

How to Apply for a Composite License in Malaysia

If you are setting up a physical business operation in Malaysia, navigating local council requirements is a critical step. To streamline this process, most Local Authorities utilise a Composite License framework.

A Composite License is a unified permit that merges several core licenses, such as your Business Premises License, Signboard/Advertising License, and other minor operational permits, into a single application with single payment and single expiry date.

1. Prerequisites & Legal Readiness

Before submitting your application, your business must meet strict legal and structural prerequisites:

Phase 1: Corporate Registration

Company Incorporation: Your business must be formally registered with the Companies Commission of Malaysia ("CCM") as a sole proprietorship, partnership, company, or limited liability partnership.

Business Code Alignment: Ensure the nature of business codes listed in your CCM corporate profile perfectly match the actual activities you intend to execute at the premises.

Phase 2: Premise & Strict Zoning Compliance

Local councils strictly enforce zoning laws. Operating a business in the wrong zone will result in an immediate rejection:

- (1) **Industrial Activities:** Must be executed strictly within designated industrial zones (e.g., factories, heavy machining facilities and warehouses).
- (2) **Commercial Activities:** Must be operated strictly within designated commercial zones (e.g., retail shops, offices and restaurants).
- (3) **Property Verification:** You must hold a valid tenancy agreement (or proof of ownership), and the building must possess a valid Certificate of Completion and Compliance ("CCC") or Certificate of Fitness ("CF").

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Phase 3: Submission Channels (Online or Counter)

Many progressive local councils are moving toward online submission portals (such as DBKL's e-Lesen or MBPJ's e-Sistem).

However, in practice, most local councils across Malaysia still operate on a hybrid or full counter-submission framework. Thus, you may frequently be required to submit physical hardcopy documents at the council's licensing counter to finalise the process.

2. Required Documentation

When applying for a Composite License, you must prepare a comprehensive documentation dossier.

Document Category	Required Items
Company Profile	- Full CCM registration documents - Copy of identification document of director or owner
Premises Layout & Safety	- Tenancy agreement & building CCC/CF - Floor plan - Photos of the premises
Signboard/ Advertisement	- Visual artwork of the signboard with exact dimensions - Visual indicator of the exact placement of the signboard - The visual artwork must be approved by Dewan Bahasa dan Pustaka
Industry Specific	For F&B: Typhoid Vaccination Certificates and Food Handling Course Certificates are required for all staff

3. The Technical Review & External Agency Referrals

The Licensing Department does not approve applications independently. After an initial vetting of your documents, they may issue official Compliant Letter and require you to personally facilitate the submission to relevant internal departments and external government agencies to secure their technical feedback and letters of support:

(1) Internal PBT Departments:

- (a) Jabatan Bangunan (Building Department)
- (b) Jabatan Perancangan Bandar (Town Planning)
- (c) Jabatan Kesihatan (Health Department)

(2) External Government Agencies:

- (a) Jabatan Bomba & Penyelamat Malaysia (Malaysia Fire & Rescue Department)
- (b) Polis Diraja Malaysia (Royal Malaysia Police)
- (c) Jabatan Alam Sekitar (Department of Environment)

Your Composite License will only be granted once all relevant internal and external agencies have issued a positive, non-objection referral.

4. Timeline & Key Benefits

Estimated Processing Timeline

- (1) Standard/Low-Risk Businesses (Retail/Offices): Typically, 14 to 30 working days, provided all documentation is flawless and site inspections clear smoothly.
- (2) High-Risk/Specialized Sectors (Factories/Entertainment): Can take significantly longer due to the complexity of multi-agency site inspections.

Key Benefits of a Composite License

- (1) Unified Expiry Date: Integrated permits expire simultaneously (typically exactly one year from the date of issuance), eliminating the hassle of tracking separate renewal timelines.
- (2) Reduced Bureaucracy: Deal with a single licensing secretariat rather than visiting multiple independent government windows.
- (3) Consolidated Costing: All premises and advertising fees are itemised onto a single invoice for transparent corporate accounting.

Kaizen, together with its associate firms in Malaysia, can help the clients to perform these compliances formalities so as to maintain the Malaysia company in good standing. Please call and talk to our professional consultant in Kaizen for further clarification.

If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at www.kaizencpa.com or contact us through the following and talk to our professionals:

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