



**Circular No 123/2014  
Dated 20 June 2014**

To Members of the Malaysian Bar

**Liberalisation of Legal Services**

With the coming into force of [amendments to the Legal Profession Act 1976 \(“LPA”\)](#) and the [Legal Profession \(Licensing of International Partnerships and Qualified Foreign Law Firms and Registration of Foreign Lawyers\) Rules 2014](#) on 3 June 2014, foreign law firms and foreign lawyers will now be permitted to practise in Peninsular Malaysia in the manner set out in the legislation and the Rules.

**Three Categories of Licences**

Under the newly-created Part IVA of the LPA, licences may either be issued to foreign law firms to operate an international partnership with a Malaysian law firm, or to a qualified foreign law firm (“QFLF”). Alternatively, a Malaysian law firm may choose to employ a foreign lawyer.

An international partnership is a partnership between a foreign law firm and a Malaysian law firm, while a QFLF is a stand-alone foreign firm that does not require a Malaysian law firm as a partner. Licences for international partnerships and QFLFs will be for a period of three years and are renewable. Licences may be granted subject to terms and conditions. If approved, a Malaysian law firm will be granted a three-year licence to employ a foreign lawyer.

All individual foreign lawyers working in international partnerships, QFLFs or Malaysian law firms will have to register as foreign lawyers. Registrations may be granted subject to terms and conditions, and will have to be renewed annually.

**Permitted Practice Areas**

International partnerships, QFLFs and individual foreign lawyers employed by Malaysian law firms will only be allowed to practise in the permitted practice areas. This is defined as “work regulated by Malaysian law and at least one other national law, or regulated solely by any law other than Malaysian law”. In the case of a QFLF, such aspect of work regulated by Malaysian law shall be undertaken in conjunction with one or more advocates and solicitors of the High Court of Malaya holding a valid and subsisting Practising Certificate.

Practice in the permitted practice areas will specifically **exclude** the following:

- (1) constitutional and administrative law;
- (2) conveyancing;
- (3) criminal law;

- (4) family law;
- (5) succession law, including matters relating to wills, intestate succession, probate and administration;
- (6) trust law, where the settlor is an individual, and the law relating to charities and trust foundations, whether the settlor is an individual or a corporation;
- (7) retail banking, including corporate or commercial loans to small and medium enterprises;
- (8) registration of intellectual property;
- (9) appearing or pleading in any court of justice in Malaysia, representing a client in any proceedings instituted in such a court or giving advice, whether or not the main purpose of which is to advise the client on the conduct of such proceedings (with certain exceptions); and
- (10) appearing in any hearing before a quasi-judicial or regulatory body, authority or tribunal in Malaysia (with certain exceptions).

### **Regulator**

International partnerships, QFLFs and foreign lawyers employed by Malaysian law firms will be regulated by the Bar Council. The amendments to the LPA provide for the establishment of a Selection Committee that will be responsible for considering all applications, and for making recommendations for approval / non-approval to the Bar Council.

The Selection Committee will be co-chaired by the Attorney General and the President of the Malaysian Bar, and will have five members in all. The Bar Council will serve as the Secretariat for the Selection Committee. All applications should be directed to the Bar Council, using the forms prescribed by the new legislation and the rules made thereunder.

All international partnerships, QFLFs and foreign lawyers employed by Malaysian law firms will have to comply with the same rules and regulations governing advocates and solicitors in Peninsular Malaysia.

### **Liberalisation to be Gradual and Progressive**

A major consideration undergirding the new legislation is a desire to ensure that the liberalisation of the Malaysian legal services market and the entry of foreign lawyers is balanced with the need for the development of Malaysian law firms, and to enable these firms to achieve a level of expertise that will allow them to compete with foreign law firms on a level playing field. This consideration means that the process of liberalisation will continue to be gradual and progressive.

### **Enquiries and Additional Information**

You may refer to the recent amendments to the LPA, the Legal Profession (Licensing of International Partnerships and Qualified Foreign Law Firms and Registration of Foreign Lawyers) Rules 2014, the guidance notes and the application forms, [here](#) on the Malaysian Bar website.

Should you have any enquiries, or to obtain more information on matters pertaining to liberalisation of legal services, please contact Roobalavaniah Rengasamy, Officer,

by telephone at 03-2050 2171, or Nurul Hafika bt Noor Hamid, Officer, by telephone at 03-2050 2172. Both officers may also be contacted by email at [internationalservices@malaysianbar.org.my](mailto:internationalservices@malaysianbar.org.my).

Thank you.

**Andrew Khoo Chin Hock**  
**Chairperson**  
**Trade in Legal Services Committee**