

LEGAL UPDATES

September 2021

MALAYSIA MY SECOND HOME PROGRAMME

The Malaysia My Second Home (MM2H) programme was first introduced in 2002 to promote Malaysia as a place for foreign citizens to purchase property and to reside on a long-term basis.

The Perikatan Nasional-led administration recently announced the reinstatement of the MM2H programme, after being temporarily frozen in August 2020 following the outbreak of the COVID-19 pandemic. On 11th of August 2021, the Secretary General of the Home Ministry set out several new requirements introduced to mitigate certain local “concerns” and to stimulate the country’s economic growth. The new stricter requirements will take effect starting October 2021 and will apply retrospectively to existing MM2H holders.

Some Key New requirements:

- MM2H holders:
 - Must be in the country for a **minimum of 90 days (cumulative)** in a calendar year. There was previously no requirement of minimum stay needed.
 - Are now required to have a **minimum monthly offshore income of RM40,000** (up from RM10,000).
 - Must have their fixed deposit amount increased from RM150,000 (for MM2H holders over-50s) and RM300,000 (for younger MM2H holders) to **a minimum of RM1 million**, where up to 50% of the savings can be withdrawn for the purchase of property, health and children’s education.
 - **Proof of liquid assets** has increased from RM500,000 to **RM1.5 million**.
- The tenure of the renewable multiple-entry visa has been reduced to **5 years** from 10 years.
- The renewal fees and processing fees have been increased significantly.

Given the retrospective application of the new requirements, many existing MM2H foreign citizens may no longer be able to meet the requirements, in particular due to the significant increased threshold of offshore income from RM10,000 to RM40,000 monthly and requirement for liquid assets. In comparison to Malaysia’s regional neighbors, the new requirements will most likely significantly impact the competitiveness of the programme, in addition to its impact to existing MM2H holders.

Following critical responses from various parties, including His Majesty Sultan Ibrahim Ibni Almarhum Sultan Iskandar, The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM), YB Hannah Yeoh, the Home Ministry has indicated that they are prepared to revisit these new requirements.

We look forward to revisions to the same in due course.

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