



Kindly forward your comments/responses to the questions in Annex boxes below and return by email to PAKEJ@mcmc.gov.my by **12:00 noon, 30 July 2021**. Only replies with clear representation being individual and/or organization accompanied with the respective email address and mobile contact number will be reviewed.

For further enquiries, please contact postal@mcmc.gov.my

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PREAMBLE

The Malaysian Communications and Multimedia Commission (MCMC) is responsible for the administration of the postal services¹ industry under the Postal Services Act 2012 (PSA 2012). MCMC shall have the functions to advise the Minister on all matters relating to postal services; to implement and promote the national policy objectives for the postal services industry; to promote and encourage the expansion of the postal services industry; to safeguard the interests of consumers in respect of the prices to be charged, continuity of postal services and the quality of the postal services provided; to use its best endeavor in facilitating all reasonable demands relating to postal services; and to increase concerted efforts towards improving the operational efficiency of the postal services industry.

The following are the National Policy Objectives:

- To safeguard the provision of affordable and quality universal service;
- To promote the growth of a competitive and innovative postal services industry;
- To establish Malaysia as a major global center and hub for postal services;
- To regulate for the long-term benefit of the user;
- To promote a high level of consumer confidence in service delivery by the postal services industry;
- To ensure the security of postal service industry workers and the security of postal articles and the postal network;
- To respond to the technical, economic and social environment and needs of consumers; and
- To ensure fair competition amongst the parties involved in the postal services industry in Malaysian.

¹ Section 2 of the PSA 2012 defines “postal services” as the collection, transmission and delivery of any postal article.

PELAN ACCELERATOR KURIER NEGARA (PAKEJ)

In light of the sustainability challenges facing by the postal and courier service industry, MCMC has imposed a two-year moratorium on the issuance of new courier service licence with effect from 14 September 2020 and organised the National Postal and Courier Industry Lab (NPCIL) across a period of eight weeks in 2020. 108 lab members including 35 ministries, government agencies and key industry players from the postal and courier service industry participated in the NPCIL.

Based on the outcomes of NPCIL, MCMC has crafted the Pelan Accelerator Kurier Negara (PAKEJ) which entailed a 5-year strategic roadmap with ambitious national aspirations as follows:

- To achieve first-class courier service;
- To improve integration of last-mile delivery; and
- To provide seamless customer experience through innovation and digitalisation.

PAKEJ aims to deliver first class courier service to all Malaysians seamlessly to support the projected e-Commerce industry growth from **14 parcels per capita in 2020 to 30 parcels per capita by 2025** through the implementation of strategic initiatives to be undertaken under two (2) Key Outcomes –

- Achieving Industry Sustainability; and
- Providing First-Class Quality of Service (QoS) and Coverage-backed Growth.

PROPOSED GUIDING PRINCIPLES

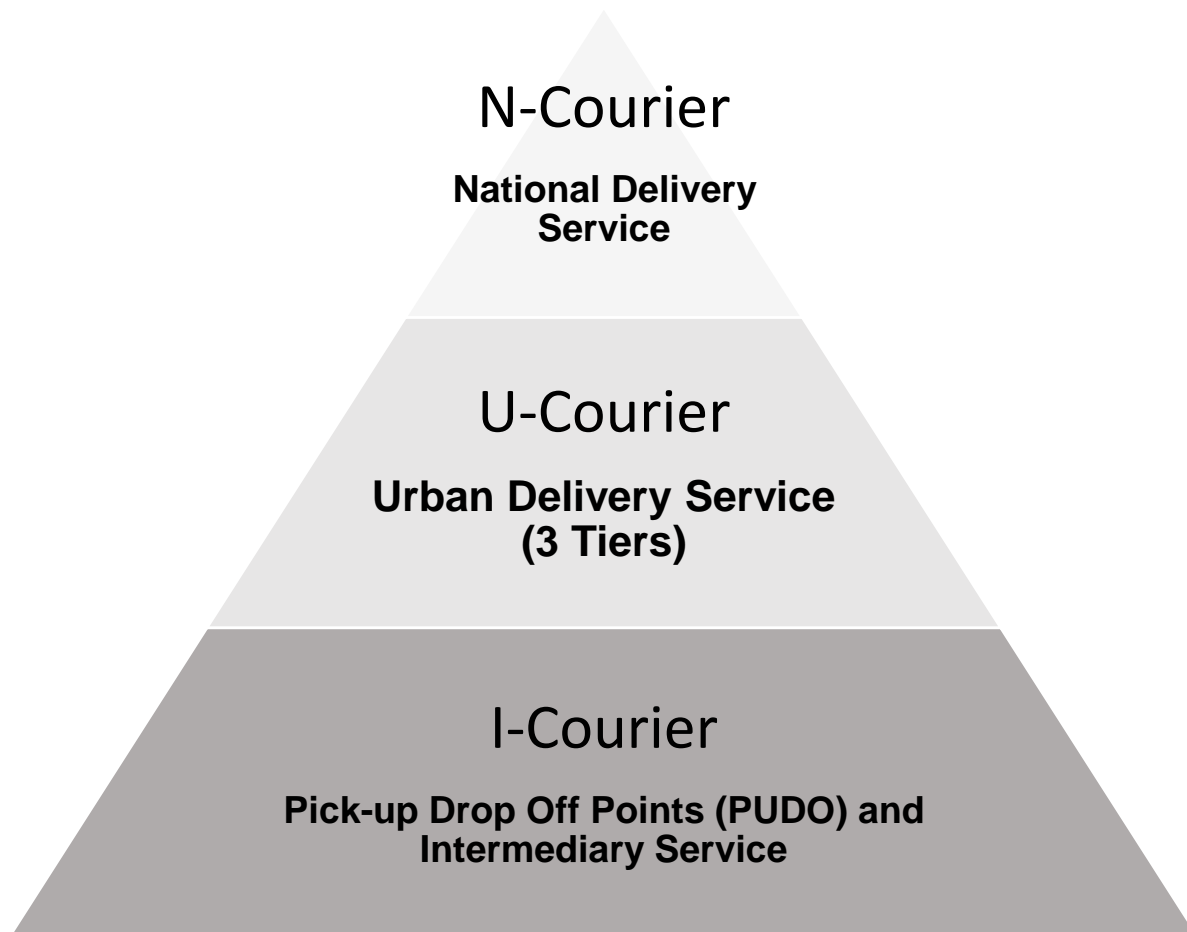
MCMC plans to introduce new courier licensing policy and framework based on the following guiding principles –

- New licensing policy and framework within the current legal remits under the **PSA 2012 and the National Policy Objectives;**
- Improved courier licensing framework to support PAKEJ's outcomes and aspirations – **From laissez-faire to sustainability model;**
- **Risk based** approach taking into consideration the impact of services to the national economy, security and society;
- **Fair licensing fee** structure to support the costs of regulating and developing the industry based on the changing industry landscape on a fair distributed manner;
- **Data driven** based on market intelligence powered by the future National Parcel Exchange managed by MCMC; and
- Sufficient period for **transition process.**

Question 1. MCMC would like to seek your views on the proposed guiding principles.

PROPOSED NEW LICENSING STRUCTURE

The proposed new courier service licensing structure aims to promote sustainable growth, ubiquitous delivery coverage and network sharing supported by market data intelligence led by MCMC. MCMC is proposing **three (3) new classes** for courier service licence namely **National (N)-Courier, Urban (U)-Courier and Incidental (I)-Courier** to promote network sharing and seamless coverage –



Question 2. MCMC would like to seek your views on the proposed three (3) new classes for courier service licence.

PROPOSED NEW LICENSING CRITERIA AND SCOPE OF SERVICES

MCMC plans to introduce the new courier service licensing criteria and scope of services as follows -

- Coverage;
- Parcel volume capacity; and
- Basket of services i.e. International outbound, International inbound, Domestic courier (Hub & Spoke), Domestic courier (On demand), PUDO (Parcel Locker), PUDO (Over-the-Counter) and Intermediary Service.

N-Courier

- Minimum paid-up capital of RM50 million
- Majority local equity requirement
- 10 years licence tenure
- No service network coverage restriction
- No parcel volume capacity restriction

U-Courier

- Paid-up capital
 - ❖ for domestic courier service remains the same.
 - ❖ for international service (inbound and outbound) – a proposed new paid up capital requirement is increased to RM10 million from RM1 million. An existing licensee will be given time to comply within 3 years.
- Basket of Services
- 5 years licence tenure
- Maximum number of delivery branch office - 50% of total districts in Malaysia
- Parcel volume capacity is restricted to less than 50 million parcels (not exceeding 2kg) annually

I-Courier

- Minimum paid-up capital of RM100,000
- 3 years licence tenure

Question 3. MCMC would like to seek your views on the proposed licensing criteria and scope of services.

PROPOSED NEW ANNUAL LICENCE FEE MODEL

Following the proposed reform on the current licensing scheme, MCMC plans to redistribute the cost of industry regulations fairly between all class of licences. The proposed annual licence fee model is based on parcel volume of each licensee except for I-Courier. The proposed annual licence fee shall be calculated based on per item basis and applicable for a package (document or parcel) not exceeding 2 kg only as per table below.

For Universal Service Licence

TYPE OF LICENCE	NEW LICENCE FEE MODEL
Universal Service	0.5% of Gross Annual Turn Over of Postal Service

For N-Courier & U-Courier Licence

ANNUAL PARCEL VOLUMES (IN MILLIONS)	PROPOSED ANNUAL LICENCE FEE (FOR EACH DOMESTIC AND INTERNATIONAL ITEM NOT EXCEEDING 2KG IN RM)
Less than 1	Flat-based annual licensing fee of RM2,500
1-100	0.05
next 100 bracket	0.04
subsequent 200	0.03

For I-Courier Licence

ANNUAL PARCEL VOLUMES	PROPOSED ANNUAL LICENCE FEE
Not Applicable	Flat of RM1,000

Question 4. MCMC would like to seek your views on the proposed annual fee structure.

PROPOSED LICENCE CONDITIONS

MCMC plans to maintain existing standard licence conditions and introduce additional standard conditions for ALL types of licenses as follows:

- Compliance with the registered industry code of practice;
- Compliance with the National Parcel Exchange requirement;
- Compliance with the National PUDO Affiliation requirement;
- Compliance with the Sustainability Guideline;
- Compliance with the Security Guideline (Physical and Cyber).

Question 5. MCMC would like to seek your views on the proposed standard licence conditions.

In addition to the standard licensing conditions, MCMC plans to introduce new special licence conditions for N-Courier and U-Courier licences as follows:

A. Special condition on network coverage and limitation

N-COURIER	U-COURIER	I-COURIER
Obligation to establish distribution/delivery branch in every district in Malaysia (min. 95% of total districts in Malaysia)	Number of distribution/delivery branch limited to 50% of total districts in Malaysia	Not Applicable
<p>"district" has the same meaning as the word "district" as defined in the National Land Code (Revised 2020) [Act 828/2020]</p> <p>"branch" refers to a courier distribution/delivery office.</p>		

Question 6. MCMC would like to seek your views on the proposed special licence conditions.

B. Special condition on shareholding structure

N-COURIER	U-COURIER	I-COURIER
Foreign shareholding, if any, shall not be more than 49% and exception may be given to a company listed in Bursa Malaysia.	No shareholding restriction/ requirement	No shareholding restriction/ requirement

Question 7. MCMC would like to seek your views on the special condition on shareholding structure.

C. Special condition on Basket of Services

N-COURIER	U-COURIER	I-COURIER
Scope of services <ul style="list-style-type: none"> • International inbound and outbound • Domestic (On demand) • Domestic (Hub and Spoke) • PUDO (Over-the-Counter) • PUDO (Automated Parcel Locker) 	Scope of services <p>Tier 1</p> <ul style="list-style-type: none"> • International & domestic • PUDO (Over-the-Counter) • PUDO (Automated Parcel Locker) <p>Tier 2</p> <ul style="list-style-type: none"> • Domestic • PUDO (Over-the-Counter) • PUDO (Automated Parcel Locker) <p>Tier 3</p> <ul style="list-style-type: none"> • Domestic within a state • PUDO (Over-the-Counter) • PUDO (Automated Parcel Locker) 	Scope of services <ul style="list-style-type: none"> • PUDO (Over-the-Counter) • PUDO (Automated Parcel Locker) • Other intermediary service e.g. p-hailing platforms

Question 8. MCMC would like to seek your views on the proposed special conditions on the Basket of Services for each class of licences.

D. Special condition on Annual Volume Handling Limitation for item not exceeding 2 kg

N-COURIER	U-COURIER	I-COURIER
No limitation	50 million parcel volume per year (subject to review)	No requirement

Question 9. MCMC would like to seek your views on the special conditions on Capacity Limitation and recommended way forward.

E. Special condition on Out-of-Home (OOH) Delivery Points

N-COURIER	U-COURIER	I-COURIER
Minimum 5,000 points within 3 years	No requirement	No requirement

Question 10. MCMC would like to seek your views on the special condition on Out-of-Home (OOH) Delivery Points.

F. Special condition on Compliance to the Detailed Development Plan

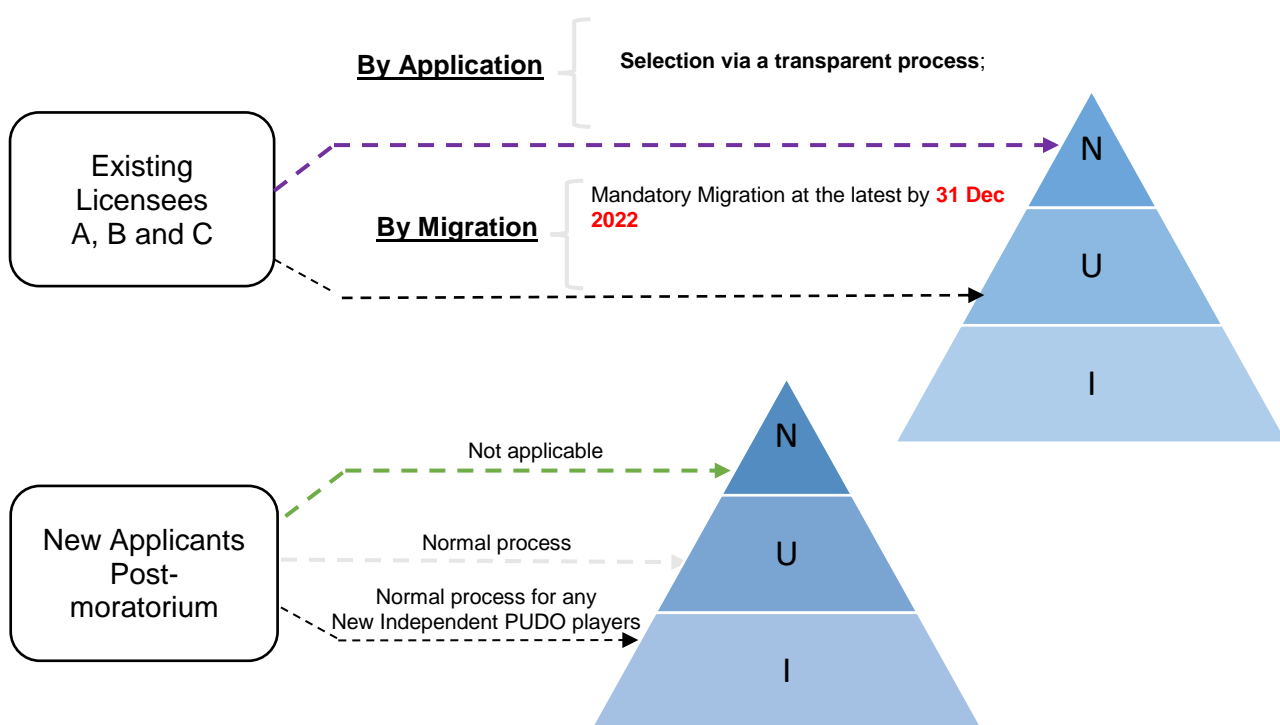
N-COURIER	U-COURIER	I-COURIER
Yes	No	No

Question 11. MCMC would like to seek your views on the special condition on the Compliance to the Detailed Development Plan.

PROPOSED MAPPING AND MIGRATION PROCESSES

In order to ensure a smooth transition or migration process into the proposed courier licensing framework, a natural migration scheme is proposed to be implemented at the latest **by 31 December 2022**.

All licensees under the new licensing scheme shall be migrated even though their existing licences have yet to expire. By default, **all existing licensees will be migrated to U-Courier** licence whilst the process for N-Courier will be done through an application process guided by the MCMC. New independent PUDO players may apply under the normal process for I-Courier.



Question 12. MCMC would like to seek your views on the proposed mapping and migration process under the new licensing scheme.

Question 13. MCMC would like to seek your views on the optimum number of N-Courier operators in Malaysia considering its market size and population.

ANNEX

A. Responding to this inquiry

Submission of responses

A.1 MCMC invites comments on all proposals put forward in this document and in particular on the specific questions, by 12 noon, 30 July 2021.

A.2 Please ensure the following:

- Responses must relate to the questions stated in the order in which they appear in this document;
- Indicate the specific point (by reference to the paragraph number) to which a comment relates to;
- Provide clear rationale for suggestions and opinions; and
- Provide evidence to support the views given, where applicable.

A.3 Submissions of the responses and comments should be made in softcopy in PDF file.

(Attention: Postal, Courier and E-Commerce Division)

Email: PAKEJ@mcmc.gov.my

All submissions should be accompanied by a cover letter signed by an authorised person from the organisation providing the response.

A.4 All responses and comments may be published and made available to the public on MCMC's website.

A.5 Confidential treatment may be requested on any part of the submission that is believed to be proprietary, confidential or commercially sensitive with supporting justification for MCMC's consideration. In such cases, the submission must be provided in a non-confidential form suitable for publication, with any confidential information redacted as necessary and placed instead in a separate annex and clearly marked as "**CONFIDENTIAL**".

A.6 If MCMC grants confidential treatment, it will consider, but will not publicly disclose the information. However, if MCMC rejects the request, the information will be returned and not be considered as part of the submission.

A.7 Any submission that requests confidential treatment for all, or a substantial part of the submission, will not be accepted by the MCMC.

B. List of questions

Title	Questions
Proposed Guiding Principles	Question 1: MCMC would like to seek your views on the proposed guiding principles.
Proposed New Licensing Structure	Question 2: MCMC would like to seek your views on the proposed three (3) new classes for courier service licence.
Proposed New Licensing Criteria and Scope Of Services	Question 3: MCMC would like to seek your views on the proposed licensing criteria and scope of services.
Proposed New Annual Licence Fee Model	Question 4: MCMC would like to seek your views on the proposed annual fee structure.
Proposed Standard Licence Conditions	Question 5: MCMC would like to seek your views on the proposed standard licence conditions.
Proposed Special Licence Condition	Question 6: MCMC would like to seek your views on the proposed special licence conditions.
Proposed Special Condition on Shareholding Structure	Question 7: MCMC would like to seek your views on the special condition on shareholding structure.
Proposed Special Conditions on Basket of Services	Question 8: MCMC would like to seek your views on the proposed special conditions on the Basket of Services for each class of licences.
Proposed Special Conditions on Capacity Limitation	Question 9: MCMC would like to seek your views on the special conditions on Capacity Limitation and recommended way forward.
Proposed Special Condition on Out-of-Home (OOH) Delivery Points	Question 10: MCMC would like to seek your views on the special condition on Out-of-Home (OOH) Delivery Points.
Proposed Special Condition on Compliance to The Detailed Development Plan	Question 11: MCMC would like to seek your views on the special condition on the Compliance to the Detailed Development Plan.
Mapping and Migration Processes	Question 12: MCMC would like to seek your views on the proposed mapping and migration process under the new licensing scheme.
Mapping and Migration Processes	Question 13: MCMC would like to seek your views on the optimum number of N-Courier operators in Malaysia considering its market size and population.

C. Template for response

Please provides the comments/responses in the Table below:

Question	Comments/Responses
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