



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

STRATEGIC TRADE ACT (AMENDMENT) 2017 TOWNHALL

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MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

STRATEGIC TRADE ACT (AMENDMENT) 2017 TOWNHALL

Opening Remarks

STA Amendments

Dialogue Session



MITI
MALAYSIA



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5 years after the implementation

REVIEW



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

**STA
(AMENDMENT)
2017**

As at 27 Nov 17 **16,154** permits issued

550 companies registered



MITI





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GRP-RIA from **April 2014 until June 2015**

Strategic Trade (Amendment) Bill was approved by AGC in **September 2016**

March & April 2017 – Parliament Approval

21 June 2017 – Gazette

April 2014 - Endorsed by MITI's management

16 Feb 2017 – Cabinet Approval

19 June 2017 – Royal Assent

8 September – Came into operation

The Journey



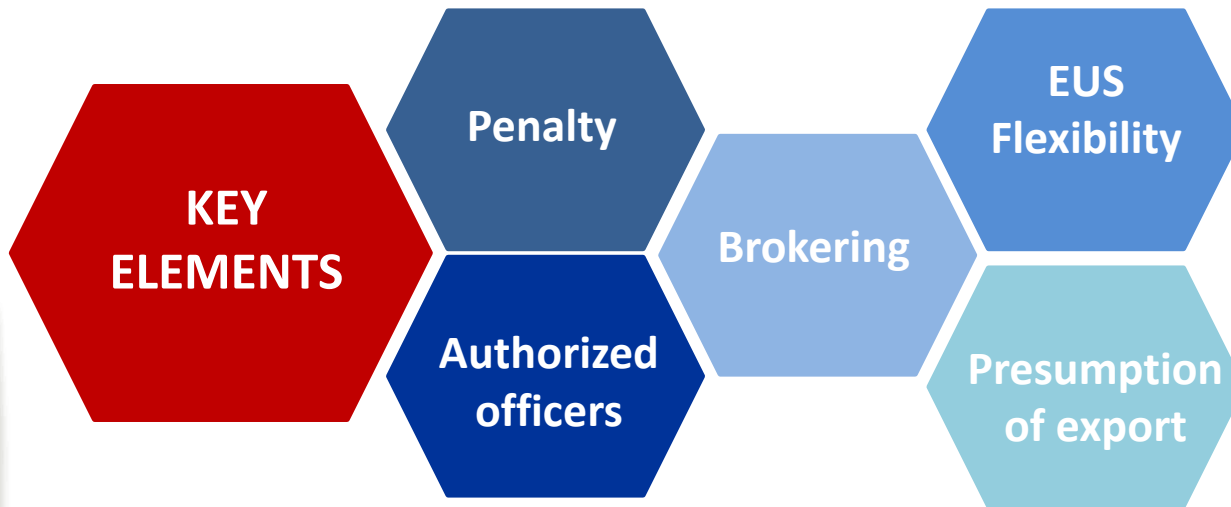


STRATEGIC TRADE ACT (AMENDMENT) 2017 TOWNHALL

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- 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 FDI into the country.

Related Sections

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



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- 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





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

- **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.
- where the End User is **an intelligence agent** of a Government and/ or private agencies of which their identity could not be exposed.

Related Sections

- Section 14



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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

Examples of supporting documents are:

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

Related Sections

- Section 14



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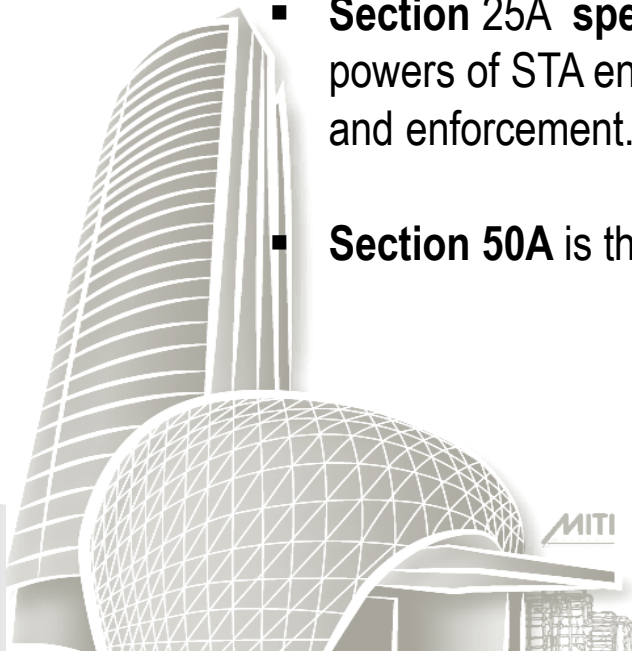
STA Amendments

Dialogue Session

- 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.
- **Section 25A specifies authorized officers** that may exercise powers of STA enforcement, thus strengthen the investigation and enforcement.
- **Section 50A is the introduction of compounding offences.**

Related Sections

- Section 12A, 25A, 50A





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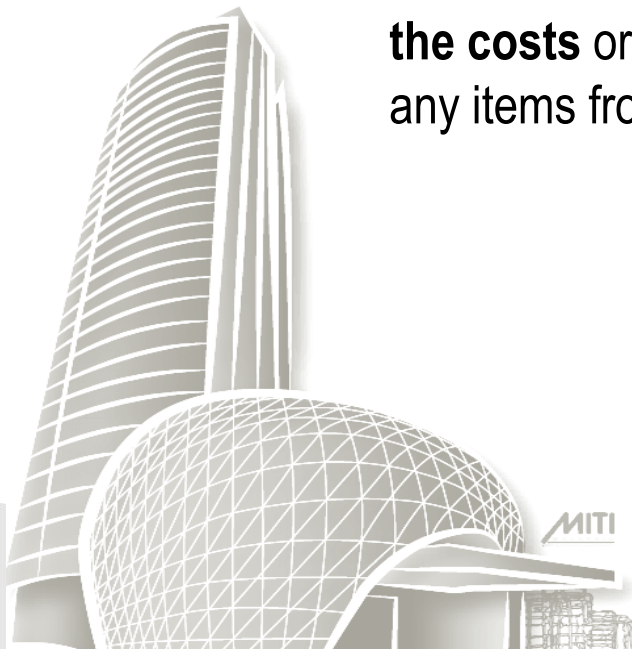
STA Amendments

Dialogue Session

- **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





Opening Remarks

STA Amendments

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Questions & Dialogue Session



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Thank You



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