MINUTES OF MEETING
PEMUDAH Private Sector Meeting No. 21/2020
3 December 2020

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1. OPENING REMARKS

- Chairman YBhg. Dato' Dr. Ir. Andy Seo Kian Haw commenced the **Twenty-First PEMUDAH Private Sector Meeting of 2020** via Cisco Webex platform at 11.00 a.m. on 3 December 2020 and welcomed Members and the paper presenters.

- Chairman recapitulated the issues mentioned at the PEMUDAH Meeting 2/2020 for which proposal papers would be prepared and presented to a PEMUDAH meeting to be held possibly in January 2021. The four presentation papers on the meeting agenda of PEMUDAH Private Sector Meeting 21/2020 covered these issues.

- Encik Zahid Ismail, Deputy Director General, MPC, informed that MPC and the Electrical and Electronics Productivity Nexus (EEPN) had organised a conference the previous week in which research and development was cited as a driver of productivity and this important subject would be presented as a paper at the next PEMUDAH meeting.

2. PAPER 1: DIGITAL GOVERNMENT: DATA SHARING AMONG GOVERNMENT AGENCIES TO IMPROVE EASE OF DOING BUSINESS BY PEMUDAH SECRETARIAT

A. Puan Wan Fazlin Nadia Wan Osman (PEMUDAH Secretariat) presented as follows:

(1) This is the draft of a paper proposed to be presented to PEMUDAH Meeting 1/2021.

(2) <u>Objectives</u>:

    (i) To present and discuss the paper proposed to be presented at PEMUDAH Meeting 1/2021; and

    (ii) To share data sharing best practices from Georgia's reform initiative through a Data Exchange Agency (DEA) with a data exchange system.

(3) <u>Structure of Georgia's Service Delivery</u>: Customer applications are submitted online to a Public Service Hall (PSH) being the front office which then forwards applications received to 14 respective agencies being the back office that offer more than 400 services. The DEA acts as the data sharing enabler which is under the jurisdiction of the Ministry of Justice, Georgia.

(4) Georgia was ranked second in the Starting a Business indicator of _Doing Business 2020_ with a single procedure and a single day measured and was

ranked fifth in the Registering Property indicator also with a single procedure and a single day measured.

(5)   The Georgian Government Gateway (G3)'s data exchange infrastructure connects agencies, businesses and organisations in a single network on a once-only-reuse-data principle.

(6)   G3 minimises data storage costs, policy-making mistakes and public service delivery errors.

(7)   Different systems and databases of agencies are connected through G3 via an adapter.

(8)   The architecture of the Georgian e-Government was presented. The DEA acts as the focal point for entities such as business organisations, revenue service, the National Agency of Public Registry and the Social Service Agency.

(9)   <u>Next Steps</u>:

(i)   Decide on which focus areas are to be included in the proposal paper;

(ii)   Identify challenges and barriers to data sharing among governmental agencies;

(iii)   Recommend which governmental agencies are to embark on digitalisation projects to enhance data sharing; and

(iv)   Organise a sharing session with the DEA in the forthcoming PEMUDAH Private Sector meeting.

B.   The meeting <u>noted</u> that:

(1)   Encik Faizal (MITI) enquired what was meant by "mistakes in policy-making" in the paper presentation. Puan Nadia replied that the Secretariat would seek clarification from the Georgian authority.

(2)   Encik Ganesh Bangah, PEMUDAH Member/TWGRI Co-Chair, pointed out on the need firstly for PEMUDAH Members to full understand the workings of the platform used in Georgia and agreed that a sharing session was required to be held with the DEA. He saw the PSH as an application of the DEA. Chairman concurred with Encik Ganesh's view and added that MAMPU and other stakeholder agencies should be invited to join the sharing session as it was necessary to establish whether a similar or a closest platform was already under development in Malaysia.

(3)   YBhg. Dato' Sri Wong Siew Hai, PEMUDAH Member/TWGEW Co-Chair emphasized on the need for the platform to allow applicants to access the system to check the status of their applications. The platform should have two functionalities i.e. to facilitate applications and payments.

(4) Encik Faizal (MITI) said the PSH was similar to the UTC in Malaysia. He enquired how many services the UTC offered and whether the Georgian platform had a mandate to collect data. Chairman added that the PDPA was a legal hurdle to data gathering.

(5) Encik Ganesh pointed out that the UTC involved different agencies providing different services and the services were limited to only a few types due to floor space constraints. The UTC was considered only as an application while a data exchange would be an enabler. Georgia might have an agency allowed under the law to gather data.

(6) Dato' Chua Tia Guan, PEMUDAH Member/TWGPT Co-Chair spoke on the need to differentiate between the virtual and the physical as there were still people of the older generation who chose to use counter services. He said Ministries were prevented from sharing their data as they were governed under their respective Acts. Legislation has to be enacted to allow Ministries to share data amongst themselves. Dato' Chua felt that the initiative to facilitate data sharing should initially focus on Starting a Business.

(7) Puan Nadia informed that the Ministry of Justice was the driver of the digital government's data sharing initiative in Georgia which commenced with the agencies of the Ministry of Justice and later involved other agencies.

(8) Mr. David Jones, PEMUDAH Member/TWGEC Co-Chair, stressed on the importance of having a single window which would dispense with the present way of an applicant having to visit various agencies to transact his application for authority approval.

(9) Chairman added that the issue of data sharing was related to certain Doing Business indicators which measured how data was shared by the government with the private sector such as professional engineers and architects seeking data and information from the Government.

(10) Chairman requested the Secretariat to arrange for a briefing by the DEA on the G3 and its data exchange infrastructure and to invite MAMPU and other stakeholder agencies to attend it.

C. The meeting agreed that:

(1) The Secretariat is to arrange for a briefing by the DEA on the G3 and its data exchange infrastructure and to invite MAMPU and other stakeholder agencies to attend it.

Action: Secretariat

3. PAPER 2: ENHANCING E-PAYMENT AMONG GOVERNMENT AGENCIES TOWARDS A CASHLESS SOCIETY BY PEMUDAH SECRETARIAT

A. Encik Mohamad Azrol Mohamad Dali, Deputy Director, Productivity & Competitiveness Division, MPC presented as follows:

(1) Background:

    (i) E-payment services and a cashless society have been on the Government's main agenda as a focal point since a Cabinet meeting held in June 2018; and

    (ii) *Pelan Strategik e-Pembayaran Sektor Awam* (PSPSA) 2016-2020 sets out three key performance indicators (KPIs): (i) Expand e-Payment to agencies which have not yet implemented it; (ii) e-Payment services utilisation; and (iii) e-Payment users' satisfaction levels.

(2) E-Payment is about cashless electronic payment modes such as credit, debit, charge and pre-paid cards for government services, etc. that are enabled through multiple payment channels such as point-of-sale terminals, automated teller machines, internet banking, kiosks, mobile payments, agency portals, and government payment gateways.

(3) E-Payment Major KPI Achievements as at Q1, 2020: (i) E-payment services availability at 62.9% of agencies (target of 55%-60% by 2020); (ii) E-Payment services utilisation at 58.1% of overall utilisations of e-payments and conventional payments (target of 60% by 2020); and (iii) E-Payment customer satisfaction level of 91.7% (target of 80% by 2020).

(4) E-Payment challenges include issues of users' security perceptions and a lack of internet coverage and low utilisations in the rural areas.

(5) Deputy Director General, JPJ, will present a case study of the best practices at JPJ counter services through applying behavioural insights in promoting cashless payments. The structure of the presentation was shown to the meeting.

(6) The Mayor, *Majlis Bandaraya Seberang Perai* (MBSP), will present a case study of the best practices at the cyber counter of MBSP. The structure of the presentation was shown to the meeting.

B. The meeting noted that:

(1) Dato' Sri Wong requested clarification whether the paper presented was an actual proposal for a single agency and a single window to handle all payments. Encik Azrol replied that the intention of the paper was to highlight the best practices of agencies, the move by MBSP to increase e-transactions by leveraging on behavioural insights and the enhancing of e-payment utilisations amongst Agencies.

(2) Chairman enquired whether MBSP was said to have the best practices as based on benchmarking done or a study made and how MBSP was chosen as

the subject for the presentation. Encik Azrol replied that MBSP's practices were benchmarked with the practices of several local authorities in the northern region.

(3)   Dato' Sri Wong expressed his wish-list for single-windows to be made available for the transacting of payments with the agencies of the respective States such as Penang and Selangor. Currently, the States operate different systems.

(4)   Datuk Ezumi suggested that the way how MyEG provided various services such as involving traffic summons, quit rents and insurance should be studied. The challenge is about how to expand the same approach to a single national window. Chairman and Dato' Chua concurred that since the private sector could provide a single window for payments, the Government should be able to do so, too. Dato' Sri Wong pointed out that RMCD had outsourced their U-Customs system to a private sector service provider.

(5)   Dato' Chua commented that LHDN was doing well with their e-systems. The hoped-for one gateway/window must be "toll-free". EPF and SOCSO must collectively engage with commercial banks to have transactional charges lowered (The total volume of members' contributions that SOCSO receives is much lower than the total contributions of EPF members). Chairman added that MOHR could look into the consolidation of EPF, SOCSO and EIS members' contributions. This will improve Malaysia's performance in the Paying Taxes indicator.

(6)   Dato' Chua drew attention to the South Korean model where a single agency performed collections of all payments on behalf of the various agencies and apportioned the collections for distribution to the agencies.

(7)   Encik Zahid suggested that a survey be conducted to ascertain the e-payment utilisation take-up rate amongst Agencies and to arrange a briefing by the South Koreans on their model of single window e-payments and possibly even to hold a webinar about the model. The Secretariat should contact Prof Dr Shin Kim, Director and Senior Research Fellow, Center for International Development Cooperation, Korea Institute of Public Administration (KIPA) to seek his assistance to arrange for the briefing. (Prof Dr Shin Kim was an invited paper presenter at a PEMUDAH Private Sector Meeting held in June 2020).

(8)   Chairman concurred with Encik Zahid's suggestion and requested the Secretariat and TWGEP to attend to the necessary preliminaries and, thereafter, to expedite the preparation of a proposal paper for presentation to a PEMUDAH meeting.

C.   The meeting <u>agreed</u> that:

(1)   A survey be conducted to ascertain the e-payment utilisation take-up rate amongst Agencies and to arrange a briefing by the South Koreans on their model of single window e-payments and possibly even to hold a webinar on the model. The Secretariat should contact Prof Dr Shin Kim to seek his assistance to arrange for the briefing. Thereafter, the Secretariat and TWGEP are to

expedite the preparation of a proposal paper for presentation to a PEMUDAH meeting.

Action: Secretariat / TWGEP

4. PAPER 3: TRADING ACROSS BORDERS: BORDER FORMALITIES (U-CUSTOMS/MAQIS/OGA) BY TECHNICAL WORKING GROUP TRADING ACROSS BORDERS (TWGTAB)

A. YBrs. Encik Faizal, Senior Director, Investment Policy & Trade Facilitation Division, Ministry of International Trade and Industry (MITI)/TWGTAB Co-Chair presented as follows:

(1) This paper presentation is to seek Members' feedback on the way forward in border formalities and trade facilitation initiatives via TWGTAB before a paper is tabled to a PEMUDAH meeting.

(2) MITI's involvement in trade facilitation initiatives are guided under the WTO Trade Facilitation Agreement (TFA) and the ASEAN Trade Facilitation Framework.

(3) The TWGTAB terms of reference covered studying the export and import processes of stakeholders, formulating and recommending process re-engineering to reduce the time, costs and documentation involved in exporting and importing, collaborating with stakeholders on strategic action plan implementation, and initiating improvements for Malaysia's performance in the TAB indicator.

(4) A breakdown of the TWGTAB public and private sectors membership was listed out.

(5) <u>Issues for TWGTAB</u>: Simplification of procedures (export/import-permit/inspection exemptions, regulations interpretation and implementation (MAQIS Act and Food Safety Act), border trade charges (port authorities and MAQIS), unclear SOPs set by OGAs and unregulated areas/activities.

(6) The reform initiatives undertaken by TWGTAB covering Doing Business 2018-2020 were presented, for example, e-Gate Pass System at West Port and the introduction of electronic forms and the enhancement of the risk-based inspection system.

(7) <u>Border formalities:</u> Exporters and importers face the complexity of dealing with various Permit Issuance Agencies, Cross-Border Regulatory Agencies and Other Governmental Agencies. A list of 52 of these agencies was presented.

(8) <u>Main Challenges:</u> Some industry issues are either too general or unclear making it difficult to seek solutions, multiple authorities involvement makes it time-consuming to obtain approval for reforms/corrective measures, limited authority representation in some cases, and public-private sector engagements are limited by movement restrictions due to COVID-19.

(9) The Way Forward – On-Going Initiatives:

(i) Explore mechanisms to enhance engagements with the public and private sectors for faster feedback and solutions; and

(ii) Most meetings and engagements are done online nowadays. The public and private sectors are to strengthen their IT capabilities for better online interactions in the New Normal.

B. The meeting noted that:

(1) Ms Shamini (FMM) concurred that TWGTAB faced complexity in dealing with various Agencies and many service providers. A major factor to be taken into account is the large number of unregulated service providers. These service providers make it difficult to work on improvement initiatives. They should be regulated so that governmental agencies could better monitor and control them and to facilitate a smoother supply chain. Ms Shamini also mentioned about another current issue that required to be addressed which was the shortage of freight containers. Chairman added that risk impact assessments (RIA) had to be conducted on any proposals to introduce new regulations.

(2) Chairman informed that YBhg. Tan Sri KSN had indicated he wished for the PEMUDAH meetings to discuss and address long-outstanding issues in relation to Agencies which had been deliberated long by the stakeholders but could not be resolved.

(3) Chairman commended the work done by TWGTAB, amongst which was arranging for the World Bank Group to conduct a Sub-National Study on Port Kelang, Penang Port, the Port of Tanjung Pelepas, Kuching Port and Kota Kinabalu Port. Investors planning to invest in Malaysia will refer to the World Bank Group's Doing Business report and also consider the various States in Malaysia for the location of their investments. He identified some issues and the related Agencies that TWGTAB should continue to pursue with:

(i) RMCD - The full implementation of the U-Customs System is long delayed and the need to review and revise the AEO Programme so that more companies can join the programme;

(ii) MAQIS - Export/import permitting and inspections still being conducted on exempted items which delayed trade;

(iii) MOA/FAMA - the issues of inspection fees and packaging requirements;

(iv) MOH - veterinary licensing; and

(v) SIRIM - 14 days taken to inspect imported steel materials when the client charter stated 3 days.

(4) Chairman requested that papers to be presented to PEMUDAH meetings on issues concerning Agencies should be drafted in a tactful manner.

5. PAPER 4: DEALING WITH CONSTRUCTION PERMITS: 5 ISSUES IN DWCP THAT NEEDS INTERVENTION BY TECHNICAL WORKING GROUP DEALING WITH CONSTRUCTION PERMITS (TWGDWCP)

A. YBhg. Datuk Ar. Ezumi Harzani Ismail, President, Malaysian Institute of Architects (PAM)/TWGDWCP Co-Chair, presented as follows:

(1) <u>Business-Related Issues of Concern</u>: (i) Inconsistency between regulations and practice in obtaining planning permission; (ii) Unclear landscaping procedures; (iii) Delays in obtaining BOMBA and DOSH clearances; (iv) Inconsistency between regulations and practice in submission to OSC; and (v) Burdensome manual tracking of application progress.(Lack of transparency in tracking progress of development permit applications).

(2) <u>Inconsistency between regulations and practice in obtaining planning permission</u>.

OSC 3.0 Plus. Process 1: Technical Data Gathering.

    (i) Process 1 is not mandatory but many PBTs make obtaining clearance compulsory before submission;

    (ii) Data gathering should be a one-to-one process optionally and not sequential; and

    (iii) Designing can be done using standard guidelines and JKR's *Arahan Teknik* and obtaining technical information from JKR, JPS, LLM etc. should not be required.

Process 2: Processing Development Plan.

    (i) OSC does not register applications and refuse to accept "incomplete applications" based solely on their own interpretation; and

    (ii) Suggestion: OSC to accept applications and distribute them to technical agencies/departments for their comments.

(3) <u>Local Authorities do not implement EXPA</u>.

    (i) JPBD Guidelines 2011 and OSC 3.0 Plus Manual allow exemption for planning approval for listed development types but PBTs do not implement the exemption.

(4) <u>OSC 3.0 Plus submission and online system implementation issues are not monitored</u>.

    (i) Eight recommendations were listed out for measures to be taken to improve OSC 3.0 Plus process flow and procedures, monitor its implementation, facilitate tracking and mediate disputes between regulators and applicants; and

    (ii) It is not within the roles of technical agencies to comment *"Kami Tidak Menyokong"* on applications when they should just give technical feedback and recommendations.

(5) <u>Unclear procedures of landscape approval requirements. Challenges of perimeter planting and 10% open space</u>.

    (i)   Guideline status for 10% open space in Selangor (MBPJ); and

    (ii)   Large landscape area requirement for TOD developments.

(6) <u>Transit-Oriented Development (TOD) challenges</u>:

    (i)   No clear guidelines on landscape requirement for TOD; and

    (ii)   Required provision of 40% open space on ground floor is too stringent which affects development and is impracticable in achieving the allowable plot ratio.

    <u>Recommendations:</u>

    (i)   A minimum of 5% open space area is to be apportioned equally between the ground and the podium/roof; and

    (ii)   A minimum of 5% open space on the ground floor and 5% on the podium/roof for full TOD plot ratio entitlement.

(7) <u>Delay in obtaining BOMBA and DOSH clearance. Process 5: Final Inspection.</u>

    (i)   A 28-day deeming clause is applicable for essential services installations by IWK, TNB and SYABAS and a 14-day clause for roads and drainage by PBT/JKR/LLM. No deeming clause yet for BOMBA and DOSH clearances.

(8) Completed buildings cannot be occupied without authorities' clearance letters for CCC. Architects and engineers should be allowed to issue CCC based on <u>professional self-regulation</u> to resolve CCC delays. <u>Deeming clauses</u> should be provided for BOMBA and DOSH clearance letters after 14 days.

(9) <u>Reforming for Good Regulation</u>:

    (i)   Complex enforcement of construction permits can lead to discretion, corruption and informal buildings;

    (ii)   Seek new collaborations with private-sector building professionals;

    (iii)   Focus on risk management; and

    (iv)   Leverage on information and communications technology (ICT) solutions.

(10) <u>Problem Statement</u>: Not carefully managed and coordinated "gate-keeper" function of PBTs with other authorities, Agencies and principal submitting persons will emerge a bureaucracy that will discourage investments and increase the informality level.

(11) <u>Importance of Training</u>: Comprehensive and common training for both regulators and the regulated parties is essential to address weaknesses by improving understanding and interpretation, promote consistency and increase productivity, quality standard adherence, innovative new strategies and products.

(12) <u>Problem Statement – To have a monitoring/tracking system for OSC 3.0 Plus</u>:

To have an online monitoring/tracking system that can provide the current status of applications to the applicants. The system can alert of any delays in the processing of applications thereby enhancing the productivity and efficiency of the departments involved and the officers-in-charge.

B.   The meeting <u>noted</u> that:

(1) Chairman commended the well-prepared presentation in particular the choice of words for its title. He requested that, generally, in the future, all papers to be presented for discussion at PEMUDAH meetings should follow a similar syntax – *Dealing with Construction Permits: 5 Issues in DWCP That Needs Intervention*.

(2) Chairman advised that the TWGDWCP paper to be prepared and presented to PEMUDAH Meeting 1/2021 and also papers to be presented to subsequent meetings should be Excel-formatted with captions of *Issues, Recommendations, Solutions and Action By* and linked to their appendices. . As for the TWGDWCP paper to be presented to PEMUDAH Meeting1/2021, it can consist of just three power point slides dealing with the five issues.

(3) Chairman requested Secretariat to arrange for a meeting with KSU KPKT once the paper had been finalised possibly after 6 December 2020 so that the issues would be made aware to and discussed with KSU KPKT first before the paper proper was presented to PEMUDAH.

C.   The meeting <u>agreed</u> that:

(1) All papers to be presented for discussion at PEMUDAH meetings should follow a similar syntax as that of the TWGDWCP paper presented in this meeting.

Action: TWGs / Secretariat

(2) The TWGDWCP paper to be prepared and presented to PEMUDAH Meeting 1/2021 and papers to be presented to subsequent meetings should be Excel-formatted with captions of *Issues, Recommendations, Solutions and Action By* and linked to their appendices.

Action: TWGs / Secretariat

6. CONCLUDING REMARKS

(1) Puan Nadia encouraged the Members to notify the Secretariat of any other issues that they wish to be presented at the PEMUDAH meetings subsequent to PEMUDAH Meeting 1/2021.

(2) Chairman added that the issues to be presented had to be policy-related and could not be resolved even at the KSU/DG level and, therefore, require intervention from Tan Sri KSN for decision-making.

(3) Chairman reminded Members to revert with their comments on the draft minutes of the previous meeting.

7. OTHER MATTERS

There were no other matters raised for discussion.

8. ADJOURNMENT OF MEETING

Chairman adjourned the meeting at 1.05 p.m. with a word of thanks to the Members and the presenters for their presence and contributions to the meeting.

The date and time of the next meeting will be determined and notified to the Members.

SECRETARIAT
PEMUDAH - THE SPECIAL TASK FORCE TO FACILITATE BUSINESS
5 DECEMBER 2020

ATTENDANCE LIST

<u>**Chairman**</u>

YBhg. Dato' Dr. Ir. Andy Seo Kian Haw
PEMUDAH Co-Chair / Vice President, Federation of Malaysian Manufacturers (FMM)

<u>**PEMUDAH Private Sector Members**</u>