

## ANNEX 15-A

### SCHEDULE OF MALAYSIA

#### SECTION A: Central Government Entities

##### *Thresholds:*

Chapter 15 (Government Procurement) shall apply to the entities of Central Government listed in this Section where the value of the procurement is estimated to equal or exceed the following relevant thresholds:

##### Goods

1,500,000 SDR

From the beginning of the first year to the end of the fourth year following entry into force of this Agreement for Malaysia;

800,000 SDR

From the beginning of the fifth year to the end of the seventh year following entry into force of this Agreement for Malaysia; and

130,000 SDR

From the beginning of the eighth year following entry into force of this Agreement for Malaysia and thereafter.

##### Services

2,000,000 SDR

From the beginning of the first year to the end of the fourth year following entry into force of this Agreement for Malaysia;

1,000,000 SDR

From the beginning of the fifth year to the end of the seventh year following entry into force of this Agreement for Malaysia;

500,000 SDR

From the beginning of the eighth year to the end of the ninth year following entry into force of this Agreement for Malaysia; and

130,000 SDR

From the beginning of the 10<sup>th</sup> year following entry into force of this Agreement for Malaysia and thereafter.

Construction Services

63,000,000 SDR

From the beginning of the first year to the end of the fifth year following entry into force of this Agreement for Malaysia;

50,000,000 SDR

From the beginning of the sixth year to the end of the 10<sup>th</sup> year following entry into force of this Agreement for Malaysia;

40,000,000 SDR

From the beginning of the 11<sup>th</sup> year to the end of the 15<sup>th</sup> year following entry into force of this Agreement for Malaysia;

30,000,000 SDR

From the beginning of the 16<sup>th</sup> year to the end of the 20<sup>th</sup> year following entry into force of this Agreement for Malaysia; and

14,000,000 SDR

From the beginning of the 21<sup>st</sup> year following entry into force of this Agreement for Malaysia and thereafter.

*List of Entities* (Note 1):

1. Ministry of Agriculture and Agro-Based Industry (*Kementerian Pertanian dan Industri Asas Tani*) (Note 2)

- (a) All divisions
- (b) Department of Agriculture (*Jabatan Pertanian*)
- (c) Department of Fisheries (*Jabatan Perikanan*)
- (d) Department of Veterinary Services (*Jabatan Perkhidmatan Veterinar*)
- (e) Malaysian Quarantine and Inspection Services (*Jabatan Perkhidmatan Quarantin dan Pemeriksaan Malaysia*)

2. Ministry of Communication and Multimedia (*Kementerian Komunikasi dan Multimedia*)

- (a) All divisions
- (b) Broadcasting Department (Radio and Television) (*Jabatan Penyiaran (Radio dan Televisyen)*)
- (c) Information Department (*Jabatan Penerangan*)

- (d) Tun Abdul Razak Broadcasting and Information Institute (*Institut Penyiaran dan Penerangan Tun Abdul Razak*)
3. Ministry of Defence (*Kementerian Pertahanan*) (Note 3)
    - (a) All divisions
    - (b) Judge Advocate General Department (*Jabatan Ketua Hakim Peguam*)
    - (c) Veteran Affairs Department (*Jabatan Hal Ehwal Veteran*)
  4. Ministry of Domestic Trade, Co-operatives and Consumerism (*Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan*)
    - (a) All divisions
  5. Ministry of Education (*Kementerian Pendidikan*) (Note 4)
    - (a) All divisions
    - (b) State Education Departments (*Jabatan Pendidikan Negeri*)
  6. Ministry of Energy, Green Technology and Water (*Kementerian Tenaga, Teknologi Hijau dan Air*)
    - (a) All divisions
  7. Ministry of Federal Territories (*Kementerian Wilayah Persekutuan*)
    - (a) All divisions
  8. Ministry of Finance (*Kementerian Kewangan*)
    - (a) Federal Treasury of Malaysia (*Perbendaharaan Malaysia*) (Note 5)
    - (b) Property Valuation and Services Department (*Jabatan Penilaian dan Perkhidmatan Harta*)
    - (c) Royal Malaysian Customs (*Kastam Diraja Malaysia*)
  9. Ministry of Foreign Affairs (*Kementerian Luar Negeri*)
    - (a) All divisions
    - (b) Institute of Diplomacy and Foreign Relations (*Institut Diplomasi dan Hubungan Luar*)
    - (c) South-East Asia Regional Centre for Counter-Terrorism (*Pusat Serantau Asia Tenggara Bagi Mencegah Keganasan*)
  10. Ministry of Health (*Kementerian Kesihatan*)
    - (a) All divisions (Note 6)
    - (b) Children Dental Centre & Dental Training College Malaysia (*Pusat Pergigian Kanak-Kanak & Kolej Latihan Pergigian Malaysia*)
    - (c) Clinical Research Centre (*Pusat Penyelidikan Klinikal*)
    - (d) Institute for Health Behavioral Research (*Institut Penyelidikan Tingkahlaku Kesihatan*)
    - (e) Institute for Health Management (*Institut Pengurusan Kesihatan*)

- (f) Institute for Health Systems Research (*Institut Penyelidikan Sistem Kesihatan*)
  - (g) Institute for Medical Research (*Institut Penyelidikan Perubatan*)
  - (h) Institute for Medical Respiratory (*Institut Perubatan Respiratori*)
  - (i) Institute of Public Health (*Institut Kesihatan Umum*)
  - (j) National Blood Centre (*Pusat Darah Negara*)
  - (k) National Cancer Institute (*Institut Kanser Negara*)
  - (l) National Leprosy Control Centre (*Pusat Kawalan Kusta Negara*)
  - (m) National Pharmaceutical Control Bureau (*Biro Pengawalan Farmaseutikal Kebangsaan*)
11. Ministry of Higher Education (*Kementerian Pendidikan Tinggi*) (Note 7)
- (a) All divisions
  - (b) Community College Education Department (*Jabatan Pendidikan Kolej Komuniti*)
  - (c) Polytechnic Education Department (*Jabatan Pendidikan Politeknik*)
12. Ministry of Home Affairs (*Kementerian Dalam Negeri*)
- (a) All divisions (Note 8(a) and Note 8(b))
  - (b) Immigration Department Malaysia (*Jabatan Imigresen Malaysia*) (Note 8(b))
  - (c) National Anti-Drug Agency (*Agensi Anti Dadah Kebangsaan*) (Note 8(b))
  - (d) National Registration Department (*Jabatan Pendaftaran Negara*) (Note 8(b))
  - (e) People's Volunteer Corps (*Jabatan Sukarelawan Malaysia*)
  - (f) Prison Department Malaysia (*Jabatan Penjara Malaysia*) (Note 8(b))
  - (g) Public Defence Department (*Jabatan Pertahanan Awam*) (Note 8(b))
  - (h) Registrar of Societies (*Jabatan Pendaftaran Pertubuhan*)
  - (i) Royal Malaysia Police Department (*Jabatan Polis Diraja Malaysia*) (Note 8(b))
13. Ministry of Human Resources (*Kementerian Sumber Manusia*)
- (a) All divisions
  - (b) Department of Occupational Safety and Health (*Jabatan Keselamatan dan Kesihatan Pekerjaan*)
  - (c) Department of Skills Development (*Jabatan Pembangunan Kemahiran*)
  - (d) Industrial Court (*Mahkamah Perusahaan*)
  - (e) Industrial Relations Department (*Jabatan Perhubungan Perusahaan*)
  - (f) Labour Department Peninsular Malaysia (*Jabatan Tenaga Kerja Semenanjung Malaysia*)
  - (g) Labour Department Sabah (*Jabatan Tenaga Kerja Sabah*)
  - (h) Labour Department Sarawak (*Jabatan Tenaga Kerja Sarawak*)
  - (i) Manpower Department (*Jabatan Tenaga Manusia*)
  - (j) Trade Union Affairs Department (*Jabatan Hal Ehwal Kesatuan Sekerja*)
14. Ministry of International Trade and Industry (*Kementerian Perdagangan Antarabangsa dan Industri*)
- (a) All divisions

15. Ministry of Natural Resources and Environment (*Kementerian Sumber Asli dan Alam Sekitar*)
- (a) All divisions
  - (b) Department of Biosafety (*Jabatan Biokeselamatan*)
  - (c) Department of Environment (*Jabatan Alam Sekitar*)
  - (d) Department of Marine Park Malaysia (*Jabatan Taman Laut Malaysia*)
  - (e) Department of Wildlife and National Parks (*Jabatan Perlindungan Hidupan Liar dan Taman-Taman Negara*)
  - (f) Forestry Department Peninsular Malaysia (*Jabatan Perhutanan Semenanjung Malaysia*)
  - (g) National Hydraulic Research Institute (*Institut Penyelidikan Hidraulik Kebangsaan*)
  - (h) National Land and Survey Institute (*Institut Tanah dan Ukur Negara*)
16. Ministry of Plantation Industries and Commodities (*Kementerian Perusahaan Perladangan dan Komoditi*)
- (a) All divisions
17. Ministry of Rural and Regional Development (*Kementerian Kemajuan Luar Bandar dan Wilayah*)
- (a) All divisions
  - (b) Institute for Rural Advancement (*Institut Kemajuan Desa*)
18. Ministry of Science, Technology and Innovations (*Kementerian Sains, Teknologi dan Inovasi*)
- (a) All divisions
  - (b) Department of Chemistry (*Jabatan Kimia Malaysia*)
  - (c) Department of Standards Malaysia (*Jabatan Standard Malaysia*)
  - (d) Malaysian Meteorological Department (*Jabatan Meteorologi Malaysia*)
  - (e) National Science Centre (*Pusat Sains Negara*)
19. Ministry of Tourism and Culture (*Kementerian Pelancongan dan Kebudayaan*)
- (a) All divisions
  - (b) Department of Museums (*Jabatan Muzium*)
  - (c) Department of National Heritage (*Jabatan Warisan Negara*)
  - (d) Istana Budaya
  - (e) Malaysia National Library (*Perpustakaan Negara Malaysia*)
  - (f) National Archives of Malaysia (*Arkib Negara Malaysia*)
  - (g) National Department for Culture and Arts (*Jabatan Kebudayaan dan Kesenian Negara*)
20. Ministry of Transport (*Kementerian Pengangkutan*)
- (a) All divisions
  - (b) Department of Civil Aviation (*Jabatan Penerbangan Awam*)
  - (c) Marine Department Malaysia (*Jabatan Laut Malaysia*)

- (d) Road Safety Department (*Jabatan Keselamatan Jalan*)
  - (e) Road Transport Department (*Jabatan Pengangkutan Jalan*)
21. Ministry of Urban Wellbeing, Housing and Local Government (*Kementerian Kesejahteraan Bandar, Perumahan dan Kerajaan Tempatan*) (Note 9)
- (a) All divisions
  - (b) Fire and Rescue Department (*Jabatan Bomba dan Penyelamat*)
  - (c) Housing and Strata Management Tribunal (*Tribunal Perumahan dan Pengurusan Strata*)
  - (d) Local Government Department (*Jabatan Kerajaan Tempatan*)
  - (e) National Housing Department (*Jabatan Perumahan Negara*)
  - (f) National Landscape Department (*Jabatan Landskap Negara*)
  - (g) National Solid Waste Management Department (*Jabatan Pengurusan Sisa Pepejal Negara*)
  - (h) Urban Wellbeing, Housing and Local Government Institute (*Institut Latihan Kesejahteraan Bandar, Perumahan dan Kerajaan Tempatan*)
22. Ministry of Women, Family and Community Development (*Kementerian Pembangunan Wanita, Keluarga dan Masyarakat*)
- (a) All divisions
  - (b) Department of Women's Development (*Jabatan Pembangunan Wanita*)
  - (c) NAM Institute for the Empowerment of Women (*Institut Pengupayaan Wanita Bagi Anggota Pergerakan Negara-Negara Berkecuali*)
  - (d) Social Institute of Malaysia (*Institut Sosial Malaysia*)
23. Ministry of Works (*Kementerian Kerja Raya*)
- (a) All divisions
  - (b) Public Works Department Malaysia (*Jabatan Kerja Raya Malaysia*)
24. Ministry of Youth and Sports (*Kementerian Belia dan Sukan*)
- (a) All divisions
  - (b) Department of National Youth and Sports (*Jabatan Belia dan Sukan Negara*)
  - (c) Office of Commissioner of Sports (*Pejabat Pesuruhjaya Sukan*)
  - (d) Registrar of Youth Societies (*Pejabat Pendaftar Pertubuhan Belia*)
25. Prime Minister's Department (*Jabatan Perdana Menteri*)
- (a) Ceremonial and International Conference Secretariat Division (*Bahagian Istiadat dan Urus Setia Persidangan Antarabangsa*)
  - (b) Chief Registrar's Office, Federal Court of Malaysia (*Pejabat Ketua Pendaftar Mahkamah Persekutuan Malaysia*)
  - (c) Early Childhood Education and Care (*Bahagian Pendidikan Awal Kanak-Kanak*)
  - (d) Economic Planning Unit (*Unit Perancang Ekonomi*)
  - (e) Implementation of Performance Management Unit (*Unit Pelaksanaan Pengurusan Prestasi*)

- (f) Judicial and Legal Training Institute (*Institut Latihan Kehakiman dan Perundangan*)
- (g) Legal Affairs Division (*Bahagian Hal Ehwal Undang-Undang*)
- (h) Public Complaints Bureau (*Biro Pengaduan Awam*)
- (i) Public Service Department (*Jabatan Perkhidmatan Awam*)

## Notes to Section A

1. Chapter 15 (Government Procurement) shall cover only the entities listed under each Ministry and Prime Minister's Department (*Jabatan Perdana Menteri*) including the subordinates of the listed entities, unless otherwise specified. Those subordinates that have separate legal status are not covered.

2. Ministry of Agriculture and Agro-Based Industry (*Kementerian Pertanian dan Industri Asas Tani*): Chapter 15 (Government Procurement) shall not cover any procurement and distribution of inputs for agro-food production in Malaysia.

3. Ministry of Defence (*Kementerian Pertahanan*): Chapter 15 (Government Procurement) shall cover the procurement of goods and services described in *United States Federal Supply Code* (FSC) classification (Version August 1998) listed below:

### *FSC Description*

22	Railway Equipment
23	Ground Effect Vehicles, Motor Vehicles, Trailers and Cycles
24	Tractors
25	Vehicular Equipment Components
26	Tires and Tubes
29	Engine Accessories
30	Mechanical Power Transmission Equipment
31	Bearings
32	Woodworking Machinery and Equipment
34	Metalworking Machinery
35	Service and Trade Equipment
36	Special Industry Machinery
37	Agricultural Machinery and Equipment
38	Construction, Mining, Excavating and Highway Maintenance Equipment
39	Materials Handling Equipment
40	Rope, Cable, Chain and Fittings
41	Refrigeration, Air Conditioning and Air Circulating Equipment
42	Fire Fighting, Rescue and Safety Equipment
43	Pumps and Compressors
44	Furnace, Steam Plant and Drying Equipment
45	Plumbing, Heating and Sanitation Equipment
46	Water Purification and Sewage Treatment Equipment
47	Pipe, Tubing, Hose and Fittings

48	Valves
51	Hand tools
52	Measuring Tools
53	Hardware and Abrasives
54	Prefabricated Structures and Scaffolding
55	Lumber, Millwork, Plywood and Veneer
56	Construction and Building Materials
61	Electric Wire, and Power and Distribution Equipment
62	Lighting, Fixtures and Lamps
63	Alarm, Signal and Security Detection Systems
65	Medical, Dental and Veterinary Equipment and Supplies
67	Photographic Equipment
68	Chemicals and Chemical Products
69	Training Aids and Devices
70	General Purpose Automatic Data Processing Equipment, Software, Supplies and Support Equipment
71	Furniture
72	Household and Commercial Furnishings and Appliances
73	Food Preparation and Serving Equipment
74	Office Machines, Text Processing Systems and Visible Record Equipment
75	Office Supplies and Devices
76	Books, Maps and other Publications
77	Musical Instruments, Phonographs and Home-Type Radios
78	Recreational and Athletic Equipment
79	Cleaning Equipment and Supplies
80	Brushes, Paints, Sealers and Adhesives
81	Containers, Packaging and Packing Supplies
83	Textiles, Leather, Furs, Apparel and Shoe Findings, Tents and Flags
84	Clothing, Individual Equipment, and Insignia
85	Toiletries
87	Agricultural Supplies
88	Live Animals
91	Fuels, Lubricants, Oils and Waxes
93	Non-metallic Fabricated Materials
94	Non-metallic Crude Materials
95	Metal Bars, Sheets and Shapes
96	Ores, Minerals, and their Primary Products
99	Miscellaneous

4. Ministry of Education (*Kementerian Pendidikan*):

(a) Chapter 15 (Government Procurement) shall not cover:

- (i) Examinations Syndicate (*Lembaga Peperiksaan*); and
- (ii) procurement in relation to uniforms, text books, and milk and food programmes for pre-school and school children.



- (b) For greater certainty, schools, matriculation colleges and teacher training institutes are covered.
5. Ministry of Finance (*Kementerian Kewangan*): Chapter 15 (Government Procurement) shall cover all divisions under Federal Treasury of Malaysia (*Perbendaharaan Malaysia*) except Government Investment Company Division (*Bahagian Syarikat Pelaburan Kerajaan*).
6. Ministry of Health (*Kementerian Kesihatan*): For greater certainty, government hospitals and clinics are covered.
7. Ministry of Higher Education (*Kementerian Pendidikan Tinggi*): For greater certainty, community colleges and polytechnics are covered.
8. Ministry of Home Affairs (*Kementerian Dalam Negeri*): Chapter 15 (Government Procurement) shall not cover:
- (a) Publication and Qur'anic Text Control Division (*Bahagian Kawalan Penerbitan dan Teks Al-Quran*); and
  - (b) any procurement that has security considerations determined by the Ministry.
9. Ministry of Urban Wellbeing, Housing and Local Government (*Kementerian Kesejahteraan Bandar, Perumahan dan Kerajaan Tempatan*): Chapter 15 (Government Procurement) shall not cover procurement in relation to People's Housing Programme (*Program Perumahan Rakyat*).

**SECTION B: Sub-Central Government Entities**

None.

## SECTION C: Other Entities

### *Thresholds:*

Chapter 15 (Government Procurement) shall apply to the entities listed in this Section where the value of the procurement is estimated to equal or exceed the following relevant thresholds:

Goods	2,000,000 SDR From the beginning of the first year to the end of the fourth year following entry into force of this Agreement for Malaysia;
	1,000,000 SDR From the beginning of the fifth year to the end of the seventh year following entry into force of this Agreement for Malaysia; and
	150,000 SDR From the beginning of the eighth year following entry into force of this Agreement for Malaysia and thereafter.
Services	2,000,000 SDR From the beginning of the first year to the end of the fourth year following entry into force of this Agreement for Malaysia;
	1,000,000 SDR From the beginning of the fifth year to the end of the seventh year following entry into force of this Agreement for Malaysia;
	500,000 SDR From the beginning of the eighth year to the end of the ninth year following entry into force of this Agreement for Malaysia;
	150,000 SDR From the beginning of the 10 <sup>th</sup> year following entry into force of this Agreement for Malaysia and thereafter.
Construction Services	63,000,000 SDR From the beginning of the first year to the end of the fifth year following entry into force of this Agreement for Malaysia;

50,000,000 SDR

From the beginning of the sixth year to the end of the 10<sup>th</sup> year following entry into force of this Agreement for Malaysia;

40,000,000 SDR

From the beginning of the 11<sup>th</sup> year to the end of the 15<sup>th</sup> year following entry into force of this Agreement for Malaysia;

30,000,000 SDR

From the beginning of the 16<sup>th</sup> year to the end of the 20<sup>th</sup> year following entry into force of this Agreement for Malaysia;

14,000,000 SDR

From the beginning of the 21<sup>st</sup> year following entry into force of this Agreement for Malaysia and thereafter.

*List of Entities* <sup>(Note 1)</sup>:

1. Malaysia External Trade Development Corporation (*Perbadanan Pembangunan Perdagangan Luar Malaysia*)
2. Malaysia Productivity Corporation (*Perbadanan Produktiviti Malaysia*)
3. Malaysian Investment Development Authority (*Lembaga Pembangunan Pelaburan Malaysia*)
4. Small and Medium Enterprises Corporation Malaysia (*Perbadanan Perusahaan Kecil dan Sederhana Malaysia*)

**Notes to Section C:**

1. Chapter 15 (Government Procurement) shall cover only the entities listed including the subordinates of the listed entities, unless otherwise specified. Those subordinates that have separate legal status are not covered.

## SECTION D: Goods

Chapter 15 (Government Procurement) shall apply to all goods, as described in the United Nations Provisional Central Product Classification (CPC), procured by the entities listed in Section A and Section C, unless otherwise specified in Chapter 15 (Government Procurement) and subject to Section G and the Notes to the respective Sections.

### Notes to Section D:

1. Chapter 15 (Government Procurement) shall not cover the procurement of:

<i>CPC Code</i>	<i>Description</i>
0113	Rice, not husked
0114	Husked rice
171	Electrical energy
180	Natural water
23160	Rice, semi- or wholly milled
239	Food products, n.e.c.

## SECTION E: Services

Chapter 15 (Government Procurement) shall apply to services listed below, as described in the United Nations Provisional Central Product Classification (CPC), procured by the entities listed in Section A and Section C, unless otherwise specified in Chapter 15 (Government Procurement) and subject to Section G and the Notes to the respective Sections.

<i>CPC Code</i>	<i>Description</i>
61	Sale, maintenance and repair services of motor vehicles and motorcycles
62	Commission agents' and wholesale trade services, except of motor vehicles and motorcycles
63	Retail trade services; repair services of personal and household goods
71	Land transport services
72	Water transport services
732	Freight transportation by air
74	Supporting and auxiliary transport services (except for CPC 747 - Travel agency, tour operator and tourist guide services)
75	Post and Telecommunications Services (except for CPC 7511 - Postal services)
83	Leasing or rental services without operator (except for CPC 83101 -Leasing or rental services concerning private cars without operator)
84	Computer and Related Services
862	Accounting, auditing and book-keeping services
863	Taxation services
864	Market research and public opinion polls
865	Management consulting services (except for CPC 86502 - Financial management consulting services (except business tax))
86601	Project management services other than for construction
867	Architectural, engineering and other technical services
871	Advertising services
872	Placement and supply services of personnel
874	Building-cleaning services
875	Photographic services
876	Packaging services
87905	Translation and interpretation services

<i>CPC Code</i>	<i>Description</i>
884	Services incidental to manufacturing, except to the manufacture of metal products, machinery and equipment
885	Services incidental to the manufacture of metal products, machinery and equipment
886	Repair services incidental to metal products, machinery and equipment (except for CPC 8867 - Repair services n.e.c. of motor vehicles, trailers and semi-trailers, on a fee or contract basis)
92	Education services
93	Health and social services
94	Sewage and Refuse Disposal, Sanitation and Other Environmental Protection Services (except for CPC 9401 - Sewage services and CPC 9403 - Sanitation and similar services)
95	Services of membership organizations (except for CPC 95910 - Religious services)
96311	Library services
9641	Sporting services
97	Other services (except for CPC 97030 - Funeral, cremation and undertaking services and CPC 97090 - Other services n.e.c.)
98	Private households with employed persons
99	Services provided by extraterritorial organizations and bodies

#### **Notes to Section E:**

1. Chapter 15 (Government Procurement) shall not cover procurement of cabotage services for the shipment of goods from any port or place in Malaysia to another port or place in Malaysia; or from any port or place in Malaysia to any place in the exclusive economic zone or vice versa, that form a part of, or are incidental to a procurement contract.
2. For CPC 75 and CPC 84, Chapter 15 (Government Procurement) shall not cover any procurement that will affect Malaysia's essential security interest, as determined by the procuring entities.
3. Chapter 15 (Government Procurement) shall not cover plasma fractionation services.

## **SECTION F: Construction Services**

Chapter 15 (Government Procurement) shall apply to all construction services, as described in the *United Nations Provisional Central Product Classification (CPC) 51*, procured by the entities listed in Section A and Section C, unless otherwise specified in Chapter 15 (Government Procurement) and subject to Section G and the Notes to the respective Sections.

### **Notes to Section F:**

1. Chapter 15 (Government Procurement) shall not cover procurement of dredging services.
2. Chapter 15 (Government Procurement) shall not cover construction services that is carried out to maintain or improve the existing slope (hillside surfacing) conditions through periodic maintenance; or to reconstruct or improve existing slopes or construct new slopes due to natural disaster, flood, landslide ground subsidence and other emergency and unforeseen circumstances.



## SECTION G: General Notes

Unless otherwise specified, the following General Notes shall apply without exception to Chapter 15 (Government Procurement), including to all Sections of this Schedule.

1. Chapter 15 (Government Procurement) shall not apply to:
  - (a) any procurement by and for Istana Negara;
  - (b) any procurement in relation to rural development programmes in rural areas with less than 10,000 residents and poverty eradication programmes for households earning below Malaysia's Poverty Line Income;
  - (c) any Public Private Partnership (PPP) contractual arrangements including build-operate-transfer (BOT) and public work concessions;
  - (d) any measures for the development, conservation or preservation of local handicraft, national treasures and national heritage;
  - (e) any procurement for religious purposes, including that form a part of, or incidental to a procurement contract;
  - (f) any procurement for research and development; and
  - (g) any procurement in relation to national celebration events except for construction services.
  
2. Malaysia reserves the right to adopt or maintain any measure that confers safeguards, provides preference or renders assistance, benefits or other forms of rights or interests to Bumiputera in relation to government procurement not covered by Chapter 15 (Government Procurement). For procurement covered by Chapter 15 (Government Procurement), Malaysia reserves the right to accord Bumiputera status to eligible companies and shall apply the following measures under the Bumiputera policy:
  - (a) set aside procurement of construction services contracts for Bumiputera up to 30 per cent of the total annual value of construction services contracts above the threshold from the date of entry into force of this Agreement for Malaysia; and
  - (b) price preferences for:
    - (i) **Category 1:**  
Bumiputera suppliers providing goods and services originating from any Party, according to the following schedule:

Procurement Value	Percentage of price preference for Category 1
Above RM500,000 up to RM1,500,000	7%
Above RM1,500,000 up to RM5,000,000	5%
Above RM5,000,000 up to RM10,000,000	3%

<b>Procurement Value</b>	<b>Percentage of price preference for Category 1</b>
Above RM10,000,000 up to RM15,000,000	2.5%
Above RM15,000,000	0

(ii) **Category 2:**

Bumiputera suppliers providing goods and services originating from non-Parties, according to the following schedule:

<b>Procurement Value</b>	<b>Percentage of price preference for Category 2</b>
Above RM500,000 up to RM1,500,000	3.5%
Above RM1,500,000 up to RM5,000,000	2.5%
Above RM5,000,000 up to RM10,000,000	1.5%
Above RM10,000,000 up to RM15,000,000	1.25%
Above RM15,000,000	0

(iii) **Category 3:**

Bumiputera manufacturers that produce goods, according to the following schedule:

<b>Procurement Value</b>	<b>Percentage of price preference for Category 3</b>
Up to RM10,000,000	10%
Above RM10,000,000 up to RM100,000,000	5%
Above RM100,000,000	3%

3. Procuring entities shall accord price preference for Category 2 to Malaysian suppliers (other than Bumiputera) and suppliers of other Parties providing goods and services originating from any Party.

4. Malaysia reserves the right to adopt or maintain any measure in relation to the procurement of items under Central Contract as described below:

- (a) postal and courier services;
- (b) envelopes;
- (c) high density polyethylene fittings;
- (d) environmentally friendly fire extinguisher including its related system;
- (e) Microsoft products and services under a Master Licensing Agreement; and
- (f) small arms ammunition and pyrotechnic devices.

5. Panel Contract shall be applied in a manner consistent with obligations under Chapter 15 (Government Procurement) with respect to the covered procurement set out in this Schedule.

6. Any measure to benefit micro, small and medium enterprises (SMEs) shall be applied in a manner consistent with obligations under Chapter 15 (Government Procurement) with respect to the covered procurement set out in this Schedule.
7. For greater certainty, Chapter 15 (Government Procurement) shall not apply to:
  - (a) any procurement made by a covered entity on behalf of a non-covered entity; and
  - (b) procurement funded by grants and sponsorship payments from persons not listed in this Schedule.

## **SECTION H: Threshold Adjustment Formula**

1. The thresholds shall be adjusted in every even-numbered year with each adjustment taking effect on January 1, beginning on January 1 of the first even-numbered year after the date of entry into force of this Agreement for Malaysia.
2. Every two years, Malaysia shall calculate and publish the value of the thresholds under Chapter 15 (Government Procurement) expressed in Malaysian Ringgit (RM). These calculations shall be based on the conversion rates published by the International Monetary Fund in its monthly *International Financial Statistics*.
3. The conversion rates shall be the average of the daily values of the Malaysian Ringgit in terms of the Special Drawing Rights (SDR) over the two-year period preceding October 1 of the year before the adjusted thresholds are to take effect and rounded to the nearest Malaysian Ringgit.
4. Malaysia shall notify the other Parties of the current thresholds in Malaysian Ringgit immediately after the date of entry into force of this Agreement for Malaysia, and the adjusted thresholds in Malaysian Ringgit thereafter in a timely manner.
5. Malaysia shall consult if a major change in Malaysian Ringgit relative to the SDR or to the national currency of another Party were to create a significant problem with regard to the application of Chapter 15 (Government Procurement).

## **SECTION I: Procurement Information**

All information on government procurement is published on the following websites:

Ministry of Finance Malaysia: [www.treasury.gov.my](http://www.treasury.gov.my)

ePerolehan: [www.eperolehan.gov.my](http://www.eperolehan.gov.my)

## SECTION J: Transitional Measures

### *Thresholds*

#### 1. Transitional thresholds for goods, services and construction services:

##### (a) Section A

Goods	1,500,000 SDR From the beginning of the first year to the end of the fourth year following entry into force of this Agreement for Malaysia;
	800,000 SDR From the beginning of the fifth year to the end of the seventh year following entry into force of this Agreement for Malaysia; and
	130,000 SDR From the beginning of the eighth year following entry into force of this Agreement for Malaysia and thereafter.
Services	2,000,000 SDR From the beginning of the first year to the end of the fourth year following entry into force of this Agreement for Malaysia;
	1,000,000 SDR From the beginning of the fifth year to the end of the seventh year following entry into force of this Agreement for Malaysia;
	500,000 SDR From the beginning of the eighth year to the end of the ninth year following entry into force of this Agreement for Malaysia; and
	130,000 SDR From the beginning of the 10 <sup>th</sup> year following entry into force of this Agreement for Malaysia and thereafter.
Construction Services	63,000,000 SDR From the beginning of the first year to the end of the fifth year following entry into force of this Agreement for Malaysia;

50,000,000 SDR

From the beginning of the sixth year to the end of the 10<sup>th</sup> year following entry into force of this Agreement for Malaysia;

40,000,000 SDR

From the beginning of the 11<sup>th</sup> year to the end of the 15<sup>th</sup> year following entry into force of this Agreement for Malaysia;

30,000,000 SDR

From the beginning of the 16<sup>th</sup> year to the end of the 20<sup>th</sup> year following entry into force of this Agreement for Malaysia; and

14,000,000 SDR

From the beginning of the 21<sup>st</sup> year following entry into force of this Agreement for Malaysia and thereafter.

(b) Section C

Goods

2,000,000 SDR

From the beginning of the first year to the end of the fourth year following entry into force of this Agreement for Malaysia;

1,000,000 SDR

From the beginning of the fifth year to the end of the seventh year following entry into force of this Agreement for Malaysia; and

150,000 SDR

From the beginning of the eighth year following entry into force of this Agreement for Malaysia and thereafter.

Services

2,000,000 SDR

From the beginning of the first year to the end of the fourth year following entry into force of this Agreement for Malaysia;

1,000,000 SDR

From the beginning of the fifth year to the end of the seventh year following entry into force of this Agreement for Malaysia;

500,000 SDR

From the beginning of the eighth year to the end of the ninth year following entry into force of this Agreement for Malaysia; and

	150,000 SDR From the beginning of the 10 <sup>th</sup> year following entry into force of this Agreement for Malaysia and thereafter.
Construction Services	63,000,000 SDR From the beginning of the first year to the end of the fifth year following entry into force of this Agreement for Malaysia;
	50,000,000 SDR From the beginning of the sixth year to the end of the 10 <sup>th</sup> year following entry into force of this Agreement for Malaysia;
	40,000,000 SDR From the beginning of the 11 <sup>th</sup> year to the end of the 15 <sup>th</sup> year following entry into force of this Agreement for Malaysia;
	30,000,000 SDR From the beginning of the 16 <sup>th</sup> year to the end of the 20 <sup>th</sup> year following entry into force of this Agreement for Malaysia; and
	14,000,000 SDR From the beginning of the 21 <sup>st</sup> year following entry into force of this Agreement for Malaysia and thereafter.

*Economic Stimulus Package*

2. Chapter 15 (Government Procurement) shall not apply to any procurement funded by an economic stimulus package in response to a severe nationwide economic crisis implemented within 25 years after the date of entry into force of this Agreement for Malaysia.

*Domestic Review Procedures*

3. Notwithstanding Article 15.19 (Domestic Review), Malaysia may delay application of its obligations under Article 15.19 for three years after the date of entry into force of this Agreement for Malaysia. During this transitional period, Malaysia shall use existing internal administrative procedures to address complaints, provided that it complies with Article 15.4.1 (General Principles) and Article 15.4.2. Suppliers of any Party may submit complaints to the Ministry of Finance at the address below:

Under Secretary of Government Procurement Division  
Government Procurement Division  
Ministry of Finance  
Ministry of Finance Complex  
Precinct 2



62592 Putrajaya  
Malaysia  
Email: gpcompliance@treasury.gov.my  
Tel: +603-8882 4376  
Fax: +603-8882 4290

#### *Dispute Settlement Mechanism*

4. Notwithstanding Chapter 28 (Dispute Settlement), Malaysia shall not be subject to dispute settlement with respect to its obligations under Chapter 15 (Government Procurement) for a period of five years following the date of entry into force of this Agreement for Malaysia. During this transitional period, Malaysia shall enter into consultations with any Party that raises concerns with Malaysia's implementation of these obligations.

#### *Offsets*

5. Notwithstanding Article 15.4.6 (General Principles), Malaysia may delay application of its obligations under Article 15.4.6 on offsets for a period of 12 years following the date of entry into force of this Agreement for Malaysia.

6. During the transitional period, offsets may be applied as follows:

- (a) to procurement with a value of more than RM50,000,000;
- (b) to procurement conducted by the procuring entities listed under:
  - (i) Ministry of Agriculture and Agro-Based Industry (*Kementerian Pertanian dan Industri Asas Tani*);
  - (ii) Ministry of Communication and Multimedia (*Kementerian Komunikasi dan Multimedia*);
  - (iii) Ministry of Defence (*Kementerian Pertahanan*);
  - (iv) Ministry of Education (*Kementerian Pendidikan*);
  - (v) Ministry of Energy, Green Technology and Water (*Kementerian Tenaga, Teknologi Hijau dan Air*);
  - (vi) Ministry of Finance (*Kementerian Kewangan*);
  - (vii) Ministry of Health (*Kementerian Kesihatan*);
  - (viii) Ministry of Higher Education (*Kementerian Pengajian Tinggi*);
  - (ix) Ministry of Home Affairs (*Kementerian Dalam Negeri*);
  - (x) Ministry of Natural Resources and Environment (*Kementerian Sumber Asli dan Alam Sekitar*);

- (xi) Ministry of Rural and Regional Development (*Kementerian Kemajuan Luar Bandar dan Wilayah*);
  - (xii) Ministry of Science, Technology and Innovation (*Kementerian Sains, Teknologi dan Inovasi*);
  - (xiii) Ministry of Transport (*Kementerian Pengangkutan*);
  - (xiv) Ministry of Urban Wellbeing, Housing and Local Government (*Kementerian Kesejahteraan Bandar, Perumahan dan Kerajaan Tempatan*);
  - (xv) Ministry of Works (*Kementerian Kerja Raya*);
  - (xvi) Ministry of Youth and Sports (*Kementerian Belia dan Sukan*);
  - (xvii) Prime Minister's Department (*Jabatan Perdana Menteri*);
- (c) upon the date of entry into force of this Agreement for Malaysia, the procuring entities may impose offsets as set out in Malaysia's offsets policy with credit value up to 60 per cent equivalent to procurement contract value until the end of the fourth year;
- (d) the procuring entities will continue imposing offsets with credit value up to 40 per cent equivalent to procurement contract value until the end of the eighth year; and
- (e) the procuring entities will continue imposing offsets with credit value up to 20 per cent equivalent to procurement contract value until the end of the 12<sup>th</sup> year.

7. From the 13<sup>th</sup> year following the date of entry into force of this Agreement for Malaysia, the requirement for offsets will not be applied with regard to covered procurement.

8. Malaysia will ensure that its procuring entities clearly indicate the existence of any offsets requirements in the tender notices and specify the offsets programme required in the tender documentation.