

ENGINEERING CONSULTANCY PRACTICE

REQUIREMENTS AND PROCEDURES FOR REGISTRATION

A. Introduction

Every sole proprietorship, partnership or body corporate desirous of practicing as consulting engineers shall register with BEM as provided for in Section 7A or 7B of the Registration of Engineers (Amendment) Act 2002.

Defination

“Professional engineering services” means engineering services and advice in connection with any feasibility study, planning, survey, design, construction, commissioning, operation, maintenance and management of engineering works or projects and includes any other engineering services approved by the Board;

“engineering consultancy practice” means a sole proprietorship, partnership or body corporate providing professional engineering services, registered under Section 7A or 7B;

Relevant extracts from the Registration of Engineers (Amendment) Act 2002 are as follows;

Engineering consultancy practice

- 7A. (1) *Notwithstanding section 7(1), a sole proprietorship partnership or body corporate may practice as an engineering consultancy practice and recover in any court any fee, charge remuneration or other form of consideration for any professional engineering services rendered by it pursuant to its practice as consulting engineers carried on by virtue of this section, if it is registered with the Board as an engineering consultancy practice the written approval of the Board to so practice and has been issued with a certificate of registration.*
- (2) *Every application by a sole proprietorship, partnership or body corporate for registration as an engineering consultancy practice shall be made to the Board in the prescribed form and manner and shall be accompanied by the prescribed fee.*
- (3) *The Board shall register a sole proprietorship, partnership or body corporate as an Engineering consultancy practice subject to such conditions and restrictions as it may deem fit to impose if –*
- (a) in the case of the sole proprietorship, the sole proprietorship is a Professional Engineer;*
 - (b) in the case of the partnership, all t he partners are Professional engineers; or*
 - (c) in the case of the body corporate, it –*
 - (i) has a board of directors comprising persons who are a Professional Engineers;*
 - (ii) has shares held by members of the board of directors mentioned in subparagraph (i) solely or with any other persons who are Professional engineers; and*
 - (iii) has a minimum paid-up capital which shall be of an amount to be prescribed by the Board.*

(4) An engineering consultancy practice shall, within thirty days of the occurrence of any change of its sole proprietorship, or the composition of its partner, board of directors or its shareholders, furnish to the Board a true report in writing giving full particulars of the change.

(4A) An engineering consultancy practice may only provide professional engineering services in the branch or branches of engineering in which he sole proprietorship, partner or a member of the board of directors of that practice is qualified to practice and as is shown in the Register under subsection 5(2)

7B. (1) Where a body corporate carries on a practice of providing professional engineering services, architectural consultancy services and / or quantity surveying services, the Board may, subject to such conditions or restrictions as it may deem fit to impose, register that part of the practice providing professional engineering services.

(2) The body corporate that applies for registration under subsection (1) must be incorporated under the Companies Act 1965 and -

(a) has a board of directors comprising Professional Engineers, Professional Architects and / or registered Quantity Surveyor;

(b) has shares held by the persons mentioned in paragraph (a) and any of the following persons and / or bodies corporate where -

(i) the Professional Engineers, Professional Architects, registered Quantity Surveyors, bodies corporate providing professional engineering services, bodies corporate providing architectural consultancy services and / or bodies corporate practicing as consulting Quantity Surveyors hold a minimum combined share of 70% of the overall equity of that body corporate, of which the Professional Engineers and / or bodies corporate providing professional engineering services hold a minimum share minimum share of 10% and

(ii) any other persons, including persons belonging to a profession allied to engineering, architecture or quantity surveying, being a profession approved in writing by the the board regulating the profession of engineering, architecture or quantity surveying, respectively, hold a maximum share of 30%,

of the overall equity of the body corporate; and

(c) has a minimum paid-up capital which shall be an amount to be determined by the Minister.

(3) Notwithstanding paragraph 7(A)(5)(b), where in a body corporate registered under subsection (1) -

(a) the minimum shareholdings of a Professional Engineer and / or a body corporate providing professional engineering services is less than the percentage stipulated in subparagraph (2)(b)(i); or

(b) the minimum combined shareholdings of a Professional Engineer, Professional Architect, registered Quantity Surveyor, body corporate providing professional engineering services, body corporate providing architectural consultancy services and / or body corporate practicing as consulting quantity surveyors is less than the percentage stipulated in subparagraph (2)(b)(i),

that body corporate shall, as soon as possible but not later than three months after such change in shareholdings or within any extended period of time as may be approved by the Board, increase the respective shareholding so as to comply with the percentage as stipulated in subparagraph (2)(b)(i), and if that body corporate fails to do so within the stipulated time, the Board shall cancel its registration under this Act.

- (4) *For the purposes of this Act, the body corporate shall, upon its registration, be deemed to be an engineering consultancy practice.*

B. Requirement for Registration as an Engineering Consultancy Practice (ECP)

1. The body corporate shall adopt the standard Memorandum and Articles of Association (M&AA) of BEM.
2. As from December 1992, BEM had allowed professional engineers to be directors or partners of more than one company/ firm practicing as consulting engineers.
3. BEM deems that the involvement of a Professional Engineer in more than one company as an investment venture.
4. However, to maintain professionalism of the practice and recognizing that a Professional Engineer has to give his time and attention to his clients and projects, a Professional Engineer who is a director of more than one ECP has to conform to the following conditions:
 - (a) He / She can only actively practice in one engineering company / firm; and
 - (b) The second and the subsequent ECP cannot provide services in the branch of engineering in which he is registered unless there is at least another director of the same branch in the second and subsequent body corporate who is not actively practicing in any other ECP.
5. A registered Professional Engineer who is not residing in Malaysia can be director of an ECP practicing as consulting engineers but due to his residential status, he cannot submit plans in Malaysia. Under the circumstances mentioned, the body corporate is required to fulfill the following conditions in order to be able to submit plans in Malaysia:
 - (a) the majority of the directors of the ECP must be domiciled in Malaysia and
 - (b) in the case where there are only two directors, one of them must be domiciled in Malaysia and the ECP can only practice in the branch of engineering of its domiciled directors.
6. Foreign and local engineers cannot set up a joint venture ECP to practice as consulting engineers because foreign engineers are not allowed to be directors and shareholders of such ECP.
7. Foreign and local engineers could however work in association with each other on a project-to-project basis, but the local consultants must be the lead consultant.
8. Sole proprietorships / partnerships / bodies corporates are allowed to merge and form new engineering consultancy practices which shall be registered by BEM provided that the old bodies corporate cease to practice within six months from the date of approval of the new registration.

C. Procedure for Registration as a Body Corporate

Application shall be made in **Form E** with the following documents attached:

- a) Professional Engineer certificate of the directors and shareholders.
- b) Statutory declaration of the directors and shareholders.
- c) Memorandum of Articles and Association (M& AA) in accordance to BEM standard
 - (i) **Form 9** of the M & AA duly certified by Company Commission of Malaysia (CCM) at the first page of the document.
 - (ii) Articles of Association duly certified by the CCM at the first page of the documents.
- d) **Form 24 and 49** certified by CCM at the first page of the document.
- e) Processing fee of RM 50.00, which is not refundable and registration fee of RM 1000.00.
- f) To support the minimum paid up capital of RM 50,000.00
 - ? For renewal of permit, Form 49 and Annual return is required

D. Procedure for Registration as a Sole proprietorship or Partnership

Application is to be made in Form E submitted together with the following documents:

- a) Professional engineer certificate of the principal / partner
- b) Statutory declaration of the principal / partner
- c) Processing fee of RM 50.00 which is not refundable and registration fee of RM1000.00

E. Certificate and Renewal

- 1) At the time of making the application, the directors and shareholders of the body corporate are required to declare their interest or stakes in other companies if they are also directors, executives or substantial shareholders or agents for any contracting or manufacturing company or firm or business related to building or engineering.
- 2) When the application is approved by BEM, a certificate of registration will be issued to the ECP in **Form F** (Appendix I).
- 3) The certificate issued to the ECP would specify the branches of engineering that could be practiced by the ECP. The branches of engineering will correspond to that of the practicing directors.
- 4) Every certificate shall expire on 31st December of the year in which it is issued and shall be renewed every year thereafter using **Form H** (Appendix II) upon payment of the fees of RM 1000.00 on or before 31st January of the year following the year of expiry of the registration.

F. Addition of Discipline of Registration for Body Corporate and Partnership

Processing fee of RM 100.00 which is not refundable will be charge upon request to add discipline or registration for Body Corporate and Partnership.

FORM F
REGISTRATION OF ENGINEERS ACT 1967

REGISTRATION OF ENGINEERS REGLATIONS 1990
(Regulation 35)

Registration No.

BOARD OF ENGINEERS
MALAYSIA

CERTIFICATE OF REGISTRATION AS AN ENGINEERING
CONSULTANCY PRACTICE

THIS IS TO CERTIFY THAT

Name of * sole proprietorship/partnership/body corporate:

Address:

Branch of Engineering

Having complied with the requirements of the Registration of engineers Act 1967 and having paid the registration fee is registered as an ENGINEERING CONSULTANCY PRACTICE in the branch of engineering specified above subject to the *conditions and/or restrictions stipulated below.

*Conditions/restrictions:

This certificate of registration shall expire on

.....
(President)

.....
(Registrar)

Common Seal :

Date issued:

? delete whichever is not applicable

FORM H1

REGISTRATION OF ENGINEERS ACT 1967

REGISTRATION OF ENGINEERS REGLATIONS 1990
(Regulation 36)

APPLICATION FOR RENEWAL OF REGISTRATION AS AN
ENGINEERING CONSULTANCY PRACTICE

1. Application or renewal of registration fo the year.....of:

* Sole proprietorship

* Partnership

* Body Corporate

2. Name of *sole proprietorship/partnership/body corporate:

3. Registration No:

4. Address (if there is any change):

5. Tel. No.: 6. Fax No.:

7. E-mail:

8. Details of payment enclosed:
** Money order/Bank Draft/Cheque No. For the amount of RM

.....
(Signature)

.....
Date

* Please [] whichever is applicable

** Delete whichever is not applicable