

PASSPORT TO STAY

Over the past year, Malaysia is still drawing long-stay foreign visitors and Penang's a popular choice. Here, **Sehra Yeap Zimbulis** talks with expatriates who have settled comfortably in Penang on different visa arrangements



Elaine Stewart-Ng

Yoga instructor, restaurateur, wife, mother to three young sons – and recently, new mother-in-law – Elaine Stewart-Ng, originally from the UK, juggles these roles with good-humoured grace. Elaine first arrived in Malaysia on a spousal visa, but later had it converted to an employment pass. 'I wanted to work. I didn't want to just sit at home,' says the experienced

Iyengar yoga instructor, as well as a pre- and postnatal yoga teacher and childbirth educator. Elaine conducts daily classes for adults and children in a spacious, purpose-built and beautifully fitted-out studio at her home in Tanjung Bungah.

Married to Penangite Kim Ng, Elaine moved here 14 years ago with her husband. They have three young sons: 20-year-old Josh, 16-year-old



Jed and 7-year-old Kai. For the past few years, Kim and Elaine together with their son Josh have also run a very popular food delivery business, Oriental Express, in the Tanjung Bungah area. Josh and his wife Georgia have now expanded the business to include Bite, specialising in old-fashioned British food such as fish and chips.

Prior to coming to Penang, Kim and Elaine ran a successful Chinese restaurant near St Paul's Cathedral in London. Currently, the family is working on fitting out their new restaurant at Hillside in Tanjung Bungah, scheduled to open around the middle of the year.

Last year, Elaine became a

Malaysian permanent resident. 'It was my choice for us to come back to Penang and have our kids grow up here,' she says. 'People are more aggressive in London, but here in Penang, everything is more laidback and easygoing. This is a good place to bring kids up.'

'Yes, sometimes people are late for appointments or don't even show up at all, but it's all part of life here.' She smiles. Elaine says she enjoys everything about Penang. However, one of her pet peeves is the expatriates living here who complain too much about the locals. 'They sometimes complain too freely to me, but what they don't realise is that I'm one of the locals now too!'

FACTS ON OTHER TYPES OF VISAS

There are many more visas that may suit the foreign applicant. These include visas commonly known as the Guardian visa for foreign mothers who reside in Malaysia just so that they can accompany their children who attend school here. Holders of the Guardian visa are granted a long-term stay visa provided their child attends an educational establishment in Malaysia. The spousal visa, as the name suggests, is available to spouses of Malaysians. Visas are also available to foreigners seeking medical treatment in Malaysia – by Sam Choong, lawyer and solicitor. *These facts are correct at the time of writing.*



Duncan and Paula Russell

Duncan and Paula arrived in Penang in August 2013 on employment passes as teachers at Tenby International School here. Paula teaches psychology and is the head of Form Six. Duncan is a chemistry teacher, and is also head of the Science department at the school.

Originally from the United Kingdom, the couple have also previously lived in Saudi Arabia and Kuwait, and had friends from Kuwait who had visited Penang and liked it here. 'We wanted to move away from

a desert climate,' says Paula, 'so we were happy when we were offered our postings to Penang.'

Duncan says, 'There are several Tenby schools in Malaysia (in Perak, Penang, Selangor, Johor and Sarawak) and when other teachers, who were also travelling to Malaysia to start their jobs at the beginning of the school year, heard we were going to Penang, they told us how lucky we were!'

The couple's employment passes were arranged by the school, which

has also assisted them in arranging the necessary paperwork for their income taxes. Duncan says, 'The school arranged for us to go to the tax

office in George Town, and helped us register with the Malaysian tax authorities to file our income taxes online. There were some queues at the tax office, but we were ushered to a special counter to file our applications. It couldn't have been any easier!'

The couple have settled into life here in Penang, and the tropical weather allows them to pursue the outdoor activities they enjoy. 'There is a little place in Batu Feringghi that we hire an old catamaran from, and go sailing. We also hire canoes from the watersports centre in Tanjung Bungah, near the floating mosque and go canoeing,' Duncan and Paula enjoy racquet sports, and play tennis regularly. Paula also plays badminton after work at school. Duncan is a keen squash player, and has even set up a popular squash league in the Tanjung Bungah area.

'We are happy to be here in Penang,' says Paula. 'We like our school – there are very nice people there, and we have great students,' Duncan adds, 'We noticed on our previous overseas postings that the expatriate and local staff did not really mix with each other. The westerners tended to stay in their own little cliques. But here in Penang, the expatriate and local staff do mix and socialise with each other. And it's a great thing.'

FACTS ON EMPLOYMENT PASS

The Employment Pass (www.imi.gov.my) is for those who are looking to engage in full-time work, whether as employees when undertaking hands-on management roles for new companies. If the investor elects to merely hold shares and/or sits on the board of directors in a non-executive or non-management role then an employment pass is not necessary. Either way, the employer or the investor's company need to apply to the Immigration Department for an employment pass and justify the need for such an expatriate. If the foreign investor were to set up a wholly foreign-owned company it should be capitalised to at least RM500,000 or more, depending on the industry, prior to the application. Typically, a successful applicant gets a two-year employment pass. – by Sam Choong, lawyer and solicitor. These facts are correct at the time of writing.

FACTS ON TALENTCORP'S RESIDENT PASS

This pass was introduced by the government in 2011 (www.talentcorp.com.my) and is applicable to those who have been working in Malaysia for three years and hold a valid employment pass at the time of application. If the foreign expatriate qualifies for this pass, this would be a good one to go for from a cost point of view as it allows the holder and his spouse to work in Malaysia for up to 10 years. There is no requirement for a deposit and I've been made to understand that this is a relatively easy application for the applicant to make on his own so the applicant also saves agency fees. Furthermore, unlike the employment pass, this pass is not specific to one employer so the holder can move employment without needing to reapply. – by Sam Choong, lawyer and solicitor. These facts are correct at the time of writing.

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Dominique Thompson

Dominique, a French citizen, arrived in Penang with her husband Guy and daughters Celine and Sandrine seven years ago on a Malaysia My Second Home (MM2H) visa. 'We were looking for a good school for the girls,' Dominique says, 'and we liked Uplands School. Plus, Guy had travelled to Malaysia several times previously as part of his work, and he had liked what he had seen during his visits here. So we decided to come and live in Penang.'

Settling in was easy, and the couple bought a house in Batu Feringghi, near the girls' school. After the children grew up, Dominique looked around for something else to do. About a year ago, the energetic entrepreneur decided to invest in bringing Hypoxi, an upmarket international health spa business, to Penang.

Born on Comoros Island, off the coast of Africa, Dominique has previously lived in several other countries, including Yemen, Afghanistan, Pakistan, Kenya and India. Having lived in different countries, there was no sense of culture shock for Dominique when she first arrived in Penang.

'We did not have much experience with Southeast Asia prior to coming here,' she remembers, 'but we found the local sense of humour here in Penang rather similar to that of the people in Africa – very easygoing.'

It was relatively straightforward for Dominique and her family to apply for their MM2H visas. 'It took about three or four months in all,' she recalls. Dominique advises potential MM2H applicants to work with an experienced agent. 'This will save a lot of time, and the agents get everything done for you, down to the smallest details.' For example, her children's birth certificates were in French, and the agent arranged for them to be translated into Bahasa Malaysia, which was required for their visa application.

'We like it here in Penang because of the nice weather, and because it's peaceful. You have people of so many different cultures who have lived together for so long and, because of this shared history, have learned to get along with each other. Forget about politics. There are more good things about this place than bad. People here are united. It's wonderful to see this.'

FACTS ON MALAYSIA MY SECOND HOME VISA

This scheme is probably the most publicised visa and, consequently, the most requested one. It is also the most misunderstood. Some of the common misconceptions are that you need to qualify for the MM2H (www.mm2h.gov.my) scheme in order to own a home in Malaysia; that it is only applicable to old people; or that it comes with a range of privileges.

In a nutshell, MM2H is a long-term visa that allows the holder to stay in Malaysia for up to 10 years whilst certain successful applicants are permitted limited work. Typically, applicants for this visa are successful entrepreneurs who are well invested in properties or stocks within or outside Malaysia.

There are also those who ply their trade outside Malaysia and visit Malaysia for its warmth during the winter or for certain tax considerations. Whatever the reason, those in this category don't need to engage in employment in Malaysia. A fringe benefit of this visa is that it allows the successful applicant the right to purchase certain cars tax free. This benefit does come with a condition that you are not to sell the car for two years from the date of purchase. – by Sam Choong, lawyer and solicitor. These facts are correct at the time of writing.

PROPERTY PURCHASE IN PENANG BY FOREIGNERS



Types of property available for foreign purchasers:

In Penang, the fee for such an application is RM10,000 with a further three percent of the purchase price being payable on the consent (effective from February 2014). The registration fee for transfer of title has also been increased to RM10,000 for the first RM1,000,000 of the purchase price and 0.5 percent subsequently.

On Penang Island, foreigners can only acquire apartments above RM1,000,000 or landed properties above RM2,000,000 and may also attach conditions of ownership. The state may require the property to be owner occupied or not be sold within three years of purchase. However, if a foreigner holds a MM2H visa, he is allowed to purchase two units of residential properties in Penang at the lower minimum threshold of RM500,000 each.

Other things to look out for when purchasing property are whether the property is leasehold or freehold; whether the individual titles have been issued and whether there are any restrictions on the title that would require State Consent prior to sale (a typical restriction is the requirement for the State to approve the transfer and charge of the title, thereby delaying the completion of a conveyancing transaction).



Conveyancing procedures and timelines:

For residential properties under construction, the Housing Development Act requires the developer to utilise a standard format agreement that aims to protect the purchaser's interest. The timeline from the time of signing to vacant possession is 24 months for landed units and 36 months for stratified property.

For ready built properties, a sale and purchase agreement is to be drawn up by a solicitor on terms mutually agreed upon by the seller and the purchaser. Usually a deposit (10 percent of the purchase price) is paid upon signing a conditional (on State Authority approval) sale and purchase agreement. The usual timeline for completion of a sale and purchase transaction by a foreigner would take between three to six months from signing to vacant possession.

Loans by local financial institutions are available to foreign purchasers for up to approximately 70 percent of the purchase price, provided that financial documents are submitted to support the application of the loan. Release of loan sums would usually take between a month or two prior to the banks releasing the amount. The Solicitors' Remuneration Order 2006 regulates fees for the solicitors acting on behalf of a purchaser in respect of the purchase and/or loan. – by Sam Choong, lawyer and solicitor. These facts are correct at the time of writing.