CHAPTER FIVE : Unnecessary Regulatory Burdens - Pre construction

5 Contractors Registration

5.1 Too many registration requirements for a local contractor and duplication of documents required for registration

5.1.1 The issues

To be a contractor and undertake a contracting job, a person or company is required to register and obtain the following certificates:

1. Construction Industry Development Board (CIDB) – to allow the contractor to undertake construction jobs based on registered Class/Grade. The certificate is issued by CIDB.

2. SPKK (Sijil Perolehan Kerja Kerajaan) or Government Procurement Working Certificate – allow contractors to participate in government projects that they are qualified for. The certificate is issued by CIDB.

3. STB (Sijil Taraf Bumiputera) or Bumiputera Status Certificate – allow contractors to participate in government projects which are allocated for Bumiputera contractors only. The certificate is issued by Bahagian Pembangunan Kontraktor & Usahawan (BPKU)

4. Registration with other agencies/corporation e.g. TNB, Telekom, JKR, UTM, Petronas, SPAN – allows local contractors/suppliers to participate in procurement activities of the respective agencies. The certificate is issued by the relevant agencies.

Effective 20 July 1995, it is mandatory for all contractors, both local and foreign, to register with the Construction Industry Development Board of Malaysia (CIDB) or Lembaga Pembangunan Industri Pembinaan Malaysia (LPIPM) before undertaking or completing any construction work in Malaysia except those who have been given exemption under Section 40(1) of the Construction Industry Development Board Act 1994. Anyone who undertakes to carry out or carry out and complete any construction work without registering as a registered contractor with the CIDB commits an offence under the Act and if convicted may be fined up to fifty thousand ringgit.
Contractor means a person who undertakes to carry out and complete any construction works. Local contractor means a company incorporated in Malaysia which has a local equity holding of not less than seventy per cent (70%). Foreign equity from citizens of ASEAN countries are permitted but shall not exceed fifty-one per cent (51%) of the total paid up capital or accumulated capital.

The fees that a contractor required to pay CIDB for the registration and renewal are as per Table 5.1.

Table 5.1: Registration and Renewal Fee - CIDB

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Processing Fee</td>
<td></td>
</tr>
<tr>
<td>a. New Registration</td>
<td>RM50.00</td>
</tr>
<tr>
<td>b. Renewal</td>
<td>RM30.00</td>
</tr>
<tr>
<td>2. Registration Fee For One Year</td>
<td></td>
</tr>
<tr>
<td>a. Registration Certificate</td>
<td></td>
</tr>
<tr>
<td>Grade G7</td>
<td>RM1400.00</td>
</tr>
<tr>
<td>Grade G6</td>
<td>RM1000.00</td>
</tr>
<tr>
<td>Grade G5</td>
<td>RM700.00</td>
</tr>
<tr>
<td>Grade G4</td>
<td>RM350.00</td>
</tr>
<tr>
<td>Grade G3</td>
<td>RM150.00</td>
</tr>
<tr>
<td>Grade G2</td>
<td>RM80.00</td>
</tr>
<tr>
<td>Grade G1</td>
<td>RM20.00</td>
</tr>
<tr>
<td>3. Fine</td>
<td></td>
</tr>
<tr>
<td>Late Renewal</td>
<td>RM200.00</td>
</tr>
<tr>
<td>4. Issue</td>
<td></td>
</tr>
<tr>
<td>New Certificate</td>
<td>RM100.00</td>
</tr>
<tr>
<td>5. Issue of Duplicate Copy</td>
<td></td>
</tr>
</tbody>
</table>

Source: CIDB
Contractor in Malaysia is also required to apply for SPKK to participate in government projects. The SPKK is a certificate issued by CIDB to the contractor to certify that the holder has met the requirements and guidelines of the Ministry of Finance and eligible to participate in any government procurement in construction in accordance with the prescribed qualifications. There are 6 classes to determine which project range a contractor is qualified for. Normally contractor will aim for the class A to get an unlimited project tenders. Table 5.2 shows the class and the project tender limitation. Table 5.3 shows the registration and renewal fees that contractor need to pay.

Table 5.2: Class and Project Tender Limitation

<table>
<thead>
<tr>
<th>Class</th>
<th>Financial Limit (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>&gt; RM10,000,000</td>
</tr>
<tr>
<td>B</td>
<td>RM5,000,001 - RM10,000,000</td>
</tr>
<tr>
<td>C</td>
<td>RM2,000,001 - RM 5,000,000</td>
</tr>
<tr>
<td>D</td>
<td>RM500,001 - RM2,000,000</td>
</tr>
<tr>
<td>E</td>
<td>RM200,001 - RM500,000</td>
</tr>
<tr>
<td>F</td>
<td>Up to RM200,000</td>
</tr>
</tbody>
</table>

Source: CIDB

Table 5.3: Registration and Renewal Fee - PKK

<table>
<thead>
<tr>
<th>Class</th>
<th>Processing Fee (RM)</th>
<th>Registration Fee (RM)</th>
<th>Renewal Fee Every 2 Years Every 2 (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>100</td>
<td>5000</td>
<td>2500</td>
</tr>
<tr>
<td>B</td>
<td>100</td>
<td>3000</td>
<td>1500</td>
</tr>
<tr>
<td>C</td>
<td>100</td>
<td>500</td>
<td>250</td>
</tr>
<tr>
<td>D</td>
<td>50</td>
<td>250</td>
<td>125</td>
</tr>
<tr>
<td>E</td>
<td>50</td>
<td>150</td>
<td>75</td>
</tr>
<tr>
<td>F</td>
<td>50</td>
<td>75</td>
<td>38 (3 Years)</td>
</tr>
</tbody>
</table>

Source: CIDB

A contractor who wants to participate in projects/procurements for agencies/corporations like Tenaga Nasional (TNB), Telekom, Petronas, Jabatan Kerja Raya (JKR), Suruhanjaya Perkhidmatan Air Negara (SPAN), Universiti Teknologi Malaysia (UTM) etc. is also required to register with them. The fees for registration vary from one corporation to another as per Table 5.4.
Meanwhile, in Sarawak, contractors must register with CIDB, Unit Pendaftaran Kontraktor & Juruperunding (UPKJ) for state projects and PKK (for Bumiputera status).

Currently, the process for new applications with UPKJ and PKK takes a long time. Responding to applications can take up to 3 months while approval can stretch to almost one year. Validity of UPKJ licence is 2 years and the renewal process is long and not consistent.

Table 5.4: Registration and Renewal Fee Charged by Agencies/Corporation

<table>
<thead>
<tr>
<th>Agency/Corporation</th>
<th>Fee Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenaga Nasional Berhad</td>
<td>Processing Fee</td>
<td>RM50.00</td>
</tr>
<tr>
<td></td>
<td>- New Registration</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Renewal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Amendment to Info</td>
<td></td>
</tr>
<tr>
<td>Telekom Malaysia Berhad</td>
<td>New Registration + Processing Fee (RM50)</td>
<td>RM150.00</td>
</tr>
<tr>
<td>Petronas</td>
<td>Processing Fee</td>
<td>RM50.00 per SWEC</td>
</tr>
<tr>
<td></td>
<td>New Registration &amp; Renewal</td>
<td>SWEC - Standardized</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Work and Equipment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Categories</td>
</tr>
<tr>
<td>SPAN – National Water</td>
<td>Processing &amp; Registration</td>
<td>None</td>
</tr>
<tr>
<td>Services Commission</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: TNB, TM, Petronas, SPAN*

Applicants must have registered their business with the relevant authority in Malaysia before they can be considered for registration by CIDB. The registration requirements are as follows:
- Companies Commission of Malaysia (Business Registration/Company Registration)
- Registrar of Cooperatives/Societies
- Commercial Licence – Form 1 (Sarawak)
- Business Licence – Form B (Sabah)

Activities or operations of firms/companies/cooperatives/societies must include construction works as stated in:
- Company Registry (Memorandum & Articles of Association)
- Business Registry (Form A)
- Cooperative/Society Bye-Laws
- Form 1 (Sarawak)
- Form B (Sabah)

In addition, the following category of specialisation are also required for registration (Source: Buku Pendaftaran Kontraktor 2015 Malay Language Version):

a. M16 Tower Crane – Registration with DOSH – for individual
b. B20 (Indoor gas pipeline installation) – Registration with Energy Commission – for company
c. CE09 (Oil and gas pipeline) – Registration with DOSH/Energy Commission – for company
d. M08 (Heat restoration system) – Registration with DOSH – for company
e. M03 (Lift and Escalator) – Registration with DOSH – for company
f. E04 (Low voltage installation) – Registered as electrical contractor with Energy Commission (EC) – for company
g. E12 (Electric signboards) – Registered as electric signage contractor with Energy Commission (EC) – for company

To register as a contractor with CIDB, SPKK and other agencies, a company is required to provide various documents pertaining to the company. Some of these documents are the same and requires certification by (i) the agency which issued the document, or (ii) an authorised person (company director, business proprietor, company secretary).
5.1.2 The objective
The objective of the registration is to determine that an organization is qualified and capable to be registered as a contractor to meet the needs of the construction industry.

The purpose of providing the required documents is to ensure that contractors have the necessary skills, experience and integrity to thoroughly complete the projects they are hired for.

5.1.3 Impact of these regulatory arrangements
1. Cost
Tables 5.1, 5.2 and 5.4 above show the amount of processing, registration and renewal fees that a contractor is required to pay to be a contractor and to undertake a contracting job both for government and private projects. Even though the amount is not huge, the requirement to register with various bodies and agencies before they can bid for a project creates unnecessary burdens to a contractor to do his business.

The validity of the registration is between one to three years depending on the issuing agencies. The registration need to be renewed once its validity period has expired and each renewal involves processing and renewal fees.

In addition, it is costly for contractors to provide same or similar documents for all types of registration and to certify a number of these documents as true copies.

After the objective has been established once, by providing the required documents, additional requirements are redundant and impose an unnecessary cost on contractors in doing their business.

2. Lengthy registration process- lost opportunities for jobs
The industry study reveals that processing and registration approval is lengthy. For example the SPKK licence/registration can take about three months to approve. In addition, the requirement for several registrations is time consuming to contractors. Similarly, new applications with UPKJ and PKK for Sarawak contractors take a long time.
The delays in getting registered has resulted in contractors losing opportunities to bid for and secure for projects with loss of potential income.

3. **Restricts new players from entering the industry**
The numerous registrations required, tedious registration process and the fees involved, are likely to prevent or discourage new players from entering the industry or at least slow their entry without any public benefit.

4. **Time consuming**
Additional time required to gather all documentations as well as getting them certified and ensuring that these documents are in order to prevent rejection.

5.1.4 **Options to resolve the issues**
1. Maintain status quo
2. **Have only one Ministry or Agency to issue one licence that allows contractors to do jobs that they are qualified for.**
   Government could consider authorising one Ministry or Agency to issue one overarching licence for a contractor. The Ministry or Agency would set criteria for a contractor to be eligible for different types of contracting jobs. The licence issued would spell out the category of contracting jobs a contractor is eligible to undertake based on the criteria met.

   The blanket approval would eliminate the requirements for a contractor to obtain multiple registrations as per current practice. Contractors would only need to provide one set of supporting documents, thus would save cost and time.

   This would also help improve industry productivity as contractors would no longer have to wait for approval from various agencies before they can participate in any project. On the part of issuing agencies, the present processing officers could be deployed to productive jobs, and hence improve the organisations’ productivity.
Such an approach has been implemented for the Malaysian Capital Market industry whereby the Malaysian Securities Commission (SC) is the issuer of a licence for investment banks, stockbroker, asset management and unit trust companies to undertake capital market related activities as authorised in the licence issued. The SC is also the issuer of a licence for the representatives of the banks and companies to conduct their activities.

3. **Have a clear time frame to improve the time taken for registration**
Process time frame or service level agreement (SLA) should be made clear and adhered to. The employees of the registration agency would also adopt a policy of continuous improvement in improving timelines and streamlining the registration process. This would reduce backlogs and enable contractors to proceed with project bidding or commencement of work. It would result in higher productivity both for the registration agency and the construction industry.

If the proposed single licence is implemented, processing time can be much improved. This can be seen from the current service provided by the SC.

4. **The personnel of registration agencies should at least provide information to contractors on the status and progress of their application.**
It would help if those personnel involved in processing and approving the application were made aware of the importance of providing feedback to the applicant on the status of the application. The workflow or flowchart should clearly specify when the feedback should be given. This requirement should be included as one of the Key Performance Indicators (KPIs) of the employees Balance Score Card (BSC). By having this, the SLA and productivity can be improved which will benefit the organisation and the construction industry.

Establish a clear and improved time frame for the registration process.
5. As for the renewal process, UPKJ could have a checklist and standardized documents. If the application is rejected, UPKJ would be required to provide reasons and inform applicants.

Checklist and workflow with time frame should be documented and followed for all process. This is important for all organisations to ensure work is done in timely manner. In the case of UPKJ, the KPIs of processing personnel should include the turnaround time in reverting to applicants on the status of their applications. It would be assessed at the end of the year. This could improve their performance thus improved renewal processing time. It will have a positive impact to the construction industry productivity.

5.1.5 Recommendation

Option 2 is recommended because by having one/single license the contractors do not have to do multiple registrations and would only need to provide one set of supporting documents, hence save cost and time. Processing time can be improved thus increased productivity for the industry as well as the registration agency.

5.1.6 Initiative undertaken by CIDB (source: CIDB)

One of the initiatives under CIDB’s Construction Industry Transformation Plan 2016-2020 (CITP 2016-2020) is to streamline and enhance contractor registration by establishing a One Stop Centre (OSC) amongst the agencies which require the registration of contractor.

The objective of the OSC is to:
1. Reduce overlapping function and responsibilities;
2. Reduce contractor registration bureaucracy with the online registration and virtual certification;
3. Establish common development policy, accreditation and contractor registration amongst the agencies who require contractor registration; and
4. Centralise contractor’s information in the comprehensive ICT database system.

Amongst the agencies involved in this initiative are:

- SPAN
5.2 Unnecessary barrier on entry of new contractor

5.2.1 The Issue
To be eligible for registration, applicants must satisfy the registration requirements before they can be considered for registration. The registration requirements are as follows:

a. The applicant must be registered with the company registration authority or other authority applicable to its business operation.

b. The applicant must have adequate financial resources and must maintain its financial standing for the duration of its registration. Provide previous three months bank statements.

e. The applicant must have or must employ an adequate number of qualified technical personnel and retain them throughout the duration of the registration.

f. The CEO or his representative must be experienced in the construction industry for at least two (2) years.

g. All new registrations will be given conditional approval for a period of one (1) year only. During this period, contractors are required to attend an Integrity Course for Building Contractors organised by CIDB and must have the minimum CCD points within the approval period. The Registration Certificate will not be renewed if the contractor fails to attend the Integrity Course.

h. Green Card

i. Provide supporting documents

j. Pay fees
5.2.2 Impact of this regulatory arrangement

1. Create unnecessary barrier to new comers to the industry. Applicant without a two-year experience does not have the opportunity to register as contractor.
2. Cost to applicant to provide the supporting documents
3. Longer time for approval as CIDB need to verify all information and documents provided.
4. Storage capacity build up at CIDB to store all the documents provided by the applicants.

5.2.3 Improvement made by CIDB

In promoting self-regulation, developing contractors and promoting compliance, CIDB has recently reviewed the process of registering new contractor which has resulted in shorter approval period for registration. Amongst the improvement made was simplifying the requirements for new registration which include:

1. the 2-year experience requirement is longer be mandatory. Applicant who does not possess the 2-year experience is allowed to register but he must attend CIDB business course within one (1) year prior to renewal.
2. removal of Green Card requirement at the point of registration
3. no supporting documents required. The applicant is only required to self-declare in the registration form. Post registration random audit however, will be conducted by CIDB.

5.3 Application for Registration of joint venture contractors (local and foreign) and registration of foreign contractors

5.3.1 The Issue

Contactors are required to register for every job bid or job awarded. Similar supporting documents are required for every registration (in addition to official letter of job awarded)
Section 25 subsection (1) and section 26 of Act 520 requires that any contractors – local or foreign – doing construction works or projects must register with CIDB. And CIDB is to maintain a master register of contractors Refer to Box 5.1.

Box 5.1: Section 25 and Section 26 of Act 520

25. (1) No person shall undertake to carry out and complete any construction works unless he is registered with the Institution (Lembaga) and holds a valid certificate of registration issued by the Institution (Lembaga).

(2) Every certificate of registration shall be in the prescribed manner and form.

26. The Institution (Lembaga) shall keep and maintain a Register which shall contain the names, business addresses and other particulars of contractors who are registered as registered contractors.

The procedures and requirements for registration is described in detail in the Registration of Contractors (Construction Industry) Regulations 1995. The regulation differentiates between the registration procedures and requirements for local and foreign contractors.

As stated in the “Registration Requirements and Procedure Guidelines” contractors are categorized and defined as follows:

- Local contractor – a company incorporated in Malaysia which has a local equity holding of not less than **seventy per cent (70%)**. Foreign equity from citizens of **ASEAN countries** are permitted but shall not exceed **fifty-one per cent (51%)** of the total paid up capital or accumulated capital;

- Foreign contractor – a company incorporated in Malaysia or in a foreign country which has a foreigners’ equity holding of **thirty-one per cent (31%)** or more;
Table 5.5: Contractor’s Fees

<table>
<thead>
<tr>
<th>Registration Term/Frequency Fee</th>
<th>Local</th>
<th>Foreign</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 – 3 years</td>
<td>Per project basis</td>
</tr>
<tr>
<td></td>
<td>RM20 – RM1,400/annum</td>
<td>RM5,000/project - Provisional Registration Certificate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>RM4,500.00/project - Registration Certificate for Foreign Contractor (if Provisional Certificate has been issued)</td>
</tr>
<tr>
<td>Levy</td>
<td>0.125%</td>
<td>0.125%</td>
</tr>
</tbody>
</table>

Source: CIDB

There are two types of registration for foreign contractors:

1. **The Provisional Registration Certificate** - requires the foreign contractor to seek permission to participate in any construction tender bid. And this registration is only for a specific tender bid.

**Conditions for Application**
The registration conditions to obtain provisional registration for foreign contractors are as follows:

a. Complete Form R2/95
b. Pay a processing fee of RM50.00
c. Tender advertisement/invitation letter from client
d. Details of company track record
e. Company’s financial resources
f. Particulars of company personnel

2. **Registration Certificate for Foreign Contractor** - permission to carry out construction works as stated in the Registration Certificate for Foreign Contractor.

Before a foreign contractor undertakes any construction work which they have been awarded, they are required to apply for a **Registration Certificate for Foreign Contractor**. And this registration is for the specific project only.
Validity period, as indicated in the offer letter of work. Where for some reason, the completion date extended, the contractor must apply to CIDB within 14 days of the expiry date of the Registration of Certificate to extend the validity period.

If foreign contractors are awarded a tender, they have to apply for two registrations: the Provisional Registration Certificate and the Registration Certificate.

**Conditions for Application**
The conditions for obtaining a Registration Certificate for Foreign Contractor are as follows:

a. Complete Form R3/95
b. Official offer letter of work

5.3.2 Impact of this regulatory arrangement:

1. **Too many registrations and need to pay fees for each one.**
The requirement to apply for a Provisional Registration Certificate for each project bid and a Registration Certificate for each project awarded results in higher costs of doing business for foreign contractors as they have to pay fees for each of the certificate applied. This puts unnecessary burdens on them.

2. **Time consuming document preparation and registration process**
The preparation of documents for the application of the certificates for every job bid and job awarded is time consuming to contractors. This create unnecessary burden to contractors because of the same documentation required for every application. In addition contractors may lost the opportunity to bid or may delay the commencement of work if the approval for the certificates cannot be obtained on time

3. **Limits foreign participation and lose transfer of technology and expertise**
The current regulations on foreign companies may result in foreign contractors shying away from participating in Malaysian constructions projects which means Malaysian businesses are deprived of the transfer of technology and expertise from the foreign companies.
5.3.3 Options to resolve the issue:

1. Maintain status quo

2. Remove the requirement for the application of two certificates and change it to one certificate only.

If foreign contractors only had to apply for one certificate, the one certificate would allow foreign contractors both to bid for a project and, if successful, to commence work on the projects.

Having one certificate would reduce unnecessary cost and time burdens on the contractors. Work efficiency of the regulator would also improve as existing manpower could focus on the one type of certificate application.

3. Streamlining the registration requirement for foreign companies with local companies

Similar registration requirements for foreign and local contractors would reduce the cost of doing business for foreign contractors and thus would be likely to attract more foreign contractors to participate and invest in local projects. This would help improve the knowledge and expertise of local contractors and possibly making them more competitive internationally.

4. Remove the requirement to register for every tender bid and for every project awarded

Remove the requirement for foreign companies to register for every job they bid for and are awarded because the regulator already has all the relevant information pertaining to the applicant company when it first registered. Foreign companies would only need to advise of changes to the information provided earlier. This would lower costs for foreign contractors and the regulator, due to fewer applications to be processed and less storage of documents.

5. Enhancement of the current online registration system

Presently, CIDB provides for online registration through its SMB Online Registration System, for the registration and registration renewal of local contractors. The system could be enhanced to include the registration of foreign contractors. This would
provide for seamless registration and ease the administrative burdens for foreign contractors.

5. The following are the initiatives currently undertaken by CIDB. However, its success in resolving the above issues is yet to be determined:
   a. CIDB is in the process of automating the registration of foreign contractors. The system is under testing and targeted to be ready by January 2016.
   b. CIDB is also looking into reviewing the requirement on application for the Provisional Registration Certificate whereby only one time registration might be required on condition that the foreign contractors declare the jobs they are bidding for and submit the score rating.

5.3.4 Recommendation
We preferred Option 5 as online registration system of foreign contractors will reduce the administrative burden for foreign contractors and smoother registration process.

5.4 Listed local construction companies having foreign equity/participation – refusal on renewal registration application

5.4.1 The issue
Under the CIDB’s Registration Requirements and Procedure, local contractor means a company incorporated in Malaysia which has a local equity holding of not less than seventy per cent (70%). Foreign equity from citizens of ASEAN countries are permitted but shall not exceed fifty-one per cent (51%) of the total paid up capital or accumulated capital.

Because of the above ruling, CIDB declined renewal registration application made by locally incorporated listed construction company whose foreign equity holding exceeds 30 percent (30%) at the point of applying for renewal registration.

The company is allowed to appeal but it takes about one and a half months to obtain the approval and after making several follow-ups. The approval given is also subject
to condition that the registration is valid for one year only (normal local renewal registration is up to 3 years) and the foreign shareholding should be brought down to below 30%. Re-application/appeal need to be made within sixty days from the date of Letter of rejection, failing which the company has to apply for registration as foreign company (i.e. per tender bid and per project awarded).

Being a listed company, the foreign equity shareholding is difficult to control because its shares are floated and subject to purchase by foreign parties. The company have to undergo the same process of appealing if its foreign shareholdings exceed 30% at the time of renewal. The appeal process and the yearly renewal is burdensome to contractors as similar documents need to be submitted for the renewal if the appeal is successful.

5.4.2 Impacts of this regulatory arrangement:
1. Registration valid only for 1 year, and companies find that they cannot renew on time as they have to undergo the appeal process. This results in losing job opportunities and un-productive.
2. Discourages local companies from having foreign participation, thus reducing technology transfer.
3. Discourage foreign investment into the country.
4. Costly and time consuming for contractors due to the preparation of similar documents for the yearly renewal

5.4.3 Options to resolve the issue
1. Maintain status quo.
2. As the company is locally incorporated, allow for renewal of registration as other local companies (i.e. maximum of 3 years) with the condition that the foreign shareholdings to be brought down below 30% within certain period of time e.g. within 6 months.
3. Government and CIDB could consider increase the maximum level of foreign shareholdings in listed local construction companies e.g. up to 49%. This would encourage foreign direct investment into the country, enable the companies to
renew registration on time, thus avoid losing job opportunities, save cost and time on documents preparation hence increase productivity level of the industry.

4. CIDB to simplify documents requirement for renewal e.g. request only supporting documents that have changes since the last renewal. Contractors only need to make Self Declaration that everything is in order since the last registration. Unscheduled/random audit by CIDB is recommended to ensure compliance by the company.

5.4.4 Recommendation

Option 3 and 4 is preferred as it will encourage foreign investment into the country as well as improve productivity of the industry. Simplifying the renewal requirements will result in cost and time saving to contractors as well as CIDB in terms of processing time and documents safekeeping.