Overview of Malaysia’s Competition Law and Competition (Amendment) Bill 2026

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1. Introduction

As in other jurisdictions, compliance with competition law is an important component of corporate compliance in Malaysia, where authorities actively enforce the relevant regulations. In July 2026, the Competition (Amendment) Bill 2026 (“**Competition Bill 2026**”) was table in the Malaysian Parliament, and will introduce several significant changes to Malaysia’s competition law framework.

This newsletter provides an overview of Malaysia’s competition law regime and highlights the key changes in the Competition Bill 2026.

2. Overview of Malaysian Competition Law

Enactment and Background

The primary legislation governing anti-competitive conduct in Malaysia is the Competition Act 2010 ("**CA 2010**"), which came into force on January 1, 2012. CA 2010 was founded on the core principle that a competitive market environment naturally drives business efficiency, spurs technological advancement, and fosters entrepreneurial growth. Its primary objective is to promote economic development by creating a level playing field for businesses, preventing market distortions, and ultimately benefiting consumers through competitive pricing, wider choice, and improved quality of goods and services.

CA 2010 applies extraterritorially, and governs both commercial activity carried out in Malaysia, and commercial activity transacted outside Malaysia that has an effect on competition in any market in Malaysia. Therefore, foreign enterprises with supply, distribution, or licensing arrangements that affect the Malaysian market are bound by CA 2010.

Main Regulatory Prohibitions

CA 2010 primarily identifies 2 main categories of prohibited conduct:

A. Anti-Competitive Agreements (Section 4):

Section 4 prohibits agreements between enterprises that have the object or effect of significantly preventing, restricting, or distorting competition in any market for goods or services, which encompasses both horizontal agreements (between competitors) and vertical agreements (between businesses at different levels of the supply chain). This section also identifies horizontal agreements that are deemed to have the “*object of significantly preventing, restricting, or distorting competition*,” which include agreements involving "hardcore" cartel behaviors (i.e., price-fixing, market sharing, limiting production, and bid-rigging).

"Safe Harbor"
An anti-competitive agreement generally is not considered "significant" if the agreement falls within the safe harbor thresholds, which are: (i) for an agreement between competitors in the same market, where the parties' combined market share does not exceed 20% in the relevant market, and (ii) for an agreement between non-competitors, where each of the parties, individually, has a market share of less than 25% in the relevant market.[1]

B. Abuse of Dominant Position (Section 10):
Section 10 prohibits enterprises that hold a dominant market position from abusing that power. In general, the Malaysia Competition Commission ("**MyCC**") considers a market share above 60% to be indicative that an enterprise is dominant in the relevant market.[2]

While holding a dominant position is not inherently illegal, enterprises are prohibited from using that power to engage in predatory pricing, refusal to deal, exclusionary conduct, tying and bundling, or other abusive conducts.

The consequences for violating CA 2010 are severe. An enterprise that infringes any provision of CA 2010 may be subject to financial penalties of up to 10% of the infringing enterprise's worldwide turnover for the entire period during which the infringement occurred, amongst other sanctions.

CA 2010 provides for a leniency regime, which may permit up to a 100% reduction in sanctions where an enterprise admits its involvement in a cartel arrangement and provides information or other forms of cooperation that significantly assists MyCC in identifying or investigating infringements by other cartel enterprises.

The Regulatory Authority: Malaysia Competition Commission (MyCC)

The MyCC is responsible for the enforcement of Malaysia's competition laws; MyCC is vested with statutory powers set forth in CA 2010. These includes (but are not limited to) the power to (i) conduct market reviews to determine whether any feature of the market prevents, restricts, or distorts competition in that market, (ii) initiate formal investigations, (iii) require the production of information, documents, or statements relevant to the performance of MyCC's powers and functions, and (iv) conduct "dawn raids" (search and seizure operations).

In recent years, MyCC has demonstrated a proactive approach to enforcement, particularly with regard to dismantling cartels and bid-rigging schemes. A notable example of this robust enforcement is the Chicken Feed cartel case, in which MyCC imposed a record-breaking financial penalty, totaling RM 415.5 million, on 5 major poultry feed millers that were engaged in price-fixing—a decision unanimously affirmed by the Competition Appeal Tribunal ("**CAT**") on February 11, 2026.

MyCC considers bid-rigging a "supreme evil"[3] and aggressively targets this conduct in the area of government procurement; numerous enterprises involved in infrastructure and maintenance tenders have been penalized for bid-rigging conduct recently. These enforcement actions underscore MyCC's readiness to impose severe

[1] https://www.mycc.gov.my/sites/default/files/pdf/newsroom/chapter%201%20prohibition%20.pdf

[2] https://www.mycc.gov.my/sites/default/files/pdf/newsroom/Chapter%202%20prohibition.pdf

[3] MyCC PENALISES SEVEN ENTERPRISES FOR BID RIGGING CARTEL | Malaysia Competition Commission (MyCC)

sanctions to ensure market fairness and deter anti-competitive behavior.

MyCC's decisions can be appealed to the CAT, a specialized appellate body with exclusive jurisdiction to review findings of infringement and financial penalties imposed by MyCC.

3. The Competition Bill 2026

On July 6, 2026, the Dewan Rakyat (House of Representatives) passed the Competition Bill 2026 and the Competition Commission (Amendment) Bill 2026. These Bills, which are expected to be brought to the table in the Dewan Negara (Senate), represent significant reforms to Malaysia's competition law framework since its inception. It is worth noting that while merger control was a key proposal in MyCC's 2022 public consultation paper, it was not included in the Competition Bill 2026. Nevertheless, the proposed amendments significantly broaden MyCC's jurisdictional scope and strengthen its enforcement capabilities.

The following are the most critical changes introduced in the Competition Bill 2026, for which businesses must prepare:

i. Expanded Scope includes "Economic Activity"

The Competition Bill 2026 broadens the applicability of CA 2010 from "commercial activity" to "any commercial or economic activity." This subtle but powerful change means that activities with an economic character, even if not expressly commercial, would fall under the scrutiny of MyCC. Non-profit arrangements, cooperative ventures, and decisions made by trade associations may face stricter regulatory oversight.

ii. Removal of the Horizontal/Vertical Distinction in Agreements

Under the existing CA 2010, the deeming provision under Section 4 primarily targeted horizontal agreements. The Competition Bill 2026 proposes to remove the distinction between "horizontal" and "vertical" agreements, and to prohibit "any agreement" that restricts competition. As a result, the deeming provision under which certain agreements, such as price-fixing and bid-rigging agreements, are deemed to have an anti-competitive object, will apply to all forms of agreements. This aligns Malaysia with EU competition law and signifies that vertical agreements (e.g., supplier-distributor contracts) may be deemed infringements *per se* if they have anti-competitive object or effect.

iii. Introduction of Statutory Settlement Mechanism

The Competition Bill 2026 introduces a statutory settlement mechanism, pursuant to which, after the issuance of a proposed decision and an offer of settlement by MyCC, an enterprise under investigation may admit liability for the infringement of CA 2010 in exchange for a reduction in financial penalties of up to 40%. This reduction is in addition to any leniency discounts available under the existing leniency regime.

iv. Whistleblower Protections and Rewards

To combat increasingly sophisticated cartels that use digital erasure and disappearing messages, the Competition Bill 2026 introduces dedicated statutory protections for informers to encourage the reporting and detection of cartel arrangements. The proposed statutory protection generally prohibits the disclosure of an informer's identity or any other information that might reveal the identity of the informer by a witness in any proceedings under CA 2010. The Competition Bill also expands the scope of prohibited threats and reprisals against informers, which will also cover any economic disadvantages, and clarifies that disadvantages include (but are not limited to) termination of contracts.

MyCC will also be empowered to grant rewards in any form it determines (which may include cash rewards) to individuals whose information leads to the detection of cartel arrangements.

v. Enhanced Investigatory Powers and Criminalization of Obstruction

The Competition Bill 2026 strengthens MyCC's information-gathering powers. In particular, MyCC will be able to compel government entities to provide it with information.

Crucially, the Competition Bill 2026 makes it a criminal offense to attempt to destroy, conceal, mutilate, or alter records and data to obstruct MyCC investigations. This underscores the importance of companies having robust corporate legal hold policies and document retention protocols.

vi. New Right of Appeal to the High Court

Under the existing CA 2010, decisions made by the CAT are considered final. The Competition Bill 2026 changes this by granting any person, including MyCC, the right to appeal CAT decisions to the High Court within 90 days. This introduces a vital new layer of judicial oversight focused on questions of law and the quantum of penalties, thereby ensuring greater accountability.

4. Conclusion

The Competition Bill 2026 proposes significant changes to Malaysian competition law, including expanding CA 2010 to govern "economic activities," broadening the scope of anti-competitive agreements, strengthening MyCC's investigative and enforcement powers, enhancing protection of informers, introducing a new settlement mechanism, and establishing a right to appeal CAT decisions to the High Court.

In light of these proposed developments, companies doing business in Malaysia, including multinational enterprises, should review and update their competition law compliance systems; in particular, existing vertical arrangements should be reassessed to ensure they have no anti-competitive objects or effects. This is important to reduce the risk of competition law infringements and enforcement actions.