Taxation Agreement where applicable has to be made to the Ministry of Finance separately.

(j) **Sales Territory**

The local company should be free to sell its produce (manufactured with the licensed technology) in the whole of Malaysia and all other countries except where the foreign technology supplier is manufacturing directly or where he has given exclusive rights to others or where he is legally not empowered to allow sales based on his technology.

(k) **Governing Laws and Arbitration**

The governing laws for any technology transfer arrangement should be **Malaysian** laws and arbitration proceedings must be conducted in Malaysia in accordance with either the Malaysian Arbitration Act. 1952 (Revised 1972) or the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules and conducted at Asian African Legal Consultative Committee (AALCC) Regional Centre for Arbitration. Kuala Lumpur.

4. Industrial and intellectual property protection in Malaysia

(a) Patents Act. 1983

Malaysia provides adequate protection in the field of industrial property for local and foreign investors. Patent protection in Malaysia will be governed by the Patents Act 1983 and the Patents Regulations 1986. which came into force on 1st October. 1986.

Under the said Act and Regulations, an application for a patent can be made directly in Malaysia and registration is effective for the whole of Malaysia as opposed to territorial registrations under the repealed legislations relating thereto. Similar to the provisions in the legislations of other countries, an invention is patentable if it is new, non-obvious and is industrially applicable. The Act provides that a patent shall expire 15 years after the date of its grant. The owner of a patent has the right to exploit the patented invention; to assign or transmit the patent and to conclude licence contracts; Malaysia will also take steps in the very near future to accede to the Paris Convention thus providing further safeguards in the field of industrial property in the country. Malaysia's industrial property laws accord the same treatment for both nationals and foreigners.

(b) **Trade Marks Act. 1976**

Trade mark protection in Malaysia is governed by the Trade Marks Act. 1976 and the Trade Marks Regulations 1983. The above Act modelled along the Acts of some of the industrialised countries provides effective and adequate protection for registered trade marks in this country. If a trade mark is registered, then no person or enterprise other than its owner or authorised users may use it, otherwise infringement actions can be taken against them. The protection of a trade mark is not limited in time, provided its registration is periodically renewed and its use continues.

(c) Copyright Act. 1987

Copyright protection in Malaysia is governed by the Copyright Act. 1987 (Act 332) which replaced and repealed the Copyright Act 1969. The 1987 Act came into force on 1st December. 1987. The Copyright Act 1987 not only provides for a better and more comprehensive protection of copyrightable works but also many peripheral issues pertaining to copyright. The Act outlines the nature of works eligible for copyright. which include computer software. the scope of protection and the manner in which the protection is accorded. Duration of copyright protection has been increased from 25 to 50 years under the new act. A unique feature of the Act is the inclusion of provisions for enforcing the Act which include such power to enter premises suspected of having infringing copies. power to search and seize infringing copies and contrivances. and a special team of officers to be appointed to enforce the Act. Foreign works are also protected if they are made in Malaysia and are published in Malaysia within thirty days of their first publication in the country of origin. Protection accorded to foreign works is similar to national works. The Copyright Act. 1987 also provides provisions for Malaysia to extend the use of the Act internationally.

Facilities for Investment

1. Industrial estates

There are now 105 developed industrial estates in Malaysia which have been established throughout the country specifically for the needs of industry. These estates provide basic infrastructure such as roads. water. power and telecommunication facilities.

2. Free Trade Zones (FTZ)

These are areas specially designed for manufacturing establishments producing or assembling products essentially for export. The objective of providing FTZ facilities to export-oriented industries is to enable them to enjoy minimum customs control and formalities in their import of raw materials. parts. machinery and equipment.

Todate. nine FTZ's have been established viz. in Bayan Lepas. Prai. Mukim Pringgit. Bukit Baru. Tanjong Kling. Sungei Way. Ulu Klang. Telok Panglima Garang and Pasir Gudang in the States of Penang. Melaka. Selangor and Johor.

(a) **Eligibility**

Companies which can be considered for location in Free Trade Zones are those:-

(i) whose entire products are meant for export. In exceptional circumstances companies exporting not less than 80 per cent of their products can also be considered for location in the Free Trade Zone.

(ii) whose raw materials/components have to be imported. The Government encourages FTZ companies to use local raw materials/components wherever possible. The companies are however. given the flexibility to choose their best sources of supply of raw material components.

(b) **Payment of duty**

Goods exported abroad from the Free Trade