-resident customers and in instruments created and issued by offshore companies in Labuan and foreign companies abroad.</p>	<p>(1) None.</p> <p>(2) None.</p> <p>(3) None.</p>	

**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(Trading for own account or account of customers – cont'd)	<p>Trading in shares of Malaysian companies by offshore banks, offshore investment banks and offshore companies in Labuan is confined to non-resident customers who are not offshore companies registered or incorporated in Labuan.</p> <p>Only commercial banks, offshore banks and offshore investment banks are permitted to trade in foreign currency.</p> <p>None for trading for own account in:</p> <ul style="list-style-type: none"> <li>(a) securities that are listed on the Malaysian stock exchange; and</li> <li>(b) standardized derivatives listed on the Malaysian derivatives exchange.</li> </ul> <p>Trading for account of customers by a non-bank in securities that are listed on the Malaysian stock exchange is only permitted through equity participation in an existing locally incorporated company licensed by the Securities Commission Malaysia to deal in securities. Authorisation will not be granted unless the application is determined, by the Securities Commission Malaysia, to be in the best interest of Malaysia. Authorisation includes grant of license, registration or approval, as the case may be.</p> <p>Trading for the account of customers by a non-bank in standardized derivatives</p>		

**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(Trading for own account or account of customers – cont'd)	<p>that are listed on the Malaysian derivatives exchange is only permitted through equity participation in an existing locally incorporated company or establishment of a locally incorporated company licensed by the Securities Commission Malaysia to deal in derivatives. Authorisation will not be granted unless the application is determined, by the Securities Commission Malaysia, to be in the best interest of Malaysia. Authorisation includes grant of license, registration or approval, as the case may be.</p> <p>None for trades for own account by international Islamic banks. Trades for account of customers by international Islamic banks are limited to non-resident customers only.</p> <p>(4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except as indicated in the all-sector horizontal section of Malaysia's Schedule of Movement of Natural Persons Commitments of ASEAN Agreement on The Movement of Natural Persons.</p>	<p>(4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except as indicated in the all-sector horizontal section of Malaysia's Schedule of Movement of Natural Persons Commitments of ASEAN Agreement on The Movement of Natural Persons.</p>	

**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>Services related to the issues of all kinds of securities and placement as agents (whether publicly or privately) (excluding issuing and rating houses).</p>	<p>(1) Participation in issues and services related to such issues requires authorization.</p> <p>(2) None.</p> <p>(3) Participation by offshore banks and offshore investment banks in Labuan is limited to non-resident customers and for issues of securities outside Malaysia.</p> <p>Participation in issues of securities by international Islamic banks is limited to foreign currencies only.</p> <p>Only persons who are authorised by the Securities Commission Malaysia and/or the Malaysian stock exchange are permitted to make submissions related to the issues of securities and offer services related to the issues of securities and placement as agents.</p> <p>Participation as a non-bank is only permitted through equity participation in an existing locally incorporated company licensed by the Securities Commission Malaysia to deal in securities. Authorisation will not be granted unless the application is determined, by the Securities Commission Malaysia, to be in the best interest of Malaysia. Authorisation includes grant of license, registration or approval, as the case may be.</p> <p>Unbound for appointment as principal</p>	<p>(1) None.</p> <p>(2) None</p> <p>(3) None.</p>	



**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(Services related to the issues of all kinds of securities and placement as agents – cont'd)	<p>dealers.</p> <p>(4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except as indicated in the all-sector horizontal section of Malaysia's Schedule of Movement of Natural Persons Commitments of ASEAN Agreement on The Movement of Natural Persons.</p>	<p>(4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except as indicated in the all-sector horizontal section of Malaysia's Schedule of Movement of Natural Persons Commitments of ASEAN Agreement on The Movement of Natural Persons.</p>	
Underwriting.	<p>(1) Commercial presence is required.</p> <p>(2) None.</p> <p>(3) Participation as a non-bank is only permitted through equity participation in an existing locally incorporated company licensed by the Securities Commission Malaysia to deal in securities. Authorisation will not be granted unless the application is determined, by the Securities Commission Malaysia, to be in the best interest of Malaysia. Authorisation includes grant of license, registration or approval, as the case may be. Commercial banks are permitted to underwrite corporate bonds only. Offshore banks and offshore investment banks are permitted to underwrite foreign currency denominated securities created and issued by offshore companies in Labuan and foreign companies abroad.</p>	<p>(1) Unbound.</p> <p>(2) None.</p> <p>(3) None.</p>	

**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(Underwriting – cont'd)	<p>International Islamic banks are limited to underwrite foreign currency denominated securities only.</p> <p>(4) For commercial banks, investment banks, offshore banks and offshore investment banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except as indicated in the all-sector horizontal section of Malaysia's Schedule of Movement of Natural Persons Commitments of ASEAN Agreement on The Movement of Natural Persons.</p>	<p>(4) For commercial banks, investment banks, offshore banks and offshore investment banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except as indicated in the all-sector horizontal section of Malaysia's Schedule of Movement of Natural Persons Commitments of ASEAN Agreement on The Movement of Natural Persons.</p>	
<p>Asset management as follows:</p> <ul style="list-style-type: none"> <li>- cash or portfolio management</li> <li>- all forms of collective investment management</li> <li>- custodial and depository services.</li> </ul>	<p>(1) Commercial presence is required.</p> <p>(2) None.</p> <p>(3) Asset management by offshore banks, offshore investment banks and offshore companies is confined to non-resident customers and foreign currency assets.</p> <p>Asset management by offshore banks, offshore investment banks and offshore companies in Malaysian equities or equity-linked investments are confined</p>	<p>(1) None.</p> <p>(2) None.</p> <p>(3) None.</p>	

**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(Asset management – cont'd)	<p>to non-residents which are not offshore companies registered in Labuan.</p> <p>Entry as a non-bank to undertake fund management activities is only permitted through:</p> <p>(a) Equity participation in an existing locally incorporated company or establishment of a locally incorporated company licensed by the Securities Commission Malaysia to carry on fund management activities whether conventional or Islamic; or</p> <p>(b) Equity participation in an existing locally incorporated company or establishment of a locally incorporated company registered by the Securities Commission Malaysia to carry on venture capital activities or venture capital management activities, where applicable.</p> <p>Authorisation to carry on the activities as mentioned in (a) and (b) above will not be granted unless the application is determined, by the Securities Commission Malaysia, to be in the best interest of Malaysia. Authorisation includes grant of license, registration or approval, as the case may be.</p> <p>Entry as a non-bank to deal in unit trust is only permitted through equity participation in an existing locally</p>		

**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(Asset management – cont'd)	<p>incorporated company or establishment of a locally incorporated company licensed by the Securities Commission Malaysia to deal in securities restricted to unit trust. Authorisation will not be granted unless the application is determined, by the Securities Commission Malaysia, to be in the best interest of Malaysia. Authorisation includes grant of license, registration or approval, as the case may be.</p> <p>Asset management by a commercial bank requires establishment as a separate entity. Shareholding by a foreign-controlled commercial bank shall not exceed 30 percent.</p> <p>(4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except as indicated in the all-sector horizontal section of Malaysia's Schedule of Movement of Natural Persons Commitments of ASEAN Agreement on The Movement of Natural Persons.</p>	<p>(4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except as indicated in the all-sector horizontal section of Malaysia's Schedule of Movement of Natural Persons Commitments of ASEAN Agreement on The Movement of Natural Persons.</p>	

**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Advisory, intermediation and other auxiliary financial services, including credit reference and analysis, investment advice on acquisitions, corporate restructuring and strategy.	<p>(1) Commercial presence is required.</p> <p>(2) None.</p> <p>(3) Entry as a non-bank is only permitted through:</p> <p>(a) equity participation in an existing locally incorporated company or establishment of a locally incorporated company licensed by the Securities Commission Malaysia to carry on corporate finance advisory activities;</p> <p>(b) equity participation in an existing locally incorporated company or establishment of a locally incorporated company licensed by the Securities Commission Malaysia to carry on financial planning activities;</p> <p>(c) equity participation in an existing locally incorporated company or establishment of a locally incorporated company licensed by the Securities Commission Malaysia to carry on investment advisory activities;</p> <p>(d) equity participation in an existing locally incorporated company or establishment of a locally incorporated company registered with the Securities Commission Malaysia to carry on credit rating</p>	<p>(1) None.</p> <p>(2) None.</p> <p>(3) None.</p>	

**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(Advisory, intermediation and other auxiliary financial services – cont'd)	<p>activity; or</p> <p>(e) A representative office.</p> <p>Representative offices (including those of commercial banks, investment banks and securities companies) are permitted to undertake information research and liaison services only. Representative offices are not permitted to publish and circulate research work in Malaysia.</p> <p>Authorisation to carry on the activities as mentioned in (a), (b), (c) and (d) above will not be granted unless the application is determined, by the Securities Commission Malaysia, to be in the best interest of Malaysia. Authorisation includes grant of license, registration or approval, as the case may be.</p> <p>Offshore banks, offshore investment banks and offshore companies in Labuan and international Islamic banks can only provide services to non-resident customers.</p> <p>(4) For banks, one specialist or expert.</p> <p>For non-banks, one senior manager and one specialist or expert.</p> <p>For representative offices, three foreign nationals subject to only one foreign national for the two top posts and the other two for managerial level posts.</p>	<p>(4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except as indicated in the all-sector horizontal section of Malaysia's Schedule of Movement of Natural Persons Commitments of ASEAN Agreement on The Movement of</p>	

**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(Advisory, intermediation and other auxiliary financial services – cont'd)	Entry shall be limited to a maximum period of five years.	Natural Persons.	
Operational headquarters (OHQ) for financial sector (Provides services to commercial and investment banking institutions in activities relating to work carried out in Malaysia for its offices and related companies outside Malaysia, pertaining to general management and administration, business planning, technical support, marketing control and sales promotion planning, training and personnel management, provision of treasury and fund management services and research and development).	<p>(1), (2) Unbound*.</p> <p>(3) Only through a locally incorporated wholly foreign-owned company.</p> <p>A foreign-owned company, a regional office of a foreign-owned company which transfers its OHQ services to Malaysia, a regional office of a foreign-owned company established in Malaysia, and a foreign-owned company which is already incorporated in Malaysia, may seek to qualify as an OHQ.</p> <p>An OHQ must operate in Malaysia and fulfill the following criteria:</p> <p>(a) Carry out at least three of the OHQ service activities;</p> <p>(b) Have a sizeable network of companies outside Malaysia which includes the parent company or its head office and related companies;</p> <p>(c) Have a well established foreign-owned company which is sizeable in terms of assets and employees;</p> <p>(d) Have a network of companies with a</p>	<p>(1), (2) Unbound*.</p> <p>(3) None.</p>	

\* Due to lack of technical feasibility

**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(Operational headquarters (OHQ) – cont'd)	<p>substantial number of qualified executives, professionals, technical and other supporting personnel;</p> <p>(e) Be able to make decisions independently without consultation with its head office or parent company located outside Malaysia;</p> <p>(f) Be able to contribute to the Malaysian economy by:</p> <p>a. Using services such as legal, accounting etc. provided by Malaysians;</p> <p>b. Creating job opportunities for Malaysians;</p> <p>c. Enabling greater inflow of foreign funds.</p> <p>(4) One specialist or expert per organization subject to the following conditions:</p> <p>(a) Such persons must possess knowledge at an advanced level of continued expertise and who possess proprietary knowledge of the organisation's new service products and technology, research equipment and techniques or management.</p> <p>(b) Entry shall be limited to a maximum of five years and renewable.</p>	(4) None.	



**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Securities broking services.	<p>(1) Trades on Malaysian stock exchanges must be transacted through locally incorporated companies which are participating organisations of the stock exchange.</p> <p>(2) None.</p> <p>(3) Entry as a non-bank is only permitted through equity participation in an existing locally incorporated company licensed by the Securities Commission Malaysia to deal in securities. Authorisation will not be granted unless the application is determined, by the Securities Commission Malaysia, to be in the best interest of Malaysia. Authorisation includes grant of license, registration or approval, as the case may be.</p> <p>Representative offices (including those of commercial banks, investment banks and securities companies) are permitted to undertake information research and liaison services only. Representative offices are not permitted to publish and circulate research work in Malaysia.</p> <p>(4) Unbound for a stockbroking company, except as indicated in the all-sector horizontal section of Malaysia's Schedule of Movement of Natural Persons Commitments of ASEAN Agreement on The Movement of Natural Persons.</p>	<p>(1) None.</p> <p>(2) None.</p> <p>(3) None.</p> <p>(4) Unbound except for the categories of natural persons referred to under market access.</p>	

**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(Securities broking services – cont'd)	<p>Notwithstanding the above, for stockbroking companies, no restriction on the number of foreign dealer's representatives.</p> <p>For representative offices, two foreign nationals subject to only one foreign national for the two top posts. Entry shall be limited to a maximum period of five years.</p>		
Commodity futures broking services.	<p>(1) Trades on any Malaysian derivatives exchange must be conducted through locally incorporated companies which are trading participants of the derivatives exchange.</p> <p>(2) None.</p> <p>(3) Entry as a non-bank is only permitted through:</p> <p>(a) equity participation in an existing locally incorporated company or establishment of a locally incorporated company licensed by the Securities Commission Malaysia to deal in derivatives. Authorisation will not be granted unless the application is determined, by the Securities Commission Malaysia, to be in the best interest of Malaysia. Authorisation includes grant of license, registration or approval, as the case may be; or</p>	<p>(1) None.</p> <p>(2) None.</p> <p>(3) None.</p>	

**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(Commodity futures broking services – cont'd)	<p>(b) A representative office.</p> <p>Representative offices (including those of commercial banks, investment banks and securities companies) are permitted to undertake information research and liaison services only. Representative offices are not permitted to publish and circulate research work in Malaysia.</p> <p>(4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except as indicated in the all-sector horizontal section of Malaysia's Schedule of Movement of Natural Persons Commitments of ASEAN Agreement on The Movement of Natural Persons.</p>	<p>(4) For banks, unbound except as indicated in the all financial services horizontal section.</p> <p>For non-banks, unbound except as indicated in the all-sector horizontal section of Malaysia's Schedule of Movement of Natural Persons Commitments of ASEAN Agreement on The Movement of Natural Persons.</p>	

**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<b>B. INSURANCE SERVICES</b>			
Direct insurance and international takaful business (non-life).	<p>(1) Soliciting and advertising in Malaysia are not allowed, except for the supply of insurance risks relating to:</p> <p>(a) maritime shipping and commercial aviation, space launching and freight (including satellites), with such insurance to cover any or all of the following; the goods being transported, the vehicle transporting the goods and any liability arising therefrom; and</p> <p>(b) goods in international transit.</p> <p>Unbound for international takaful business.</p> <p>(2) Approval of the Central Bank is required for direct placement abroad of insurance of:</p> <p>(a) movable or immovable property located in Malaysia, including any ship or aircraft registered in Malaysia; and</p> <p>(b) liability of residents to third party.</p> <p>Approval will be granted if such insurance is not available from direct insurance companies in Malaysia.</p>	<p>(1) None.</p> <p>(2) None.</p>	

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**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(Direct insurance and international takaful business (non-life) – cont'd)	<p>None for insurance risks relating to:</p> <p>(a) maritime shipping and commercial aviation, space launching and freight (including satellites), with such insurance to cover any or all of the following; the goods being transported, the vehicle transporting the goods and any liability arising therefrom; and</p> <p>(b) goods in international transit.</p> <p>Unbound for international takaful business.</p> <p>(3) Only permitted through direct insurance companies and international takaful operators.</p> <p>Offshore direct insurance companies in Labuan and international takaful operators are not permitted to accept direct insurance of Malaysian risks.</p> <p>(4) Unbound except as indicated in the all financial services horizontal section.</p>	<p>(3) Branching is permitted for direct insurance companies with aggregate foreign shareholding of less than 50 percent. Direct insurance companies are permitted to maintain their existing network of branches<sup>6</sup>. Unbound for special assistance to Malaysian-owned direct insurance companies to promote their development.</p> <p>(4) Unbound except as indicated in the all financial services horizontal section.</p>	

<sup>6</sup> Refers to the network of branches specified in Malaysia's Schedule of Specific Commitments under the General Agreement on Trade in Services.

**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Direct insurance and international takaful business (life).	<p>(1), (2) Unbound.</p> <p>(3) Only permitted through direct insurance companies.</p> <p>Investment-linked insurance business and new life insurance products provided by direct insurance companies require approval.</p> <p>Offshore direct insurance companies in Labuan and international takaful operators are not permitted to underwrite life insurance of residents. This limitation does not apply to ordinary life insurance of high net worth residents by offshore direct insurance companies in Labuan.</p> <p>(4) Unbound except as indicated in the all financial services horizontal section.</p>	<p>(1), (2) Unbound.</p> <p>(3) Branching is only permitted for direct insurance companies with aggregate foreign shareholding of less than 50 percent. Direct insurance companies are permitted to maintain their existing network of branches<sup>7</sup>.</p> <p>Unbound for special assistance to Malaysian-owned direct insurance companies to promote their development.</p> <p>(4) Unbound except as indicated in the all financial services horizontal section.</p>	
Reinsurance/retakaful and retrocession/retrotakaful (non-life).	<p>(1), (2) Outward reinsurance and retakaful is permitted to ASEAN-owned institutions, only if local capacity is not available.</p> <p>(3) Obligation on all insurers other than offshore direct insurance and offshore reinsurance companies to optimise national retention capacity before any outward reinsurance.</p>	<p>(1), (2) Voluntary cession up to 30 percent of each class of non-life reinsurance business to the Malaysian Reinsurance Berhad.</p> <p>Unbound for fiscal incentives to promote reinsurance in Malaysia.</p> <p>(3) Unbound for measures granting special position to Malaysian Reinsurance Berhad.</p>	

<sup>7</sup> Refers to the network of branches specified in Malaysia's Schedule of Specific Commitments under the General Agreement on Trade in Services.

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**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Reinsurance/retakaful and retrocession/retrotakaful (non-life).	<p>Unbound for new licenses for retakaful operators.</p> <p>Entry as an offshore reinsurance company is confined to Labuan.</p> <p>(4) Unbound except as indicated in the all financial services horizontal section.</p>	<p>(4) Unbound except as indicated in the all financial services horizontal section.</p> <p>For offshore reinsurance companies, unbound except as indicated in the all financial services horizontal section.</p>	
Reinsurance/retakaful and retrocession/retrotakaful (life).	<p>(1), (2) Outward reinsurance and retakaful is permitted to ASEAN-owned institutions, only if local capacity is not available.</p> <p>(3) National retention capacity is required to be optimised before any outward reinsurance by:</p> <p>(a) direct life insurance and life reinsurance companies in Malaysia; and</p> <p>(b) offshore direct life insurance and offshore life reinsurance companies which are permitted to insure or reinsure life insurance of high net worth residents.</p> <p>Unbound for new licenses for retakaful operators.</p>	<p>(1), (2) Unbound for fiscal incentives to promote reinsurance in Malaysia.</p> <p>(3) None.</p>	

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**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

<b>Sector or Subsector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>
Reinsurance/retakaful and retrocession/retrotakaful (life).	<p>Entry as an offshore reinsurance company is confined to Labuan.</p> <p>(4) Unbound except as indicated in the all-financial services horizontal section.</p>	<p>(4) Unbound except as indicated in the all financial services horizontal section.</p> <p>For offshore reinsurance companies, unbound except as indicated in the all financial services horizontal section.</p>	
Insurance intermediation – insurance broking (excluding agency).	<p>(1), Unbound except for the following:</p> <p>(a) Direct insurance broking services can only be provided to offshore companies in Labuan.</p> <p>(b) direct insurance broking services can only be provided to onshore companies for insurance risks relating to:</p> <p>a. maritime shipping, commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following; the goods being transported, the vehicle transporting the goods and any liability arising therefrom and</p> <p>b. goods in international transit.</p> <p>(c) Reinsurance broking is permitted.</p>	<p>(1), (2) None.</p>	



**MALAYSIA**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Insurance intermediation – insurance broking (excluding agency).	<p>(2) (a) Unbound except for direct insurance broking services for insurance of risks relating to:</p> <p style="padding-left: 20px;">a. maritime shipping, commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following ; the goods being transported, the vehicle transporting the goods and any liability arising therefrom and</p> <p style="padding-left: 20px;">b. goods in international transit</p> <p style="padding-left: 20px;">(b) Reinsurance broking is permitted.</p> <p>(3) Unbound for onshore insurance broking.</p> <p>Broking of direct insurance of Malaysian risks by offshore insurance brokers is not permitted. This limitation does not apply to broking of reinsurance of Malaysian risks.</p> <p>(4) Unbound except as indicated in the all financial services horizontal section.</p>	<p>(3) None.</p> <p>(4) Unbound except as indicated in the all financial services horizontal section.</p>	

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Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Insurance intermediation – insurance underwriting and insurance management.	<p>(1), (2) Insurance underwriting and insurance management are not permitted.</p> <p>(3) Unbound for onshore insurance underwriting and insurance management.</p> <p>An offshore insurance underwriting manager is not permitted to provide services to any person other than offshore insurance companies in Labuan.</p> <p>An offshore insurance manager is permitted to provide insurance management services to persons other than residents.</p> <p>(4) Unbound except as indicated in the all financial services horizontal section.</p>	<p>(1), (2) None.</p> <p>(3) None.</p> <p>(4) Unbound except as indicated in the all financial services horizontal section.</p>	
<p>Services auxilliary to insurance as follows:</p> <p>(a) Consultancy (excludes insurance agency services to insurance industry)</p> <p>(b) Actual risk assessment</p> <p>(c) Risk management</p> <p>(d) Maritime loss adjusting.</p>	<p>(1) None.</p> <p>(2) None.</p> <p>(3) Limited to the establishment of:</p> <p>(a) Locally incorporated companies;</p> <p>(b) Branches; or</p> <p>(c) Partnerships.</p> <p>Offshore companies are not permitted to provide services to Malaysian residents.</p> <p>(4) Unbound except for the temporary presence of natural persons in respect of supply through the mode of commercial presence.</p>	<p>(1) None.</p> <p>(2) None.</p> <p>(3) None.</p> <p>(4) Unbound except for the temporary presence of natural persons in respect of supply through the mode of commercial presence.</p>	