

The Recovery Movement Control Order - Prevention and Control of Infectious Diseases (Measures Within Infected Local Areas) (No. 7) Regulations 2020

Introduction

On 7 June 2020, the Government of Malaysia announced that the Recovery Movement Control Order (“**RMCO**”) will replace the Conditional Movement Control Order (“**CMCO**”). The Prevention and Control of Infectious Diseases (Measures within Infected Local Areas) (No. 7) Regulations 2020 (“**Regulations No. 7**”) outline measures to control and prevent the spreading of COVID-19 during the RMCO. The RMCO is effective from 10 June 2020 to 31 August 2020 (“**RMCO Period**”).

Movement restrictions were initially introduced under a Movement Control Order (“**MCO**”), which lasted for 6.5 weeks from 18 March 2020 to 3 May 2020. These were succeeded by the CMCO that was effective from 4 May 2020 until the institution of the RMCO.

In this Update, we examine the changes that have been implemented by Regulations No. 7 and the various initiatives introduced by the Government to aid and relieve those affected by the COVID-19 outbreak.

Revised List of Prohibited Activities

Regulations No. 7 has revised the list of prohibited activities. The activities prohibited during the RMCO Period are as follows:

- sports events and tournaments;
- contact sports;
- water theme park and water park activities;
- swimming pool activities (other than swimming pool activities in a swimming pool in a private residence and accommodation premises under the Tourism Industry Act 1992 i.e. hotels, inns and lodging houses), except for the training of national athletes participating in the Tokyo Olympic Games 2020;
- outbound tour activities by citizens and inbound tour activities involving foreign tourists entering Malaysia;

- activities in karaoke centers, children’s playground in shopping malls and family entertainment centers;
- activities in pubs and night clubs, **except** restaurant business in pubs and clubs;
- fitting of clothes, using fitting rooms in clothes stores, trying on fashion accessories in stores and providing cosmetic testers in stores;
- reflexology and massage activities in a health and beauty establishment;
- cruise ship activities; and
- any activity with many people in attendance at a place making it difficult to carry out social distancing and to comply with the directions of the Director General of Health.

Notably, restaurant businesses in pubs and night clubs, religious and cultural festivities, gambling activities and casinos, barbershops, installation of machinery, and outdoor commercial activities involving sales and marketing, are no longer prohibited during the RMCO Period under Regulations No. 7.

The Government of Malaysia has also issued additional standard operating procedures (“**SOPs**”) that businesses in certain sectors must comply with in order to operate during the RMCO Period. Regulations No. 7 provides that any directions issued under the Prevention and Control of Infectious Diseases (Measures within Infected Local Areas) (No. 6) Regulations 2020 shall continue to remain in force unless it is revoked by the Director General of Health. As such, the new SOPs must be read in addition to the previous SOPs released pursuant to the CMCO until it is replaced or revoked.

For more information on the SOPs issued during the RMCO Period, please click [here](#).

Other Notable Updates

Regulations No. 7 removes the previous restrictions on interstate travel, use of private vehicles, control of movement within Sarawak and the operation of air public transport to Sabah and Sarawak from Peninsular Malaysia. Presently, the control of gatherings and operations of public transport are subject to the directions of the Director General of Health.

The Ministry of Health still has the power to declare an area to be under enhanced movement control order and no person shall be permitted to enter or exit the declared area.

National Economic Recovery Plan (PENJANA)

In a bid to aid recovery of the country’s economy, the Government has unveiled PENJANA (*Pelan Jana Semula Ekonomi Negara*) or the National Economic Recovery Plan. The three focus areas of PENJANA’s initiatives are – Empower the People, Propel Businesses, and Stimulate the Economy. The 40 stated initiatives under PENJANA are focused to provide (i) incentives to drive business, (ii) tax

reliefs, and (iii) aid to employment. Some of the key initiatives contained within PENJANA are set out below:

- grants and loans to enterprises for business digitalisation;
- development of an innovation sandbox to pilot new technology solutions;
- funding facility and support for micro enterprises and SMEs;
- matching grant for gig economy platformers and social enterprises;
- financial relief for new businesses and SMEs in the form of tax rebate and stamp duty exemption on any instruments executed for Mergers and Acquisitions (M&As);
- establishment of investment fund from international investors and venture capital funds, such as SK Group, Hanwha Asset Management, KB Investment Co. Ltd, Provident Growth, 500 Startups and The Hive, for the benefit of start-ups and local private sector venture capital funds;
- tax incentives for companies relocating into Malaysia;
- extension of the Wage Subsidy Programme until September 2020 and allowing eligible employers to receive wage subsidy for employees on reduced work week or unpaid leave;
- incentives for hiring youth and the unemployed; and
- incentives for work-from-home arrangements, including tax deduction, income tax exemption and individual income tax relief.

For more information on the entitlement, quantum and timeline of each initiative, please click [here](#). The relevant regulatory bodies and government agencies will be releasing further guidance for the respective initiatives and we will be providing separate updates on those when available.

The COVID-19 (Temporary Measures) Bill

On 5 June 2020, the Prime Minister of Malaysia announced that the Government has agreed to draft the COVID-19 (Temporary Measures) Bill (“**COVID-19 Bill**”) that will provide temporary relief from contractual responsibilities for a specified period of time. The Government has released statements saying that the COVID-19 Bill will also include provisions to modify existing laws to minimise the impact of the COVID-19 outbreak during the prescribed period. There have also been indications that the COVID-19 Bill could be modelled after Singapore’s COVID-19 (Temporary Measures) Act.

The COVID-19 Bill is expected to be tabled and debated in the next Parliament sitting.

Visit our [COVID-19 Resource Centre](#) for views from our lawyers across the region on common issues and legal implications brought about by COVID-19. For specific inquiries, please reach out to your relationship partner or send an email to our [COVID-19 Legal Team](#).

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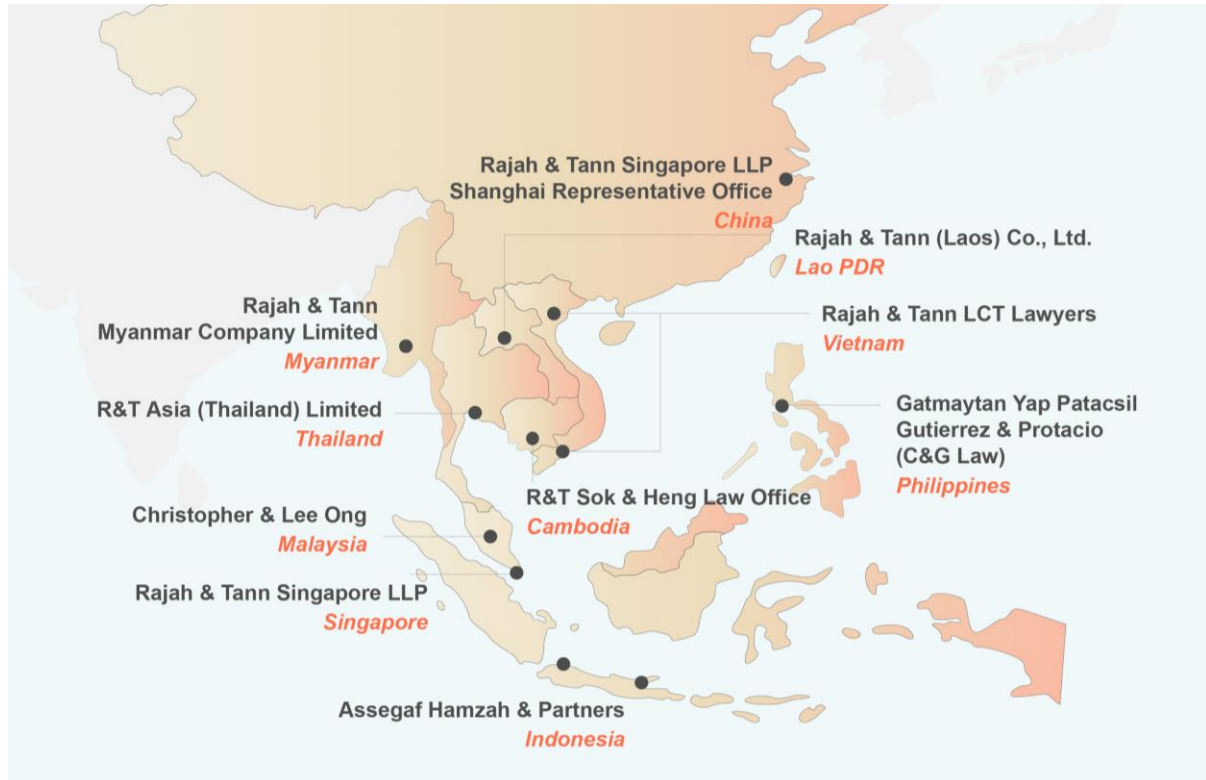
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