
Malaysia Updates: Launch of Digital Free Trade Zone

On 22 March 2017, the Prime Minister of Malaysia, Datuk Seri Najib Tun Razak, launched the Digital Free Trade Zone (DFTZ) in Malaysia. Jack Ma, founder of Alibaba Group Holding Ltd has been appointed as Malaysia's digital economy adviser.

The objective of DFTZ is to merge physical and virtual zones with the introduction of more online services to enhance and facilitate international e-commerce. The development of DFTZ in Malaysia is in line with the development of the Electronic World Trade Platform as well as the development of a Regional Hub for e-Commerce businesses.

DFTZ will be a reflection of the existing FTZ concept where incentives such as tax exemptions are given to businesses.

At present, the DFTZ is located at the existing 17.5 ha Low Cost Carrier Terminal (LCCT) terminal.

Further details of implementation procedures and processes, operation mechanisms, incentives, and regulations of the DFTZ have yet to be finalised. However, according to Malaysia Digital Economic Cooperation (MDEC- the Malaysia lead agency for digital transformation), the formal roll-out will be by year-end, during which the customs processes and procedures, amendments to the laws and regulations should have been completed.

Let's talk

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