



Suruhanjaya Komunikasi dan Multimedia Malaysia
Malaysian Communications and Multimedia Commission

**PUBLIC CONSULTATION PAPER
ON THE PROPOSED REGULATORY FRAMEWORK FOR
THE POSTAL SERVICE FUND REGULATIONS**

13 February 2026

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PREAMBLE

The Malaysian Communications and Multimedia Commission (“The Commission”) is conducting a Public Consultation on the proposed regulatory framework for the draft of the Postal Services (Postal Service Fund) Regulations (“PSF Regulations”).

In support of this initiative, the PSF Regulations will be introduced under Section 98 of the PSA 2012 to facilitate the establishment of the PSF. The PSF is expected to contribute to the long-term sustainability and development of the postal and courier industry.

The postal sector is undergoing significant transformation, driven largely by the rapid rise of e-commerce and the corresponding increase in parcels volumes. While parcel growth presents new opportunities, it is accompanied by a continued decline in traditional mail, which has long been the industry’s core revenue stream.

The postal ecosystem is becoming more complex, with new and diverse players emerging across the entire postal value chain, not only in last-mile delivery, but also in fulfilment, warehousing, cross-border logistics, digital platforms, and other supporting functions. These shifts signal the urgent need for strategic reforms and modernisation to ensure that the postal network remains efficient, competitive and sustainable in the long term.

The PSF is envisioned as a collaborative, hybrid funding mechanism with **a two-pronged approach: it not only supports the sustainability of the Universal Service Obligation (“USO”), but also serves as a developmental fund for licensees, supporting modernisation,**

digitalisation, and broader growth initiatives within the courier industry. This initiative aims to strengthen sector resilience, promote innovation, and ensure equitable access to postal services nationwide. The feedback received from industry stakeholders, interested parties, and members of the public will be instrumental in evaluating the policy rationale, scope of the proposed framework, and overall regulatory approach. The Commission would like to thank all stakeholders for their participation and looks forward to receiving constructive feedback through written submissions.

The Commission invites postal and courier licensees, government bodies, consumer associations, and any other interested parties to submit feedback on the Public Consultation questions. All submissions must reach the Commission by **12:00 PM, 27 February 2026.**

Submissions should be sent to:

Attention : Postal Policy and Regulatory Development Department

Email : pprdd@mcmc.gov.my

ABBREVIATIONS

Non-USO	Non-Universal Service Obligation
Postal Article	A letter, a package, a parcel, a wrapper or a container that can be collected, transmitted and delivered through the postal network of a licensee (definition under Section 2 of the PSA 2012)
PSF	Postal Service Fund
PSF Regulations	Postal Services (Postal Service Fund) Regulations established pursuant to Section 98(1) of the Act
PSA 2012	Postal Services Act 2012
The Commission	Malaysian Communications and Multimedia Commission
USO	Universal Service Obligation

SECTION 1: POLICY IMPERATIVE

1.1 Policy Imperative

The establishment of the PSF is driven by several critical policy imperatives aimed at addressing structural challenges and resource constraints within Malaysia's postal and courier sector, and at supporting sustainable growth through strategic reforms and modernisation.

1.1.1 Collaborative mechanism that ensures the sector's development is supported in a fair and proportionate manner

- At present, the regulatory fees generated from annual licence fees within the postal and courier industry are insufficient to cover the full cost of regulating the sector. This means there are insufficient funds to enhance postal services, expand coverage, or improve service reliability.
- The PSF is not designed as a burden to the industry, but rather as a collaborative mechanism that ensures the sector's development is supported in a fair and proportionate manner.
- The industry's contribution will enable the Commission to enhance consumer protection, and ensure that postal services remain viable, accessible, and competitive. By sharing this responsibility, the industry helps strengthen the sector, fostering innovation and service efficiency.

1.1.2 Market Imbalances

- The current market structure places disproportionate universal service obligations on incumbent operators, which must fulfil the Government's obligations under conventions, agreements, arrangements, or treaties, including those arising from Malaysia's membership in the Universal Postal Union ("UPU").
- Meanwhile, as the postal and courier industry is liberalised, new entrants concentrate on profitable segments such as courier activities. This uneven distribution creates competitive distortion and threatens the sustainability of nationwide postal coverage.
- The PSF helps level the playing field by ensuring the sustainability of nationwide postal coverage and fostering fair competition.

1.1.3 Absence of coordinated industry investment in postal and courier development

- There is no structured platform for pooling resources to support sector-wide development. Hence, the establishment of a dedicated financial mechanism will enable targeted investments in modernisation, digital transformation, and infrastructure upgrades, ensuring competitive neutrality and long-term resilience.

SECTION 2: GLOBAL REGULATORY BENCHMARK ON POSTAL SERVICE FUND

This section outlines international regulatory frameworks that establish dedicated funding mechanisms to ensure the sustainability of postal sectors and the continued provision of universal postal services. The benchmarking exercise highlights how different countries balance commercial viability with public service obligations, offering valuable lessons for enhancing efficiency, innovation, and service accessibility in Malaysia.

Belgium, Italy, Spain, France, and Poland have implemented substantial compensation packages approved by the European Commission, ranging from EUR 634 million to EUR 2.6 billion, to address the net cost of fulfilling the USO. Germany recovers costs through proportional levies imposed on licensed postal operators, while France and the United Kingdom provide targeted public subsidies to maintain network density and rural accessibility.

These practices demonstrate strong regulatory oversight, cost-sharing frameworks, and targeted funding strategies to ensure financial sustainability and modernisation without compromising universal service obligations. These approaches provide relevant references for the proposed Regulations in Malaysia.

SECTION 3: OBJECTIVES OF THE PUBLIC CONSULTATION

The objective of this Public Consultation fulfills part of the requirements under the Regulatory Impact Analysis (“RIA”) framework promoted by the Malaysia Productivity Corporation (“MPC”). The consultation is intended to ensure that the proposed PSF Regulations are robust, inclusive, and responsive to stakeholder needs. In this context, it also seeks to support an open and inclusive approach to the development of the PSF. Specifically, the purposes of this Public Consultation are as follows:

(a) Gather Diverse Stakeholder Perspectives

To seek input and views from relevant stakeholders on the proposed PSF regulatory framework, including postal and courier operators, consumer groups, government agencies, and other interested parties, to help guide the overall policy and regulatory direction. This includes understanding stakeholder perspectives on the intended direction of the proposal to ensure alignment with industry realities, operational practices, and challenges, as well as identifying potential implementation challenges and risks.

(b) Enhance Regulatory Quality and Effectiveness

The feedback received will assist in evaluating whether the proposed measures are clear, coherent, and feasible, and whether the PSF is able to deliver its intended outcomes in a manner that is sustainable for the postal and courier sector over the long term. This includes assessing the extent to which the PSF enables targeted investments in modernisation, digital transformation, and infrastructure upgrades. The consultation process will help identify any regulatory gaps, overlaps, or unintended impacts, thereby strengthening the overall practicality and enforceability of the proposed framework. The insights

gathered will be used to refine, adjust, and enhance the proposed measures prior to the finalisation and implementation of the PSF Regulations.

(c) Support Compliance and Smooth Implementation

Early consultation is intended to promote a clear and shared understanding of the objectives, scope, and regulatory requirements of the proposed PSF regulatory framework, thereby supporting higher levels of compliance and contributing to a smoother and more effective implementation of the PSF Regulations.

(d) Align with Good Regulatory Practices (GRP)

Public consultation is a key requirement under the RIA framework promoted by the MPC. It ensures that the proposed regulation is developed based on sound evidence, with consideration of costs, benefits, and feedback received through the consultation process.

SECTION 4: SUMMARY OF THE DRAFT PSF REGULATIONS

4.1 Definition of the proposed PSF Regulations

The proposed Regulations aim to establish a transparent, accountable, and sustainable framework under Section 98 of the PSA 2012 that supports the long-term resilience and modernisation of Malaysia's postal and courier sector. The PSF is designed as a strategic mechanism to support long-term sustainability, drive modernisation, promote innovation, and enable ecosystem improvements that benefit the industry.

This balanced model ensures that universal services remain accessible and affordable while also positioning the postal and courier sector to adapt and compete effectively. In line with the PSA 2012, the PSF is non-discriminatory and benefits all licensees engaged in USO and non-USO activities.

4.2 Scope of Contributors

Section 98(3) of the PSA 2012 provides that the PSF shall comprise sums appropriated by Parliament, as well as contributions from licensees or any other persons as may be prescribed by the Minister.

Contributions to the PSF will be implemented in stages and subject to the approval of YB Minister of Communications ("YB Minister"). The implementation timeline and mechanism will be subject to further approval by YB Minister. **Exhibit 1** illustrates the scope of contributors under Section 98(3) of the PSA 2012:

**Exhibit 1: Scope of Contributors described under Section 98(3) of
the PSA 2012**

Categories	Description of Categories
Parliament	Any form of monetary from the Government
Licensee	Licensees under the PSA 2012
Any other person	Any other person as prescribed by the Minister

4.3 Contribution Requirements

To maintain the PSF's sufficiency, the MCMC proposes two distinct contribution mechanisms involving postal and courier licensees. Contributions may be calculated annually based on:

4.3.1 Option 1: Applicable Gross Annual Turnover (AGAT %)

This mechanism proposes a contribution rate of **4.50% - 6.00% of the AGAT** for each financial year, where AGAT is defined as **revenue generated from the handling of Postal Article weighing 2kg and below.**

4.3.2 Option 2: Postal Article Volumes

This mechanism proposes a contribution rate of **RM 0.25 per Licensable Postal Article ($\leq 2\text{kg}$) handled** for each financial year.

To facilitate implementation and **determine the calculation** of annual contributions, licensees must submit a Statutory Declaration using the Commission's template in Schedule A of **Exhibit 2**, specifying the required details.

Exhibit 2: Statutory Declaration Template

Schedule A

*Company Total Revenue (RM)	
**Applicable Gross Annual Turnover (RM)	

*The company total revenue must match the Company's annual financial statement.
 **The "Applicable Gross Annual Turnover" to be imposed with the PSF Contribution Rates.

(A) POSTAL ARTICLE BUSINESS SEGMENT				
No	Revenue Segment	Weight Band	Postal Article Volume	Revenue (RM)
1	Licensable Postal Article Delivery Revenue	0.1 kg – 2.0 kg		
Total Licensable Activity (Volume & Revenue)				
2	Non-Licensable Postal Article Delivery Revenue	Above 2.0 kg		
Total Non-Licensable Activity (Volume & Revenue)				
Total Postal Article Business (Volume & Revenue)				

(B) OTHER BUSINESS SEGMENTS			
No	Revenue Segment	Description of Segment	Revenue (RM)
1	(Please fill-in)		
2	(Please fill-in)		
3	(Please fill-in)		
Total Revenue of Other Business Segments (RM)			

4.4 Scope of Recipients and Initiatives

The proposed disbursement framework covers three scenarios. Across all scenarios, disbursements will be based on approved projects or cost components, subject to transparent assessment, milestone-based payments, and compliance with agreed deliverables to ensure accountability, efficiency, and competitive neutrality.

Exhibit 3: Scope of Recipients and Initiatives

No	Potential Scenarios	Description of Potential Scenarios
1	USO operator	<ul style="list-style-type: none">• Claims may be submitted by the designated USO operator for costs incurred in fulfilling USO obligations.• Project-based funding, tied to specific USO-related projects.
2	Non-USO Licensees	<ul style="list-style-type: none">• Invitations (“Call for Projects” basis) will be issued to eligible licensees to submit applications or proposals, including but not limited to the initiatives outlined below.

The disbursement of funds from the PSF will be based on approved initiatives submitted by eligible licensees or stakeholders. Types of envisaged initiatives may include:

- USO service provisioning;
- Infrastructure upgrades;
- Digital transformation projects;
- Safety and security enhancements; or
- Any other purposes determined by the Minister.

4.5 Purpose and prioritisation of the PSF

The purpose and prioritisation of the PSF are as follows:

Exhibit 4: Purpose and prioritisation of the PSF

No	Purpose and prioritisation of the PSF
1	To support the development of the postal and courier sector in a fair and proportionate manner, and to ensure that the full costs of regulating the sector are adequately covered.
2	To support the expansion and improvement of postal services, ensuring that resources are directed towards initiatives that deliver the greatest public interest value and sector-wide impact.
3	To improve the provision of postal services in Malaysia.

4.6 Procedures for disbursement, claims verification, monitoring, and reporting

The procedures for disbursement, claims verification, monitoring, and reporting are as follows:

Exhibit 5: Procedures for disbursement, claims verification, monitoring, and reporting

Process	Description of Processes
Procedures for disbursement of PSF	Disbursement of PSF will be determined by the Commission.
Claims Verification	All claim submissions under the PSF, shall be subject to verification to ensure accuracy, eligibility, and compliance with prescribed requirements.

Process	Description of Processes
	<p>This may include the assessment of financial records, supporting documents, or any other documentation deemed necessary by the Commission.</p>
<p>Monitoring and Reporting</p>	<p><u>Monitoring</u></p> <p>The Commission is mandated to establish, control, and operate the PSF through:</p> <ul style="list-style-type: none"> • Maintaining a public register of contributors and recipients. • Exercising ongoing oversight of disbursements and the utilisation of funds. <p><u>Reporting</u></p> <p>The framework ensures proper reporting on the administration of the PSF Regulations through:</p> <ul style="list-style-type: none"> • The publication of annual reports and audited statements of accounts. <p>These monitoring and reporting measures will ensure that funds are used appropriately. To protect the integrity of the PSF, the Commission may terminate funding and recover excess payments arising from errors, misstatements, or non-compliance.</p> <p>The proposed framework also includes enforcement measures, such as interest charges, fines, and legal action where necessary. These safeguards aim to</p>

Process	Description of Processes
	strengthen compliance, protect public funds, and ensure responsible financial management for the long-term sustainability of the PSF.

SECTION 5: PUBLIC CONSULTATION QUESTIONS

The Commission invites stakeholders to provide feedback on the proposed regulatory framework for the PSF Regulations. Please provide your views on the following questions.

No	Questions
A. Policy Framework and Scope	
1	Do you agree that the establishment of a dedicated Postal Service Fund (PSF) is a necessary and timely intervention to support the long-term sustainability and development of Malaysia's postal and courier sector? Please elaborate on your view.
2	The PSF is proposed as a hybrid mechanism to support both Universal Service Obligation (USO) sustainability and broader sector development (e.g., infrastructure, digitalisation). Do you support this balanced approach? Please explain.
3	Do you agree that the purposes of the PSF as outlined in Section 98(4) of the PSA 2012 (facilitating universal service, improving postal services, supporting network expansion/digital solutions) are comprehensive and aligned with the sector's future needs?
4	The framework is designed to be non-discriminatory, benefiting both USO and non-USO licensees. Do you agree this is an equitable basis for PSF's operation? Please provide your reasoning.
5	Are the potential project scenarios listed in the Public Consultation Paper (e.g., infrastructure development, system modernisation, technology upgrades) appropriate and sufficient to address the key development needs of the postal and courier ecosystem? If not, what additional project categories should be considered?

No	Questions
6	What is your assessment of Malaysia’s postal and courier services with regard to coverage, efficiency, service quality, and competitiveness?
7	Should the prioritisation of PSF utilisation given to USO-related purposes to ensure nationwide service continuity? Are there circumstances where flexibility in prioritisation should be allowed? Please state your views.
B. Clarity, Transparency and Accountability	
8	Are the proposed governance and oversight measures including a transparent Call for Projects process, public reporting, and the Commission’s role in verification and monitoring, adequate to ensure the PSF is managed with clarity, accountability, and fairness?
9	Are the proposed measures for transparency such as maintaining a public register of contributors/recipients and publishing annual audited reports adequate to ensure public trust and accountability in PSF’s management?
10	Is the proposed process for a Call for Projects for development initiatives a clear and fair method to invite and select projects for funding?
11	What additional measures, if any, would you recommend to further enhance transparency, accountability, or stakeholder confidence in the management of PSF?
C. Financial Framework and Contributions	
12	<p>Considering the policy objectives, which Contribution Mechanism do you believe is more appropriate for the Malaysian context, and why?</p> <ul style="list-style-type: none"> • Option 1: A levy based on 4.50% - 6.00% of Applicable Gross Annual Turnover (AGAT) from handling Postal Article ≤2kg. • Option 2: A levy of RM 0.25 per Licensable Postal Article (≤2kg) handled.

No	Questions
13	<p>For the contribution mechanism, what are the potential operational challenges for licensees in complying with the calculation and reporting requirements, and how might these be mitigated?</p> <p>Are the reporting requirements under Schedule A reasonable and practicable for contributors?</p>
14	<p>The initial scope of contributors is proposed to be licensees under the PSA 2012, with a phased approach to potentially include other beneficiaries (e.g., e-commerce platforms) in the future.</p> <p>Do you agree with this phased approach to defining contributors?</p>
15	<p>Is the definition of “Applicable Gross Annual Turnover (AGAT)” sufficiently clear, particularly in relation to mixed licensable and non-licensable activities?</p>
16	<p>Should exemptions, tiered contribution rates, or thresholds be considered for smaller operators or specific segments of the postal and courier industry?</p>
D. Impacts and Practicality	
17	<p>What positive impacts do you anticipate the PSF will have on the overall competitiveness, service quality, and innovation within the Malaysian postal and courier sector?</p>
18	<p>What are the most significant practical challenges you foresee in the implementation of the PSF framework, and what steps would you recommend addressing them?</p>
E. Implementation Period	
19	<p>In your view, what would be a reasonable transition period between the gazettelement of the PSF Regulations and the commencement of</p>

No	Questions
	contribution obligations, to allow the industry adequate time to prepare? Please provide your suggested timeline and justification.
20	What key preparatory steps should the Commission undertake during this transition period to ensure smooth implementation?
21	What preparatory measures should potential contributors undertake during this transition period to ensure smooth implementation?
F. Eligible Licensees	
22	Is the proposed invitation-based mechanism under the PSF Regulations fair, transparent, and competitive? Is there any mechanism that you would like to propose for the utilisation of the PSF?
G. Disbursement of the PSF	
23	Do you agree that milestone-based progressive disbursement for projects, tied to deliverables, is an effective way to ensure accountability and proper fund utilisation?
24	What implementation challenges, if any, do stakeholders foresee, and how might these be addressed?
H. Monitoring, Reporting and Accounts	
25	Are the proposed verification processes (assessment of financial records, supporting documents) for claims and project applications sufficient to ensure integrity while being manageable for applicants?
26	Beyond publishing annual reports, what additional reporting or communication would be valuable for stakeholders to understand the impact and performance of the PSF?
I. Compliance, Enforcement and Remedies	
27	Are the proposed compliance instruments (Statutory Declaration template, audits, site inspections) reasonable and proportionate for ensuring accurate reporting of contributions and claims?

No	Questions
28	Do you think the proposed enforcement measures (late payment charges, recovery of overpayments, penalties) are important to safeguard the PSF and ensure fair contribution from all obligated parties?
J. Data and Information Requirements	
29	Is the data required for the proposed Statutory Declaration (Exhibit 2) readily available within your organisation's current reporting systems? If not, what would be needed to comply?
30	Please share any other data points or market information not currently considered that you believe would be valuable for the effective management, forecasting, or impact assessment of the PSF.

ANNEX

A. Template for responses on Public Consultation questions

No	Questions
A. Policy Framework and Scope	
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No	Questions
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B. Clarity, Transparency and Accountability	
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No	Questions
C. Financial Framework and Contributions	
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13	
14	
15	
16	

No	Questions
D. Impacts and Practicality	
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18	
E. Implementation Period	
19	
20	

No	Questions
21	
F. Eligible Licensees	
22	
G. Disbursement of the PSF	
23	
24	
H. Monitoring, Reporting and Accounts	
25	

No	Questions
26	
I. Compliance, Enforcement and Remedies	
27	
28	
J. Data and Information Requirements	
29	
30	