



STRATEGIC TRADE ACT (STA) 2010

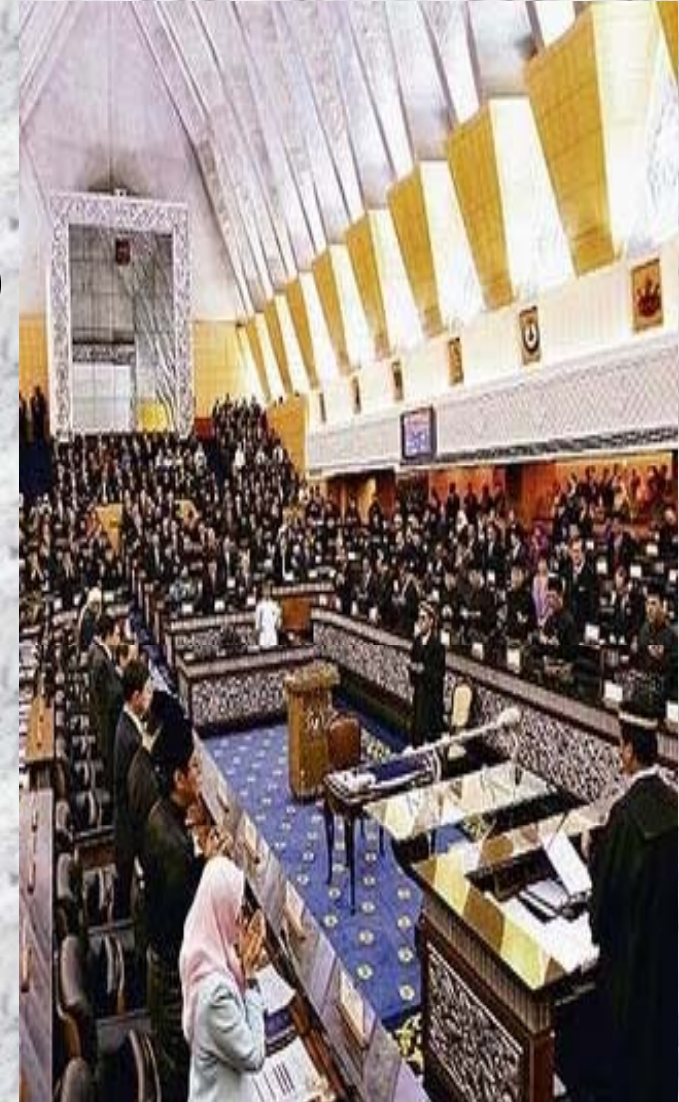
MALAYSIA'S COLLABORATION WITH INDUSTRY



THE ENACTMENT OF STA 2010

UNSC Resolution 1540 in 2004

- Cabinet - 26 March 2010
- Parliament
 - 5 April 2010 (Dewan Rakyat)
 - 6 May 2010 (Dewan Negara)
- Royal Assent - 2 June 2010
- Gazette - 10 June 2010
- Gazette of Regulations and Orders – 31 December 2010
- Enforcement – 1 April 2011
- On-line Permit Application
 - 1 July 2011



What has been done?



August 2010

- i. Strategic Trade Secretariat (STS) established in the Ministry of International Trade and Industry (MITI)
 - Focal point to coordinate implementation of STA 2010

- ii. Appointment of Strategic Trade Controller and Deputy Strategic Trade Controller

October 2010

Online pre-registration for STA permits

Pre-registration on company details, product details, importer details and authorised applicant details

PARTNER AGENCIES

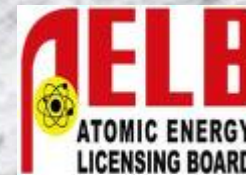
LICENSING MINISTRY/AGENCIES



**Strategic Trade
Secretariat, MITI**



**Malaysian
Communications and
Multimedia Commission
(MCMC)**



**Atomic Energy
Licensing Board
(AELB)**



**Pharmaceutical
Services Division,
Ministry of Health**

ENFORCEMENT AGENCIES



**Royal Malaysian
Customs**



**Royal Malaysian
Police**



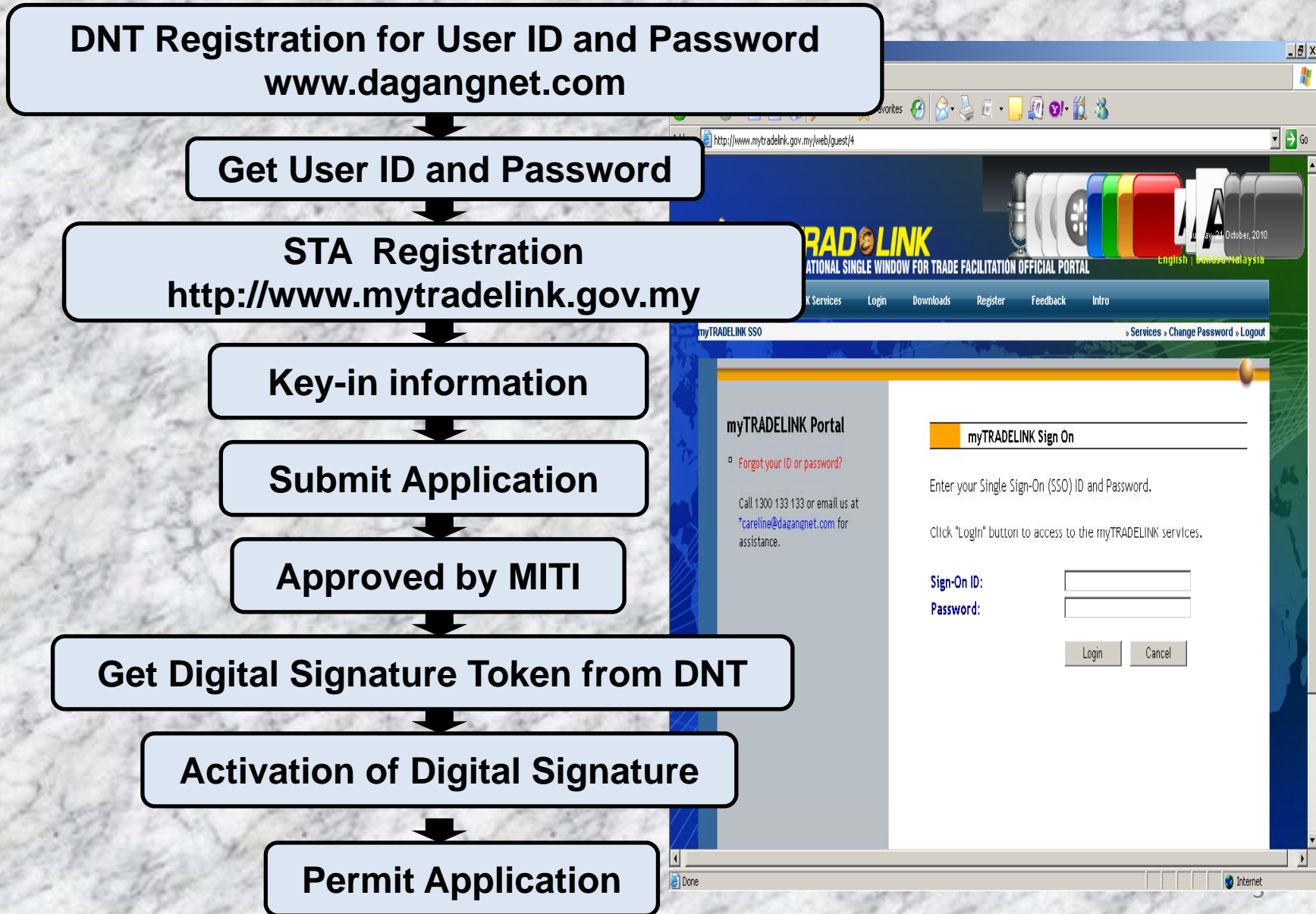
**Malaysian
Maritime
Enforcement
Agency**



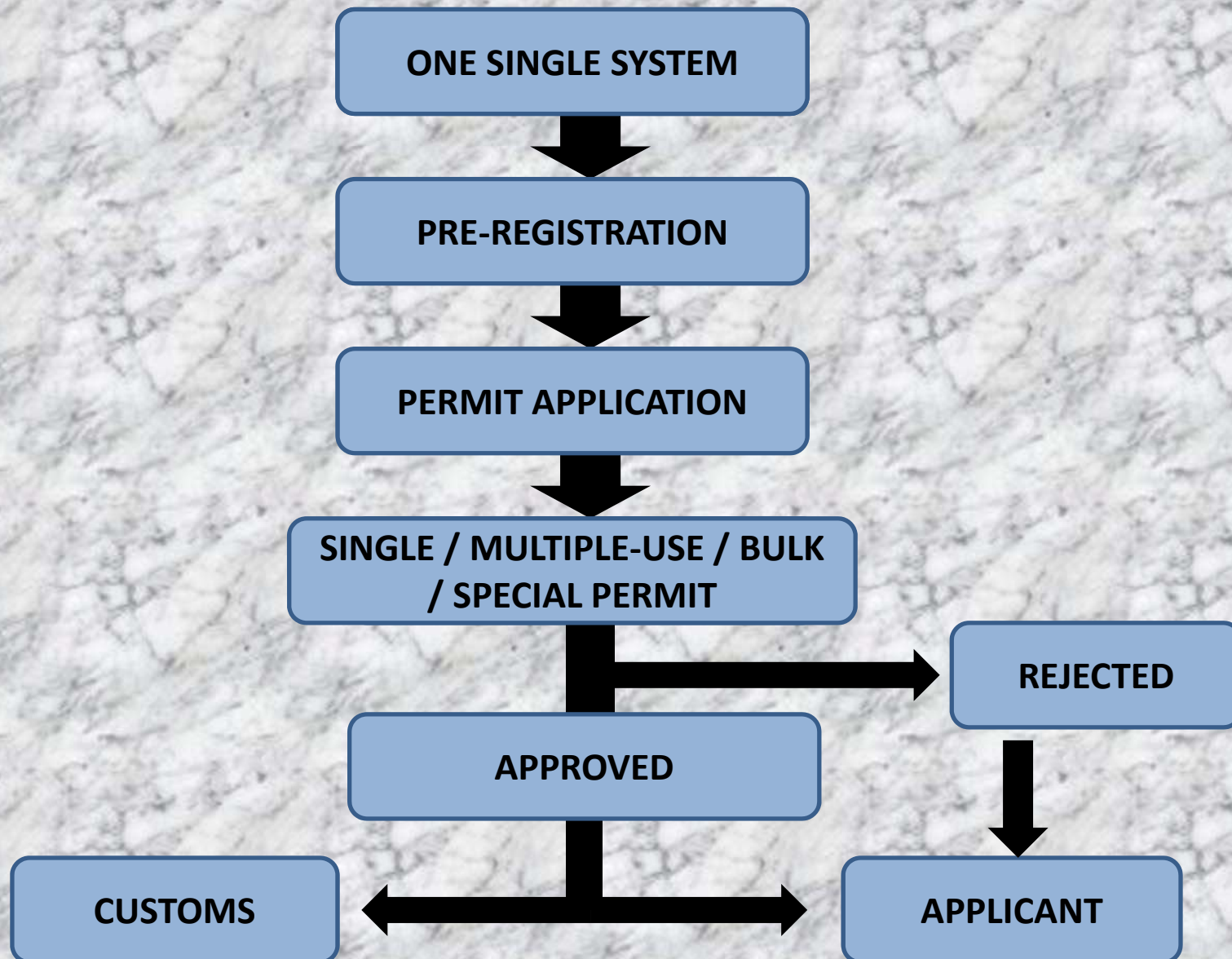
MCMC

**Other officers
specified by
the Controller**

REGISTRATION PROCESS FLOW



REGISTRATION / PERMIT APPLICATION



SELF-DECLARATION

- **Company to declare in the customs declaration forms whether or not products exported are strategic items.**
- **If a product is ticked as strategic item, the system will prompt for the STA export permit license number to be entered.**

CATEGORIES OF PERMITS

SINGLE-USE

ONE-TIME EXPORT, TRANSHIPMENT OR BRING IN TRANSIT PERMIT
for a **SINGLE COUNTRY / DESTINATION**

Valid for **6 months**

MULTIPLE- USE

MULTIPLE EXPORTS
OR TRANSHIPMENT of
the items for
DIFFERENT
COUNTRIES /
DESTINATIONS

Valid for **2 years**

PERMIT

BULK

MULTIPLE EXPORTS OR
TRANSHIPMENT of items
for a **SINGLE COUNTRY /**
DESTINATION

Valid for **2 years**

SPECIAL

ONE-TIME EXPORT, TRANSHIPMENT OR BRING IN TRANSIT PERMIT
for a **SINGLE COUNTRY / DESTINATION** which the end-user is a
RESTRICTED END-USER

Valid for **1 year**

What has been done? (cont'd)

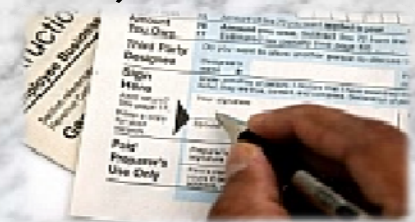
November 2010

Strategic Trade Action Committee convenes its first meeting

- Consistent with Section 6 of the STA 2010 which states that the Strategic Trade Controller may seek assistance of Government authorities to implement the Law
- The 10th meeting was convened in January 2012

January 2011

Issuance of online permits for products under Category 0 – Nuclear materials, facilities and by the Atomic Energy Licensing Board (AELB).



What has been done? (cont'd)

April 2011

Manual permits for military items and dual-use products*

July 2011

Online permits for military items and dual-use products*

*MITI, Pharmaceutical Services Division-
Ministry of Health and the Malaysian
Communication and Multimedia Commission



What has been done? (cont'd)

December 2011

Amendments to the Strategic Trade Regulations 2010 which came into force on 1 December 2011:

(a) Period of application for permits in Regulation 10, 11, 12 and 13 as follows:

- **Single use permit (for export and transit) – reduced from 30 working days to 30 days and for transshipment from 5 days to 5 working days;**
- **Special permit (for export, transit and transshipment) – reduced from 2 months to 30 days; and**
- **Bulk and multiple use permits (for export, transit and transshipment) – reduced from 2 months to 30 days.**

What has been done? (cont'd)

(b) Period of submission of Delivery Verification Statement (DVS) as follows :



- **Single use permit (for export, transit and transshipment) – from 2 months from the date of permit issued to 2 months from the date export (validity of 6 months);**
- **Special permits – from 2 months from the date of permit issued to 2 months from the date of export (validity of 1 year); and**
- **Bulk and multiple use permits (for export, transit and transshipment) – from 2 months from the date issued to whenever requested by the relevant Authority (validity of 2 years).**

What has been done? (cont'd)

- (c) Additional provision in Regulation 11 to allow applicants to apply bulk and multiple permit for transit;**
- (d) Simplified Form 5 (End-Use Statement) to be business-friendly taking into account feedback from all stakeholders;**
- (e) New format of Form 6 (Delivery Verification Statement) to facilitate the business community in providing the required information; and**

What has been done? (cont'd)

- (f) To exclude ECCN 5A2 (systems, equipments and components) and 5B2 (test, inspections and production equipment) from the Third Schedule.**

What is on-going?



January 2012-February 2012

Convert all manual permits to online permit via the STA Manual Permit Conversion Module

Outreach



Since July 2010 approx. 80 outreach programmes held with >3,300 participants from Trade / Industry Associations and companies.

'Meet the Client' sessions held every month and number of participants >1,000.

These programmes will be on-going - reach out to a wider scope of stakeholders in the industry and in the Government.

What is on-going? (cont'd)

Strategic Technology

To fine tune licensing procedures related to the export of strategic technology with the industry and MDeC .

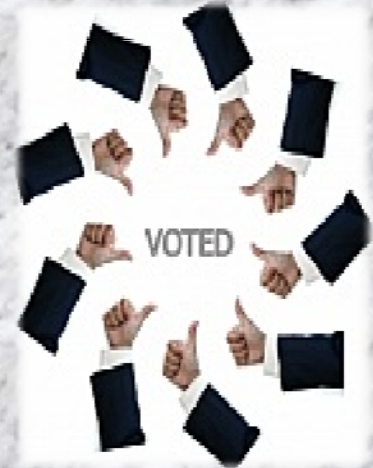
Industry Consultations

To ensure better compliance to STA 2010.

Capacity Building

Participated in various training programmes organised by the US, EU, Japan & Australia.

To enhance capability in areas such as effective licensing procedures as well as internal compliance programme.



What is in the cards?

March 2012



Validation of STA permits by the Royal Malaysian Customs via the Customs Information System (enforcement)

**Online Broker Registration
Implementation of STA Broker Registration Module for MITI**

- Presently broker registration is done manually

What is in the cards?

Engaging Concerned Parties Regarding Deemed Export

The Secretariat to engage brokers, industry, scientists and the academia to create awareness and the need for compliance with STA 2010 in relation to transfer of ? strategic technology

Audit

A team from the STS will audit companies at least once in two years on:

- ICP;
- STA compliance.





Conclusion



Steep learning curve to implement the STA 2010 effectively.

Awareness among the industry, compliance to STA 2010 expected to increase in the year 2012.

Committed to facilitate trade while implementing the law.

Smooth and effective implementation vital to ensure legitimate business is not disrupted and objectives of the STA 2010 are achieved.



THANK YOU

FAIZAL MOHD YUSOF
DEPUTY STRATEGIC TRADE CONTROLLER
STRATEGIC TRADE SECRETARIAT
MINISTRY OF INTERNATIONAL TRADE AND
INDUSTRY
MALAYSIA