

Malaysia Passes Landmark Law That Allows Data Sharing Between Federal Government Agencies

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PRESS RELEASE

MALAYSIA PASSES LANDMARK LAW THAT ALLOWS DATA SHARING BETWEEN FEDERAL GOVERNMENT AGENCIES

KUALA LUMPUR, December 19, 2024 – Malaysia today passed a landmark legislation that facilitates data sharing between Federal Government agencies.

The Data Sharing Bill 2024 is important as it overcomes previous limitations in respect of data sharing between the said agencies. The law creates a process by which requests can be made for data, and how such requests will be considered. A National Data Sharing Committee will conduct a strict evaluation when an application is made according to the criteria set in the Act, in deciding whether or not the data requested can be shared.

It will consider, among others, the nature of the data, the purpose for which the data is requested, the manner in which the data requested will be handled, and safeguards that will preserve the privacy and confidentiality of the said data.

Analysis of data is essential for technology such as artificial intelligence (AI), which Malaysia has been actively promoting over the past year through the establishment of the Ministry of Digital. With this legislation, the MADANI Government's aspiration to create an AI nation will be further accelerated.

Whilst facilitating the sharing of data, emphasis is also given to ensure that data is secure in that process. The law requires the committee to ascertain if the agency requesting the data has sufficient cyber security measures in place before a decision can be made, to allow the agency to receive data.

It also makes provisions for the handling of data to ensure personal data is protected throughout the process of data sharing. Where there is a breach, penal consequences follow, as those found guilty will face a fine not exceeding RM1 million or imprisonment of not more than five years, or both, as per the Act (Clauses 17 and 23).

Minister of Digital Gobind Singh Deo, had during the second and third reading of the legislation in Dewan Negara this evening, said the passing of this law is an essential step towards creating

an ecosystem where innovation thrives, allowing digital services and solutions to be put into effect quickly and efficiently.

"This, at the same time, ensures the process is secure. We will start with the Federal agencies and later consider expanding it to the states and beyond," said Gobind.

This new legislation is the third among bills tabled by the Ministry of Digital in just a year after its creation. The others were amendments to the Personal Data Protection Act 2010 in July 2024, and the new Cyber Security Act 2024 that came into effect on August 26, 2024.

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