

The First-Time Entrepreneur's Complete Guide to Business Licences in Malaysia

Regardless of what business structure you've decided to set up in Malaysia, you cannot legally begin operating until you have secured all necessary business licences.

Depending on the nature of your business and licences needed, the application process ranges from 'piece of cake' to 'constant shouting matches with government officials'.



You stand no chance.

In this article, we cover the types of licences required by most businesses as well as their corresponding regulatory bodies. At the end, we explain why you should consider outsourcing this headache to someone else!

Article summary:

- There are **three types of licenses**: general, industry-specific, and activity-specific

- **The application process could take a week to several months** depending on the licences you need
- **Most licences are valid for one year**, either on a 12-month basis or pro-rated according to the calendar year (expires 31 December)
- General licences consist of a premise and signboard licence and are issued by local authorities (aka Pihak Berkuasa Tempatan)
- These can usually be applied together in what is known as a Composite Licence
- Industry and activity-specific licences are tied to industries and business activities that could affect public interest, and are issued by relevant federal government agencies
- Business owners usually **engage third parties to handle their applications** and have a choice between individuals and firms like MISHU

Of course, your particular business may require additional permits, so consider this a crash course on the bare necessities before doing more research of your own.

General Licences



General licences are needed by businesses that intend to operate from commercial premises and are issued by the **Local Authorities** (known locally as Pihak Berkuasa Tempatan or PBT). These government bodies manage all businesses that operate within their jurisdiction, so be ready to play by their rules.

1. Premise Licence

A premise licence acknowledges that a business premises is safe and complies with health and safety regulations. This licence is required for businesses that operate from commercial premises, such as retail shops, mall kiosks, restaurants, and offices.

2. Signboard Licence

A signboard licence acknowledges a business' signboard complies with requirements by local authorities, and is required for businesses that display signage, such as shop front signs, billboards, and advertising signs.

3. Premise & Signboard Composite licence

This licence combines the requirements for both premise and signboard licences into a single licence for a more convenient application process.

Businesses must submit an application with supporting documents, and authorities then conduct an inspection of the premises and signboard to ensure all necessary requirements have been met. While it varies between jurisdictions, it can take up to **30 working days from the date of application submission to receive the composite licence**

For that reason, best practice is to submit the application well in advance of the planned opening date. You don't want unexpected amendments to delay your grand opening, and you *definitely* don't want to get caught operating without a licence.

The licence itself is typically valid for one year, and may be renewed for another 12 months upon renewal application.

Note: Some local authorities **prorate the application based on the calendar year** instead. This means it expires on 31 December regardless of when it is granted, though you are only charged for the number of months the licence is active.

Industry-specific Licences



These are licences required to operate in certain specific industries and are meant to ensure a business complies with specific regulations and requirements. Unlike general licences, these are issued by **relevant federal government agencies** that oversee a particular industry.

Here are several common sectors with industry-specific licences and their respective government bodies:

Construction Industry:

- Contractor's licence: Construction Industry Development Board Malaysia (CIDB)
- Certificate of Competency for Crane Operation: Department of Occupational Safety and Health (DOSH)

Healthcare Industry:

- Medical Practitioners licence: Malaysian Medical Council (MMC)
- Pharmaceutical licence: National Pharmaceutical Regulatory Agency (NPRA), Ministry of Health (MOH)
- Private Hospital licence: Private Healthcare Facilities and Services Act (PHFSA), MOH

Education Industry:

- Private Higher Education Institution (IPTS) licence: Ministry of Higher Education (MOHE)
- Private School licence: Ministry of Education (MOE)

Because it's *crazy* long and wouldn't really serve any purpose, we're not going to include the entire list, but we *will* include a link to an official resource at the end of this article for you to see the various licences needed for specific industries **(we're including it at the end for a reason – read the article first!)**.

Now, let's look at the last category.

Activity-specific Licences



These are closely tied to industry-specific licences, but instead cover specific activities or businesses that could pose a risk to public health, safety, or welfare. Like industry-specific licences, these are issued by federal government agencies that regulate and control the activities or businesses.

Oftentimes, businesses must prove they deserve to be granted activity-specific licences by sending staff for specific training and education, achieving certain health and safety standards, and enforcing strict compliance with environmental regulations.

Here's a list of some activity-specific licences and their corresponding industries:

- food business licence; food and beverage industry
- tourist guide licence; tourism industry
- private security industry licence; security industry
- real estate agent licence; real estate industry
- cosmetics notification; health and beauty industry
- scheduled waste management licence; environmental industry

Again, we're not going to provide the full list, but as a rule, If poor management of your business operations might kill people, make them seriously ill, or affect their long-term wellbeing, you'll probably need an activity-specific licence.

Official Business Licence

Resource

For a full list, check out the official [Malaysia Biz Business licence Portal](#) (though be warned the options are only available in Bahasa Melayu).

Even after doing your own research, we strongly advise you to consult us or another business advisor that specialises in applying for business licences. The rabbit hole of industry licences runs deep, and “I didn’t know.” is not an acceptable defence for operating without the right permits!

It’s impossible to provide a blanket time estimate on how long it takes to obtain all necessary business licences, as some straightforward licences take just a few days while others such as Halal Certification may take several months.

Hiring Runners for Business Licence Applications

Upon realising the full extent of work needed to apply for their licences, most business owners react by asking, “Can I pay someone to do this for me?”

That’s when they find out about ‘licence runners’.

Often shortened to just 'runners', these are individuals or companies that act as intermediaries between applicants and government agencies, assisting with the application process and navigating the various requirements and regulations.

While MISHU is not in the business of putting others down, having interacted with hundreds of business owners over the years and hearing their stories, we think it's our duty to offer the following warning to new entrepreneurs: **you get what you pay for.**



Exactly what you look for in an expert consultant.

On the surface, individual runners may charge less, but the eventual cost to the business owner is often much higher. **Hire them and prepare to face the following problems:**

- Extra charges from printing, courier and travel fees without consistent documentation
- Expect to do 100% of the research yourself on how to meet the various requirements for a licence, track down and fill in your own forms
- Sometimes, unbeknownst to you, all a runner helps obtain is a temporary licence which is valid for a short period
- With nothing to hold them accountable, private runners can, and do, simply vanish after getting paid without delivering any help

In contrast, companies offering like MISHU charge more initially, but provide the following benefits:

- No hidden charges, everything has been built into the initial quote
- We provide expert guidance on how to meet all necessary requirements to obtain permanent licences and handle all paperwork
- With a physical office, staff members, and business registration number, we are beholden to deliver what we promise customers

By actually **sticking to promised delivery times and price quotes**, in real terms, firms like us are often the more cost-effective option.

Of course, so long as it is an informed decision, it's ultimately up to the business owner which to go with, or even if they would prefer to directly handle the application process, though we obviously advise against it. Whichever way you believe can get you your business licences the fastest is the best way.