

THE COMPUTER AND RELATED SERVICES SUBSECTOR

The Computer and Related Services Subsector is part of the ICT Services Sector. The subsector comprises the following services:

841 **Consultancy services related to the installation of computer hardware**

8410 **84100** **Consultancy services related to the installation of computer hardware**

Assistance services to the clients in the installation of computer hardware (i.e. physical equipment) and computer networks.

842 **Software implementation services**

All services involving consultancy services on, development and implementation of software. The term "software" may be defined as the sets of instructions required to make computers work and communicate. A number of different programmes may be developed for specific applications (application software), and the customer may have a choice of using ready-made programmes off the shelf (packaged software), developing specific programmes for particular requirements (customized software) or using a combination of the two.

8421 **84210** **Systems and software consulting services**

Services of a general nature prior to the development of data processing systems and applications. It might be management services, project planning services, etc.

8422 **84220** **Systems analysis services**

Analysis services include analysis of the clients' needs, defining functional specification, and setting up the team. Also involved are project management, technical coordination and integration and definition of the systems architecture.

8423 **84230** **Systems design services**

Design services include technical solutions, with respect to methodology, quality-assurance, choice of equipment software packages or new technologies, etc.

8424 **84240** **Programming services**

Programming services include the implementation phase, i.e. writing and debugging programmes, conducting tests, and editing documentation.

8425 **84250** **Systems maintenance services**

Maintenance services include consulting and technical assistance services of software products in use, rewriting or changing existing programmes or systems, and maintaining up-to-date software documentation and manuals. Also included are specialist work, e.g. conversions.

843 **Data processing services**

8431 **84310** **Input preparation services**

Data recording services such as key punching, optical scanning or other methods for data entry.

8432 **84320** **Data-processing and tabulation services**

Services such as data processing and tabulation services, computer calculating services, and rental services of computer time.

8433 84330 Time-sharing services

This seems to be the same type of services as 84320. Computer time only is bought; if it is bought from the customer's premises, telecommunications services are also bought. Data processing or tabulation services may also be bought from a service bureau. In both cases the services might be time sharing processed. Thus, there is no clear distinction between 84320 and 84330.

8439 84390 Other data processing services

Services which manage the full operations of a customer's facilities under contract: computer-room environmental quality control services; management services of in-place computer equipment combinations; and management services of computer work flows and distributions.

844 Database services

8440 84400 Database services

All services provided from primarily structured databases through a communication network.

Exclusions: Data and message transmission services (e.g. network operation services, value-added network services) are classified in class 7523 (Data and message transmission services).

Documentation services consisting in information retrieval from databases are classified in subclass 96311 (Library services).

845 Maintenance and repair services of office machinery and equipment including computers

8450 84500 Maintenance and repair services of office machinery and equipment including computers

Repair and maintenance services of office machinery, computers and related equipment.

849 Other computer services - Data preparation services; training services for staff of clients, Data recovery services; and development of creative content

LIBERALISATION OF THE COMPUTER AND RELATED SERVICES SUBSECTOR

On April 22, 2009 the Government had further liberalised this subsector to attract more foreign investments and bring more professionals and technology, as well as strengthen competitiveness. There are **NO equity requirements** imposed on service providers intending to establish commercial presence.

APPROVALS FOR ESTABLISHMENT

Service providers intending to provide Computer And Related Services are required to undertake the following:-

- Incorporate a company under the Companies Act, 1965 (go to http://www.ssm.com.my/en/services_registration.php for more information)
- Under the Service Tax Act, 1975, and the Service Tax Regulations, 1975, companies which provide management consultancy services in the ICT industry and generate a total annual sales turnover of RM150,000 or more are required to obtain a Service Tax Licence.

These companies include those providing consultancy services in the purchase of computers, the implementation of software development, and the selection of a systems integrator, as well

as other consultancy services that involve the provision of independent professional services and advice, including advice on business strategies, organisational set-ups and future directions of the company.

However, consultancy services that are provided by a company to other companies within the same group are exempted from the Service Tax.
Applications should be submitted to the Royal Customs Department.

LICENCES

Licences Issued by Local Authorities - Business Premise And Signboard Licence

Service providers intending to set up an office may require a business premise licence and a signboard licence from the respective local authorities, depending on the nature of the business activity.

The requirements to obtain a business premise licence and a signboard licence may vary according to each local authority. Applicants are advised to contact the local authority where the company will be located.

Local authorities include:

KEDAH DARUL AMAN

1. Majlis Bandaraya Alor Setar
2. Majlis Perbandaran Sungai Petani
3. Majlis Perbandaran Kulim
4. Majlis Perbandaran Langkawi
5. Majlis Daerah Baling
6. Majlis Daerah Bandar Baharu
7. Majlis Daerah Kubang Pasu
8. Majlis Daerah Padang Terap
9. Majlis Daerah Pendang
10. Majlis Daerah Sik
11. Majlis Daerah Yan
12. Pihak Berkuasa Tempatan Taman Perindustrian Hi-Tech Kulim

SELANGOR DARUL EHSAN

1. Majlis Bandaraya Shah Alam
2. Majlis Bandaraya Petaling Jaya
3. Majlis Perbandaran Ampang Jaya
4. Majlis Perbandaran Kajang
5. Majlis Perbandaran Klang
6. Majlis Perbandaran Selayang
7. Majlis Perbandaran Subang Jaya
8. Majlis Perbandaran Sepang
9. Majlis Daerah Hulu Selangor
10. Majlis Daerah Kuala Langat
11. Majlis Daerah Kuala Selangor
12. Majlis Daerah Sabak Bernam

WILAYAH PERSEKUTUAN

1. Dewan Bandaraya Kuala Lumpur
2. Perbadanan Putrajaya
3. Perbadanan Labuan

PERLIS INDERA KAYANGAN

1. Majlis Perbandaran Kangar

KELANTAN DARUL NAIM

1. Majlis Perbandaran Kota Bharu Bandar Raya Islam
2. Majlis Daerah Bachok
3. Majlis Daerah Gua Musang
4. Majlis Daerah Jeli
5. Majlis Daerah Ketereh
6. Majlis Daerah Kuala Krai
7. Majlis Daerah Dabong
8. Majlis Daerah Machang
9. Majlis Daerah Pasir Mas
10. Majlis Daerah Pasir Puteh
11. Majlis Daerah Tanah Merah
12. Majlis Daerah Tumpat

SABAH

1. Dewan Bandaraya Kota Kinabalu
2. Majlis Perbandaran Sandakan
3. Majlis Perbandaran Tawau
4. Lembaga Bandaran Kudat
5. Majlis Daerah Beaufort
6. Majlis Daerah Labuk Sugut / Beluran
7. Majlis Daerah Keningau
8. Majlis Daerah Kinabatangan
9. Majlis Daerah Kota Belud
10. Majlis Daerah Kota Marudu
11. Majlis Daerah Kuala Penyu
12. Majlis Daerah Kunak
13. Majlis Daerah Lahad Datu
14. Majlis Daerah Nabawan
15. Majlis Daerah Papar
16. Majlis Daerah Penampang
17. Majlis Daerah Ranau
18. Majlis Daerah Semporna
19. Majlis Daerah Sipitang
20. Majlis Daerah Tambunan
21. Majlis Daerah Tenom
22. Majlis Daerah Tuaran

SARAWAK

1. Dewan Bandaraya Kuching Utara
2. Majlis Bandaraya Kuching Selatan
3. Majlis Bandaraya Miri
4. Majlis Perbandaran Padawan
5. Majlis Perbandaran Sibul
6. Majlis Daerah Bau
7. Majlis Daerah Betong
8. Majlis Daerah Dalat and Mukah
9. Majlis Daerah Kanowit
10. Majlis Daerah Kapit
11. Majlis Daerah Lawas
12. Majlis Daerah Limbang
13. Majlis Daerah Luar Bandar Sibul
14. Majlis Daerah Lubok Antu
15. Majlis Daerah Lundu

16. Majlis Daerah Maradong and Julau
17. Majlis Daerah Marudi
18. Majlis Daerah Mato & Daro
19. Majlis Daerah Samarahan
20. Majlis Daerah Saratok
21. Majlis Daerah Sarikei
22. Majlis Daerah Serian
23. Majlis Daerah Simunjan
24. Majlis Daerah Sri Aman
25. Majlis Daerah Subis
26. Lembaga Kemajuan Bintulu

NEGERI SEMBILAN DARUL KHUSUS

1. Majlis Perbandaran Nilai
2. Majlis Perbandaran Port Dickson
3. Majlis Perbandaran Seremban
4. Majlis Daerah Jelebu
5. Majlis Daerah Jempol
6. Majlis Daerah Kuala Pilah
7. Majlis Daerah Rembau
8. Majlis Daerah Tampin

MELAKA

1. Majlis Bandaraya Melaka Bersejarah
2. Majlis Perbandaran Alor Gajah
3. Majlis Perbandaran Jasin

PERAK DARUL RIDZUAN

1. Majlis Bandaraya Ipoh
2. Majlis Perbandaran Kuala Kangsar
3. Majlis Perbandaran Manjung
4. Majlis Perbandaran Taiping
5. Majlis Perbandaran Teluk Intan
6. Majlis Daerah Gerik
7. Majlis Daerah Kerian
8. Majlis Daerah Kinta Barat
9. Majlis Daerah Kinta Selatan
10. Majlis Daerah Lenggong
11. Majlis Daerah Perak Tengah
12. Majlis Daerah Pengkalan Hulu
13. Majlis Daerah Selama
14. Majlis Daerah Tapah
15. Majlis Daerah Tanjung Malim

PULAU PINANG

1. Majlis Perbandaran Pulau Pinang
2. Majlis Perbandaran Seberang Perai

JOHOR DARUL TAKZIM

1. Majlis Bandaraya Johor Bahru
2. Majlis Perbandaran Batu Pahat
3. Majlis Perbandaran Johor Bahru Tengah
4. Majlis Perbandaran Kluang
5. Majlis Perbandaran Muar
6. Majlis Perbandaran Kulai

7. Majlis Daerah Kota Tinggi
8. Majlis Daerah Labis
9. Majlis Daerah Mersing
10. Majlis Daerah Pontian
11. Majlis Daerah Simpang Renggam
12. Majlis Daerah Segamat
13. Majlis Daerah Tangkak
14. Majlis Daerah Yong Peng
15. Pihak Berkuasa Tempatan Pasir Gudang
16. Lembaga Bandaran Johor Tenggara

TERENGGANU DARUL IMAN

1. Majlis Bandaraya Kuala Terengganu
2. Majlis Perbandaran Kemaman
3. Majlis Daerah Besut
4. Majlis Daerah Dungun
5. Majlis Daerah Hulu Terengganu
6. Majlis Daerah Marang
7. Majlis Daerah Setiu

PAHANG DARUL MAKMUR

1. Majlis Perbandaran Kuantan
 2. Majlis Perbandaran Temerloh
 3. Majlis Perbandaran Bentong
 4. Majlis Daerah Bera
 5. Majlis Daerah Cameron Highlands
 6. Majlis Daerah Jerantut
 7. Majlis Daerah Lipis
 8. Majlis Daerah Maran
 9. Majlis Daerah Pekan
 10. Majlis Daerah Raub
- Majlis Daerah Rompin

INCENTIVES

Incentives for the Multimedia Super Corridor

Companies with MSC Malaysia status are entitled for 10 years tax exemption or 100% investment tax allowance for a period of 5 years. All multimedia equipment are exempted from import duty and sales tax. The company also enjoys other incentives and benefits backed by the Malaysian Government's Bill of Guarantees as follows:

- (i) Provide a world-class physical and information infrastructure;
- (ii) Allow unrestricted employment knowledge workers from overseas;
- (iii) Ensure freedom of ownership of companies;
- (iv) Allow freedom of sourcing capital globally for MSC infrastructure and freedom of borrowing funds globally;
- (v) Become a regional leader in intellectual property protection and cyberlaws;
- (vi) Ensure no censorship of the internet;
- (vii) Provide globally competitive telecommunication tariffs;
- (viii) Tender key MSC infrastructure contracts to leading companies willing to use the MSC as their regional hub; and
- (ix) Provide a high-powered implementation agency to act as an effective one-stop super shop .

For more information on MSC Malaysia status go to
<http://www.msomalaysia.my/topic/12073025559425>

Other Incentives for Information and Communication Technology (ICT)

For more information incentives go to:

- http://www.mida.gov.my/en_v2/index.php?page=incentives-for-investment
- http://www.mida.gov.my/en_v2/index.php?page=information-and-communication-technology
- http://www.treasury.gov.my/index.php?option=com_content&view=category&id=93&Itemid=202&lang=my

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