MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

STRATEGIC TRADE (COMPOUNDING OF OFFENCES) REGULATIONS 2020

RIDZUAN ALIAS|ICP ENHANCEMENT OUTREACH

30 OCTOBER 2019| ROYAL CHULAN, PENANG

COMPOUNDING OF OFFENCES REGULATIONS

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Background	STA Amendment: Compounding of Offences	Public Consultation

COMPOUNDING OF OFFENCES REGULATIONS

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

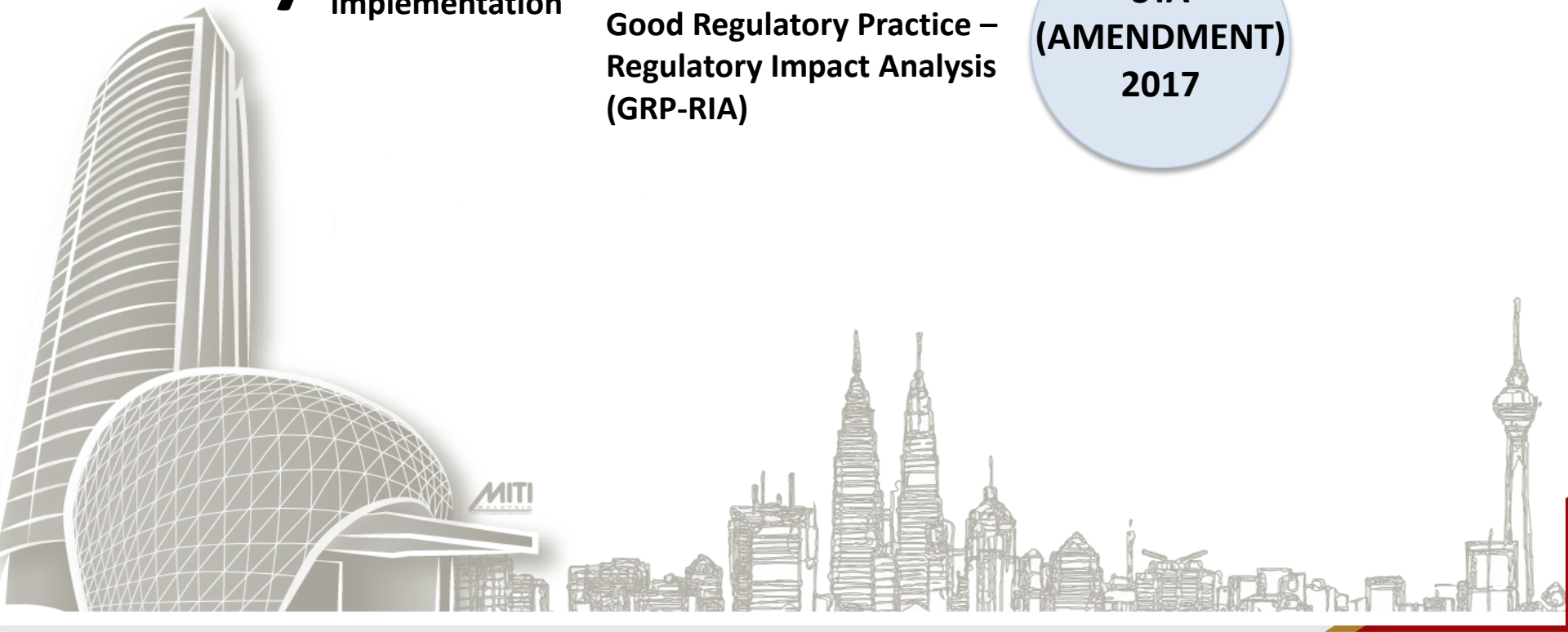
Background | STA Amendments | Dialogue Session

7 **years after the implementation**

REVIEW

Good Regulatory Practice – Regulatory Impact Analysis (GRP-RIA)

STA (AMENDMENT) 2017



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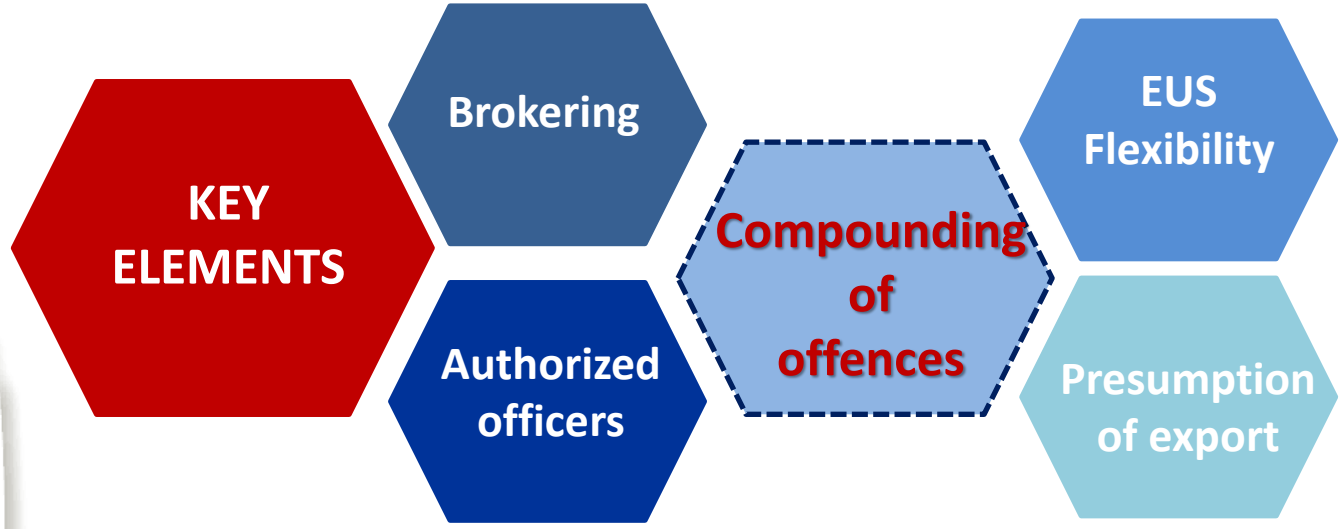
Background | STA Amendments | Dialogue Session



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Background | STA Amendments | Dialogue Session

GRP-RIA from **April 2014 until June 2015**

April 2014 - Endorsed by MITI's management

Strategic Trade (Amendment) Bill was approved by AGC in **September 2016**

16 Feb 2017 – Cabinet Approval

March & April 2017 – Parliament Approval

19 June 2017 – Royal Assent

21 June 2017 Gazette

8 Sept. 2017 Came into operation

2018 – 2019 GRP-RIA & Preparation on Regulation SOP

2020 **1st Q -** Enforce Compounding of Offences Regulations

As at 1 Sept. 2019

21,025 **permits issued**

601 **companies registered**

COMPOUNDING OF OFFENCES REGULATIONS

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Background | STA Amendments | Dialogue Session

WITH INTENT

Resulting in DEATH:
- death sentence; or
- Imprisonment: natural life
- (body corporate: ≤ RM 30 million)

OTHER CASE:
- Imprisonment:: ≤ 10 years; or
- Fine: ≤ RM10 million; or both

(body corporate: ≤ RM20 million)

ARMS & RELATED MATERIALS

WITHOUT INTENT

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

OTHER CASE:
- Imprisonment:: ≤ 10 years; or
- Fine: ≤ RM10 million; or both

(body corporate: ≤ RM20 million)

LISTED & UNLISTED ITEMS

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

COMPOUNDING OF OFFENCES REGULATIONS

- the penalty (fine and imprisonment) prescribed for the offences committed under STA Amendment 2017 has been amended. The previously minimum penalty is now being prescribed as the maximum.
- **compounding of offences** is introduced.
- **more in line** with **international practice** and other export control laws which makes Malaysia more competent and may increase FDI into the country.
- reducing the time and costs of prosecuting the offences in court.

Related Sections

- 9, 10, 18, 21, 23, 24, 33, and 40 and the introduction of a new section, 50A.

"**Compounding of offences**

50A. (1) The Minister may, with the approval of the Public Prosecutor, make regulations prescribing—

(a) any offence under this Act and any regulations made under the Act that may be compounded;

(b) the criteria for compounding such offence; and

(c) the method and procedure for compounding such offence.

(2) The authorized officer may, with the consent in writing of the Public Prosecutor, compound any offence committed by any person under this Act and prescribed to be a compoundable offence by making a written offer to the person suspected to have committed the offence to compound the offence upon payment to the authorized officer of an amount of money not exceeding fifty per centum of the amount of maximum fine for that offence within such time as may be specified in his written offer.

OBJECTIVES

- Strengthening the enforcement activity
- Effective implementation of STA 2010
- Increase trade compliance
- Enhance business confidence in Government
- Cost and time saving in the enforcement of STA

COMPOUNDING OF OFFENCES REGULATIONS

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IMPLEMENTATION PLAN
Strategic Trade (Compounding of Offences) Regulations 2020

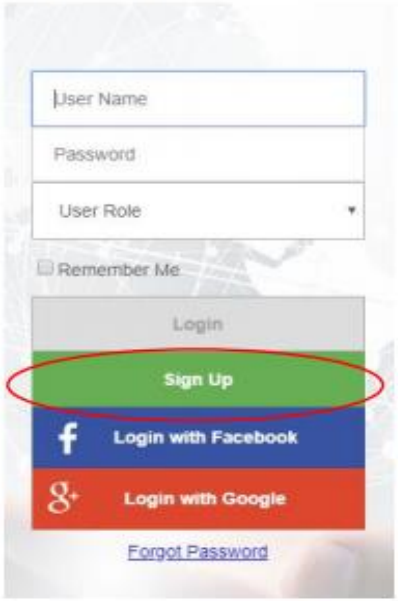
COMMUNICATION PLAN	**Awareness program, Town hall session, sharing of updates in Outreach Programme and Client's Day**
ENFORCEMENT PLAN	**STA Audit Evaluation, Document Checking (Declarations) at the point of Export and Free Commercial Zones**
MONITORING & INSPECTION PLAN	**Offender will be monitored (under watch list) and the effectiveness of the implementation will be reviewed in 5 years**

Online via Unified Public Consultation - http://upc.mpc.gov.my

To begin feedback to the agency, the user must register an account. The user can register by clicking on 'Guest' in the 'Home' page.

http://upc.mpc.gov.my

Then click on 'Sign Up' in the 'Login' page.



It will then redirect user to the simple 'Sign Up' page. Fill in all the required details and click on 'Sign Up'.

COMPOUNDING OF OFFENCES REGULATIONS

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Opening Remarks | Dialogue Session | Public Consultation

http://upc.mpc.gov.my

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Thank You

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