



Malaysia Extends Trial Period for Permit Validation System

On 26 July 2011, the Ministry of International Trade and Industry (“MITI”) issued STA (Awam) 2/2011 (“Circular 2”) on the Royal Malaysian Customs Permit Validation System (“RMCPVS”). Circular 2 amends STA (Awam) 1/2011 (“Circular 1”) by extending the trial period for the RMCPVS, originally scheduled to end on 31 July 2011, to a later date.

The RMCPV was introduced on 30 June 2011 by STA (Awam) 1/2011 (“Circular 1”). Under Malaysia’s Strategic Trade Act 2010 (“STA 2010”), exporters involved in the export, transfer or transit of controlled items are required to apply for STA 2010 permits. Circular 1 introduced the practice of self-declaration for the export, transfer and transit of these controlled items on K2, K8 and other relevant Royal Malaysian Customs (“Customs”) declaration forms. Under this system, exporters are responsible for declaring their goods by indicating such goods as either strategic or non-strategic on either online or manual K2, K8 and other relevant Customs declaration forms. The online declaration system was originally scheduled to undergo a one-month trial period starting on 1 July 2011, after which Customs will start validating the submitted K2, K8 and other relevant Customs declaration forms with information on corresponding STA permits. However, due to certain technical problems, the MITI issued Circular 2 to extend the trial period indefinitely until further announcements.

Throughout this extended period:

- i. Customs will not validate any information on the STA 2010 permit even if the STA permit has been indicated as:
 - Rejected by Customs; and
 - Awaiting Customs’ acknowledgement.
- ii. Companies exporting controlled items with the STA permit will have to indicate “No” under the strategic item declaration field. However, they are still required to fill in the permit number in the remarks column of the K2/K8 or any relevant Customs forms. This applies to both online and manual permits.
- iii. Customs will continue to clear shipments of products incorrectly declared as non-strategic by the exporter even if the products fall under the Customs tariff code classified as strategic items.

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