



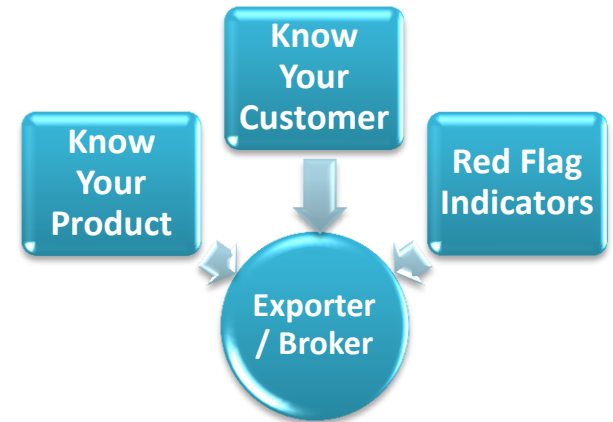
STA 2010 INTERNAL COMPLIANCE PROGRAMME (ICP) WORKSHOP

“SCREENING PROCESS & TRAINING”

**21 March 2016
Strategic Trade Secretariat
Ministry of International Trade and Industry
MALAYSIA**

SCREENING PROCESS

- 1 Screening of products
- 2 Screening of end user
- 3 Screening of end use
- 4 Screening of destination
- 5 Red flag indicators



Screening of Products

- Exporter - you need to know what you are exporting.
- Your product may be multifunctional with capabilities that may be misused (check if your product is in the STA list).
- Responsible to check with in-house engineers, or manufacturers on your products and its capabilities.



Screening of End user

Thorough background check of any end user requesting sensitive items should be undertaken.

Careful screening of end user

- **Is the identity of the end-user requesting the item transparent?**
- **Are there any intermediary agents involved?**
- **Is the end user willing to pay in cash for an expensive item that normally requires financing?**
- **Is the end user related to military business or under control of the defense military or armed forces?**
- **Has particular attention been paid to whether or not the product or service is intended for military use or subject to licensing?**



Screening of End Use

Obtaining a STA permit for your product does not mean that you are 'admitting' your product is being used for weapons of mass destruction/ proliferation/ terrorism.

Is the customer hesitant in providing information on end-use, details on customer himself, etc.?

Is the item to be used to upgrade existing equipment?

What would the customer use the product for? In what industry/ field?



Screening of Destination

Final Destination

- Is the destination under the **UN sanction**?
- Is there a risk of **diversion**?
- Is the destination has **domestic export control law**?
- Transshipment of strategic goods from origin countries to third countries (, re-export authorisation, change in end-user).



Strategic Trade (Restricted End-Users and Prohibited End-Users) Order 2010

Restricted End User

- Based on country of final destination
- Adopted from UNSC Resolution
- Requires special permit for export of strategic item



Prohibited End User

- List of individuals & entities prohibited from export of strategic items
- Adopted from UNSC Resolution
- 55 individuals and 97 entities



Red Flag Indicators

1

Customer overseas requesting items to be transhipped or re-exported to restricted countries (STA 2010: North Korea, Iran, Congo, Ivory Coast, Lebanon, Sudan, Afghanistan, Iraq, Liberia, Rwanda, Somalia, Eritrea and Libya).

2

Information on the item to be shipped out is sketchy/limited (usage and description not clear).

RED FLAGS

Red Flag Indicators

3

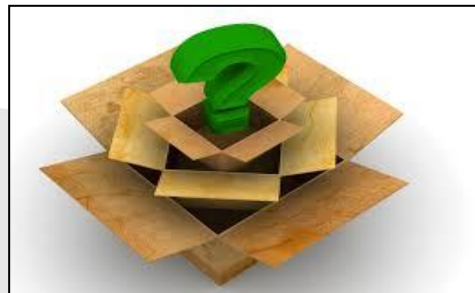
Shipping route is abnormal.

4

Packaging is inconsistent with the stated method of shipment or destination.

5

Product's capabilities do not fit buyer's line of business – e.g. automotive parts to a bakery (individuals/ freight forwarders stated as end-users).



TRAINING



Training

1 Training plan (training for personnel involved in export control at least once in 18 months).

2 Incorporate export control into training programs for all employees.

Type of training:

Online (e-Learning)

In-house briefing on export control

Attending outreach/ seminar organised by authority eg. [STA Client's Day at MITI once every two months \(last Wednesday\)](#)

Need for training

- **Ensure compliance** with applicable laws and regulations.
- **Develop** and **maintain** good export-related procedures.
- **Keep updated** on latest regulations.
- **Train all employees** on the need for export control (company-wide).





Q&A

**STRATEGIC TRADE SECRETARIAT
MITI KUALA LUMPUR**

Thank you



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