



CPO & SOP FOR COA: ROYAL MALAYSIAN CUSTOMS DEPARTMENT AND PORT AUTHORITIES

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PURPOSE, SCOPE AND POLICY

- Purpose

To define the process flow, the activities and the responsibilities for detention, inspection and release of incoming shipment of metal scrap and waste paper at port of entry in Malaysia.

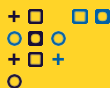
- Scope

This SOP is applicable for SIRIM, Port Authority/ Port Operator and Royal Malaysian Customs Department (RMCD).



- Policy

This SOP is based on Customs (Prohibition of Imports) Order 2021 that all incoming shipments of metal scrap and waste paper at port of entry in Malaysia are subjected to inspection process and issuance of Certificate of Approval (COA); and in accordance to the requirements under the respective Guideline as follows:

- Guidelines for Importation and Inspection of Metal Scrap; or
- Guidelines for Importation and Inspection of Waste Paper



CUSTOMS (PROHIBITION OF IMPORTS) (AMENDMENT)(No.2) ORDER 2021

 Xx 2021 xx 2021 P.U. (A) xx	<p style="text-align: center;">WARTA KERAJAAN PERSEKUTUAN</p> <p style="text-align: center;"><i>FEDERAL GOVERNMENT GAZETTE</i></p>
<p style="text-align: center;">PERINTAH KASTAM (LARANGAN MENGENAI IMPORT) (PINDAAN) (No. X) 2021</p> <p style="text-align: center;"><i>CUSTOMS (PROHIBITION OF IMPORTS) (AMENDMENT) (No. X) ORDER 2021</i></p>	
<div style="display: flex; align-items: center; justify-content: center;">  <p style="font-size: small;">DISIARKAN OLEH/ PUBLISHED BY JABATAN PEGLIAM NEGARA/ ATTORNEY GENERAL'S CHAMBERS</p> </div>	

AKTA KASTAM 1967

PERINTAH KASTAM (LARANGAN MENGENAI IMPORT) (PINDAAN) (No. X) 2021

PADA menjalankan kuasa yang diberikan oleh subseksyen 31(1) Akta Kastam 1967 [Akta 235], Menteri membuat perintah yang berikut:

Nama dan permulaan kuat kuasa

1. (1) Perintah ini bolehlah dinamakan **Perintah Kastam (Larangan Mengenai Import) (Pindaan) (No. X) 2021**.

(2) Perintah ini mula berkuat kuasa pada 2021.

Pindaan Jadual Pertama

2. Perintah Kastam (Larangan Mengenai Import) 2017 [P.U. (A) 103/2017] dipinda dalam jadual Pertama, dengan memasukkan selepas butiran 15 dan butir-butir yang berhubung dengannya butiran yang berikut:

(1) Item No.	(2) Description of Goods	(3) Country
"16.	Mixed waste and scrap of miscellaneous paper or paperboard (for example, different quality or mixed waste paper composition and scheduled waste or mixed office waste of miscellaneous paper, mainly white and coloured, does not contain ground wood pulp miscellaneous paper, mix corrugated and non-corrugated).	All countries"

Pindaan Jadual Ketiga

3. Jadual Ketiga, dalam Bahagian I, berhubung dengan subbutiran 71(3), dalam ruang (2) dipinda dengan memotong perkataan "; recovered (waste and scrap) paper or paperboard".



APPLICABLE HS CODES

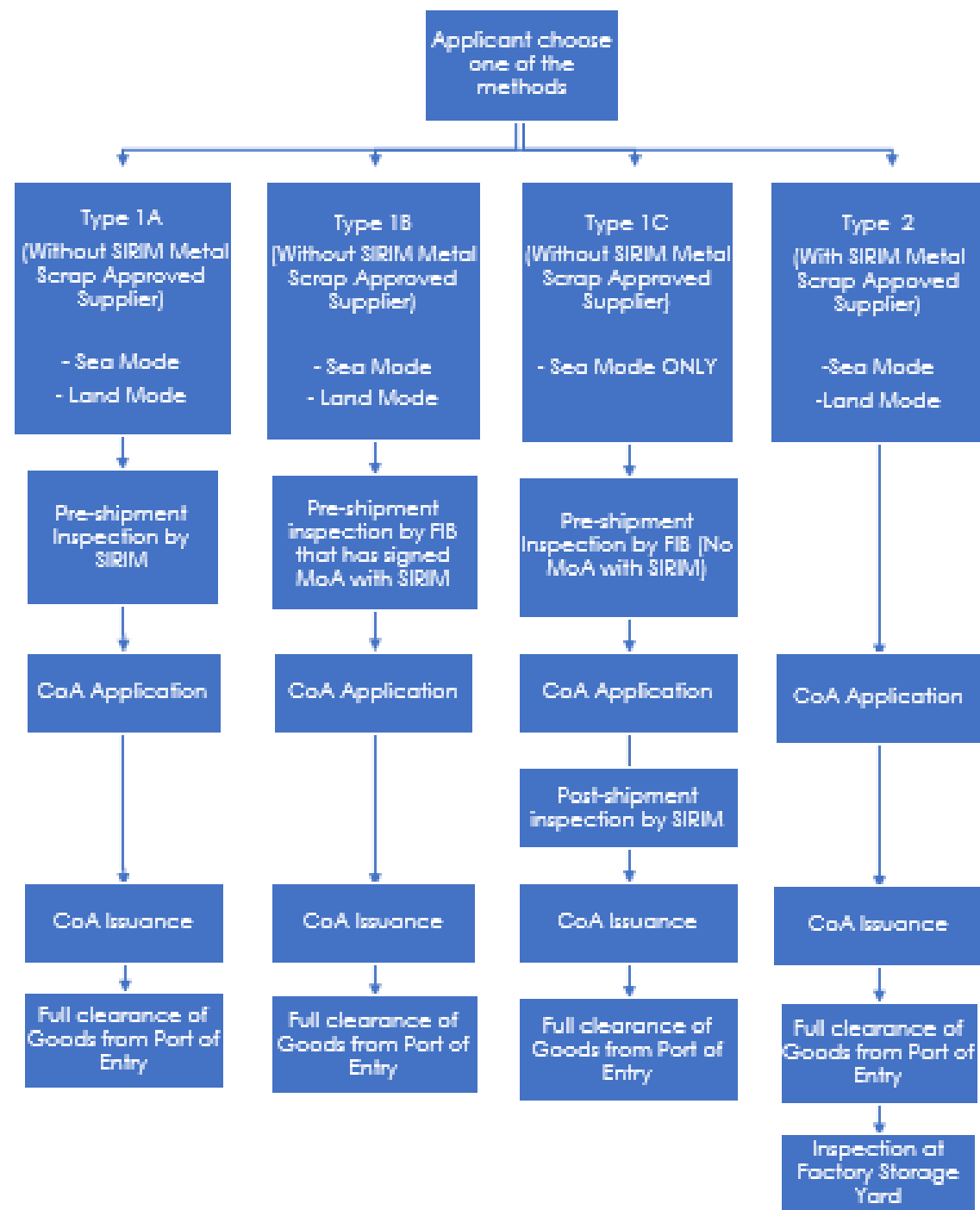
- Metal Scrap
 - a) HS Code 7204: Ferrous waste and scrap; remelting scrap ingots of iron or steel.
 - b) HS Code 7404: Copper waste and scrap.
 - c) HS Code 7602: Aluminium waste or scrap.

- Waste paper
 - a) HS Code 4707.10: Unbleached kraft paper or paperboard or corrugated paper or paperboard.
 - b) HS Code 4707.20: Other paper or paperboard made mainly of bleached chemical pulp, not coloured in the mass
 - c) HS Code 4707.30: Paper or paperboard made mainly of mechanical pulp (for example, newspapers, journals and similar printed matter)

Note: The waste paper of HS Code 4707.90 (Other, including unsorted waste and scrap) is **Not Allowed** to be imported into Malaysia.



IMPORTATION METHODS





INSPECTION CRITERIA FOR METAL SCRAP

HS Code 7204 (Ferrous waste and scrap; remelting scrap ingots of iron or steel)

No.	Criteria Grouping	Requirement (% by weight)
1.	Solid Ferrous	Minimum: 94.75%
2.	Solid Non- Ferrous	Maximum: 5.0 %
3.	Other recoverable material including plastic	Maximum: 0.25%
4.	Scheduled waste including electrical and electronic*	0%
	Total	100%

HS Code 7404 (Copper waste and scrap)

No.	Criteria Grouping	Requirement (% by weight)
1.	Solid Non- Ferrous (Copper only)	Minimum: 94.75%
2.	Solid Ferrous and other non-ferrous	Maximum: 5.0 %
3.	Other recoverable material including plastic	Maximum: 0.25%
4.	Scheduled waste including electrical and electronic*	0%
	Total	100%

HS Code 7602 (Aluminium waste or scrap)

No.	Criteria Grouping	Requirement (% by weight)
1.	Solid Non- Ferrous (Aluminium only)	Minimum: 94.75%
2.	Solid Ferrous and other non-ferrous	Maximum: 5.0 %
3.	Other recoverable material including plastic	Maximum: 0.25%
4.	Scheduled waste including electrical and electronic*	0%
	Total	100%



INSPECTION CRITERIA FOR WASTE PAPER



MS Standard

1 of 8

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**MALAYSIAN
STANDARD**

MS EN 643:2021 (P)

Paper and board - European list of standard grades of paper and board for recycling

Standard Code : MS EN 643:2021 (P)

MS Title : Paper and board - European list of standard grades of paper and board for recycling

Description : This European Standard defines grades of paper and board for recycling used as raw material for recycling in the manufacture of paper and board products in the paper industry. This European Standard also specifies tolerances for unwanted materials as well as the composition of paper and board for recycling. Unusable materials (prohibited and unwanted materials) are clearly defined for all people involved in the management of paper and board for recycling.

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PROCESS FLOW AND SOP STEPS

STEP 1 : USER ID REGISTRATION WITH PORT AUTHORITY SYSTEM

Process Flow	Information	Remarks/Duration
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Start</div> <p style="text-align: center;">↓</p>		
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">User ID Application</div> <p style="text-align: center;">↓</p>	SIRIM to apply for 2 User ID from Port Authority	1 working day
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">User ID Approval</div> <p style="text-align: center;">↓</p>	Port Authority approval 2 User ID for Metal Scrap & Waste Paper temporary detention, transfer, inspection, and release.	1 working day
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Finish</div>		

Legend	
	Applicant Role
	SIRIM Role
	Port Role
	RMCD Role



PROCESS FLOW AND SOP STEPS

STEP 2 : APPLICATION OF COA

Process Flow	Information	Remark/Duration
Start		
COA Application	Importer/Agent to submit application for COA to Dagang Net online system (Type 1A, Type 1B, Type 1C & Type 2)	1 day after disembarking from country of origin
Evaluation	Sirim performing evaluation on the submitted shipping documents.	1 day
Sampling	Sirim officer identified the samples from container/shipment for inspection (Applicable for Type 1C only)	
COA acceptance	COA application accepted and approval will be subjected from the inspection results. (Type 1C, Type 1B, Type 1C & Type 2)	
Finish		

Legend	
	Applicant Role
	SIRIM Role
	Port Role
	RMCD Role



PROCESS FLOW AND SOP STEPS

STEP 3 : TEMPORARY DETENTION, TRANSFER & INSPECTION

Process Flow	Information	Remark/Duration
Start		
↓		
Documents submission	Importer/Agent to inform and submit all related shipping document to Port Authority and RMCD.	1 day
↓		
Samples notification	Sirim officer with User ID will notify Port Authority on the identified samples container/shipment for temporary detention and inspection. (Applicable for Type 1C only)	1 day (same day as the submission day)
↓		
Transferring	Terminal Operator to transfer the selected commodity to the inspection area.	1 day
↓		
Inspection	Sirim inspector to perform the respective inspection on the selected commodity. (Applicable for Type 1C only)	1 – 3 days
↓		
	Continue.....	

Legend	
	Applicant Role
	SIRIM Role
	Port Role
	RMCD Role



PROCESS FLOW AND SOP STEPS

↓continue	
↓ Inspection results	Sirim inspector will upload the inspection results within 1 hour into Sirim online system, Port authority system and Sistem Maklumat Kastam (SMK).	1 hour after the last inspection day
↓ Transferring	Terminal Operator to transfer the inspection commodity back to the temporary detention bay	1 day once complete inspection
↓ COA issuance	Sirim will approved the COA and issue COA to Importer/Agent. Sirim will online inform Port Authority and RMCD. (Applicable for Type 1A, Type 1B, Type 1C & Type 2)	1 hour after the inspection result upload
↓ Release	RMCD to release commodity base on issued COA via SMK	1 hour after the inspection result received via SMK
↓ Clearance	Importer/Agent to clear the commodity from Port	Same day once RMCD release
↓ Finish		

Legend	
	Applicant Role
	SIRIM Role
	Port Role
	RMCD Role



PROCESS FLOW AND SOP STEPS

STEP 4 : NON-COMPLIANCE COMMODITY

Process Flow	Information	Remark/Duration
Finish		
↓		
Non-compliance notify	Sirim will notify Port Authority online for the non-compliance commodity.	1 day once complete inspection (concurrent)
↓		
Non-compliance notice	Sirim to issue non-compliance notice to Importer/Agent via online.	
↓		
Return to country of origin	Importer/Agent to arrange the commodity to be return to country of origin with their own cost.	3-4 days
↓		
Fail to return	If Importer/Agent fail to return the commodity to the country of origin, Bank Guarantee to be used by SIRIM to return it.	3 months if no action from Importer/Agent
↓		
Suspension	Sirim to suspend Importer/Agent privilege in importing the commodity in future. Notification via online	1 hour after the inspection result upload
↓		
Finish		

Legend	
	Applicant Role
	SIRIM Role
	Port Role
	RMCD Role



HANDLING OF NON-CONFORMANCES

	Declared Shipment	Non-declared
Schedule waste	Circumstances A	Circumstances C
Non-schedule waste	Circumstances B	Circumstances D

Handling Non-Compliances under Circumstances A:

Department of Environment (DOE) will handle any non-compliances due to schedule waste or hazardous wastes. Actions as follows:

- (i) SIRIM will issue Notification Letter and Suspension Letter within 24 hours from the last date of the inspection.
- (ii) SIRIM will inform and hand over the case to DOE to instruct importer to return the shipment to the country of origin or other actions. SIRIM to provide DOE the inspection report and the relevant shipping documents.
- (iii) Importer to return the shipment to the country of origin with cost to be borne by importer or other action deemed appropriate by DOE.
- (iv) SIRIM will lift the Suspension Letter if the importer returns the shipment or other action deemed appropriate by DOE, upon acknowledgement by DOE.
- (v) Repeated non-compliances may lead to permanent blacklisted of the importer. (Refer Clause 5.8)
- (vi) If the importer abandoned the shipment:
 - DOE may request from SIRIM to utilize bank guarantee and
 - DOE to arrange to return the shipment to country of origin or other action deemed appropriate by DOE. DOE will also utilize bank guarantee for all cost related for administration and incidental.
 - The importer will be blacklisted and penalized. (Refer Clause 5.8).



HANDLING OF NON-CONFORMANCES

Handling Non-Compliances under Circumstances B:

SIRIM should take full responsibility to handle the non-compliances related to non-scheduled waste including to instruct the importer to return to country of origin or dispose elsewhere as appropriate in an environmentally sound manner. SIRIM will replicate actions that DOE will take based on their act and regulation.

- (i) SIRIM will issue Notification Letter and Suspension Letter within 24 hours from the last date of the inspection.
- (ii) SIRIM will inform importer to return the shipment to country of origin or to dispose elsewhere as appropriate in an environmentally sound manner.
- (iii) Importer to return the shipment to the country of origin or to dispose elsewhere as appropriate in an environmentally sound manner with the cost to be borne by importer.
- (iv) SIRIM will lift the Suspension Letter if the importer has completed actions in 5.7.4(iii)
- (v) Repeated non-compliances may lead to permanent blacklisted of the importer. (Refer Clause 5.8)
- (vi) If the importer abandoned the shipment:
 - The importer will be blacklisted. (Refer Clause 5.8).
 - SIRIM will utilize bank guarantee and arrange to return the shipment to country of origin or to dispose the shipment in the country.
 - SIRIM will also utilize bank guarantee for all cost related for administration and incidental.



HANDLING OF NON-CONFORMANCES

Handling Non-Compliances under Circumstances C:

Department of Environment (DOE) will handle any non-compliances related to schedule waste or hazardous including from non-declared shipment. Actions as follows:

- (i) Port Authority/Port Operator to inform SIRIM on the incoming non-declared shipment.
- (ii) SIRIM /Port Authority/Port Operator will conduct investigation and if necessary, to trace the owner of the shipment including insurance coverage.
- (iii) SIRIM will conduct inspection on the shipment.
- (vii) SIRIM will inform DOE on the schedule waste non-compliances and hand over the case to DOE for next course of actions based on DOE Act and regulation. SIRIM to provide DOE the inspection report and the relevant shipping document.



HANDLING OF NON-CONFORMANCES

Handling Non-Compliances under Circumstances D:

SIRIM should take full responsibility to handle the non-compliances related to non-scheduled waste including from non-declared shipment. SIRIM will replicate actions that DOE will take based on their act and regulation.

- (i) Port Authority/Port Operator to inform SIRIM on the incoming non-declared shipment.
- (ii) SIRIM /Port Authority/Port Operator will conduct investigation and if necessary, to trace the owner of the shipment including insurance coverage.
- (iii) SIRIM will conduct inspection on the shipment.
- (iv) SIRIM will inform owner of the shipment on the non-compliances to return the shipment to country of origin or dispose elsewhere as appropriate in an environmentally sound manner in the country with cost borne by importer.
- (v) If the owner cannot be traced, SIRIM will take the necessary actions to dispose the non-compliant goods.
 - a. SIRIM will undergo process to terminate the ownership right.
 - b. SIRIM will conduct auction after all the compliance has been made.
 - c. The successful bidder to arrange segregation.
 - d. SIRIM will conduct inspection.
 - e. After all the compliance has been made, SIRIM will issue COA.



PENALTIES

SIRIM will blacklist the importer, in the event of:

- a. Importer reluctant to take actions due to non-conformance either returning the goods to country of origin or dispose in the country.
- b. Repetitive non-compliances. SIRIM reserve a right to blacklist the importer for repetitive non-compliances of more than two (2) times.

Penalties as a result of non-compliances will be deliberated by panel set up by SIRIM QAS International.

Applicable penalty will be enforced under Section 34B of Environmental Quality Act 1974 in the event of non-compliances due to scheduled wastes or hazardous wastes.



Thank You
for your kind attention



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