



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

STRATEGIC TRADE ACT (AMENDMENT) 2017

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"Facilitating Trade in a Secure Trading Environment."



STRATEGIC TRADE ACT (AMENDMENT) 2017

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Opening Remarks

STA Amendments

5 years after the
implementation

REVIEW

STA
(AMENDMENT)
2017

Good Regulatory Practice –
Regulatory Impact Analysis
(GRP-RIA)

As at 4 Feb. 2018 **16,174** permits issued

550 companies registered

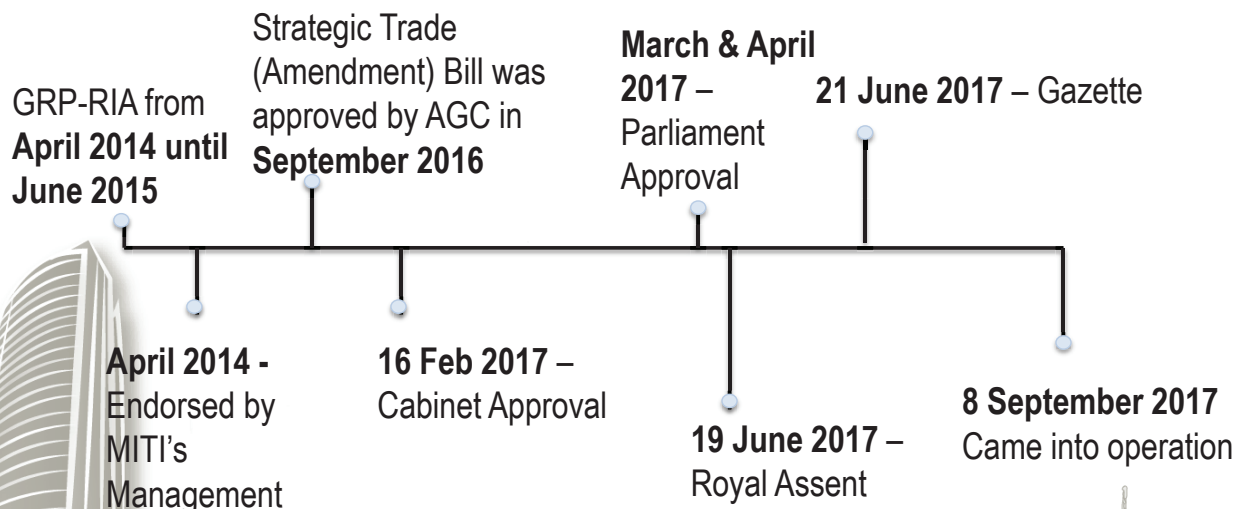
The Journey



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Opening Remarks

STA Amendments



GRP-RIA : Good Regulatory Practice – Regulatory Impact Analysis

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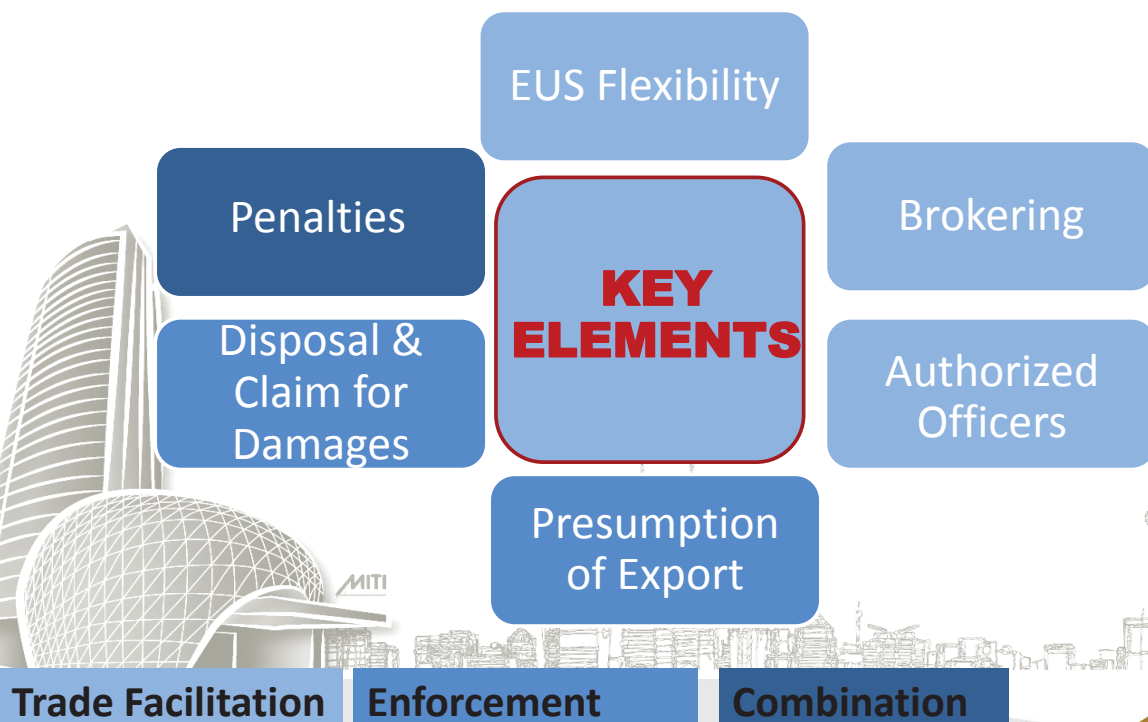
Key Elements



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Opening Remarks

STA Amendments



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EUS Flexibility



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Opening Remarks

STA Amendments

Flexibility in EUS (Form 5) submission for the following application and activities **except for special permit and the thirteen (13) restricted countries:**

Related Sections

- Section 14

- **Transit and transshipment activities**
where items are not under the ownership of the one applying for the permit.
- **Single, Multiple and Bulk Permit Application**
subject to the relevant authorities, where applicants are unable to provide the EUS due to humanitarian need.

Trade Facilitation

Enforcement

Combination

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EUS Flexibility



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Opening Remarks

STA Amendments

Where an EUS is not available, companies **must submit** other **established supporting documents** which provide the similar information required in an EUS for **effective evaluation** purpose

Related Sections

- Section 14

Examples of supporting documents are:

- **Purchase Orders**
- **Invoice**
- **Bill of Lading/Airway Bill**
- **Letter of assurance/Certified letter**
- **Packing List**
- **Agreement/ Contract**
- **Advanced manifest**

Trade Facilitation

Enforcement

Combination

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Brokering



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Opening Remarks

STA Amendments

- The amendments provide more **specific definition** of brokering with **exclusion of the sole provision of ancillary services** such as transportation, financial services, insurance or general advertising.
- The new definition specifically mentioned that companies doing business of strategic items from **one foreign country to another foreign country** will fall under the definition of broker under STA.

Related Sections

- Section 11, 19

Trade Facilitation

Enforcement

Combination

Authorized Officers



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Opening Remarks

STA Amendments

- The introduction of **Section 25A specifies authorized officers** that may exercise powers of STA enforcement, thus **strengthen the investigation and enforcement**.
- **Original:** Customs, Police, Maritime and Communication & Multimedia officials
- **Additional,** Central Bank, Securities Commission, Labuan Financial Services, Atomic Energy and Pharmaceutical Services officials to cover financial proliferation and other areas

Related Sections

- Section 25A

Trade Facilitation

Enforcement

Combination

Presumption of Export



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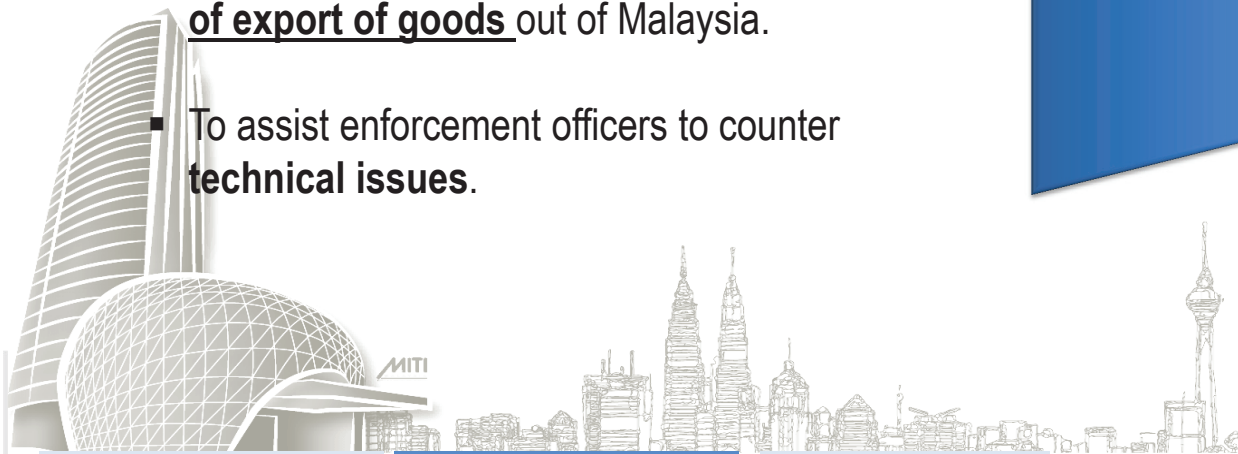
Opening Remarks

STA Amendments

- The introduction of **Section 12A reinforces** law enforcement exercise as the section stated the specific occurrences which raise a **presumption of export of goods** out of Malaysia.
- To assist enforcement officers to counter **technical issues**.

Related Sections

- Section 12A



Trade Facilitation

Enforcement

Combination

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Disposal & Claim for Damages



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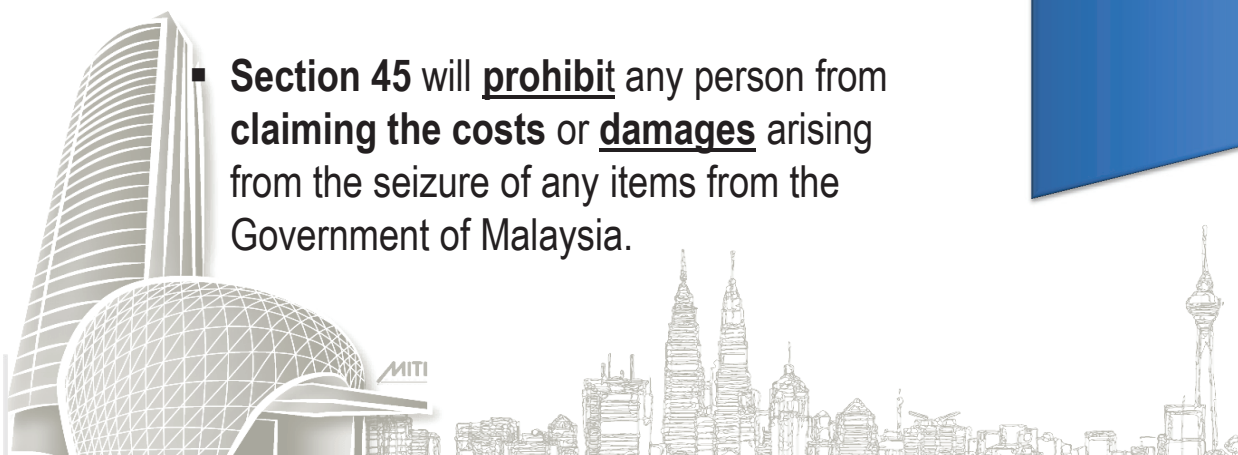
Opening Remarks

STA Amendments

- **Section 41** - The disposal of the investigated items will be done in a more effective manner.
- **Section 45** will **prohibit** any person from **claiming the costs** or **damages** arising from the seizure of any items from the Government of Malaysia.

Related Sections

- Section 41, 45



Trade Facilitation

Enforcement

Combination

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Penalties



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Opening Remarks

STA Amendments

- the amount of penalties (fine or imprisonment) for the offences committed under STA Amendment 2017 has been amended from the minimum penalties to the maximum penalties.
- compoundable penalties is introduced.
- in line with international practice and other export control laws which makes Malaysia more competent and may increase hi-tech investment into the country.

Related Sections

- 9, 10, 18, 21, 23, 24, 33, and 40 and the introduction of a new section, 50A.

Trade Facilitation

Enforcement

Combination

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Thank You



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