



STA 2010 & INTERNAL COMPLIANCE PROGRAMME (ICP)

**“FACILITATING TRADE IN A SECURE TRADING
ENVIRONMENT”**

By:

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Ministry of International Trade and Industry

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‘Driving Transformation, Powering Growth’

HOW IT STARTED



UNSCR
1540



STA 2010



Ministerial Level

Strategic
Trade
Secretariat

STA 2010 – THE JOURNEY



STA 2010

2010

25 Mar 5 Apr 6 May 2 Jun 10 Jun

Cabinet

Parliament

Royal Assent

Gazette

2011

31 Dec 1 Jan

Gazette Regulations & Orders

Enforcement Category 0

2012

1 Apr 1 Jul

Enforcement

Online Permit Application

1 Mar

Permit Validation by Customs

e-STA, Outreach, Training, Enforcement, Audit, Investigation, Intangible Technology Transfer, Proliferation Financing...

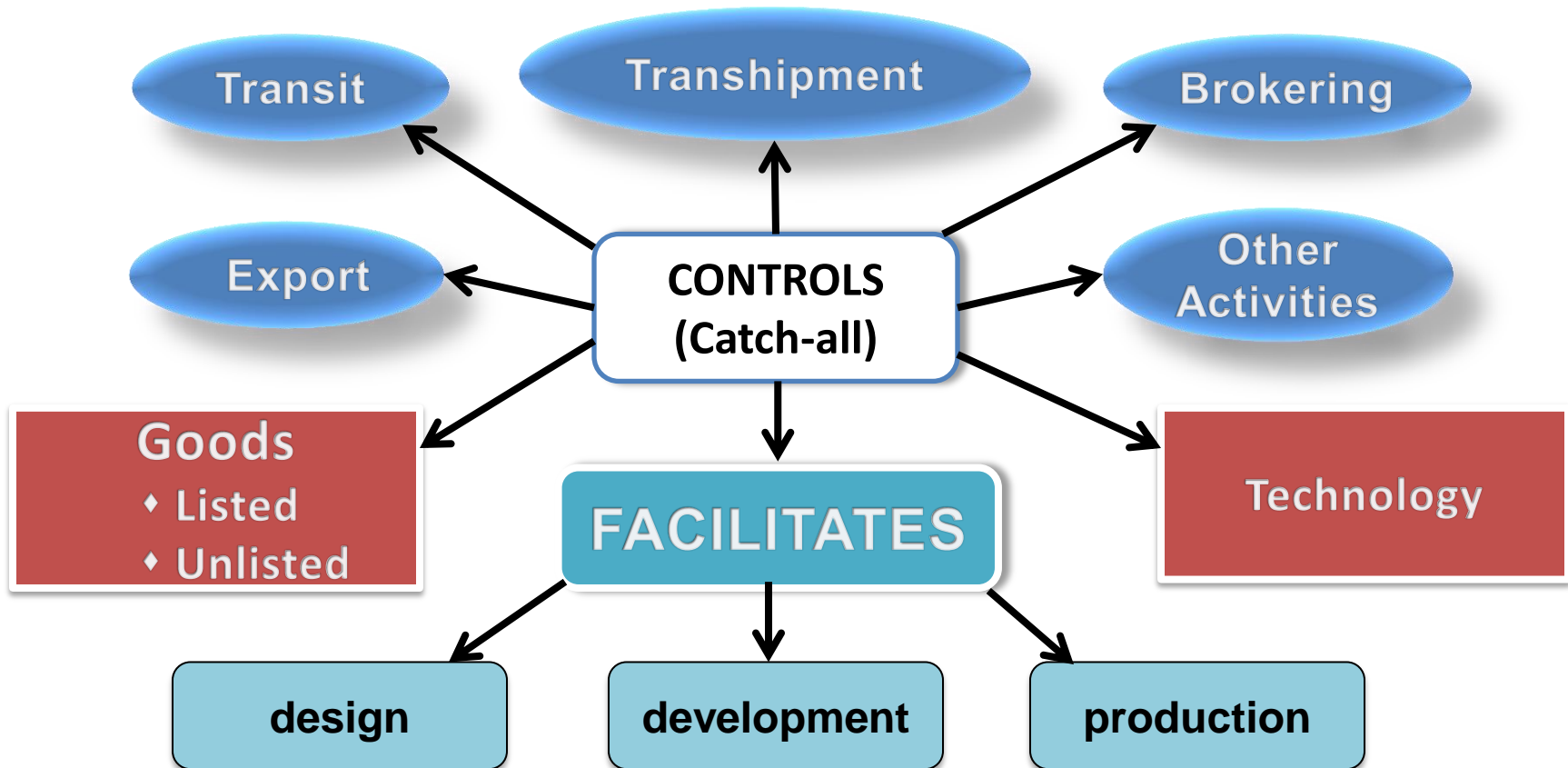
STA 2010 – THE TEAM

Enforcement

Licensing

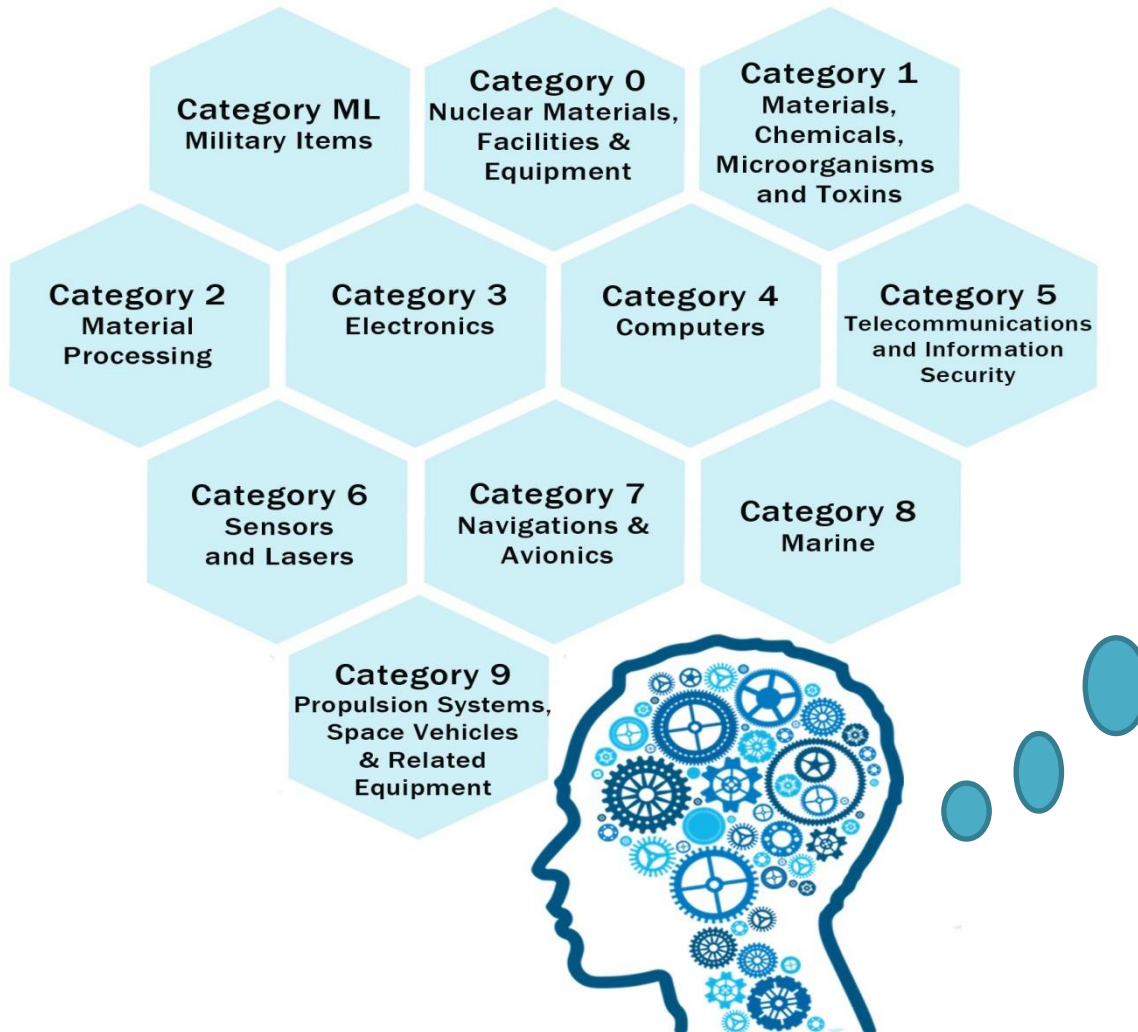


OBJECTIVE OF STA 2010



**WEAPONS OF MASS DESTRUCTION (WMD) & ITS
DELIVERY SYSTEMS**

CLASSIFICATION OF PRODUCTS OR ITEMS

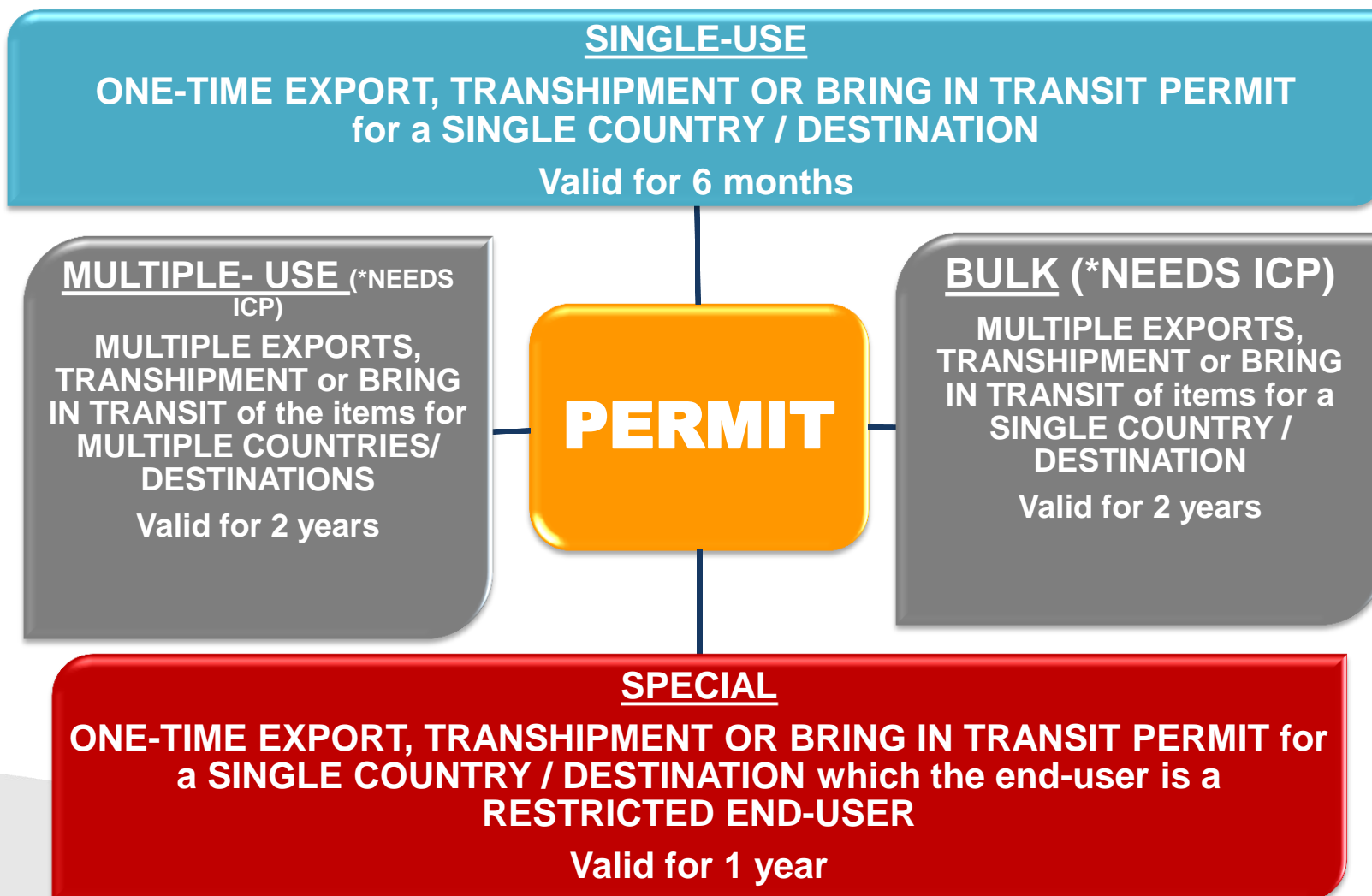


Unlisted items

If a person is
informed by the
relevant authority;

If a person
knows/has reason to
believe that the item
will or may be used
for a restricted
activity

CATEGORIES OF PERMIT



Malaysian Freight Forwarder- Illegal Export Of Aircraft Parts To China And Iran

In 2008 **Desmond Dinesh Frank – Freight Forwarder** based in Penang, a **Malaysian** sentenced to 23 months imprisonment in US. In 2007, **operator of Asian Sky Support Sdn Bhd, Malaysia**

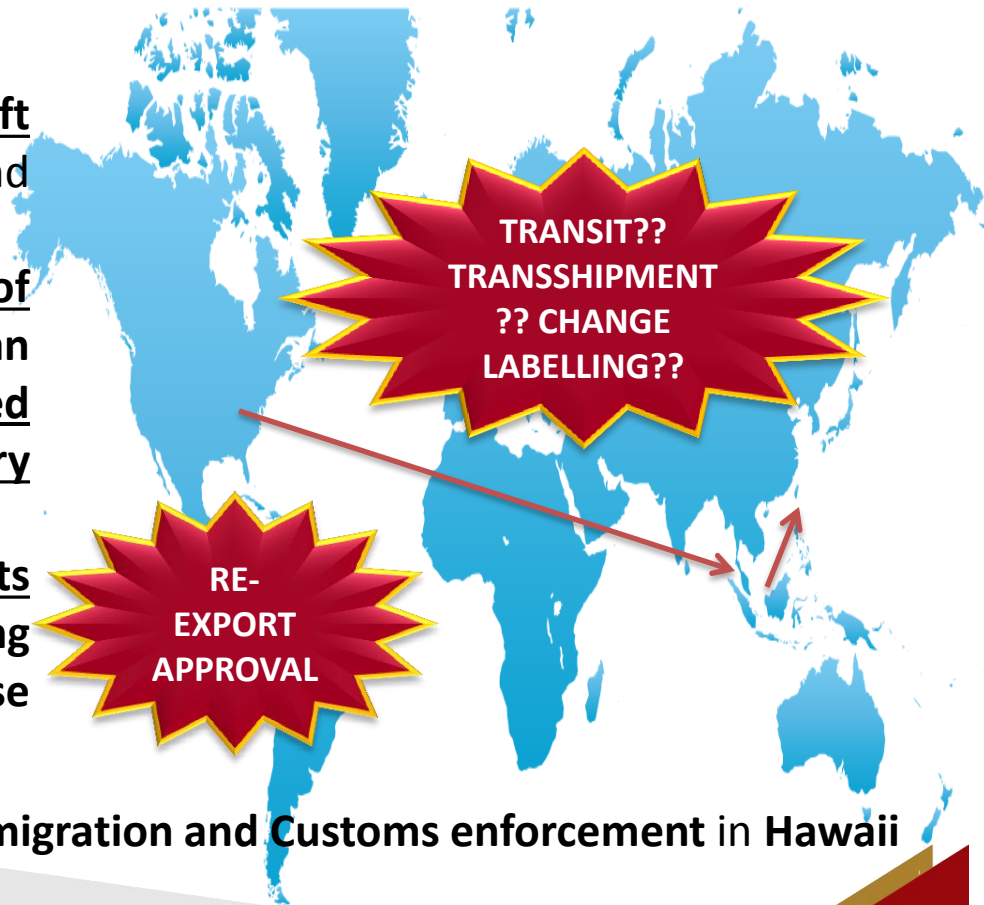
✈️ **Illegally export C-130 military aircraft training equipment to China, smuggling and money laundering.**

✈️ **Illegal export and cause the re-export of goods, technology and services to Iran without obtaining the required authorisation from the US Treasury Department.**

✈️ **Illegal export military training components from US to Malaysia and ultimately to Hong Kong China without the required license from the US.**

In Oct 2007 **Desmond** was **arrested by US Immigration and Customs enforcement in Hawaii**

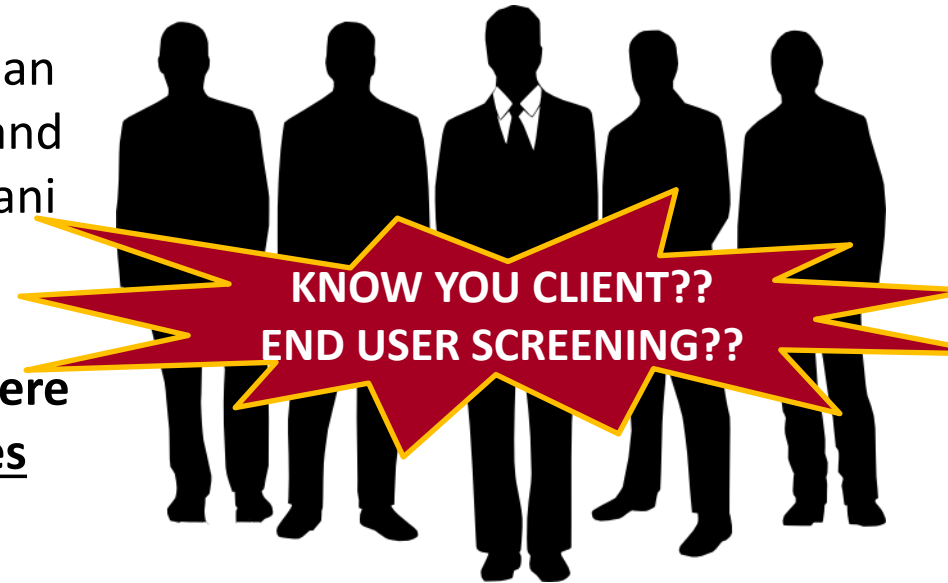
Source: Bureau Of Industry And Security , US Dept of Commerce and various others



Four Singaporeans Extradited To The United States

In Feb 2012, **four Singaporeans** were **extradited** to the US illegally export radio frequency modules from the US to Iran.

- ☢ **6,000 radio frequency modules** from an **unidentified company** in Minnesota and **ship them through Singapore** to Larijani in Iran
- ☢ 16 of the **radio frequency modules** were **found in improvised explosive devices** (IEDs) in Iraq.



Dual-use' items, which can have both a civilian and military purpose ie commercial applications that include wireless local area networks to connect printers and computers in offices.

Fedex Settles Charges For Unlicensed Exports

In 2012, Washington – **FedEx Express** (FedEx), Memphis, TN, paid \$370,000 civil penalty for **six violations** of the Export Administration Regulations (EAR) relating to **FedEx's provision of freight forwarding services** to exporters.

The Department of Commerce's Bureau of Industry and Security, US alleged that FedEx caused, aided and abetted acts prohibited by the regulations when it:

- ✈ In 2006 **facilitated attempted unlicensed export of electronic components** from the United States to **Dubai, United Arab Emirates**.
- ✈ In 2005, **facilitated the unlicensed export of flight simulation software** to **Beijing University of Aeronautics and Astronautics**, a/k/a Beihang University, China, an organization listed on the U.S. Department of Commerce's Entity List.
- ✈ In 2004, **facilitated the unlicensed export of printer components** from the United States to end users in **Syria**



**UNILATERAL
SANCTION**

VS




**MULTILATERAL
SANCTION**


“It is vital that **every stakeholder** in exporting chain remain **vigilant in its efforts** to prevent **prohibited transactions** that may be detrimental to our global security, and each will be **held accountable** if it fails to do so.”


Freight Forwarder – Conspiracy Facilitating Export Of Goods To Iran

In 2012 New Jersey - Ulrich Davis, **Dutch citizen**, a former manager of a **Netherlands Freight Forwarding Company** pleaded guilty for conspiring to facilitate illegal export of controlled goods to Iran in 2007 and 2008.

 The company was affiliated with a New York-based freight-forwarding company.

 Davis **facilitated shipments** to be made **to Iran without authorization** from the **US government.**

 He completed an air waybill that represented certain acrylic adhesives and spray paint coatings obtained from a New Jersey company were to be forwarded on behalf of the co-conspirator's company to a company in Iran.

 In 2008 **e-mail** regarding the shipments, Davis noted that, ***"99% of these goods were destined to be send to Teheran/Iran, which was and still is a very difficult destination due to political reasons. We have handled shipments to Teheran for various customers who had to shut down their operation because they were doing business with Teheran /Iran and inspite of the risk we take we always handled your shipments in a good manner."***

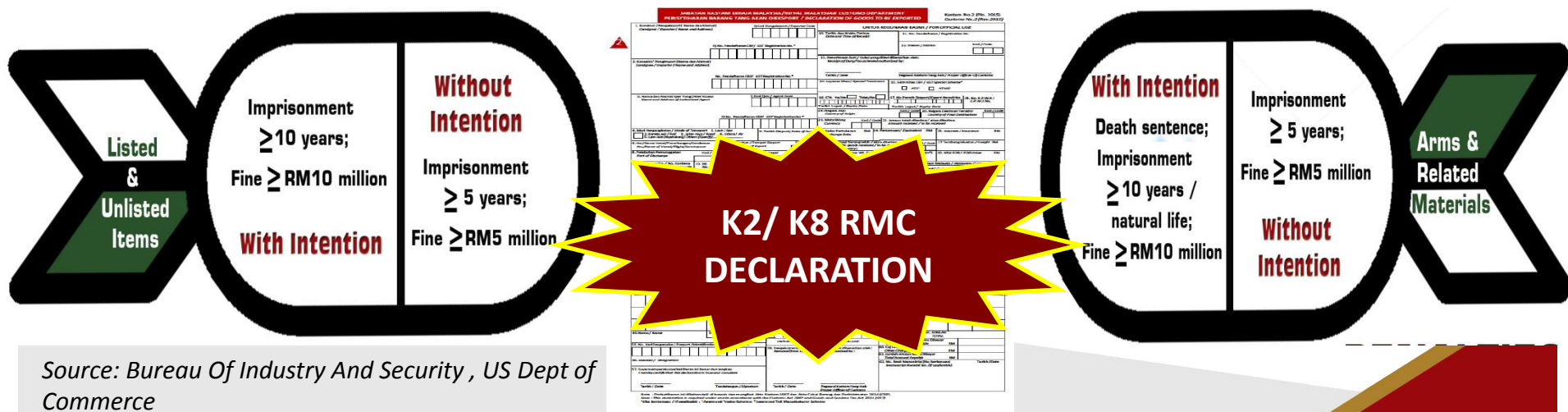


S 37 STA 2010
Interception of
Communication

Two Extradited From Singapore

In 2012, Washington – **Two Singaporeans**, Hia Soo Gan Benson and Lim Kow Seng, were extradited from in connection with an alleged fraud conspiracy involving **unlawful export of 55 military antennas** from the United States to Singapore and Hong Kong.

- 1 Hia and Seng were arrested by Singaporean authorities on 2011, on US request for extradition for violation of the Arms Export Control Act. A potential sentence of five years in prison.
- 1 Hia and Seng were alleged to have conspired to undervalue the antennas to circumvent U.S. regulations on **the filing of shipper's export declarations** to the U.S. government. They also allegedly used **false names and front companies** to obtain the antennas illegally from the United States



INTERNAL COMPLIANCE PROGRAMME (ICP)



INTERNAL COMPLIANCE PROGRAMME (ICP)



did?
YOU
know



25%

of STA
registered
company
has an
approved
ICP status

INTERNAL COMPLIANCE PROGRAMME (ICP)

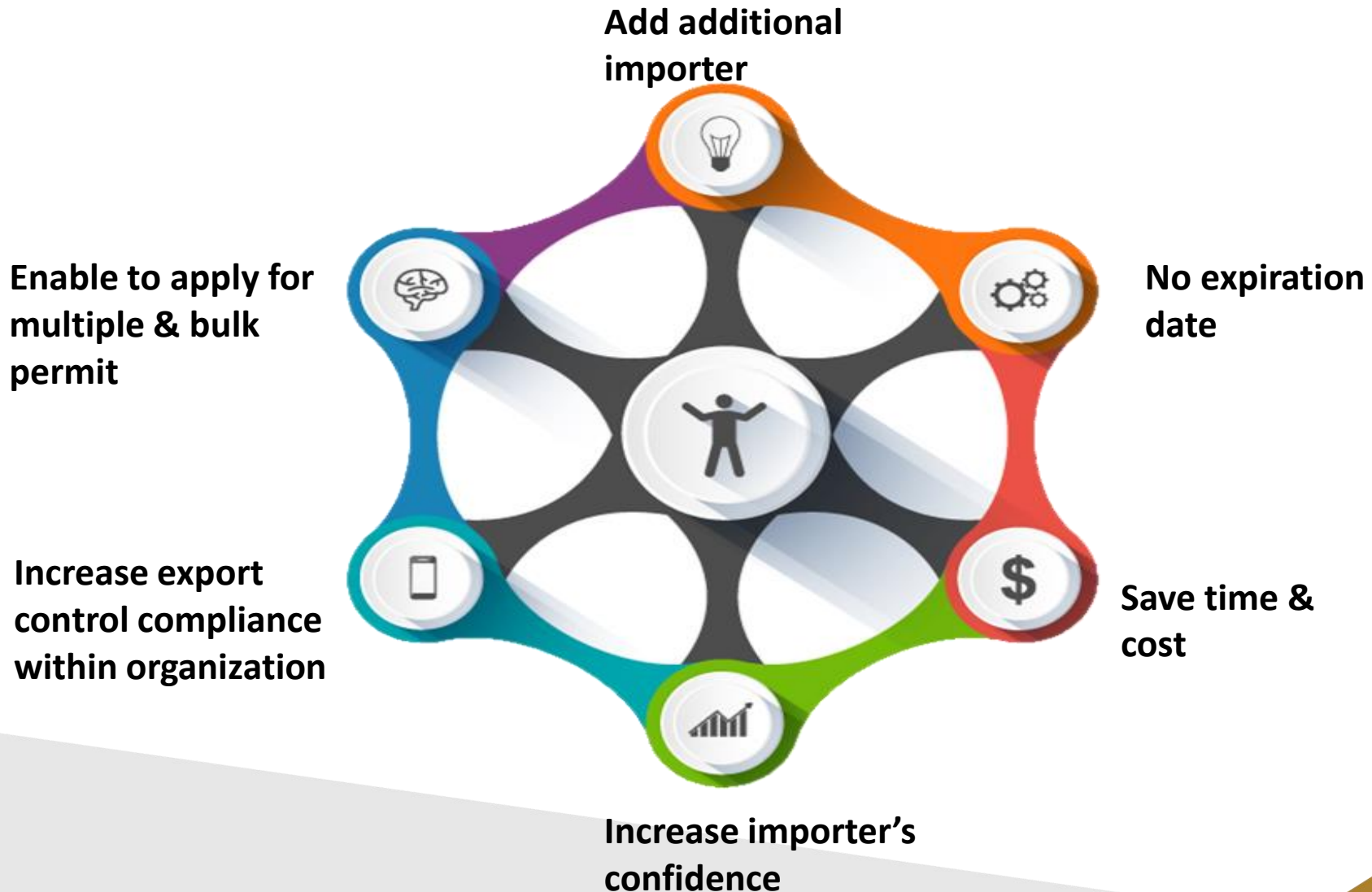
- It is a set of **procedures** that have to be implemented **within a company** before an item is exported using **multiple-use or bulk permit**.
- The procedures in place **ensure that the company complies** with the Strategic Trade Act 2010 and associated Regulations.
- The Controls can be done:
 - manually
 - electronically, etc.



INTERNAL COMPLIANCE PROGRAMME (ICP)



INTERNAL COMPLIANCE PROGRAMME (ICP) - ADVANTAGES





Thank you



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