

PROGRAMME



THE COMPLETE GUIDE FOR TECH COMPANIES

Malaysia Digital (MD) Status

Eligibility, incentives, costs and how to apply, step by step

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The latest version of this guide, with the interactive tools, is at
foundingbird.com/my/guides/malaysia-digital-status/.

Hi there,

I'm Dylan, Founder & CEO at foundingbird.com. I came to Malaysia on the MTEP pass and started Foundingbird here, so I've been through MDEC's processes myself. In our [MTEP guide](#) we touched on Malaysia Digital (MD) status, and since then the question we get most is: "Should my company apply for MD status, and what does it actually take?"

This guide answers that. We've gone through MDEC's own guidelines, including the revision that took effect on 1 July 2026, and put everything you need in one place. Where something depends on your situation, we say so.

Best,

Dylan Damsma

The short version

- **What it is:** a status for Malaysian companies doing approved digital work. It replaced MSC Malaysia status.
- **Who qualifies:** a Malaysian company with at least RM1,000 paid-up capital that carries out (or plans to carry out) an MD activity, such as AI, fintech, cybersecurity or cloud.
- **What you commit to:** within 12 months, start operating, employ at least 2 full-time knowledge workers averaging RM5,000 a month, and spend at least RM50,000 a year on the approved activities.
- **What you get:** access to foreign knowledge worker passes, tax incentives, import duty and sales tax exemptions on ICT equipment, and freedom from certain local ownership rules.
- **Cost and time:** a RM1,080 processing fee. MDEC's review takes 14 working days once your application is complete, before it goes to committee.



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Want us to set up your Sdn Bhd?

We prepare and file everything with SSM, you sign digitally from anywhere, and a licensed company secretary is appointed from day one.



RM1,599

including RM1,010 SSM fees,
excl. SST



3–5 working days

to incorporate



Registered address

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01

SECTION 1

What Is Malaysia Digital (MD) Status?

Malaysia Digital (MD) is the Government's national strategic initiative to grow the digital economy. It's run by [MDEC](#), the Malaysia Digital Economy Corporation, which is the agency under the Ministry of Digital.

MD status is the part of that initiative that applies to companies. MDEC awards it, on behalf of the Government, to companies that carry out approved digital activities. In return, those companies get access to a set of rights and privileges called the **MD Bill of Guarantees**.

If you've heard of **MSC Malaysia status**, this is its successor. MDEC describes MD status as "the enhanced and revamped initiative succeeding MSC Malaysia Status." Companies that already had MSC status could transition across, and you'll still see "MSC Malaysia/MD Status" side by side in a lot of MDEC documents.

One thing to be clear on from the start: **MD status is not a visa**. It's a status your company holds. It can open the door to passes for foreign staff, but it doesn't give anyone a pass by itself. We'll come back to this in [section 7](#).

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SECTION 2

Who Can Apply?

Under MDEC's [Guidelines on Malaysia Digital Status](#) (revised 1 July 2026), your company needs to meet three criteria:

1. **Incorporated under the Companies Act 2016 and resident in Malaysia.** In practice, that means a Malaysian Sdn Bhd.
2. **Carrying out, or planning to carry out, one or more MD activities** (see the list below).
3. **A paid-up capital of at least RM1,000.**

That last point is new. Before July 2026, the RM1,000 paid-up capital was one of the conditions you had 12 months to meet. Now it's part of the eligibility criteria, so it needs to be in place when you apply.

Notice what's not on the list: nationality. Foreign-owned companies can apply. Under the Companies Act 2016, though, every Sdn Bhd needs at least one director who ordinarily resides in Malaysia (section 196(4)). So you'll need your company set up properly before you can apply. If you don't have a company yet, our [guide to setting up a Sdn Bhd](#) walks you through it.

The MD activities

MD activities are defined as research, development and commercialisation of solutions, or provision of services, in relation to these technologies or areas. The names below are MDEC's official list of 21 activities, from Appendix 1 of the [Guidelines on Malaysia Digital Status](#). The grouping by theme is ours, to make the list easier to scan.

Data & AI



Big data analytics (BDA)



Artificial intelligence (AI)



Blockchain



Infrastructure & cloud



Data centre and/or cloud computing



Cybersecurity (technology/ software/design and support)



Systems/network architecture design and support



Advance telecommunication technology



Hardware, robotics & devices



Internet of things (IoT)



Integrated circuit (IC) design and/or embedded software



Robotics (technology/ software/design)



3D printing (technology/ software/design and support)



Drone technology



Digital services & platforms



Financial technology (fintech)



Creative media technology



Sharing economy platform



User interface and user experience (UI/UX)



Global business services



Emerging tech



Autonomous technology



Extended reality (XR): augmented reality (AR), virtual reality (VR), mixed reality (MR)



Quantum technology



Spatial technology

There's also a 22nd category: other next-gen technologies that the Approval Committee considers significant for the digital ecosystem. Autonomous technology, quantum technology and spatial technology are among the areas listed in the 2026 guidelines.

What doesn't qualify

The guidelines also list activities that **don't** count as MD activities. This list is just as useful as the one above:

- Trading, retailing and leasing of hardware, software and computer accessories
- Manufacturing, and fabrication of semiconductor wafers or chips
- Provision of telecommunication services
- Non-technical global business services, low-value call centres, data entry and recruitment process outsourcing
- Staffing and staff augmentation
- Event management
- Advertising, marketing and promotion, and advertorials and publications
- Training and consultancy
- Traditional web design and development
- Services to the cigarette, tobacco, alcohol and gambling industries

One more rule worth knowing: your company has to carry out the approved activities **itself**. Outsourcing core parts of them to third parties isn't permitted.

Examples of companies that would likely qualify

COMPANY	WHY IT FITS
A startup building an AI tool that reads and classifies invoices	Artificial intelligence
A company running a SaaS platform hosted on cloud infrastructure	Cloud computing
A team building a payments app for small merchants	Fintech
A studio developing games and animation	Creative media technology
A company building fleet-tracking IoT devices and software	Internet of things

Companies that would likely **NOT** qualify

COMPANY	WHY IT DOESN'T FIT
A company reselling laptops and software licences	Trading and retailing
An agency building standard company websites	Traditional web design and development
A digital marketing agency running ad campaigns	Advertising, marketing and promotion
An IT consulting firm advising on digital transformation	Training and consultancy
A firm placing developers at client companies	Staffing and staff augmentation

The key question to ask yourself: "Is my company building or delivering technology in one of these areas, or am I selling, marketing or staffing around it?"

If you're not sure where your business falls, MDEC offers a consultation before you apply (email cllc@mdec.com.my). You're also welcome to [message us on WhatsApp](#) and we'll look at it with you.

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SECTION 3

The Conditions You Commit To

Getting MD status comes with conditions. This is the part people tend to underestimate, so read it carefully. Here's what the 2026 guidelines require:

CONDITION	REQUIREMENT	WHEN
Paid-up capital	At least RM1,000	From the date of award, at all times
Activity	Start operating and carrying out the MD Approved Activities in Malaysia	Within 12 months of award, then at all times
Knowledge workers	At least 2 full-time employees (comprising knowledge workers) with an average monthly base salary of at least RM5,000, employed for the MD Approved Activities	Within 12 months of award, then at all times
Operating expenditure	At least RM50,000 a year, spent on the MD Approved Activities	Within 12 months of award, then at all times

A few things to note:

- **"At all times" is new.** The 2022 guidelines said the conditions had to be met within 12 months. The 2026 revision adds that they must be maintained at all times after that.
- **Operating expenditure** can include salaries and other staff costs, utilities and connectivity, rent, professional fees (secretarial, audit, accounting, legal), admin and management costs, and marketing.
- **Your company also has to follow the normal rules.** That means any licences or permits your activities need, and all the usual laws that apply to a Malaysian company.

Who counts as a knowledge worker?

MDEC defines a knowledge worker as someone who has one of the following:

- A tertiary qualification from an institution of higher learning, in any field; or
- A diploma in ICT, engineering, technology or a specialised certification, plus at least 2 years' relevant experience in a field that's a heavy user of technology; or
- A professional, executive, management or technical role in IT-enabled services, such as IT/IS, finance and accounting, business administration, engineering, medical or legal.

It also includes foreign workers with knowledge-based skills that aren't common in Malaysia, and people hired for their creative talent to produce value-added creative work.

An example. Say you set up a Sdn Bhd to build a cybersecurity product. You get MD status in March. By March next year, you'd need to be operating in Malaysia, have at least two full-time knowledge workers whose base salaries average RM5,000 or more (for example, one developer on RM6,000 and one on RM4,500 averages RM5,250), and be spending at least RM50,000 a year on the product. If your plan is to stay a solo founder for the first two years, MD status probably isn't the right first step yet.

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SECTION 4

What You Get: The MD Bill of Guarantees

The Bill of Guarantees (BoGs) is the set of incentives, rights and privileges that come with MD status. MDEC updated its [explanatory notes](#) on 11 November 2025. There are ten:

BOG	WHAT IT COVERS
1	World-class physical and information infrastructure. Only for companies located in areas or premises recognised by the Government
2	Employment of local and foreign knowledge workers
3	Freedom of ownership, by exempting MD status companies from certain local ownership requirements
4	Freedom to source capital and borrow funds globally
5	Competitive financial incentives, and import duty and sales tax exemption on multimedia/ICT equipment
6	Intellectual property protection and cyberlaws
7	No censorship of the Internet
8	Globally competitive telecommunications tariffs
9	Priority in government ICT procurement
10	MDEC as a one-stop agency for MD status companies

A guarantee isn't automatic, though. Most of them need a separate application, and each comes with its own criteria. Here's what matters most for a typical startup:

- **Hiring foreign talent (BoG 2).** This is the big one for many founders. More on this in [section 7](#).
- **Ownership (BoG 3).** Generally, Malaysia doesn't restrict foreign equity in a company incorporated here, but some sectors have their own rules. MD status exempts you from certain local ownership requirements, for example around some property acquisitions, Bumiputera equity requirements when listing on Bursa Malaysia, and network licences under the Communications and Multimedia Act 1998.
- **Capital (BoG 4).** MD status companies can borrow in foreign currency and invest abroad beyond the limits that apply to other resident companies under Bank Negara Malaysia's foreign exchange policy. For amounts above those limits, you go through MDEC to get Bank Negara's approval first.

- **Tax and equipment (BoG 5).** See the next section.

Beyond the BoGs, MD status companies can also access market and ecosystem programmes, business matching, grant and funding facilitation, and MD initiatives run by MDEC.

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SECTION 5

MD Tax Incentives

The MD tax incentive is offered under BoG 5. It was officially launched on 31 May 2024, and the guidelines were revised in July 2025. It's outcome-based: the better your company does on the conditions, the lower the rate.

It's important to separate the two. **MD status and the MD tax incentive are two different applications.** Having MD status makes you eligible to apply for the incentive, but you still have to apply and be approved.

There are two options:

New Investment Incentive

For MD status companies starting a new qualifying activity.

- **Reduced tax rate:** 0% on qualifying IP income, and 10% or 5% on qualifying non-IP income, for 10 consecutive years of assessment; **or**
- **Investment tax allowance:** 60% or 100% of qualifying capital expenditure, against up to 100% of statutory income, for 5 years.

To apply, your company needs a **paid-up capital of at least RM50,000** (not RM1,000), and generally must not have issued a sales invoice for the qualifying activity in Malaysia before applying. There's one exception: if your company has 60% or more Malaysian ownership, you can apply up to 12 months after your first invoice.

Expansion Incentive

For MD (or MSC Malaysia) status companies that have been operating for at least 36 months, have a paid-up capital of at least RM250,000, and are taking on a new activity.

- **Reduced tax rate:** 15% on qualifying IP and non-IP income for 5 years; **or**
- **Investment tax allowance:** 30% or 60% of qualifying capital expenditure, against up to 100% of statutory income, for 5 years.

For both options, you choose either the reduced rate or the allowance, and you can't switch later. You'll need to keep separate accounts for the incentivised activity, and submit an annual Self-Declaration Form verified by an external auditor. If you miss the submission window, you can't claim the reduced rate for that year.

Deadlines to know

- **Applications must be submitted to MDEC by 31 December 2027.** The current guidelines cover applications from 19 April 2024 up to that date.
- **A new framework is coming in 2028.** In February 2026, MDEC announced that new MD tax incentive applications are set to move to the Government's New Incentive Framework (NIF) from 1 January 2028. Incentives already approved stay as they are.
- **The 20 July 2025 deadline has passed.** Companies awarded MD status from 1 July 2022 that had ticked interest in the tax incentive had until 20 July 2025 to submit their incentive application.

Tax incentives get technical quickly, especially around IP income and the nexus rules. If you're considering one, talk to your tax agent early. Our [audit and tax team](#) can help with the tax side once your company is set up.

Import duty and sales tax exemption

MD status companies can also apply for exemption from import duty and sales tax on multimedia/ICT equipment they import for direct use in their approved activities. For companies doing data centre activities, MDEC announced a policy update from 1 January 2026, and in June 2026 said the detailed procedures were still being finalised. If that's you, check with MDEC before you import.

What about DESAC?

You may also come across the Digital Ecosystem Acceleration (DESAC) scheme. It's a separate incentive run by [MIDA](#), not MDEC. It's for submarine cable projects and data centre and cloud computing projects, and is open to applications received up to 31 December 2027. For most startups, the MD tax incentive is the more relevant one.

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SECTION 6

The Application Process

You apply online through the [Malaysia Digital platform](#). Below is how it works, based on [MDEC's application steps](#), the [Guidelines on Malaysia Digital Status](#) and MDEC's [Malaysia Digital quick information guide](#) for the platform.

Before you apply

- **Have your company in place.** You'll register with your company's SSM registration number, and the platform pulls in your company details, business activities and shareholders from SSM. If anything is out of date, you can correct it in the form and upload a supporting document, but it's easier if your SSM records are right first.
- **Make sure your paid-up capital is at least RM1,000.** Since 1 July 2026, this is part of the eligibility criteria.
- **Book a consultation if you're unsure.** MDEC offers a pre-application consultation. Email cllc@mdec.com.my.
- **Decide on the application type.** On the platform you choose between an MD status application and an MD status application with tax incentive. The second one has extra sections. If you only want the status for now, you can apply for the tax incentive separately later (see [section 5](#)).

Step 1: Register and check eligibility

Create an account on the Malaysia Digital platform, verify your email, enter your company registration number and choose your application type. Your account is created once you've completed the short eligibility form.

Step 2: Fill in the application

The form is split into sections. Each one turns green in the checklist when it's complete, and the submit button only appears at the end. For an MD status application, the sections cover:

SECTION	WHAT IT ASKS FOR
A. Company	Company details and addresses, business activities, group company structure and shareholders, and your management team (with their education and work experience, and supporting documents)
B. Proposed activities	The MD activities you'll carry out, the focus area for each, the services you'll offer, target customers, revenue model and supporting documents, plus your revenue projection and export potential
C. Human resource	Your planned knowledge worker positions and numbers, including any foreign knowledge workers by country, plus any non-knowledge workers
D. Financial	Revenue, operating expenditure (OPEX), capital expenditure (CAPEX) and additional paid-up capital for each year, your sources of funding, and past performance
E. Declaration and signatory	Declarations and an e-signature

If you apply with the tax incentive, there are two extra parts: other incentives your company has received, and the tier or category of incentive you're applying for.

Step 3: Pay the processing fee

The fee is **RM1,080 (including SST)** and it's non-refundable. You need to pay and submit within **30 days** of registering the application, or it's closed. If an application is rejected and you re-apply later, you pay the fee again.

Step 4: Acknowledgement and preliminary check

MDEC emails you a receipt and assigns a **Business Analyst**, who'll be your point of contact. They first check your basic eligibility. If you don't pass this check, the application is rejected, but you can re-apply once you meet the criteria.

Step 5: Evaluation

Your Business Analyst may ask for more information and documents, or for you to present your proposed activities. MDEC says the review is completed within **14 working days** from receiving a complete application.

Step 6: Committee decision

Your application then goes to the **MD Coordination Committee**, made up of Government representatives. It decides whether to approve or reject your application, and MDEC sends you a decision letter.

Step 7: Accept the approval letter

If you're approved, you'll get an email asking you to sign and accept the **MD Status Approval Letter** via Adobe Sign. The company's authorised signatory signs it, and MDEC suggests the CEO or a director. The letter is issued in Bahasa Malaysia, so you may want a translation. Read it closely: it sets out the conditions your company has to keep.

Step 8: Get your eCertificate

Once you've accepted the approval letter, MDEC issues your **MD status eCertificate**. These are issued monthly, and you'll be told by email when yours is ready.

What happens after approval

Your MD status gives you access to the Bill of Guarantees, but most of the benefits need their own application:

- **Foreign knowledge workers:** register with MDEC's Expats Service Centre (see [section 7](#)).
- **Tax incentive:** a separate application to MDEC, with its own criteria, including a higher paid-up capital (see [section 5](#)).
- **Import duty and sales tax exemption:** applied for through MDEC, for equipment used directly in your approved activities.
- **Your 12-month conditions:** the clock starts on the date of award, so start hiring and operating as planned.

- **Annual reporting:** your first Self-Declaration Form is due within 7 months of your financial year end (see [section 8](#)).

What should I prepare?

The core of your application is a **5-year business plan**. The form asks for your revenue, operating expenditure, capital expenditure and paid-up capital year by year, plus your hiring plan, so it's easiest to work these out in one plan before you start filling anything in. Here's what to have ready.

Asked for in MDEC's application form

- Your company's SSM details, which the platform pulls in, plus a supporting document if anything needs correcting
- Your group structure and shareholders, with a company structure document if you have one
- Your management team: one person with the highest authority, plus each person's education and work experience, with supporting documents
- A description of each MD activity you'll carry out, the focus area, your services, target customers and revenue model
- Revenue projections, including export potential
- Your planned knowledge worker positions and numbers, including foreign knowledge workers by country
- Year-by-year OPEX, CAPEX and paid-up capital
- Your sources of funding and past performance (if your company has already been trading), with supporting documents

Commonly requested

These aren't listed in MDEC's documents, but applicants are commonly asked for them, and they make your application stronger:

- A written 5-year business plan covering your product or service, market, go-to-market strategy and growth plans
- A description of your technology and any IP you own or are developing, plus product screenshots, a demo or website links
- An organisation chart, with job descriptions and salary ranges for the knowledge worker roles
- Your latest audited accounts or management accounts, if your company is already operating
- Your SSM company profile and director and shareholder ID documents

An example. Say you're applying for a fintech app. Your plan would show the app and how it makes money, two developers hired in the first year at RM5,500 and RM6,000 a month, operating costs of RM180,000 in year one growing as you scale, and revenue starting in year two. That lines up directly with the conditions MDEC will hold you to.

The numbers you put in become commitments. Be ambitious, but make sure you can actually meet them, because your approval letter conditions and later compliance checks are based on what you said you'd do.

How long does it take?

The 14 working days covers MDEC's own review once your application is complete. On top of that, there's the time to prepare and submit, any questions from your Business Analyst, the committee decision, and the monthly certificate issuance. MDEC has also noted in the past that high volumes can make processing take longer than usual. So plan for it to take a while, and don't build a hiring plan that depends on a specific approval date.

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SECTION 7

MD Status and Hiring Foreign Talent

For many founders, this is why MD status matters. MDEC's [Expats Service Centre](#) helps MD status companies get passes for their foreign knowledge workers. Its expatriate services are for MD status companies only.

Here's how it works:

1. Once you have MD status, the Expats Service Centre invites you to subscribe to its services.
2. You nominate an authorised person at your company (MDEC discourages using a third-party agent for this) and sign the Expatriate Service Agreement.
3. You can then apply for passes, such as the Employment Pass and Dependant Pass, for foreign knowledge workers employed in your approved activities.

The Employment Pass itself is issued by the Immigration Department of Malaysia after MDEC approves the position. Having MD status doesn't mean a pass is approved; each application is still assessed on its own.

Employment Pass categories and salaries

The Employment Pass has three categories, based on the employee's monthly basic salary. The bands below are **effective 1 June 2026** and apply to all new and renewal applications submitted on or after that date, following the [Immigration Department's announcement](#). MDEC's [Expats page](#) uses the same salary bands.

CATEGORY	MONTHLY BASIC SALARY (FROM 1 JUNE 2026)
Category I	RM20,000 and above
Category II	RM10,000 to RM19,999
Category III	RM5,000 to RM9,999

A few things to know:

- **It's basic salary only.** Allowances, incentives and bonuses don't count, and neither does salary paid outside Malaysia.
- **Category III now allows dependants.** For Category III applications submitted from 1 June 2026, the pass holder can apply for dependants.
- **Succession plans are coming.** From 1 January 2027, Category II and III applications need a succession plan, showing how the role will be passed on to local talent over time.
- **The pass length depends on the category.** MDEC sets the contract length it approves for MD status companies, so check the current terms with MDEC for your case.
- **Plan your salaries around this.** A foreign developer on RM8,000 a month falls in Category III, and if you want them to qualify for Category II, their basic salary needs to be at least RM10,000.

Where MTEP and DE Rantau fit

MDEC runs three programmes that founders often mix up:

	MD STATUS	MTEP	DE RANTAU
For	Your company	You, as a founder	You, as a remote worker
What it does	Unlocks incentives and foreign knowledge worker passes for your company	Lets you live in Malaysia and build your own tech startup	Lets you live in Malaysia while working for clients or employers overseas
Needs a Malaysian company?	Yes, before you apply	No, you get the pass first, then incorporate	No

The order matters. To apply for MD status, you need a Malaysian company. To have a Malaysian company, you need at least one director who ordinarily lives in Malaysia. And if you're a foreign founder who wants to work in that company yourself, you need a pass. So for a solo foreign founder, it's a bit of a chicken-and-egg situation.

That's why, if you're building your own proprietary tech, we often suggest starting with [MTEP](#). It gives you a pass before you incorporate.

MTEP and MD status are separate. MTEP is a pass for you as a founder. MD status is a status for your company. Having one doesn't give you the other, and each has its own application and conditions. But they work well together: a company started by an MTEP pass holder can also apply for MD status, for example once it's ready to grow a team and hire foreign knowledge workers.

If your business fits an MD activity but isn't proprietary tech, MD status may be the route. In that case, you'd incorporate with a Malaysian resident director (a partner, or our nominee director service, which has strict requirements) and apply for MD status once you're ready to meet the conditions. We're founders too, so we know how much depends on getting this order right. [Message us](#) and we'll help you work out which route fits.

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SECTION 8

After Approval: Reporting and Staying Compliant

MD status doesn't expire. Under the 2026 guidelines, it's **perpetual**, as long as you keep meeting the conditions. That also means compliance is ongoing.

Annual reporting. Every year, you submit a **Self-Declaration Form (SDF)** to MDEC within **7 months after the end of your financial year**. The information has to be verified first by an independent external auditor, at your own cost. MDEC can also ask for other documents, such as SSM documents and your audited accounts.

This timeline changed recently. Companies approved from 1 July 2022 used to submit within 30 days of their MD status anniversary date. MDEC moved it to 7 months after the financial year end in March 2026, to line up with your tax filing.

Changes you need to tell MDEC about:

- A change in paid-up capital, equity or shareholding structure
- A change of company name
- Rebranding a product or service listed in your approval letter
- A new business address, contact person or contact details (updated on the MD platform)

Adding activities. You can apply to add new MD activities by writing to MDEC. It's assessed like a new application, and the same conditions apply.

Revocation and surrender. If your company doesn't meet the conditions, MDEC can revoke your MD status, and the incentives and benefits that came with it are withdrawn. You can also surrender your status at any time, but MDEC will first check that you've complied with the conditions.

Most of this sits on top of your regular company obligations: annual returns, audited accounts and tax filing. If you'd rather not keep track of it all yourself, our [company secretary](#) and [accounting](#) teams can take that part off your plate.

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SECTION 9

What Changed Recently

If you've read about MD status before, here's what's new:

WHEN	WHAT CHANGED
31 May 2024	MD tax incentive officially launched
20 July 2025	Deadline for companies awarded MD status from 1 July 2022 to submit a tax incentive application they had registered interest in
22 July 2025	Revised MD tax incentive guidelines published (New Investment and Expansion)
11 November 2025	Bill of Guarantees explanatory notes updated
1 January 2026	Import duty and sales tax exemption policy update for data centre activities (procedures still being finalised in June 2026)
12 February 2026	MDEC confirms current MD tax incentives stay in place until 31 December 2027, with the New Incentive Framework targeted from 1 January 2028
30 March 2026	SDF deadline moved to 7 months after financial year end
1 June 2026	Revised Employment Pass salary thresholds: Category I RM20,000+, Category II RM10,000 to RM19,999, Category III RM5,000 to RM9,999
1 July 2026	Revised MD status guidelines: RM1,000 paid-up capital moves into the eligibility criteria, conditions must be kept at all times, no outsourcing of core activities, status is perpetual, and the activity and non-qualifying lists are expanded

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SECTION 10

Is MD Status Right for You?

MD status is likely a good fit if you:

- Already have a Malaysian Sdn Bhd, or are about to set one up
- Are building or delivering technology in one of the MD activity areas
- Plan to hire at least two knowledge workers at RM5,000 a month on average within a year
- Want to hire foreign talent through MDEC, or apply for the MD tax incentive

It might not be the right step yet if you:

- Are a solo founder without plans to hire in the next 12 months
- Mostly resell, market, consult or staff around technology
- Are a foreign founder who still needs a pass to live and work in Malaysia yourself (look at [MTEP](#) first)

There's no single right answer. It depends on your business, your team and your plans for the next year or two.

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SECTION 11

Get Started

Whichever route you take, it starts with a well set-up Malaysian company. We can help you:

- [Incorporate your Sdn Bhd](#), with a resident director arranged if you need one
- Keep your company compliant with our [company secretary](#) and [accounting](#) services
- Run [payroll](#) for the knowledge workers you hire
- Work out whether MTEP, MD status or both make sense for you

You look forward. We handle the rest. Have a question? [Message us on WhatsApp](#) and we'll get back to you.

This guide is based on MDEC's Guidelines on Malaysia Digital Status (revised 1 July 2026), the MD Bill of Guarantees explanatory notes (11 November 2025), the MD tax incentive guidelines (July 2025) and MDEC's announcements, as checked on 13 October 2026. MDEC updates these from time to time, so always check the latest version on [mdec.my](#) before you apply. This guide is general information, not legal or tax advice.

Need a Sdn Bhd for MD status?

MD status starts with a Malaysian Sdn Bhd. We can register yours and keep it compliant while you prepare your application.



RM1,599

including RM1,010 SSM fees, excl. SST



3 to 5 working days

to incorporate, signed digitally



Licensed company secretary

appointed from day one



WhatsApp support

talk to our team directly



Chat on WhatsApp

Incorporate with us →



Scan to chat on WhatsApp

foundingbird.com/wa



1,000+ companies set up