



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

THE STRATEGIC TRADE ACT (STA) 2010

***“Facilitating Trade in a Secure
Trading Environment”***

***Joint Industry Outreach on
Strategic Trade Management in Malaysia***

23 January 2018

Intercontinental Kuala Lumpur

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Ministry of International Trade & Industry (MITI)***

STRATEGIC TRADE ACT (STA) 2010

Overview

STA Amendments 2017

Trade Facilitation



United Nations
Security Council
Resolution 1540



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

“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.

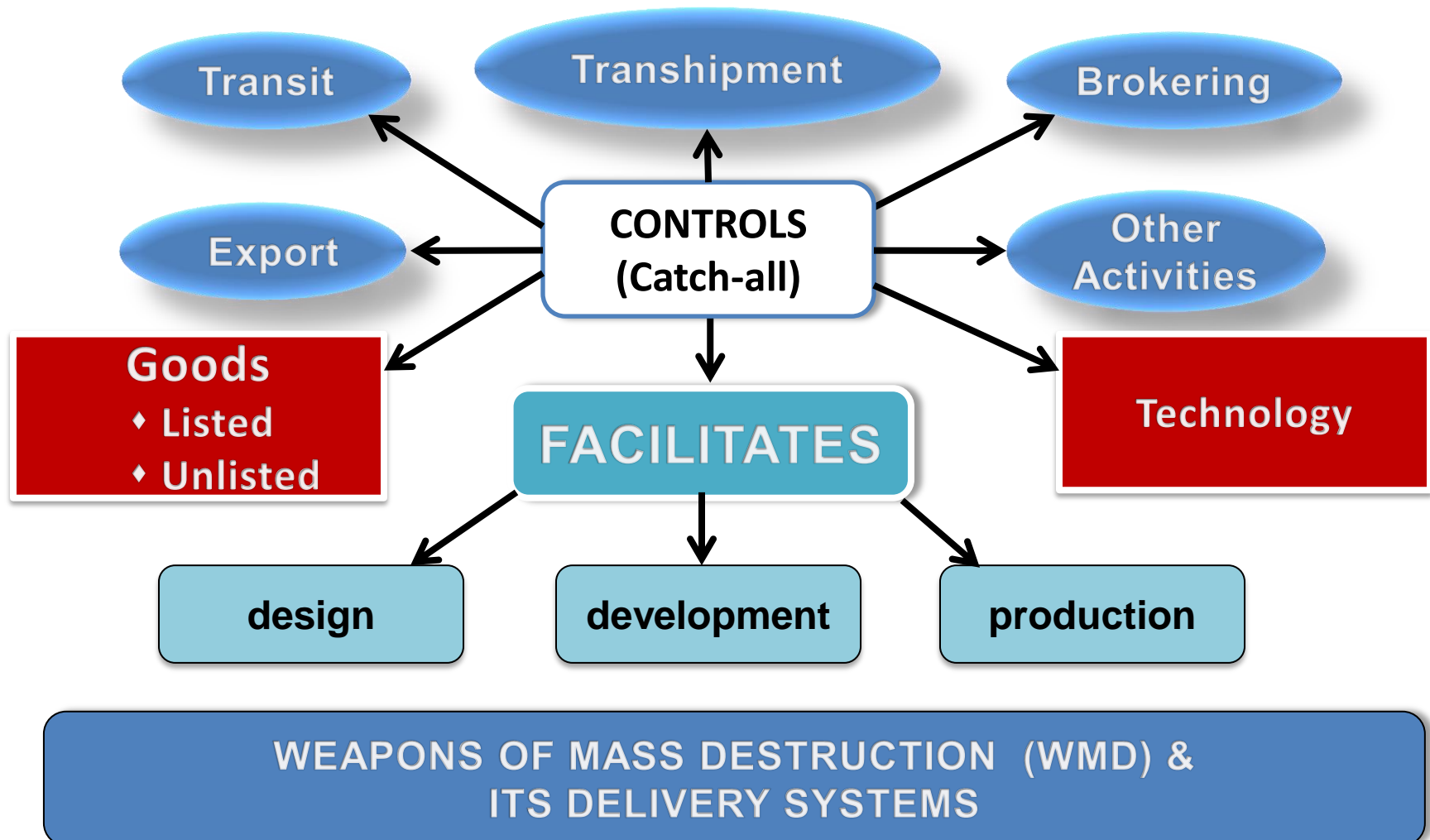


STRATEGIC TRADE ACT (STA) 2010

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STRATEGIC TRADE ACT (STA) 2010

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Trade Facilitation

- focal point for STA 2010, custodian of Law
- responsible for overall strategic trade management
- maintains online system

Minister of International Trade and Industry



Strategic Trade Secretariat

- licensing, issues policy, guidelines, SOP, conducts outreach, ICP approval,
- Leads audit and interdiction teams

Partner Licensing Agencies



Pharmaceutical
Services Division



Malaysian
Communications
and Multimedia
Commission



Poisons

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



Suruhanjaya Sekuriti
Securities Commission
Malaysia





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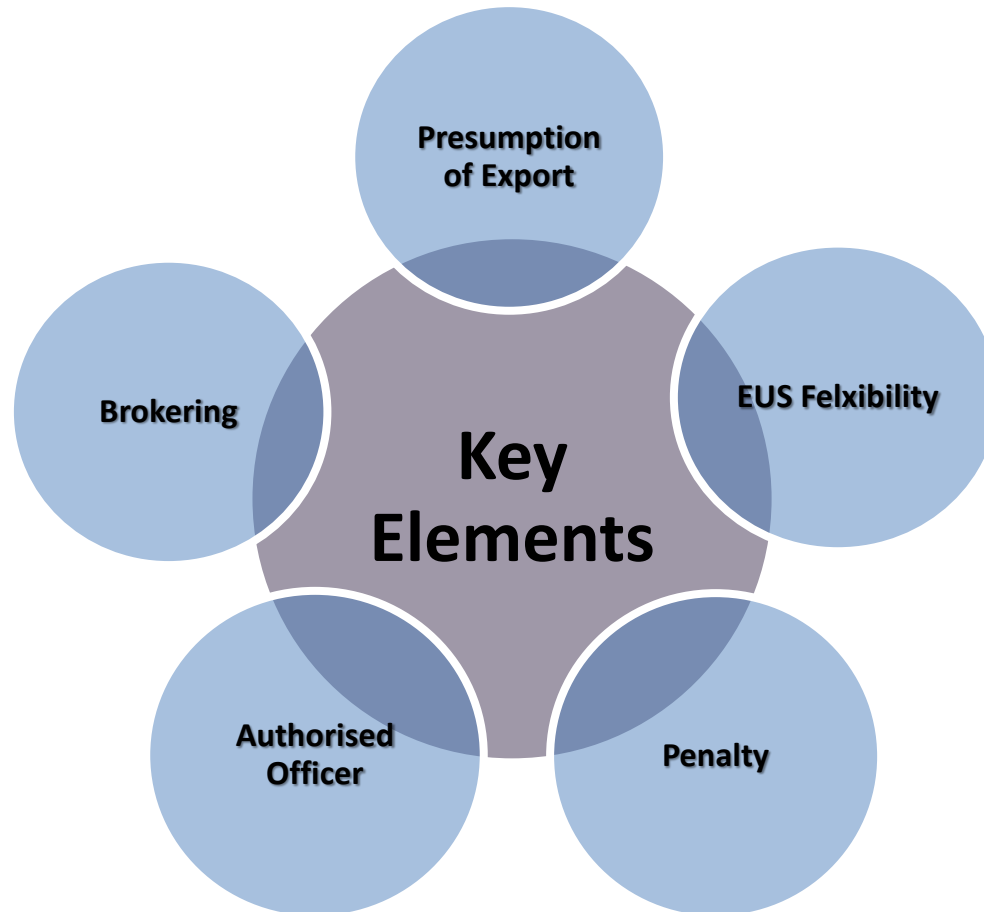


STRATEGIC TRADE ACT (STA) 2010

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Penalties

Brokering

EUS Requirement

New Provisions

Enforcement



STRATEGIC TRADE ACT (STA) 2010

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Trade Facilitation

- 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.



STRATEGIC TRADE ACT (STA) 2010

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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

Penalties

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Trade Facilitation

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 end user disclosure cannot be obtained due to certain business model or contractual position.

Related Sections

- Section 14



STRATEGIC TRADE ACT (AMENDMENT) 2017 TOWNHALL

Opening Remarks

STA Amendments

Dialogue Session

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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- 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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- **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

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Exemption Reg. 25 (Transit & Transshipment)



Internal Compliance Programme



Online-permit Application System



Strategic Item Finder



Easy Self-Declaration



Training & Outreach Programmes



Dedicated email and portal : admin.sts@miti.gov.my | <http://www.miti.gov.my>



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STA AMENDMENT TOWNHALL

Northern Zone : Penang
Date : 12 February 2018
Venue : Royale Chulan Penang

Southern Zone : Johor Bahru
March 2018





MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Thank You



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