MEDIA RELEASE
LEGAL AFFAIRS DIVISION
PRIME MINISTER'S DEPARTMENT

ENFORCEMENT OF THE CODE OF PRACTICE FOR THIRD PARTY FUNDING 2026

PUTRAJAYA, 5 January 2026 – In tandem with the upcoming enforcement of the Arbitration (Amendment) Act 2024 [*Act A1737*], the Legal Affairs Division of the Prime Minister's Department is pleased to announce the officiation and implementation of the **Code of Practice for Third Party Funding 2026**. The aforesaid Code is set to come into operation on 1 January 2026.

The Code of Practice is issued pursuant to section 46D of the Arbitration Act 2005 [*Act 646*], that **aims at setting out the ethical practices and standards relating to third party funding, which the third party funders are ordinarily expected to observe and comply**.

The introduction of this Code of Practice sets forth as an important guideline that complements the enforcement of light touch regulatory framework and the legalisation of third party funding in arbitration prescribed under Act 646.

For more information about the Code of Practice, please read further at https://www.bheuu.gov.my/penerbitan/lain-lain.

LEGAL AFFAIRS DIVISION
PRIME MINISTER'S DEPARTMENT, MALAYSIA
5 JANUARY 2026

MALAYSIA MADANI