



MEDIA RELEASE

NEW OPEN AP POLICY IMPLEMENTATION

The Ministry of International Trade and Industry (MITI) has implemented the New Open AP Policy beginning 1 January 2019. The implementation is in line with the Government's decision on 23 December 2015 to continue the policy with some improvements including providing the opportunity to new *Bumiputera* entrepreneurs to participate in the industry. The new policy which should be implemented beginning 1 January 2017 was postponed for almost 2 years due to uncertainties in the domestic automotive market.

Open AP is an import permit facility given by MITI to qualified *Bumiputera* companies to import reconditioned vehicles for sales in the domestic market. The companies are subjected to the conditions and rules imposed by MITI.

The objectives of this new policy are:

- i) to promote the development of the new *Bumiputera* entrepreneurs in the automotive industry;
- ii) to ensure the policy continues to contribute to the country's socio-economic goals; and
- iii) to create market competitiveness that will benefit the consumers especially in terms of the prices and services.

Nearly 300 applications were received by MITI when an offer for application to become an Open AP company was made from 23 May 2016 to 21 June 2016. The offer which was made through a media statement dated 13 May 2016 was published in MITI's portal and the mass media.

After an evaluation process, including an audit by a qualified independent auditor, the number of companies that qualified is 164 companies, in which 128 are existing companies and 36 are new. The conditions that need to be fulfilled, among others are, the company must be 100 per cent owned by *Bumiputera* including the key management posts, has at least 2 years of experience in selling and distributing the motor vehicles, and a strong financial position.



Under the new policy, there is no limit to the overall number of AP to be released throughout the year and companies may apply for additional AP based on their sales performance. At the moment, most of the new companies are not fully in operation yet as they are finalising the technical and operational matters.

MITI will continuously monitor and undertake scheduled and on-site audit exercises upon these Open AP companies. Under the new policy, if there is a breach of any of the conditions, MITI will take decisive measures including:

- i) withdrawing or suspending the allocated and approved AP;
- ii) blacklisting the companies (including every shareholder and board member of the company) from submitting any future application on Open AP; and
- iii) taking a legal action against the company.

In 2018, MITI has blacklisted 9 existing companies for offenses - not complying with the conditions.

The details on current qualification as an Open AP company and the latest list of Open AP companies have been published in MITI's portal, www.miti.gov.my. MITI welcomes complaint or feedback on issues related to the abuse of the AP facility. Complaint can be emailed to ap@miti.gov.my and the identity of the complainant will be kept confidential.

For further enquiries you may contact:

Director
Export and Import Control Section
Ministry of International Trade and Industry (MITI)
Level 7, Menara MITI
No. 7, Jalan Sultan Haji Ahmad Shah
50480 Kuala Lumpur
MALAYSIA

Telephone Number: (603) 6208 4970
Facsimile Number : (603) 6206 2823
E-mail address : ap@miti.gov.my



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Ministry of International Trade & Industry

13 March 2019

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About MITI:

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation by 2020 .

Media enquiries

Strategic Communications Unit

Ministry of International Trade & Industry

Tel +603 6200 0083

Fax +603 6206 4293

E-mail allpegkomunikasikorporat@miti.gov.my