



***INTER-AGENCY ENGAGEMENT
COMPLIANCE AND ENFORCEMENT***

***JOINT OUTREACH SEMINAR ON STRATEGIC TRADE
MANAGEMENT
18 May 2017
MITI***

Introduction of MCMC



- MCMC stands for Malaysian Communications and Multimedia Commission, also known as Suruhanjaya Komunikasi dan Multimedia Malaysia
- A statutory corporation established by the *Malaysian Communications and Multimedia Commission Act 1998 (MCMCA)* effective 1 Nov 1998.
- Regulate according to
 - *Communications and Multimedia Act 1998 (CMA98)*
 - *Postal Services Act 2012 (PSA)*
 - *Digital Signature Act 1997 (DSA)*
- Covers telecoms, broadcasters and ISPs; postal and courier services; and digital certification authorities



Inter-Agency Arrangement



Malaysian Strategic Trade programme is based on multi agency arrangement lead by the Ministry of International Trade and Industry (MITI).

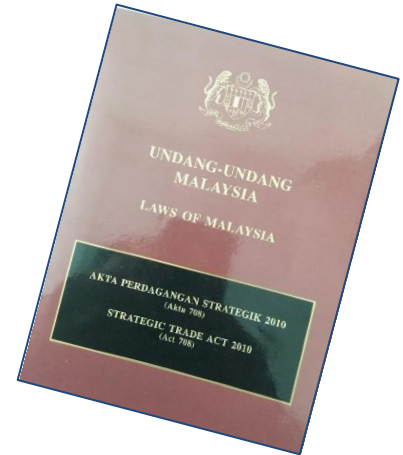
The powers were mentioned in the Act and Regulation

Section 2 (Interpretation) of the STA 2010

2. In this Act, unless the context otherwise requires –

“authorized officers” includes –

- a) an officer of customs;
- b) a police officer;
- c) an officer of the Malaysian Maritime Enforcement Agency;
- d) an officer of the Malaysian Communications and Multimedia Commission;
- e) such other officers as may be specified by the Controller;



Strategic Trade (Strategic Items) Order 2010









Exp: MCMC as the technical agency in respect to approval of permit on

- Category 4 (Computers);
- Category 5 (Telecommunication and Information Security)

Category Code	Items Description	HS Code	Note	Relevant Authority
4A101	Analogue computers, "digital computers" or differential analysers, other than those specified in 4A102, which are ruggedised and design modified for use in space launch vehicles specified in 9A004 or sounding rockets specified in 9A104.	5A002	a. A "symmetric algorithm" employing a key length in excess of 56 bits; or b. An "asymmetric algorithm" where the security of the algorithm is based on any of the following: 1. Factorisation of integers in excess of 512 bits (e.g., RSA); 2. Computation of discrete logarithms in a multiplicative group of a finite field of size greater than 512 bits (e.g., Diffie-Hellman over Z/pZ); or 3. Discrete logarithms in a group other than mentioned in 5A002 a.1.b.2. in excess of 112 bits (e.g., Diffie-Hellman over an elliptic curve);	8543.70.900
4A102	"Hybrid computers" specially designed for model simulation or design integration of space launch vehicles specified in 9A004 or sounding rockets specified in 9A104.			
4B	Test, Inspection and Production Equipment			
4C	Materials			
4D	Software			
4D001	"Software" as follows: a. Software specially designed or modified for "development", "production" or "use" of equipment "software" specified in 4A001 to 4A004, or 4D. b. "Software", other than that specified in 4D, specially designed or modified for the "development" or "production" of equipment as follows: 1. "Digital computers" having an "Adjusted Performance" ("APP") exceeding 0.04 Wei TeraFLOPS (WT); 2. "Electronic assemblies" specially design modified for enhancing performance aggregation of processors so that the "AI		2. Designed or modified to perform cryptanalytic functions; 3. Not used; 4. Specially designed or modified to reduce the compromising emanations of information-bearing signals beyond what is necessary for health, safety or electromagnetic interference standards; 5. Designed or modified to use cryptographic techniques to generate the spreading code for "spread spectrum" systems, other than those specified in 5A002 a.6, including the hopping code for "frequency hopping" systems;	8543.70.900 8543.70.900 8543.70.900

STA Agencies



Licensing Agencies				
	Ministry of International Trade and Industry (MITI)	Atomic Energy Licensing Board (AELB)	Pharmaceutical Services Division, Ministry of Health	Malaysian Communications and Multimedia Commission (MCMC)
Enforcement Agencies				
	Royal Malaysian Police (RMP)	Royal Malaysian Customs (RMC)	Malaysian Maritime Enforcement Agency (MMEA)	Malaysian Communications and Multimedia Commission (MCMC)

**Supporting Agencies
– Technical**



**Science &
Technology Research
Institute for Defense**

Compliance: Scenario for Audits



1

Coordination Evaluation

- Participated by the relevant STA agencies
- Big scale
- Conduct session within 2-3 weeks
- Report tabled in Evaluation Committee Meeting
- Companies revert corrective actions within given period

2

Independent Evaluation

- Conducted by Agencies
- Participate within the agencies @ invitation to other relevant agencies
- Session conducted within 2-3 days
- Matters discussed – Licensing, new changes, policy etc.

Coordination Evaluation Cycle



Evaluation Exercise

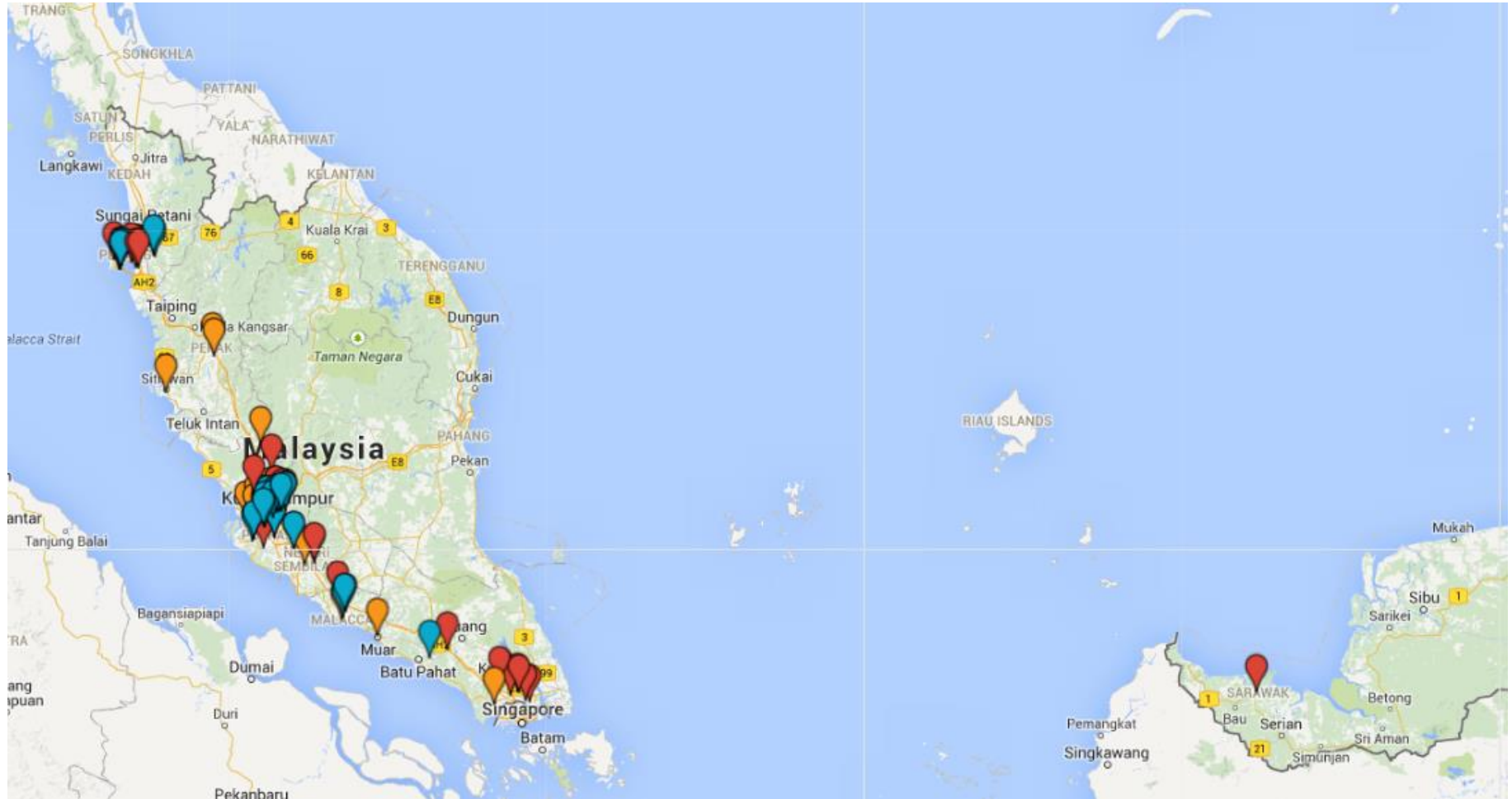


- A total of **160 companies** have been evaluated since 2012 (coordination).



- **Objectives**
 - Assessment of STA Permit/ Brokering/Internal Compliance Programme (ICP)
 - Compliance measures by the companies

Evaluation Exercise - Map



Common Findings



Lack awareness of export control within organization

Improper collection and retention of End Use Statement (EUS)

Screening list does not include MY list

Wrong Customs Declaration

Submission of Delivery Verification Statement (DVS)

Changes/resignation of authorized applicant without notification

Records were not kept for easy retrieval

Enforcement Activities



Controller MITI – Policy direction

Customs – Border Areas

Port Authorities – Free Zones

RMP – Intelligence & Investigation

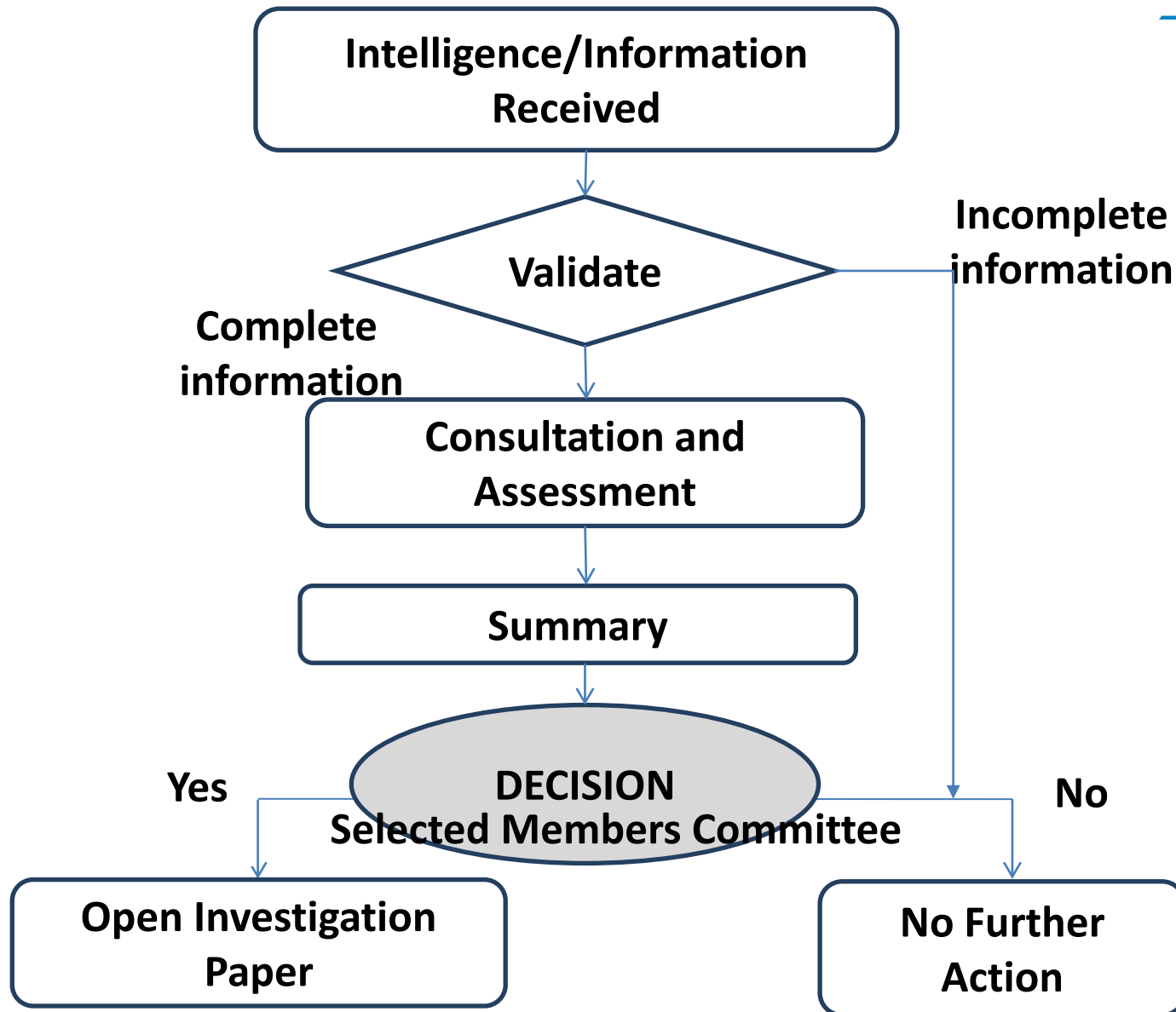
Maritime – Coastal areas

AELB/MCMC/STRIDE/PSD –
Technical expertise

Ministry of Foreign Affairs – Diplomatic
Matters



Typical Case Selection



Inter Agencies Coordination Meeting



- *Convene in quarterly basis*
- *Additional members by invitation*
- *Discussion issues; Policy decision, enforcement cases, regulatory frameworks, capacity building programme and etc.*
- *Hosted turn by rotation basis*

Awareness Programme - CIT



- In collaboration with National Nuclear Security Administration, DoE develop national curriculum for Commodity Identification Training (CIT)



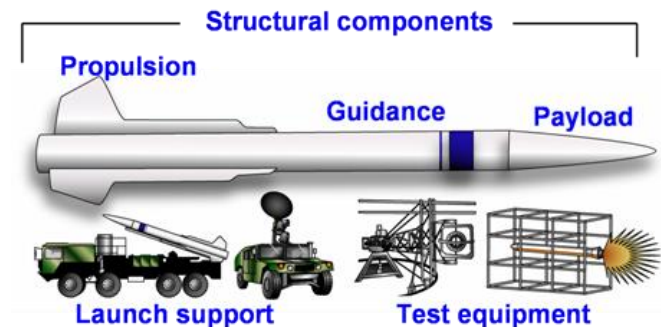
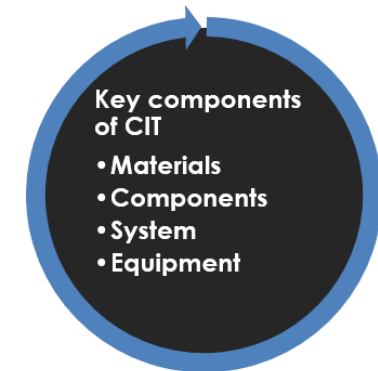
- Familiarizes enforcement officers with the materials, components, and equipment sought by WMD procurement programs

Series of
Training
Conducted

- CIT National Course Development May 2012, STRIDE
- CIT Pilot Program Jan 2013, MMEA Gebeng
- CIT 2nd Program Jul 2013, PDRM Langkawi
- CIT 3rd Program Nov 2013, AELB Dengkil
- CIT 4th Program Apr 2014, MMEA Gebeng
- CIT RMC 2016-2017

Reduces the complexity of the various export control lists, by;

- Grouping commodities by physical appearance and category rather than by function
- Focusing primarily on appearance, notable features, key parameters, special markings, typical packaging, sizes, weights, monetary values, etc



Conclusion



1

- Strategic Trade Programme in Malaysia is based on the cooperation of Multi Ministries and Agencies lead by MITI

2

- Currently there are a total of 18 ministries and agencies involved in the Strategic Trade Control

3

- Periodically compliance audit are done both coordinated and by individual agency

4

- Enforcement is coordinated by MITI with relevant enforcement and technical agencies.

5

- Inter Agency awareness initiative via Commodity Identification Training (CIT) and seminars.

THANK YOU