



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

THE STRATEGIC TRADE ACT (STA) 2010

*“Updates on
Malaysia's Strategic Trade
Control”*



**The 26th Asian Export Control Seminar
26 – 28 February 2019
Tokyo, Japan**

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MITI
MALAYSIA



OVERVIEW

HOW STA 2010 Started



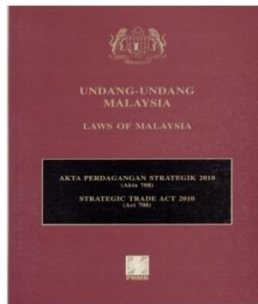
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United Nations
Security Council
Resolution 1540

INTERNATIONAL LEVEL

United Nation Security
Council Resolution (UNSCR)
1540



DOMESTIC LEVEL

Malaysia
Strategic Trade Act (STA) 2010



MINISTERIAL LEVEL

Strategic Trade Secretariat (STS),
Ministry of International Trade and
Industry (MITI)





What STA 2010 Governs?

STA 2010

Export

Transit

Transshipment

Brokering

GOODS

- Listed
- Unlisted

TECHNOLOGY

Facilitates

design

development

production





Strategic 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

Based on the international and commonly used European Union's Export Control List for Military and Dual-Use items.

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





STRATEGIC TRADE ACT (STA) 2010

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



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

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



Suruhanjaya Sekuriti
Securities Commission
Malaysia





Categories of Online Permits

Multiple Permit*

MULTIPLE EXPORTS OR
TRANSHIPMENT of the items for
DIFFERENT COUNTRIES /
DESTINATIONS,
Valid for 2 years

1

Single permit

ONE-TIME EXPORT, TRANSHIPMENT
OR BRING IN TRANSIT PERMIT for a
SINGLE COUNTRY / DESTINATION ,
Valid for 6 months

3

Bulk Permit*

MULTIPLE EXPORTS OR
TRANSHIPMENT of items for a
SINGLE COUNTRY / DESTINATION,
Valid for 2 years

2

Special Permit

ONE-TIME EXPORT, TRANSHIPMENT
OR BRING IN TRANSIT PERMIT for a
SINGLE COUNTRY / DESTINATION
which the end-user is a **RESTRICTED**
END-USER,
Valid for 1 year

4

**Requires Internal Compliance
Programme (ICP)*



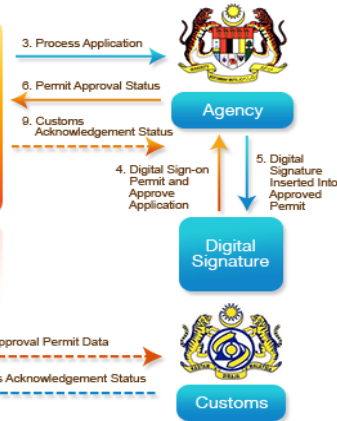
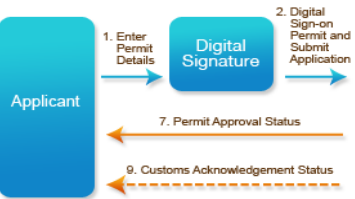


TRADE FACILITATION



Trade Facilitation under STA 2010

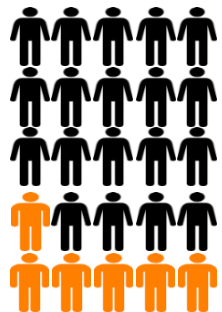
Strategic Items List



Strategic Items List – Based on EU List

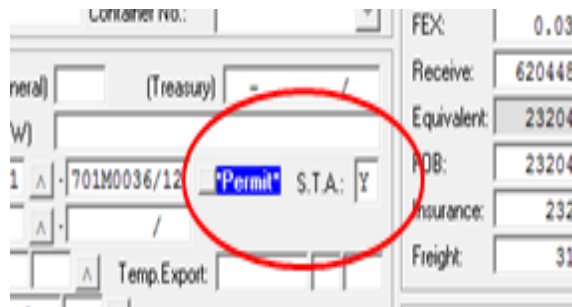


Internal Compliance Programme (ICP)



25% of STA registered company has an approved ICP status

Easy Self Declaration



Automatic Adoption from UNSC Resolution





UPDATES

Legislation, Regulations and Others



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Current & Future Efforts

1

Compounding Penalty Regulations

Malaysia is at the stage of finalising the compounding penalty regulations.

The implementation is targeted to take into effect by end of this year.



2

Targeted Financial Sanctions (TFS) Relating to Proliferation

The UNSC has imposed certain measures relating to prevention, suppression and disruption of proliferation of weapons of mass destruction (WMD) and its finance. One of these measures is targeted financial sanctions related to proliferation.



3

Intangible Technology Transfer (ITT) Guideline

To ensure that control is exercised over ITT for dual-use and weapons technology as guidance. Currently, Malaysia aggressively conduct outreach to industry and engaging research institution.



4

Internal Compliance Programme (ICP) Enhancement

Malaysia is planning to enhance the elements and criteria under the current ICP procedure. This is to ensure company complies with the Strategic Trade Act 2010 and associated Regulations.



A low-angle, upward-looking photograph of a modern skyscraper. The building's facade is composed of a grid of light-colored panels, creating a strong sense of verticality and depth. The sky is a clear, vibrant blue, dotted with soft, white clouds. The overall composition is clean and professional, suggesting a corporate or architectural theme.

CHALLENGES

Challenges



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Multiple agencies coordination - Different segments: policy, licensing, enforcement, technical and other domestic laws



Identification of strategic items



Lack of awareness of Strategic Trade Act 2010

- Educating/ outreach to new companies, freight forwarders and shippers
- Post Declaration is not accepted under STA 2010



Lack of expertise and experience, especially in areas such as intangible technology transfer (ITT) and proliferation financing



Commitment from Malaysian companies - need a change in mindset: MNCs and SMEs-different approach required



Related Information Link

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

STS awareness video is available via:-
https://www.youtube.com/watch?v=z-Sr2g_xmyg&t=98s

For more information, please visit
www.miti.gov.my ;
www.mcmc.gov.my;
<http://portal.aelb.gov.my/sites/aelb>





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Thank You

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