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Foreigners not allowed to open certain types of businesses

TWENTY types of businesses have been singled out by Kuala Lumpur City Hall (DBKL) as being off limits to foreigners in the nation's capital.

The ruling, which came into effect on July 20, prohibits foreign nationals from applying for a licence to open a supermarket, mini mart, sundry shop, 24-hour convenience store, petrol station and laundry service (refer to graphic for the full list).

However, Kuala Lumpur mayor Datuk Nor Hisham Ahmad Dahlan said the ruling was only for new applications.

"The ban also includes foreign partnerships. "Previously, we allowed foreign partnerships, such as husband and wife, where one spouse is a foreigner. But this will no longer be entertained."

Nor Hisham said Kuala Lumpur was flooded with foreign business operators and the situation had reached an uncontrollable point which impacted local businesses and gave the city a bad name.

The mayor, however, reiterated that those already operating such businesses would not be affected by the ruling.

There are two types of licences, a premises licence and a business licence, which are governed by the Licensing of Trades, Businesses and Industries (Federal Territory of Kuala Lumpur) By-laws 2016 (UUK20) and Licensing of Hawkers and Food Placement (Federal Territory of Kuala Lumpur) By-laws 2016 (UUK22).

"Under UUK22, the business licence category, local traders are not allowed to hire a foreign helper



Nor Hisham says the ban also includes foreign partnerships.

to run or manage their stall and this includes husband-and-wife partnerships where one spouse is a foreigner," Nor Hisham said.

The rule extends to hawkers and traders operating in markets, food courts, night markets and roadside stalls.

"But under UUK20 or the premises licence category, a foreigner is allowed to do business and hire a foreign helper as long as the worker has a valid permit from immigration and the business is registered with Companies Commission of Malaysia (SSM)," he explained.

"Premises licence holders are those running businesses in shop-lots, department stores and shopping centres.

"However, the rule still applies to the 20 types of businesses that DBKL has barred any form of foreign participation.

"And it goes without saying that any form of sub-letting, renting or sale of licence to foreigners is prohibited," he added.

The mayor said the city had been

grappling with the issue of too many foreigners without permits and stepping up enforcement was taking a toll on the city's resources. "A lot of things are beyond our powers.

"For example, we don't have the authority to arrest illegal foreign workers and the illegal foreign workers know this and that is why they keep coming back to the same place of business again and again," Nor Hisham said.

"Some are so bold that they tear up DBKL's seal and continue business as if nothing has happened," he said.

The mayor said blacklisted traders would reapply for a licence using a new company name which made it hard for DBKL to trace.

"We keep seizing their goods and in return, we get a bad name, especially from humanitarian groups who think that we are being harsh and cruel towards them even though they are abusing the law," he said.

"I have met some of these humanitarian groups and explained to them the problems we are facing and some understood the issues.

"But clearly, we need employers to take responsibility for the people they hire, especially those who come here to work in one sector but end up doing something else illegally.

"And we need all government agencies — DBKL, Immigration, the National Registration Department, SSM — to be accountable, otherwise local governments like DBKL and city folk will continue to suffer and that is not good for business."

20 businesses foreigners are barred from operating in Kuala Lumpur



Note: *Except international brands

TheStar graphics



These bicycles were confiscated as the operator was obstructing public parking bays and did not get permission from DBKL.



Enforcement officers unloading seized items from a vehicle at the storage facility in Cheras.

could have been put to better use. Perishable goods such as vegetables, fruits, meat and fish, which are not claimed within 24 hours by locals and foreigners, are destroyed.

Other items seized from local traders, which are not claimed within 30 days, are auctioned off or sold as scrap metal.

"The owners will be given three chances to claim their items back; the first notice is for seven days, the second notice 14 days and the third and final notice is 30 days.

"After the expiry of the 30-day notice, a special committee will vet the items and decide on the auction process, which is usually carried out three to four times a year," he said.

He added that the total amount auctioned off was RM570,000 in 2019, RM5.5mil in 2018 and RM2.6mil in 2017, but the figure included other goods and not just confiscated items.

Due to the Covid-19 pandemic, the city has not been able to carry out auctions this year.

What's in storage

Dried turnip remnants on a wooden chopping board on a mobile food stall indicates that its owner probably had to abandon his or her business hastily.

The vendor was likely preparing rojak when DBKL enforcement officers raided the area where the stall was.

The ice shaver left at the stall was one of hundreds at the storage facility.

Items ranged from cendol carts and burger stalls to speakers, recycling boxes, toy cars and car wash equipment that were either abandoned or seized during raids from all over the city this year.

When StarMetro visited the store recently, there was a foul smell of rotting fish in the air, but

the compulsory wearing of face masks made it bearable. Zulhainan explained that the stench was from fish seized from illegal foreign traders operating at markets.

According to him, foreign and local traders were allowed to take away perishable items during raids but sometimes they do not want them and so DBKL must remove the goods as they could not be left at the site to rot.

Once taken to the storage facility, the perishable items will be handed to waste company Alam Flora to be disposed of in a sanitary manner.

Local traders are allowed to collect their confiscated items from the storage facility from 8am to 4.30pm (every day, including Saturday, Sunday and public holidays).

The compound rate is RM300 while the storing fee is RM15 (for seven days) and after seven days, it is 50sen a day.



A DBKL officer marking seized illegal banners and bunting for inventory purposes.