



**ROYAL MALAYSIAN CUSTOMS  
DEPARTMENT**

**- CUSTOMS CLEARANCE PROCESS**

**RAPEAH ABD. HADI**  
Senior Assistant Director of Customs 1  
Royal Malaysian Customs Dept.  
E-mail: [rapeah.hadi@customs.gov.my](mailto:rapeah.hadi@customs.gov.my)

**OBJECTIVES**

- TO COLLECT CUSTOMS DUTIES AND TAXES**
- TO PREVENT LOSS OF REVENUE BY COMBATING SMUGGLING**
- TO ASSIST INDUSTRIES BY PROVIDING FACILITIES**

## MAIN LEGISLATIONS

- **CUSTOMS ACT 1967**
- **EXCISE ACT 1976**
- **SALES TAX ACT 1972**
- **SERVICE TAX ACT 1975**
- **FREE ZONE ACT 1990**
- **VEHICLE LEVY ACT 1983**
- **ANTI DUMPING DUTY ACT 1993**

## Customs Documentation

Form No.	Description
<b>Customs No.1</b>	<b>Declaration of Goods Imported</b>
<b>Customs No.2</b>	<b>Declaration of Goods Exported</b>
<b>Customs No.3</b>	<b>Permit to Transport Duty Paid Goods Within The Federation</b> <span style="float: right;">통-11 01211011012</span>
<b>JKED No.4</b>	<b>Inward, Outward &amp; Transshipment Manifest</b>
<b>Customs No.8</b>	<b>Application / Permit / to Move / Transship Duty Unpaid Goods</b>
<b>Customs No.9</b>	<b>Permit to remove goods from Warehouse</b>

Complete list of Customs Forms

## **IMPORT DECLARATION**

- Section 79 & 87 of Customs Act 1967:

All declarations should indicate a full and true account of the goods imported, such as no. of packages, description, weight, measure or quantity, value and country of origin.

## **PREPARATION & SUBMISSION OF DECLARATION FORMS**

- **Submitted in accordance with the method of entry e.g. K1, K8, and K9**
- **Declarations forms to be complete, transparent and accurate**
- **Declaration can be made by owner or Authorised Customs Broker (S.90 CA)**
- **Electronic Declaration vide electronic Data Interchange for registration and agents to receive response for duty payment.**
- **<http://www.dagangnet.com/>**
- **Electronic Declaration since 1996**

## **RATE OF DUTY**

- **Rate of duty will be based on;**
  - **Customs Duties Order 2007 (effective 1.4.2008)**
  - **Common Effective Preferential Tariff / AHTN 2012 (effective 17.5.10) (ATIGA)**
  - **ACFTA, MPCEPA, MJEPA, AKFTA, AJCEP, AIFTA, AANZFTA, MNZFTA**

## **CUSTOMS CLEARANCE**

- **CLASSIFICATION : WCO Rules of Classification**
- **VALUATION : WTO Rules of Valuation**
- **INSPECTION : Documentary / Physical / Scanner**
- **PERMIT REQUIREMENT : 24 Agencies**
- **EXEMPTIONS : TE/LMW/CDEO/STEO/CJ5**
- **RISK MANAGEMENT : CVI**
- **OFFENCES : Compound / court / seizure**

## **SUPPORTING DOCUMENTS**

- **Bill of Lading, AWB**
- **Invoices**
- **Certificate of origin – Forms D, E, AK, MJEPA, MPFTA etc.**
- **Import License (where necessary)**
- **Certificate of Exemptions**

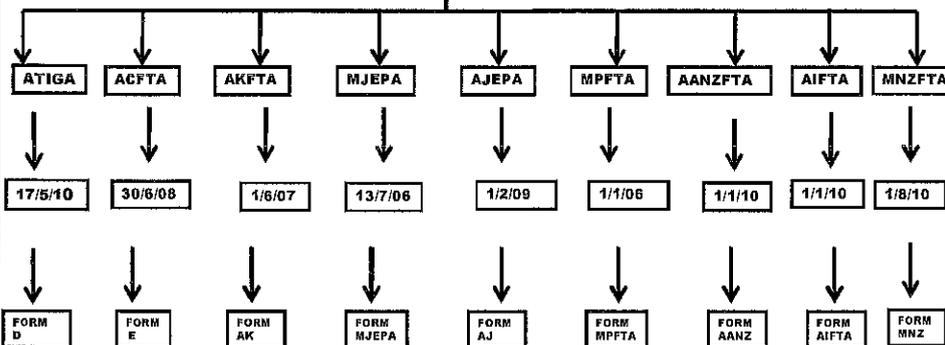
## **CUSTOMS EXAMINATION**

- **Customs examination done to determine :-**
  - **goods declared are true & correct**
  - **whether goods are prohibited under Prohibition Orders**
  - **whether goods are correctly valued and classified**
  - **correct quantity imported**
- **Physical inspection serves the following purposes:-**
  - **determining liability in respect of customs duties**
  - **survey in the event of breakages, damages etc.**
  - **written application for survey within 24 hours of arrival**

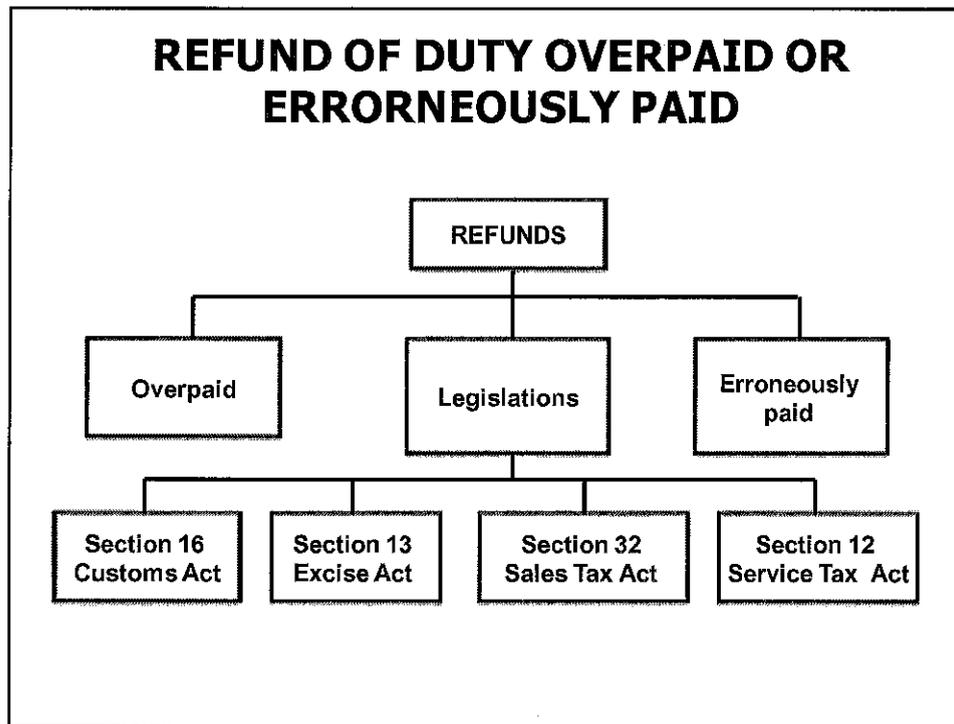
# FREE TRADE AGREEMENTS

## FORMS UNDER FTA'S

### FREE TRADE AGREEMENTS



[www.mti.gov.my](http://www.mti.gov.my)



### ISSUING AUTHORITY : MITI.

- Ministry of International, Trade and Industry (MITI) is the authority for the issuance of certificate of origin (CoO).
- MITI will process the applications of CoO
- CoO will enable the importers in ASEAN Member States (AMS) to claim tariff preferential treatment under ATIGA, AFTA ""
- Issue Certificate of Origin to our exporter if declared correctly.
- Conduct verification visit together with Customs.

## **ROLES OF CUSTOMS AUTHORITY**

- RMCD is responsible in receiving the certificate of origin from the importers.
- Prior to the importation, RMCD is responsible in receiving the specimen signatures of authorized issuing authority from exporting countries and distribute them to all customs entry points.
- Preferential treatment shall be given once Customs is satisfied with the CoO produced.

## **...ROLES OF CUSTOMS AUTHORITY**

- Customs will work together with MITI on matters relating to CoO.
- Customs will join MITI for verification visits.
- Customs will issue the administrative circulation on any decisions made on the any FTA

### **CHALLENGES ENCOUNTERED DURING IMPLEMENTATION OF RoO.**

- No provisions of general application relating to RoO in Customs Act 1967.
  - (Current practice is to gazette the RoO Chapter of an FTA as a Customs order pursuant to section 11 of the Customs Act 1967.)
- Lack of trained personnel in the ROO.
- Lack of technical knowledge among Customs officers
- The degree of discretion used by the officers handing the COO

### **SOLUTIONS**

- Proposed to amend the Customs Act 1967
- Customs and MITI have organized training courses to strengthen knowledge on rules of origin for Customs officials.
- Circulated administrative procedures to our Customs officials and also to forwarding associations.
- MITI to inform the private sectors through its website

## **Proposed Amendments To Customs Act. 1967 (CA)**

- No provisions of general application relating to RoO in CA.
- Current practice is to gazette the RoO Chapter of an FTA as a Customs order pursuant to section 11 of the CA.
  
- Thus there is a need to amend the CA to ensure RoO can be managed and implemented more effectively.

## **Element of proposed amendments**

### **Proof of origin:**

- Malaysia requires that all claims for preferential tariff treatment must be supported by a CO. This requirement not explicitly spelt out in the CA.
  
- To enable implementation of self-certification, Customs proposed to amend on submission of a Declaration of Origin as a proof of origin.

### **...Element of proposed amendments**

- To proposed amendment on authorization of public officers to carry out requirement of RoO related enforcement work e.g verification of origin.
- To proposed appropriate penalties should be imposed. Section 133 of CA should be reviewed. Specific offences and heavier penalties should be introduced.

### **OFFENCES & PENALTIES**

#### **■ S.133**

- **Offences against documents. max. fine RM500,000 and imprisonment to a max. of 5 years or both**

#### **■ S.134**

- **Refusing to answer or give false information. Max. fine RM1,000.00 or imprisonment to a max. of 6 months or both**

## **OFFENCES & PENALTIES (cont.)**

### ■ **S.135**

#### ➤ **smuggling offences**

#### ➤ **Dutiable goods**

##### ■ **First offence**

- **Not less than 10 times customs duty and not more than 20 times customs duty whichever is higher or imprisonment not exceeding 3 years or both**

##### ■ **Second Offence**

- **Not less than 20 times customs duty and not more than 40 times customs duty whichever is higher or imprisonment not exceeding 5 years or both**

- **If customs duty not ascertainable fine not exceeding RM500,000.00 or imprisonment not exceeding 5 years or both**

## **OFFENCES & PENALTIES (cont.)**

### ■ **Prohibited goods**

#### ■ **First offence**

- **Not less than 10 times value of goods and not exceeding 20 times value of goods whichever is higher or imprisonment not exceeding 3 years or both**

#### ■ **Second offence**

- **not less than 20 times value of goods, and not exceeding 40 times value of goods whichever is higher or imprisonment not exceeding 5 years or both**

- **If value not ascertainable fine not exceeding RM500,000.00 or imprisonment not exceeding 5 years or both**

### ■ **Uncustomed goods**

- **A fine twice the value of goods or RM 10,000.00 whichever is higher**
- **If value not ascertainable fine not exceeding RM10,000.00**

## OTHER MATTERS

- **Royal Malaysian Customs Department (RMCD) has not implementing Advance Ruling System of Rules Of Origin.**
- **Malaysia implemented Advanced Ruling on classification and valuation of goods with effective on 1 April 2007.**



**TERIMA KASIH  
THANK YOU**

**ROYAL MALAYSIAN CUSTOMS DEPARTMENT  
HEADQUARTERS, PUTRAJAYA**