

THE STRATEGIC TRADE ACT (STA) 2010

STA CONSULTATION DAY

“Facilitating Trade in a Secure Trading Environment.”

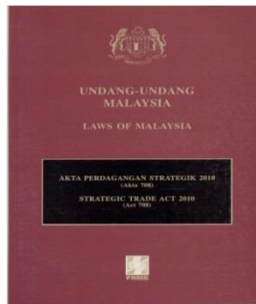
STS Consultation Day

How STA Started



INTERNATIONAL LEVEL

United Nation Security
Council Resolution (UNSCR)
1540



DOMESTIC LEVEL

Malaysia
Strategic Trade Act (STA) 2010



MINISTERIAL LEVEL

Strategic Trade Secretariat (STS)

- **UNSCR 1540 – OP3(d) requires all States to:**



United Nations
Security Council
Resolution 1540

“take and enforce effective measures to establish domestic controls to prevent the proliferation of nuclear, chemical, or biological weapons and their means of delivery, including by establishing appropriate controls over related materials and to this end shall: establish, develop, review and maintain appropriate effective national export and trans-shipment controls over such items, including appropriate laws and regulations to control export, transit, trans-shipment and re-export.....”

As the UN Member State Malaysia is bound by Article 25 and 48 of the UN Charter to comply with and implement these obligations.

Proliferation Concerns

- Growing threat since 2000 of the use and proliferation of WMD
 - Iraq (chemical & biological weapons attacks against the Kurds)
 - North Korea and Iran (clandestine nuclear weapons programme)
- Following September 11, 2001 attacks: concerns on attempts by terrorists to acquire WMD
- Terrorist attacks have taken place in Indonesia, Thailand, Philippines, India, Spain

It is an International Practice

- Most if not all of your customers have some form of strategic trade law enforced in their own country (also known as export control)
- The EU, USA, Japan, Hong Kong, Chinese Taipei, Australia have many years of experience in implementing this law. There is a greater emphasis on the roles of economies in the ASEAN region now to ensure the safety of global trade

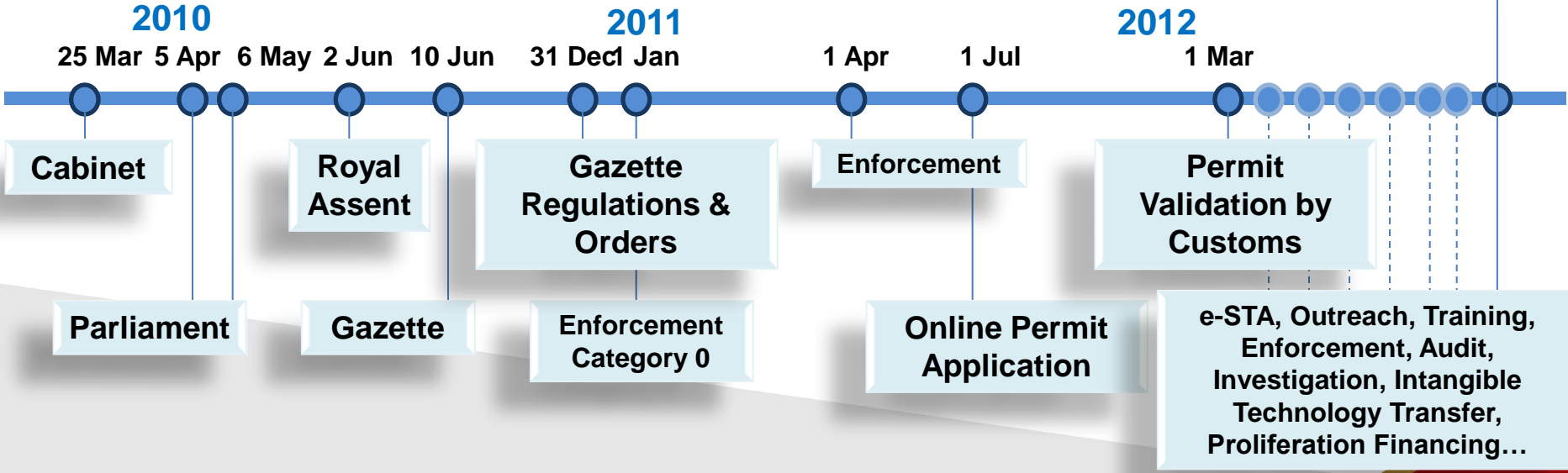


STA 2010 – THE JOURNEY



2
0
1
6

STA 2010





STRATEGIC TRADE SECRETARIAT

PARTNER LICENSING AGENCIES



Pharmaceutical
Services Division

Poisons



Malaysian
Communications
and Multimedia
Commission

Telecommunications
& Electronics



Nuclear related Items
/ Materials

ENFORCEMENT AGENCIES



Royal Malaysian
Customs



Royal Malaysia
Police



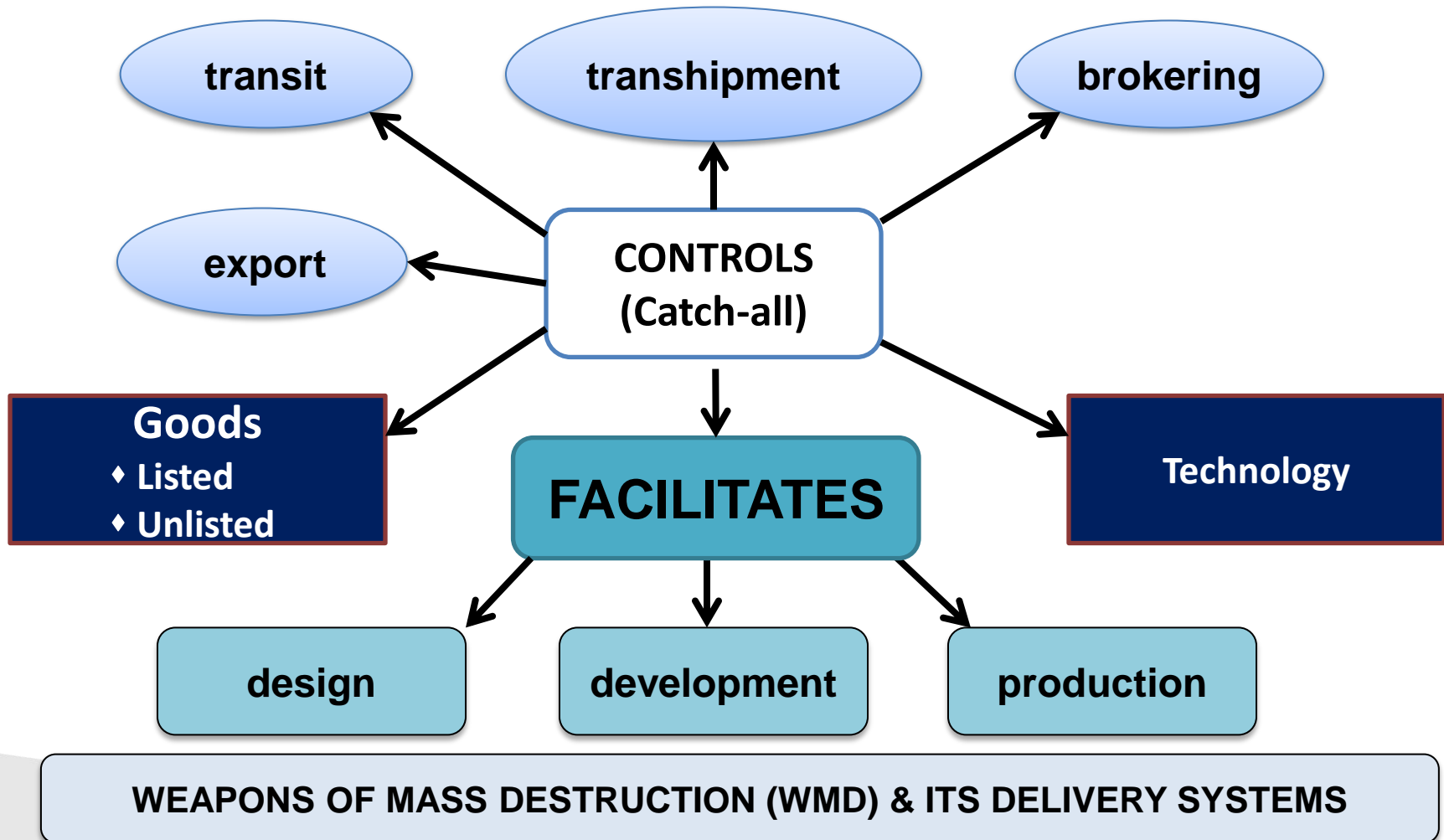
Malaysian
Maritime
Enforcement
Agency



Malaysian
Communications
and Multimedia
Commission

Other officers specified by the
Controller

Objective of STA 2010



Classification of Products or Items

Listed

- A. Military
- B. Dual-Use
- 0) Nuclear Materials, Facilities & Equipment
- 1) Materials, Chemicals, Microorganisms and Toxins
- 2) Material Processing
- 3) Electronics
- 4) Computers
- 5) Telecommunications and Information Security
- 6) Sensors and Lasers
- 7) Navigations & Avionics
- 8) Marine
- 9) Propulsion Systems, Space Vehicles & Related Equipment

STRATEGIC ITEMS

Unlisted

If a person is informed by the relevant authority;
OR
If a person knows/has reason to believe that the item will or may be used for a restricted activity

What do I need to do to comply?

- 1 Check if your item is strategic** - Via the list in our website and in-house technical expert
- 2 If your item is strategic, identify the agency you need to deal with** 4 Licensing agencies under STA : MITI, PSD, MCMC or AELB
- 3 Get your company registered with DagangNet Technologies to enable application** DNT is the official online transaction service provider
Certain fees may applied.
- 4 Complete the online pre-registration and permit application** Pre-register the details of your products / services and your customer/end-user, ensure your customer completes the end-use statement.
- 5 Customs Declaration** Make sure freight forwarder aware that your item is strategic & declared.
- 6 Delivery Verification Statement** Proof of Delivery (POD) to be submitted to the licensing agency within 2 month of the date of export - single & special permit.
- 7 Record Keeping**

**TO THE RELEVANT
AUTHORITY**

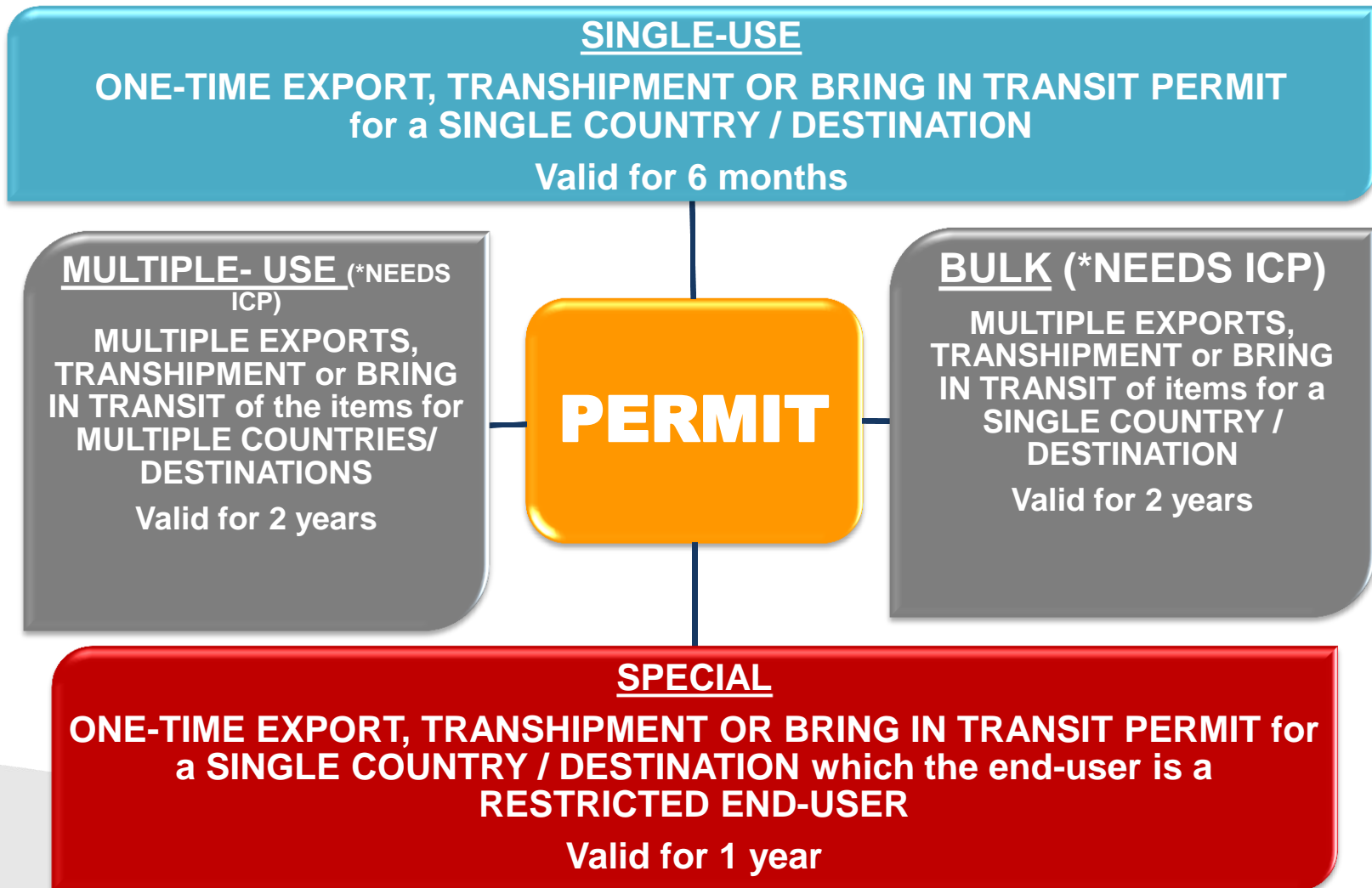
**ACCOMPANIED WITH
END-USE STATEMENT
AND ANY ADDITIONAL
DOCUMENTS IF
REQUIRED**

**APPLICATION
FOR PERMIT**

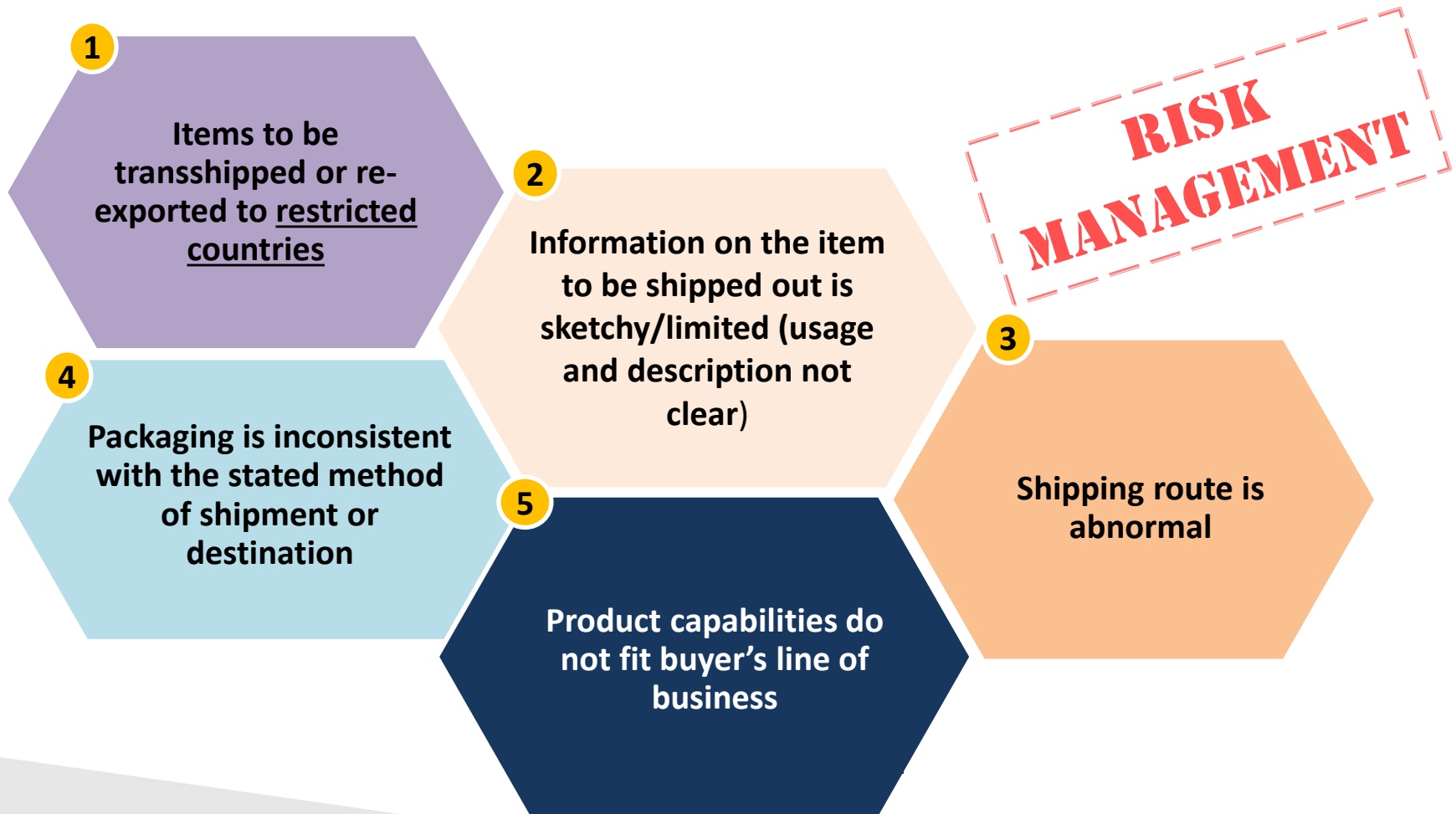
**PERMIT CAN BE
SUSPENDED OR
REVOKED AT ANY TIME**

**THE RELEVANT AUTHORITY
MAY GRANT OR REFUSE TO
GRANT THE PERMIT AND
IMPOSE ANY CONDITIONS IN
GRANTING THE PERMIT**

CATEGORIES OF PERMIT



Red Flag Indicators



Restricted Countries



North Korea



Iran



Congo



Ivory Coast



Lebanon



Sudan



Afghanistan



Iraq



Liberia



Rwanda



Somalia



Eritrea



Libya



Penalties

Severity of penalty: depends on **intent** and **knowledge** to unlawfully export, tranship or bring into transit without a permit

Resulting in **DEATH:**

- **death sentence**; or
- **Imprisonment: natural life** (body corporate: \geq RM 30 million)

OTHER CASE:

- **Imprisonment: \geq 10 years**; or
- **Fine: \geq RM10 million**; or **both** (body corporate: \geq RM20 million)



w/ intent
&
knowledge

ARMS & RELATED
MATERIALS



w/o intent &
knowledge

- **Imprisonment: \geq 5 years**; or
- **Fine: \geq RM5 million**; or **both** (body corporate: \geq RM10 million)

Penalties

Severity of penalty: depends on **intent** and **knowledge** to unlawfully export, tranship or bring into transit without a permit

- **Imprisonment:** \geq 10 years; or
- **Fine:** \geq RM10 million; or **both** (body corporate: \geq RM20 million)



w/ intent
&
knowledge

LISTED & UNLISTED
ITEMS



w/o intent &
knowledge

- **Imprisonment:** \geq 5 years; or
- **Fine:** \geq RM5 million; or **both** (body corporate: \geq RM10 million)



Any feedback and comments on this subject as well as request for an appointment can be sent to admin.sts@miti.gov.my.

Thank you



Menara MITI

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