Public Procurement World - Malaysia

1. The Laws

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# a. What is the applicable legislation?

There is no specific legislation in Malaysia that governs the government procurement process. Government procurement processes in Malaysia are largely governed by the treasury instructions and treasury circulars ("**Treasury Instruments**") issued by the Malaysian Ministry of Finance ("**MOF**"). As a matter of prevailing jurisprudence, the Treasury Instruments do not have a force of law.

However, there are legislations that contain provisions which apply to certain aspects of government procurement such as:

the Financial Procedure Act 1957 ("**FPA**") which provides for, among others, the control and management of the public finances of Malaysia.

the Government Contracts Act 1949 ("**GCA**") which provides for the making of contracts on behalf of the Government, and the Governments of the States.

In view of the above, all of our responses herein in relation to questions on public procurement law, procurement legislation and other similar references are based on the Treasury Instruments unless otherwise stated.

# b. Does the legislation relate to or interact with any applicable trade agreement, such as the European Union procurement rules, WTO Government Procurement Agreement (GPA) or the procurement requirements of the North American Free Trade Agreement (“NAFTA”)?

No.

# c. What are the basic underlying principles of the legal framework?

The principles for government procurement in Malaysia are public accountability, transparency, best value for money, open competition and fair dealing.

# d. Is aerospace and defense procurement treated differently from other types of procurement?

No.

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