



ADVISORY NOTE TO MEMBERS OF ACEM
GAZETTED ORDERS OF PEMBANGUNAN SUMBER MANUSIA BERHAD
(AMENDMENT OF FIRST SCHEDULE) ORDER 2021

UPDATE 29 December 2023

- 1) This Advisory Note to ACEM Members is in relation to the above Order which follows the 3rd Advisory Note dated on 30 August 2021.
- 2) ACEM would like to inform the members regarding the chronology of events/meetings attended by ACEM to appeal for the Engineering Consulting industry to be exempted from registering with PMSB to-date as below:

CHRONOLOGY OF EVENTS

Date	Description
19.04.2005	BEM Letter to MOF supporting granting exemption to Engineering Consultancy Services.
30.09.2005	Letter from Pembangunan Sumber Manusia Berhad exempting Consulting Engineering firms from scope of "AKTA PEMBANGUNAN SUMBER MANUSIA BERHAD (PSMB) 2001".
20.09.2010	ACEM letter to Pembangunan Sumber Manusia Berhad (PSMB) giving feedback as requested in PSMB letter dated 17.08.2010.
25.03.2021	BIPC forwarded Joint Letter to YB Datuk Seri M. Saravanan, Minister of Human Resources; YB Dato' Sri Haji Fadillah Hj Yusof, Senior Minister of Works and YB Datuk Hajah Zuraida Kamaruddin, Minister of Housing and Local Government to object the new ruling on the expansion of the Human Resources Development Fund (PSMB) Act 2001 (Act 612), which included the construction industry with effect from 1 March 2021.
25.03.2021	BIPC prepared Joint Press Statement to object the new ruling on the expansion of the Human Resources Development Fund (PSMB) Act 2001 (Act 612), which included the construction industry with effect from 1 March 2021.
26.03.2021	1 st ACEM Advisory Note to members regarding Gazetted Orders of Pembangunan Sumber Manusia Berhad (Amendment of First Schedule) Order 2021.
01.06.2021	Letter from HRD Corp to BIPC explaining that the Act PSMB 2001 has been extended to cover all industry as per Bill P.U. (A) 84/2021 on 26 February 2021 and operational from 1 March 2021. YB Minister of Human Resources have agreed to give exemption for payment of levy payment from 1 Jun 2021 to 31 December 2021.
01.06.2021	HRD Corp. letter to Board of Engineers Malaysia regarding the new ruling on the expansion of the Human Resources Development Fund (PSMB) Act 2001 (Act 612).
02.06.2021	Discussion between ACEM and Pembangunan Sumber Manusia Berhad (PSMB) on HRDF Registration Exemption for Engineering Consultancy Services.



04.06.2021	2 nd ACEM Advisory Note to members regarding Gazetted Orders of Pembangunan Sumber Manusia Berhad (Amendment Of First Schedule) Order 2021.
08.06.2021	Letter from PSMB to ACEM regarding application of Pembangunan Sumber Manusia Berhad Act 2001 (PSMB ACT) to the industries and its exemptions.
09.06.2021	2 nd discussion on extension of scope of HRDF and HRD Corp new guideline on training reimbursement claim chaired by YBhg. Pn. Zakiah Jaafar, Deputy Secretary General, Treasury (MOF) via Microsoft Teams. Discussion on issues: <ol style="list-style-type: none"> i. Extension of scope of HRDF contribution raised by MIA & CTIM. ii. Double contributions as a result of extension of scope of HRDF contribution raised by The Building Industry Presidents' Council (BIPC). iii. HRD Corp new guidelines on training reimbursement claim mechanism raised by MIA.
16.06.2021	ACEM responded to PSMB letter dated 8 June 2021 that ACEM have never been notified of any stakeholder engagements made by PSMB in the past few years on the matter as claimed. We have also not been informed or made aware of any Regulatory Impact Assessment (RIA) being performed for the proposed expansion of the scope of the Act.
02.08.2021	ACEM (with other BIPC members) attended "Sesi Libat Urus YB Dato' Sri Mustapa Mohamed, Menteri Di Jabatan Perdana Menteri (Ekonomi) Bersama Badan Profesional Mengenai Isu-Isu Ekonomi" chaired by YB Dato' Sri Mustapa Mohamed. ACEM raised the issue of the HRDF levy extension to the Minister pointing out increase in cost of doing business.
04.08.2021	ACEM brought up the HRDF issue during the Building Industry Presidents' Council (BIPC) to discuss further actions to be taken. BIPC members decided that letter to be sent to the Prime Minister and cc to all Ministries.
30.08.2021	3 rd ACEM Advisory Note to members regarding Gazetted Orders of Pembangunan Sumber Manusia Berhad (Amendment of First Schedule) Order 2021.
29.09.2021	BIPC joint letter to YAB Prime Minister Dato' Seri Ismail Sabri bin Yaakob to appeal against the expansion of the PSMB Act 2001 to cover the construction industry.
27.12.2021	Joint Professional Bodies' letter to the Minister of Human Resources, YB Datuk Seri M Saravanan to appeal against the inclusion of professionals in the coverage of the PSMB Act 2001.
24.01.2022	ACEM raised the matter with BEM requesting for a joint effort by BEM, BAM and BQSM to get the assistance of KKR to bring the issue up with MoHR. BEM, BAM and BQSM wrote a joint letter to KKR conveying objection by professional bodies related to the implementation of PSMB Act that had been expanded to professional practice firms.
27.09.2022	BEM was invited to a meeting with KKR to provide information and justification relating to the implementation of PSMB Act before it can be brought up to MoHR at ministerial level. ACEM Council Member attended the meeting representing BEM. BEM assisted KKR to draft a paper based on the chronology and justifications stipulated in the BEM, BAM and BQSM letter and those additional points highlighted during the meeting. However, the effort was halted due to GE15 in Nov 2022.
15.12.2022	ACEM wrote to the newly appointed Minister of Human Resource YB Sivakumar appealing for the exclusion of ECPs from PSMB Act and requesting for a meeting.



31.03.2023	A reminder letter was sent on 31 March 2023. No response from the Minister.
01.09.2023	ACEM issued a press statement highlighting the hardship caused on ECPs by the implementation of PSMB Act. The statement was published by news portal, Dagang news on 4 September 2023, The Star on 5 September 2023 and the Sarawak Tribune on 15 September 2023.
24.11.2023	ACEM submitted a Memorandum to MITI on the expansion of the PSMB Act to be included in MITI Dialogue 2024.
29.12.2023	ACEM wrote to the newly appointed Minister of Human Resource YB Steven Sim appealing for the exclusion of ECPs from PSMB Act and requesting for a meeting to discuss the matter.

- 3) ACEM would like to inform members as to date:
 - No indication received from HRD Corp that a Regulatory Impact Assessment (RIA) was conducted before the Act and Regulations were gazetted.
 - Despite appeals from numerous stakeholders, the Human Resources Ministry have yet to change the ruling of expansion of PSMB Act 2001 (Act 612) to include construction industry.
- 4) ACEM would keep trying to bring up the issue to the Ministries and engage with MOF, MITI and CIDB to highlight the issue and seek for a favourable conclusion of the HRDF levy predicament.

Ir. Chong Chew Fan
President
29 December 2023