

FACTSHEET: MALAYSIA

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INTRODUCTION

A federation of 13 states and three federal territories – Kuala Lumpur, Putrajaya, and the island of Labuan – Malaysia lies in Southeast Asia, bordering Thailand, Singapore, Indonesia and Brunei.¹ Spread over an area of 329,847 square kilometres (a little more than twice the size of Nepal), it is separated into two parts – Peninsular Malaysia and East Malaysia – by the South China Sea. Malaysia gained independence from British rule in 1957. It is a constitutional monarchy with the king as the head of state and the prime minister, the head of government.² Bahasa Malaysia (also known as Malay) is the official language and Islam the official religion of Malaysia. Other languages such as Chinese, Tamil and indigenous languages are also spoken by a substantial proportion of the population while practitioners of other religions, including Buddhism, Christianity and Hinduism, make up almost two-fifths of its population.³ The average life expectancy of Malaysians was estimated to be 75 years in 2018, with men (73 years) living five years less than women (78 years) on average.⁴

The Malaysian Ringgit (MYR) is the local currency of Malaysia (USD 1 = MYR 4.11).⁵ In 2017, Malaysia ranked 37th globally in terms of the size of economy with a gross domestic product (GDP) of USD 315 billion.⁶

Table 1: Malaysia's Population and Share of Migrants

Year	Total Population*	Migrant Population†	
		Number	% of Total Population
1960	8,157,106	56,895	0.7
1965	9,526,563	204,679	2.1
1970	10,803,978	736,323	6.8
1975	12,162,369	717,901	5.9
1980	13,798,125	789,130	5.7
1985	15,598,942	908,395	5.8
1990	18,038,321	695,920	3.9
1995	20,495,597	937,368	4.6
2000	23,185,608	1,277,223	5.5
2005	25,659,393	1,722,344	6.7
2010	28,112,289	2,406,011	8.6
2015	30,723,155	2,650,617	8.6
2017	31,624,264	2,703,629	8.5

Note: The figures for migrants are as of the middle of the respective years. It should be noted that there are variations in the number of migrants mentioned in different sources.

* 'Data: Population, Total', the World Bank, Data, accessed 24 May 2019, <https://data.worldbank.org/indicator/SP.POPTOTL>.

† The international migrant stock data for 1960-2015 was retrieved from the World Bank ('Data: International Migrant Stock', the World Bank, accessed 24 May 2019, <https://data.worldbank.org/indicator/SM.POPTOTL>). The data for the year 2017 was taken from the United Nations, Department of Economic and Social Affairs, Population Division ('International Migrant Stock: The 2017 Revision', the United Nations, accessed 24 May 2019, <http://www.un.org/en/development/desa/population/migration/data/estimates2/estimates17.shtml>).

Services, manufacturing, agriculture, mining and quarrying, and construction are the country's prominent economic sectors, with the service sector alone contributing more than half of the total GDP.⁷

The Malaysian economy relies heavily on migrant workers. While the history of foreign workers' recruitment in Malaysia, both voluntary and forced, dates back to the colonial era, the more recent influx began in the latter half of the 20th century. A demand for international migrant workers was created in the late 1950s due to the Federal Land Development Authority's decision in 1956 to distribute lands to landless peasants, who then limited themselves to cultivating their own land and stopped selling their labour to plantations.⁸ Land development schemes involving jungle clearing, planting, house construction, etc, also required labourers from outside.⁹

The immigrant population in Malaysia increased by 13 times between 1960 and 1970, making up 7 per cent of the country's total population in 1970. Labour shortages became even more severe in Malaysia following the rapid expansion of the manufacturing and service sectors in the 1970s and 1980s, and the loss of plantation workers to better-paying urban jobs.¹⁰ The acute labour shortage and the need for regulating in-migration resulted in Malaysia's signing of the Medan Agreement with Indonesia in 1984, followed by a memorandum of understanding (MOU) with various Asian nations, such as the Philippines, Bangladesh, China, Vietnam, Pakistan and Thailand.¹¹ The migrant population started to soar again in the 1990s to reach a record 2.7 million migrants in 2017, or about 8.5 per cent of Malaysia's population of 31.6 million (Table 1).

REGULATION OF FOREIGN WORKERS IN MALAYSIA

The Employment Act 1955, and its several amendments, is the key legal instrument governing the employment of foreign workers in Malaysia. The Act defines the conditions for the recruitment of foreign workers by Malaysian employers. The Sabha Labour Ordinance 1950 and Sarawak Labour Ordinance 1952, which are similar to the Employment Act, are other relevant legal documents regulating labour in Malaysia.¹² Although the Employees Provident Fund Act 1991 and the Workmen's Compensation Act 1952 also apply to migrant workers, the provident fund scheme is not mandatory for migrant workers and they are offered lower compensation benefits.¹³ The Workmen's Compensation Act entitles migrant workers to compensation for deaths and severe injuries during and outside of working hours. Employers are required to insure all workers

Table 2: Migrant Population in Malaysia and Share of Nepali Migrants

Year*	Migrant Population	Nepali Migrant Population	
		Number	% of Total Migrant Population
1990	695,920	14,931	2.1
1995	937,368	27,097	2.9
2000	1,277,223	42,109	3.3
2005	1,722,344	111,434	6.5
2010	2,406,011	196,194	8.2
2015	2,650,617	205,021	7.7
2017	2,703,629	209,121	7.7

Note: The UN data on international migrants 'refer to the international migrant stock defined as a mid-year estimate of the number of people living in a country or area other than the one in which they were born or, in the absence of such data, the number of people of foreign citizenship. Most statistics used to estimate the international migrant stock were obtained from population censuses, population registers and nationally representative household surveys.' United Nations, Department of Economic and Social Affairs, Population Division, 'International Migration Report 2017' (New York: the United Nations, 2017), (ST/ESA/SER.A/403), accessed 22 March 2019, <https://www.un.org/en/development/desa/population/migration/publications/migrationreport/docs/MigrationReport2017.pdf>.

Source: 'Trends in International Migrant Stock: Migrants by Destination and Origin', the United Nations, Department of Economic and Social Affairs, Population Division (United Nations database, POP/DB/MIG/Stock/Rev.2017), accessed 4 July 2018, http://www.un.org/en/development/desa/population/migration/data/estimates2/data/UN_MigrantStockByOriginAndDestination_2017.xlsx.

*Data on Nepali migrant stocks in Malaysia is available only from 1990 onwards.

and provide them with an insurance card.¹⁴ Although the law treats local and foreign workers equally in this regard, domestic workers are not covered by the law governing workers' compensation.¹⁵ Foreign workers in Malaysia are also tied to their employers, and their leaving the workplace without the employer's consent is considered an 'act of abscondment'. Absconding workers are blacklisted and their security bonds confiscated.¹⁶

NEPALI MIGRANTS IN MALAYSIA

The history of Nepali youths' migration to Malaysia dates back to the colonial era when they were recruited into the British army.¹⁷ Nepali workers were also employed in rubber, sugar and palm plantations in the then Malaya, which comprised present-day Malaysia, Singapore and other territories.¹⁸ The data from the Department of Foreign Employment (DoFE) of Nepal suggests that modern (post-1990) migration flow to Malaysia, with labour permits from the DoFE, started only in 1997 (see Table 3), and Malaysia officially opened its labour market to Nepali workers even later, in February 2001.¹⁹ There is a high demand for Nepali workers with military backgrounds for employment as security guards since Malaysian companies are supposed to only hire either local or Nepali security guards.²⁰ Manufacturing, construction, plantations, agriculture and the service industry are other major employment sectors for Nepali workers.²¹ Over 200,000 Nepali workers were employed in Malaysia in 2017, which was a sharp increase from a few thousand some three decades ago (Table 2). These figures are misleading though. Given that, excepting the year 2015/16, at least about 100,000

Table 3: Labour Permits Issued for Malaysia

Fiscal Year	New Entry			Re-Entry [†]			Total			Women as % of total
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
1997/98	-	-	89	-	-	-	-	-	89	-
1998/99	-	-	151	-	-	-	-	-	151	-
1999/2000	-	-	171	-	-	-	-	-	171	-
2000/01	-	-	11,306	-	-	-	-	-	11,306	-
2001/02	-	-	52,926	-	-	-	-	-	52,926	-
2002/03	-	-	43,812	-	-	-	-	-	43,812	-
2003/04	-	-	45,760	-	-	-	-	-	45,760	-
2004/05	-	-	66,291	-	-	-	-	-	66,291	-
2005/06	-	-	75,526	-	-	-	-	-	75,526	-
2006/07*	73,998	31	74,029	-	-	-	73,998	31	74,029	0.1
2007/08	50,395	159	50,554	-	-	-	50,395	159	50,554	0.3
2008/09	35,011	59	35,070	-	-	-	35,011	59	35,070	0.2
2009/10	113,733	249	113,982	-	-	-	113,733	249	113,982	0.2
2010/11	104,520	1,386	105,906	-	-	-	104,520	1,386	105,906	1.3
2011/12	96,157	2,210	98,367	-	-	-	96,157	2,210	98,367	2.3
2012/13	151,013	7,199	158,212	-	-	-	151,013	7,199	158,212	4.6
2013/14	208,120	6,029	214,149	-	-	-	208,120	6,029	214,149	2.8
2014/15	196,929	5,899	202,828	-	-	-	196,929	5,899	202,828	2.9
2015/16	59,355	1,624	60,979	-	-	-	59,355	1,624	60,979	2.7
2016/17	93,344	2,034	95,378	23,514	709	24,223	116,858	2,743	119,601	2.3
2017/18	101,172	3,037	104,209	32,106	996	33,102	133,278	4,033	137,311	2.9
Total	1,283,747	29,916	1,609,695	55,620	1,705	57,325	1,339,367	31,621	1,667,020	2.3[‡]

Source: Department of Foreign Employment, 'Yearly Reports, 2070/71 and 2072/73 BS' (Kathmandu: DoFE, 2015/2016); Department of Foreign Employment, 'Labour Approval Record, 2073/74 and 2074/75 BS' (Kathmandu: DoFE, 2017/18).

* The Department of Foreign Employment has gender-disaggregated data only from 2006/07 onwards.

† The data on re-entry labour permits – issued to migrant workers returning to the same job on a renewed contract – is available only from 2016/17 onwards. Although not clearly stated in the publications of the Department of Foreign Employment, our reading of these documents suggests that the preceding years' data on labour permits do not include the labour permits for re-entry.

‡ This figure represents the proportion of labour permits issued to women in the years 2006/07-2017/18.

Nepalis have been receiving labour permits to work in Malaysia annually since 2009/10 (see Table 3), and that contracts are generally of three years' duration,²² it can be safely assumed that there have been many more than 200,000 Nepalis working in Malaysia at any given time for the past several years.

NUMBER OF LABOUR PERMITS ISSUED FOR MIGRATION TO MALAYSIA

According to the data from the DOFE, over 1.6 million labour permits were issued to Nepali workers for migration to Malaysia in the last two decades (Table 3).²³ From a meagre 89 in 1997/98, the number of labour permits issued to Nepali workers reached the pinnacle in 2013/14, with the issuance of over 200,000 in a single year. The number of labour permits for Malaysia declined by over two thirds between 2014/15 and 2015/16. The number increased in the next two consecutive years after that, but the figure of total labour permits for Malaysia in 2017/18 was still only two thirds of the peak of 2013/14, even after including the number of labour permits issued to re-entering workers (Table 3). Women's share in the total labour permits issued for Malaysia is very small.²⁴ Women made just about 3 per cent of total Malaysia-bound workers in 2017/2018, which was a decline from a high of nearly 5 per cent of total workers in 2012/13 (Table 3).

MINIMUM WAGES/SALARIES FOR NEPALI WORKERS IN MALAYSIA

The current minimum wage in Malaysia is MYR 1,000 per month in the Peninsula, and MYR 920 in Sabah, Sarawak and Labuan.²⁵ The Malaysian government has proposed to raise this amount to RM 1,100 per month for all workers throughout Malaysia starting 1 January 2019.²⁶

TOTAL REMITTANCE OUTFLOW FROM MALAYSIA AND REMITTANCE RECEIVED IN NEPAL

A total of USD 6 billion is remitted out of Malaysia every year, and Nepal receives a little less than USD 200 million or 3 per cent of the total remittances sent out of Malaysia (Table 4). The amounts remitted are, of course, only calculated estimates as there is no accounting of the true volume of remittances because migrant workers make use of various forms of informal networks to send money home and also because a considerable proportion of workers' earnings also comes into Nepal as consumer items such as TV sets and mobile phones.

Table 4: Total Remittance Outflow from Malaysia and Remittance Received in Nepal

Year	Remittance outflow from Malaysia (in billion USD)	Remittance received by Nepal from Malaysia (in billion USD) †	Remittance to Nepal as a Percentage of total outflow from Malaysia (%)	Total Remittance Received by Nepal (in billion USD)	Remittances from Malaysia as a percentage of total remittances received by Nepal (%)
2013	5.1	0.15	2.9	5.6	2.7
2014	5.5	0.16	2.9	5.9	2.7
2015	6.0	0.18	3.0	6.7	2.7
2016	6.0	0.18	3.0	6.6	2.7
2017	6.2	0.19	3.1	7.0	2.7

Note: According to the World Bank, the remittance data is 'disaggregated using host country and origin country incomes, and estimated migrant stocks' from the given year. 'These are analytical estimates based on logical assumptions and derived from a global estimation of bilateral remittance flows worldwide. They are not actual officially reported data. The caveats attached to these estimates are: (a) the data on migrants in various destination countries are incomplete; (b) the incomes of migrants abroad and the costs of living are both proxied by per capita incomes in PPP terms, which is only a rough proxy; and (c) there is no way to capture remittances flowing through informal, unrecorded channels.'

Source: 'Migration and Remittances Data: Bilateral Remittances Matrices, 2010-2017', the World Bank, accessed 27 December 2018, <https://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>.

* Data on remittance outflow from Malaysia to Nepal is available only from 2013 onwards.

† Considering the size of Nepali migrants in Malaysia, the amount remitted from this country to Nepal is surprisingly small. In 2017, Qatar had only three-fourths the size of Nepali migrants in Malaysia, but USD 2 billion, or the amount ten times higher than what was remitted from Malaysia, was sent to Nepal from Qatar in the same year. One possible reason is the use of informal channels for transferring remittances from Malaysia, which are not captured in remittance transfer data.

DEATHS AND DISABILITY OF NEPALI WORKERS IN MALAYSIA

According to Nepal's Foreign Employment Board (FEB), a total of 2,408 Nepali workers lost their lives in Malaysia in the one decade, from 2008/2009 to 2017/18 (Table 5). Cardiac arrest, suicide, natural cause and workplace accident were the major causes of deaths, which together account for half of the total deaths. It was noteworthy that the causes of over a quarter of deaths were not specified in the FEB data. There was a significant four-fold decrease in the number of deaths with 'other or unidentified causes' between 2012/13 and 2014/15 (Table 5).

Table 5: Number and Causes of Deaths (FEB)

Fiscal Year	2008/09		2009/10		2010/11		2011/12		2012/13		2013/14		2014/15		2015/16*		2016/17*		2017/18*		Total Men +Women	Percentage
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women				
Cause of death																						
Other or unidentified causes	7	-	18	-	51	-	124	1	174	2	124	1	44	-	13	-	43	-	22	1	625	26.0
Natural causes	1	-	31	2	26	2	10	-	4	-	7	-	82	-	92	1	89	3	45	1	397	16.5
Cardiac arrest	3	-	22	-	14	-	31	-	14	-	63	-	144	-	67	2	14	-	22	-	396	16.4
Suicide	2	-	4	-	37	-	25	2	34	-	41	-	43	1	51	2	43	1	55	2	343	14.2
Workplace accident	2	-	11	1	37	1	9	-	2	-	24	-	50	-	40	-	28	1	27	-	232	9.6
Heart attack	-	-	2	-	30	-	20	-	12	-	29	-	-	-	42	-	14	-	30	-	179	7.4
Traffic accident	-	-	14	-	2	-	13	2	11	-	17	-	24	-	26	-	18	-	14	-	141	5.9
Pending investigation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	40	-	44	1.8
Disease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30	-	30	1.2
Murder	-	-	-	-	19	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	20	0.8
Not stated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	1	0.0
Total	15		102	3	216	3	232	5	251	2	305	1	387	1	332	5	254	5	285	4	2,408	100.0

Note: The FEB data on deaths is based on the financial support provided by FEB to the deceased worker's family in Nepal, and the year in this data indicates when the financial support was provided, not the year of actual death. As the compensation can be claimed within a year of receiving the dead body in Nepal, some deaths reported for a particular year could have occurred in the preceding year.

Source: Ministry of Labour and Employment, 'Labour Migration for Employment – A Status Report for Nepal: 2014/2015' (Kathmandu: Ministry of Labour and Employment, 2016/17); Ministry of Labour and Employment, 'Labour Migration for Employment – A Status Report for Nepal: 2015/16-2016/17' (Kathmandu: Ministry of Labour and Employment, 2016/17).

* Data made available by the Foreign Employment Board (FEB).

Another 484 workers were seriously ill or injured in Malaysia in that period. It is noteworthy that nearly half (45.6 per cent) of the total disability cases involving Nepali workers abroad had occurred in Malaysia.²⁷ The figures on deaths and injuries above include only those who received compensation from the FEB. A more complete picture of the actual number of deaths in destination countries is available from the Ministry of Foreign Affairs (MoFA), which collects data on all deaths from Nepali diplomatic missions in the respective countries, irrespective of whether the families of the deceased collected compensation from the FEB or not. This is especially pertinent since anyone who went as an 'irregular' migrant, i.e., without acquiring a labour permit from the DoFE, is not entitled to compensation from the FEB. Accordingly, the data from MoFA shows a total of 1,130 Nepali deaths in Malaysia between 2015 and 2017 (Table 6). Cardiac arrest, natural death, and

Table 6: Number and Causes of Deaths (MoFA)

Cause of death	2015			2016			2017			Total			%
	F	M	Total	F	M	Total	F	M	Total	F	M	Total	
Cardiac arrest	-	115	115	1	114	115	-	70	70	1	299	300	26.5
Natural death	2	95	97	2	66	68	-	57	57	4	218	222	19.7
Suicide	3	60	63	3	46	49	2	53	55	8	159	167	14.9
Unknown	-	66	66	-	53	53	-	45	45	-	164	164	14.5
Other accident	1	34	35	-	24	24	-	17	17	1	75	76	6.7
Traffic accident	1	24	25	1	34	35	1	13	14	3	71	74	6.5
Accident: fallen from height	-	11	11	-	13	13	-	6	6	-	30	30	2.7
Brain hemorrhage	-	10	10	-	9	9	-	6	6	-	25	25	2.2
Drowning	-	8	8	-	6	6	-	6	6	-	20	20	1.8
Industrial accident	-	7	7	-	5	5	-	2	2	-	14	14	1.2
Murder	-	5	5	-	5	5	-	4	4	-	14	14	1.2
Burn	-	2	2	-	4	4	-	3	3	-	9	9	0.8
Asphyxia	-	3	3	-	-	-	-	2	2	-	5	5	0.4
Electric shock	-	4	4	-	-	-	-	-	-	-	4	4	0.4
Wounds	-	3	3	-	1	1	-	-	-	-	4	4	0.4
Suffocation	-	-	-	-	1	1	-	-	-	-	1	1	0.1
Total	7	447	454	7	381	388	3	284	287	17	1,112	1,129	100.0

Source: Data made available by the Department of Consular Services, Ministry of Foreign Affairs, Nepal.

suicide were the top three causes of death, and the causes of a significant proportion of deaths (over 15 per cent), were unknown in the MoFA data as well.

LABOUR RECRUITMENT IN NEPAL

Recruitment Procedure

Labour migration is either arranged independently (personal basis) or by seeking the help of recruitment agencies (institutional basis). When foreign employment is organised through recruitment agencies, these agencies are required to obtain prior approval from the DoFE following an agreement or understanding with an employing institution in Malaysia. On receiving approval from the DoFE, recruitment agencies publish an advertisement seeking applications in a Nepali-language newspaper with nation-wide circulation.

Age Criteria for Recruitment

According to the Foreign Employment Act 2007, minors under the age of 18 are not permitted to go for foreign employment. Currently, the Government of Nepal also has a directive in place prohibiting women who have not completed 24 years of age from migrating to work as domestic workers.²⁸

Recruitment Cost

With the introduction of the 'free-visa, free-ticket' policy by Nepal in June 2015, the maximum fee to be paid by Nepali migrant workers going to Malaysia was reduced to NPR 10,000, and employers were required to bear the costs of the visa and air ticket, which previously was typically borne by the migrant workers themselves.²⁹ In practice, however, Nepali workers have generally always paid a much larger amount for their migration to Malaysia, a practice that has continued even after the 'free-visa, free-ticket' policy.³⁰

Other Requirements

Orientation Training

The Foreign Employment Rules, 2008 requires a worker going for foreign employment to receive orientation training on the following:

- Foreign employment laws of Nepal;
- Geography, culture, lifestyle, and the economic, social and political situation of the destination country;
- Language of the destination country;
- Labour, immigration laws and traffic rules of the destination country;
- HIV/AIDS, communicable diseases, sexual and reproductive health;
- Occupational safety and health;
- Easy and safe travel;
- Conduct, treatment and security of workers; and
- Repatriation of earnings to Nepal.

Domestic Worker Orientation Skill Development Training

Women migrants migrating to Malaysia as domestic workers are required to complete a 30-day skill development training.³¹

Contribution to the Foreign Employment Welfare Fund

Every worker going for foreign employment is required to contribute to the Foreign Employment Welfare Fund managed by the FEB, prior to departure. The contribution amount is currently specified as NPR 1500³² for a three-year work contract, while those with contracts for a duration exceeding three years are required to contribute NPR 2500.³³ If a migrant worker dies within the contract period, the FEB provides compensation of NPR 700,000 to his/her family up to one year of receiving the dead body in Nepal. Workers who fall ill or are injured may receive up to NPR 700,000 upon the evaluation of their injuries and illnesses by a team of experts.³⁴

Insurance

The Foreign Employment Act 2007 and Foreign Employment Rules 2008 have made insurance mandatory for workers going for foreign employment. The cost of insurance varies according to the age of the worker and the duration of the contract (Table 7). The current insurance plans comply with the Foreign Employment Life Insurance Directives issued in April 2016.³⁵

As shown in Table 8, the family of the deceased worker may receive a maximum amount of NPR 1,500,000

Table 7: Insurance Premiums

Insurance period (year)	Insurance premium by age group (in NPR)				Premium for insurance of NPR 500,000 against critical illness (all age groups)
	18 to 35	36 to 50	51 to 64	64+	
2	2,646	3,625	7,250	For those aged 64 and above the amount of insurance will be as per the insurance company's policies, but not exceeding the premium fixed for the age group 51-64 by more than 50 per cent.	NPR 400
3	3,524	4,930	9,570		
4	4,423	6,090	12,035		
5	5,148	7,105	14,500		
6	5,728	8,411	16,820		

Source: 'Foreign Employment (ad-hoc) Life Insurance Directives 2016' (Kathmandu: Insurance Board, 2016), accessed 18 October 2017, <https://www.bsib.org.np/documents/baideshikbeema.pdf>.

Table 8: Insurance Benefits

Section	Incidence	Benefits (in NPR)
A	Death	1,000,000* + 100,000 (to bring the dead body to Nepal) + 100,000 (to perform death rituals) + 200,000 (to maintain the loss of income due to the death of the person) + 100,000 (towards treatment, in case death occurs during treatment) Maximum Total: 1,500,000
B	a. Total permanent disability; b. Incurable damage of sight on both eyes; c. Complete damage of parts of the body above the ankles of both legs or wrists of both hands; or d. Complete damage of one of the legs, hands or eyes.	1,000,000
C	a. Complete speech-impairment; or b. Complete hearing impairment.	500,000
D	a. Complete damage of the hearing capacity of an ear; or b. Complete damage of a thumb. c. Complete damage of an index finger. d. Complete damage of any other finger. e. Complete damage of a big toe. f. Complete damage of any other toe. g. Damage/loss of any other body part.	200,000 150,000 70,000 50,000 40,000 As determined by an expert [†]

Source: 'Foreign Employment (ad-hoc) Life Insurance Directives 2073' (Kathmandu: Insurance Board, 2016), accessed 18 October 2017, <https://www.bsib.org.np/documents/baideshikbeema.pdf>.

* Section 26 (1) of Foreign Employment Act, 2007 states: 'The licensee shall, prior to sending a worker for foreign employment, procure insurance of at least five hundred thousand rupees with validity for the term of contract so that such worker can claim damages for death or mutilation, if such a worker who has gone for foreign employment pursuant to this Act dies from any cause at any time or gets mutilated.' The insurance benefit was increased from NPR 500,000 to 1,000,000 following the issuance of the Foreign Employment (ad-hoc) Life Insurance Directives 2073 in January 2017.

† An 'expert' is a medical doctor registered under the Nepal Medical Council (NMC). Additionally, the insurance companies also give validity to claims approved by certified medical practitioners in destination countries.

as insurance, while a worker or their family may receive up to NPR 1,000,000 in case of injuries sustained abroad.

Further, a migrant worker who suffers 'critical illness'³⁶ is provided with an additional amount of NPR 500,000. However, to be entitled to this benefit, the migrant worker must have also procured an insurance policy against 'critical illness', paying a premium of an additional NPR 400.

Process for Compensation for Death and Injuries in Destination Countries

In case of death of migrant workers in destination countries during the contract period, members of their immediate family can claim for compensation from the Foreign Employment Welfare Fund through the FEB within a year of receiving the dead body in Nepal.³⁷ The following documents are required to claim compensation from the FEB:³⁸

- Migrant worker's passport;
- Labour permit;
- Contract;
- Death certificate from destination country (in case of death in destination);
- Death certificate from Nepal (in case of death after arriving in Nepal);
- Prescription of medical treatment abroad (in case of injury); and
- Recommendation letter from the Nepali Embassy in the destination country.

INSTITUTIONAL AND LEGAL ARRANGEMENTS

Foreign Employment Act, 2007 and Foreign Employment Rules, 2008

Foreign employment from Nepal is governed by the Foreign Employment Act, 2007 and the Foreign Employment Rules, 2008.

Memorandum of Understanding

Diplomatic relations between Malaysia and Nepal were established in 1960.³⁹ Malaysia officially recognised Nepal as a source country for workers only in 2001. The governments of Nepal and Malaysia signed a Memorandum of Understanding (MoU) in October 2018. The major provisions of the agreements are as follows:⁴⁰

1. Employer firms will bear recruitment service charges, two-way airfare, visa fee, health check-up, security screening and levy charges, among others.
2. Employer firms will pay the salaries of workers through banking channels and will have to deposit wages by the seventh day of the following month.
3. Employer firms will also have to bear all expenses related to accommodation, health check-up and security, among others, during the contract period.
4. The contract period will be two years (from the previous three years).
5. If an immediate family member of a worker dies in Nepal, the employer firm will have to allow the worker to return home on leave not exceeding 15 days.
6. The Malaysian government will provide equal treatment to Nepali migrant workers with regard to health insurance, accident insurance, security and other accidents.
7. If an employer firm goes bankrupt or puts undue pressure on workers, workers have the right to change jobs.

Table 9: Nepali organisations in Malaysia

SN	Name of organisation	Services provided	Address	Contact
1.	Embassy of Nepal	<ul style="list-style-type: none"> - Resolve labour related issues - Renewal of passport - Provide assistance in case of loss of passport - Attestation of employment contract - Issuance of no-objection certificate to send dead bodies to Nepal 	Wisma Paradise (Level 1, 3 and 9) No. 63 Jalan Ampang 50450 Kuala Lumpur, Malaysia	Email: eonkualalumpur@mofa.gov.np Tel: 03-2020 1898; 03-2020 1899 ExtensionNumbers: Consular:1, Passport: 2, Jail & Detention: 3, Labour: 4, Insurance & Deaths: 5 & Visa: 6 Website: https://my.nepalembassy.gov.np/contact/
2.	Pravasi Nepali Coordination Committee – Outreach Office	<ul style="list-style-type: none"> - Rapid Rescue - Humanitarian Support - Documentation - Legal Support 	North South Initiative, A-2-7, Pusat Perdagangan Seksyen 8, JlnSgJernih 8/1, 46050 PJ, Selangor, Malaysia	Email: malaysia@pncc.org.np , Website: www.pncc.org.np Tel : +60166045680
3.	Non-Resident Nepali Association, National Coordination Council	<ul style="list-style-type: none"> - Financial support to stranded migrants - Financial support to family of the deceased - Discussion programme on safe migration 	Kuala Lumpur Federal Territory of Kuala Lumpur, Malaysia	Email: info@nrnmalaysia.org website: https://my.nrna.org/About-Us
4.	GEFONT Support Group	<ul style="list-style-type: none"> - Rapid Rescue - Financial support to migrant workers in need (imprisoned/stranded) - Promotion and protection of migrants workers' rights 	N/A	Contact person: Mr. Bed Kumar Khatiwada Email: gefontmalaysia@yahoo.com

Notes

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