

Client Alert

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Second Extension of the Movement Control Order and the Resumption of Operations in Selected Sectors

The Movement Control Order ("**MCO**") which came into effect in Malaysia on 18 March 2020 has been further extended. On 10 April 2020, the Malaysian Prime Minister announced that the MCO will be extended for a further 2 weeks and in force up to 28 April 2020 ("**Second Extension Period**").

We anticipate new regulations to be introduced next week with refinement of the existing Regulations (No. 2)¹.

Progressive Resumption of Operations in Selected Sectors

On 10 April 2020, the Ministry of International Trade and Industry ("**MITI**") announced that certain sectors will be allowed to resume operations during the MCO, subject to MITI approval. This is to mitigate the impact of COVID-19 on the on the economy and labour market. The sectors allowed to resume operations during the extended period of the MCO are as follows:

- (a) automotive industry (limited to Completely Built-Up exports; parts and components, and after sale services only);
- (b) machinery and equipment industry;
- (c) aerospace industry;
- (d) construction projects and services in relation to construction works, including
 - (i) projects whereby the main contractors are classified as class G1 - G2 (in accordance with guidelines issued by Construction Industry Development Board);
 - (ii) projects certified to have achieved physical progress of 90% and above;
 - (iii) tunneling works;
 - (iv) maintenance works;
 - (v) slope works;
 - (i) emergency works consequent to contractual obligations;
 - (vi) maintenance work, cleaning and drying of stagnant water, pest control at construction sites;

¹ See the Client Alert: [Phase 2 and the Prevention and Control of Infectious Diseases \(Measures within the Infected Local Areas\) \(No. 2\) Regulations 2020](#) dated 2 April 2020.



- (vii) other works which may cause danger if left incomplete;
 - (viii) building project with an industrialised building system (IBS) score of 70 and above;
 - (ix) construction project with accommodation facilities for workers, such as centralised workers' quarter and workers' camp; and
 - (x) professional services related to the construction industry, including architects, engineers, town-planners, land surveyors, quantity surveyors, project managers, facility managers and other related services;
- (e) scientific, professional and technical services including research and development (limited to legal services; services incidental to the oil and gas industry; research and development in relation to COVID-19; and testing laboratories for sectors which are allowed to operate);
 - (f) social health services including registered traditional and complementary medicine practitioners;
 - (g) Hardware shops, electrical and electronic shops, optometrists in the wholesale and retail industry;
 - (h) barber shops offering haircuts only; and
 - (i) full-service laundry services (not including self-service laundrettes).

Businesses in the above listed sectors may apply to MITI for approval to operate during the extended MCO period from 9.00am on Monday, 13 April 2020. Submissions are to be made through MITI's website at www.miti.gov.my. Businesses allowed to operate must strictly comply with guidelines and conditions currently imposed by relevant authorities.

Other Developments

Schools are required to continue to be closed throughout the Second Extension Period and the Ministry of Education is expected to implement new initiatives for home-based learning.

Conclusion

In light of the further extension of the MCO to 28 April 2020, MITI's media release is a welcomed relief for Malaysia's economy. The Malaysian Government will nevertheless continue to monitor the operation of these industries throughout the MCO to ensure strict compliance with health and safety guidelines. Businesses should anticipate further guidelines and announcements in this regard and are advised to continue to monitor these developments.

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