# METHODS FOR IMPORTATION & INSPECTION OF METAL SCRAP INTO MALAYSIA

Presented by:

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Product Certification and Inspection Department 03 April 2024



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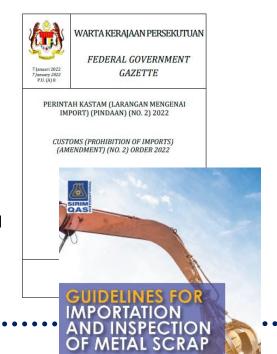


#### INTRODUCTION

The importation of all metal scraps to Malaysia comes under the purview of the Ministry of Investment, Trade, and Industry (MITI) and is subject to the issuance of a Certificate of Approval (COA) by SIRIM as per the Customs (Prohibition of Imports) (Amendment) (No. 2) Order 2022 since January 2022 and Customs (Prohibition of Imports) (Amendment) Order 2024.

Under this Order, **SIRIM** as the designated scheme owner has **developed Guidelines for the Importation and Inspection of Metal Scrap** ("Guideline") aim to provide guidance with the importation and inspection of metal scrap into Malaysia.

- 1. Customs (Prohibition of Imports) (Amendment) (No. 2) Order 2022 published on 7 Jan 2022
- 2. SIRIM 1<sup>st</sup> edition Guidelines for Importation and Inspection of Metal Scrap published



1. Customs (Prohibition of Imports)
(Amendment) Order 2024 published
on 27 Feb 2024, affected an
additional 23 tariff codes

2. SIRIM 2<sup>nd</sup> edition Guidelines for Importation and Inspection of Metal Scrap to be published



CAS: SINI

**JAN 2022** 

**FEB 2024** 

## **GUIDELINE**

**Guidelines for the Importation and Inspection of Metal Scrap** is prepared based on numerous consultations and series of discussions within committee members:



MINISTRY OF INVESTMENT, TRADE AND INDUSTRY (MITI)



ROYAL MALAYSIAN CUSTOMS DEPARTMENT (JKDM)







#### **OBJECTIVE**

01

To provide guidance for the importation and inspection of metal scrap into Malaysia. 02

To lay down the requirements for the issuance of the COA.

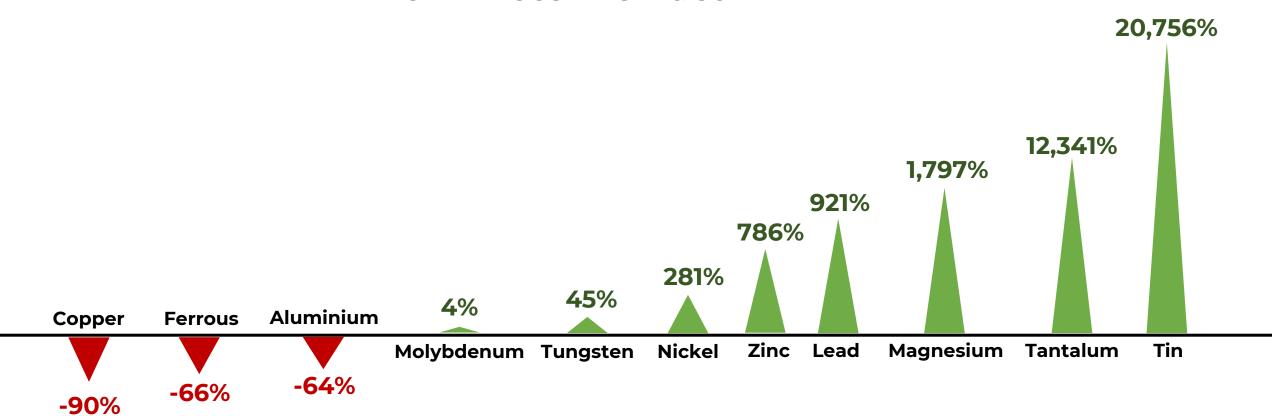
03

To inform on the criteria requirements of imported metal scrap.



# **IMPORTATION TREND 2022 vs 2021**

#### FOR VARIOUS WASTE & SCRAP METAL





| No. | HS Code       | Description  |     |
|-----|---------------|--|-----|
| 1.  | 72.04         | Ferrous waste and scrap; remelting scrap ingots of iron or steel | ING |
| 2.  | 74.04         | Copper waste and scrap   | IST |
| 3.  | 76.02         | Aluminium waste or scrap   | Ж   |
| 4.  | 7503.00.00 00 | Nickel waste and scrap   |     |
| 5.  | 7802.00.00 00 | Lead waste and scrap   |     |
| 6.  | 7902.00.00 00 | Zinc waste and scrap   |     |
| 7.  | 8002.00.00 00 | Tin waste and scrap  |     |
| 8.  | 8101.97.00 00 | Tungsten (wolfram) waste and scrap                               |     |
| 9.  | 8102.97.00 00 | Molybdenum waste and scrap                                       |     |
| 10. | 8103.30.00 00 | Tantalum waste and scrap   |     |
| 11. | 8104.20.00 00 | Magnesium waste and scrap  |     |
| 12. | 8105.30.00 00 | Cobalt waste and scrap   |     |
| 13. | 8106.10.10 00 | Diamouth waste and save  |     |
| 14. | 8106.90.10 00 | Bismuth waste and scrap  |     |

| No. | HS Code       | Description                 |
|-----|---------------|-----------------------------|
| 15. | 8108.30.00 00 | Titanium waste and scrap    |
| 16. | 8109.31.00 00 | Zirconium waste and scrap   |
| 17. | 8109.39.00 00 | Zircomum waste and scrap    |
| 18. | 8110.20.00 00 | Antimony waste and scrap    |
| 19. | 8111.00.10 00 | Manganese waste and scrap   |
| 20. | 8112.13.00 00 | Beryllium waste and scrap   |
| 21. | 8112.22.00 00 | Chromium waste and scrap    |
| 22. | 8112.31.00 00 | Hafnium waste and scrap     |
| 23. | 8112.41.00 00 | Rhenium waste and scrap     |
| 24. | 8112.52.00 00 | Thallium waste and scrap    |
| 25. | 8112.61.00 00 | Cadmium waste and scrap     |
| 26. | 8112.92.00 00 | Other metal waste and scrap |



Reference: Customs (Prohibition of Imports) Order 2023 and Customs (Prohibition of Imports) (Amendment) Order 2024.





#### 1. MANUFACTURER

- Hold a Manufacturing License (ML); or
- Confirmation Letter for a Company Exempted from Manufacturing License (ICA 10).

# 2. TRADING ARM COMPANY

- Hold approved invoices from ML holders or ICA 10 Manufacturers; and
- Memorandum of Agreement (MoA) with ML holders or ICA 10 Manufacturers.







#### THE MANUFACTURERS SHALL HOLD:

- License under SIRIM Certification/Eco-Labeling Scheme; or
- Undergo annual inspection or verification services at manufacturing premises

Among elements to be covered:

- Verification of quota; and
- Waste management Manufacturers must have waste management facilities or standard recycling processes for the recoverable materials including plastic.







ECO-LABEL







SIRIM QAS International Sdn Bhd SIRIM Complex, 1, Persiaran Dato' Menteri Section 2, 40700 Shah Alam Selangor Darul Ehsan

12th March 2024

Dear Sirs,

BANK GUARANTEE NO. 349FG091730 FOR RM100,000-LV EXPIRING 20.03.2025 \*

#### WHEREAS

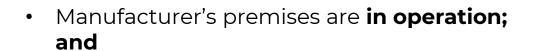
Agreement, agreed to "Certificate Of Ap) (Na) (COA) Scrap And Waste" and in this connect Guarantee is required in the sum of Riv git Malaysia One Hundred Thousand Only (RM100,0) Guaranteed Amount").

- In consideration of the premises and at the request of the
  - Amount on the condition that we first receive your demand in writing stating the Customer to perform its obligation under the Contract and the amount due to you notwithstanding any protest or contestation by the Customer or any third party and without proof or condition and that such demand shall be conclusive evidence that the sum demanded is due to you from the Customer.
- We shall not be discharged or released from this Guarantee nor shall our liabilities hereunder be increased or modified in any manner whatsoever by any arrangement made between the Customer and you or by any alteration in the obligations undertaken by the Customer or by any forbearance whether as to payment, time, performance or otherwise.
- 3. This Guarantee shall be effective from 21st March 2024 ("Effective Date") until:
  - i) 20th March 2025: or

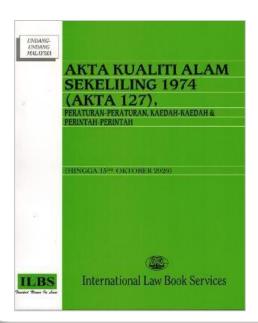
#### **BANK GUARANTEE**

- To provide SIRIM with valid Bank Guarantee.
- Amount: Projected based on the highest shipment cost (including incidental cost) to return the shipment to the country of origin.





Comply with the Environmental Quality
 Act 1974 and its related Regulations



 The storage space/capacity of imported metal scrap materials is adequate and handled appropriately.





# **DOCUMENTS REQUIRED FOR COA APPLICATION**

| No. | COA Application Document  | Manufacturer | Trading Arm<br>Company |
|-----|---|--------------|------------------------|
| 1.  | Shipping documents (Invoice, Packing List & Import Documents)   | $\odot$      | )                      |
| 2.  | Valid Pre-shipment inspection report<br>(For Method Type 1A, 1B and 1C)   | $\odot$      | )                      |
| 3.  | Inspection reports issued by SIRIM Approved MRF (For Method Type 2 only)  | $\odot$      |                        |
| 4.  | Proof of SIRIM Approved MRF Certificate (For Method Type 2 only)  | $\odot$      | )                      |
| 5.  | Proof of manufacturing license (ML) or Confirmation Letter for a Company Exempted from Manufacturing License (ICA 10) issued by MIDA                    | $\odot$      |                        |
| 6.  | Verified invoice from ML holders or ICA 10 manufacturers and Memorandum of Agreement (MoA) with ML holders or ICA 10 manufacturers                      | $\bigotimes$ | $\bigcirc$             |
| 7.  | Bank Guarantee  | $\odot$      | )                      |
| 8.  | SIRIM Certificate i.e.: Management of Imported Scrap and Waste (MISW) or Product Certification Scheme or Eco- Labelling Scheme or ISO 9001 or ISO 14001 | $\odot$      |                        |
| 9.  | Shipping Insurance Policy   | $\odot$      | )                      |
| 10. | Tariff Code Classification Letter issued by RMCD  | $\odot$      | )                      |

QASE SIRIM



# IMPORTATION METHODS

Importer to choose one(1) of the importation methods for each shipment

|                                       | METHODS    |                            |                      |            |  |
|---------------------------------------|------------|----------------------------|----------------------|------------|--|
| REQUIREMENTS / PROCESSES              |            | WITH<br>SIRIM Approved MRF |                      |            |  |
|                                       | TYPE<br>1A | TYPE<br>1B                 | TYPE<br>1C           | TYPE<br>2  |  |
| Mode of Transport                     | Land & Sea | Land & Sea                 | Sea Only             | Land & Sea |  |
| Pre-Shipment<br>Inspection            | (by SIRIM) | (by FIB with MOA)          | (by FIB without MOA) | $\otimes$  |  |
| Post Shipment at Port of Entry        | $\otimes$  | $\otimes$                  | (by SIRIM)           | $\otimes$  |  |
| COA                                   | $\bigcirc$ | $\bigcirc$                 | $\bigcirc$           | $\bigcirc$ |  |
| Inspection at Factory<br>Storage Yard | $\otimes$  | $\otimes$                  | $\otimes$            | (by SIRIM) |  |

Notes:

MRF = Materials Recovery Facility FIB = Foreign Inspection Body





#### **INSPECTION CRITERIA**

|   | CRITERIA GROUPING                    |                                     |  |  |       |
|---|--------------------------------------|-------------------------------------|--|--|-------|
|   | TARGET<br>Solid Metal<br>Scrap (min) | OTHER<br>Solid Metal<br>Scrap (max) | OTHER<br>Recoverable<br>Materials Incl.<br>Plastic (max) | SCHEDULED<br>WASTE<br>including<br>e-waste | TOTAL |
| REQUIREMENTS<br>(percentage by<br>weight) | 94.75%                               | 5.0%                                | 0.25%  | 0%   | 100%  |

#### Note:

Crushed or shredded form of metal scraps of sizes less than 5 mm are not allowed for importation.

These criteria was developed by a committee (MITI, MIDA, DOE, RMCD & SIRIM) with reference to the Environmental Quality Act 1974, BASEL Convention, EQC, and country best practices.





#### **SAMPLING PLAN**

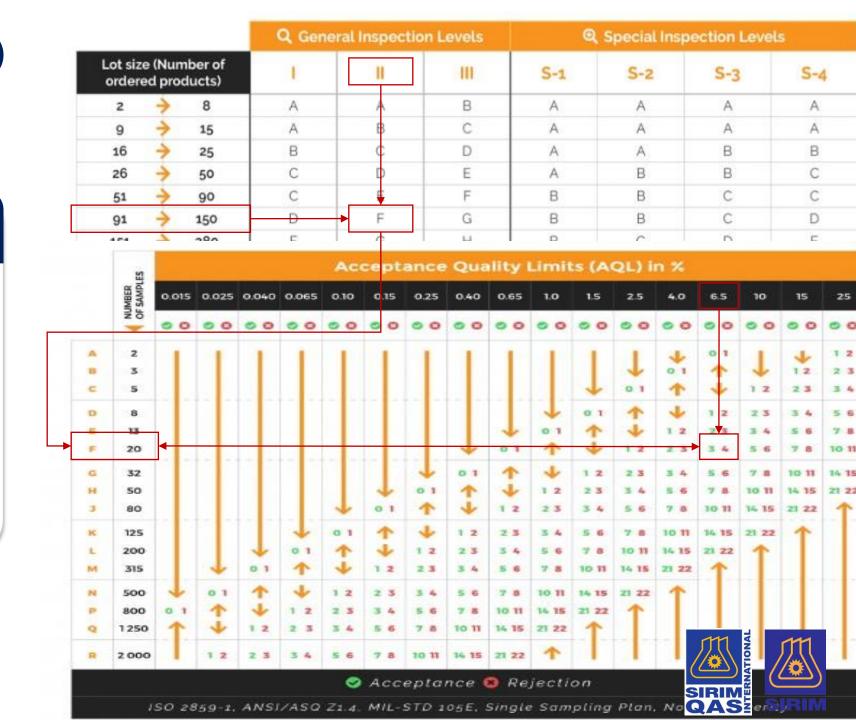
#### MS ISO 2859-1

GENERAL INSPECTION LEVEL II; ACCEPTANCE QUALITY LIMIT (AQL): 6.5

Example:

100 containers per shipment:

Number of sampled containers: **20 containers** 





# **Certificate of Approval (COA)**

| No | Descriptions  | Fees (RM)    |
|----|---|--------------|
| 1. | New application fee & Issuance of<br>Certificate of Approval (COA) /<br>shipment<br>(Payable upon application & strictly<br>non-refundable) | 350/shipment |

#### Note:

@ Permit\*

COA can be applied at https://epermit.dagangnet.com.my/epermit.jsp



SIMM GAS Informational Sdn. Block Block 25, SHMM COMPLEX, No. 1 Persianan Dato' Member, Section 2, P. O Box 7025 40700 Shain Alam, Selangor



Service Tax (D):

#### CERTIFICATE OF APPROVAL FOR GOODS IMPORTATIONS AND INSPECTION TO MALAYSIA GUSTOM (PROMISSTION OF IMPORT)

| Date of time: 14/11/11/11 | Report ACCEPTED        |  |  |
|---------------------------|------------------------|--|--|
| Venety Deet: 23/94/2024   | Pre-promett Report No. |  |  |

We ISNA GAS triansational tion lind, teathy that the goods stated better has been subjected to inspectio and proven compiled with the specific requirements:



#### Product Details:

| 140. | Tarff Code<br>(HG Code) | Controlly ferre | Quantity of<br>Consignment | Country of<br>Origin | Bay Container<br>No. | (ea)u                                  |
|------|-------------------------|-----------------|----------------------------|----------------------|----------------------|--|
| F    | 72142000                | HILLIAN .       | 24,550,000,000             |                      | BERTHALF THE         | PO111111111111111111111111111111111111 |
| T    | dations                 | March 1995      | stratum and                |                      | and the same of      | Acres (A)                              |

#### Aster assensings of this COA for auditional terms

| Packing List:  | Bit of Lading No.                   |
|--|-------------------------------------|
| Pot of Stray: 1000 10,400                                | Proce No.: (107+10.00)              |
| Properties Report No. : International International Inc. | Made of Transpot: HALFTON TRANSPORT |
| Date of Impection 1 1 A / 10 A / 10 G                    | VesselTransport Ref. No.            |





# Pre-shipment Inspection for Method Type 1A (Sea Mode/Land Mode of Transport)

| No  | Descriptions                 | TYPE 1A<br>Fees (RM)   |
|-----|------------------------------|--|
| 1.  | ≤ 50 MT                      | 500 <sub>(2)</sub>   |
| 2.  | 51 to 100 MT                 | 800 H  |
| 3.  | 101 to 200 MT                | 1,000 \rightarrow Z  |
| 4.  | 201 to 375 MT                | 1,500  |
| 5.  | 376 to 625 MT                | 2,000  |
| 6.  | 626 to 1,250 MT              | 3,500  |
| 7.  | 1,251 to 3,000 MT            | 6,000  |
| 8.  | Subsequent weight (>3000 MT) | 1.80/tonne   |
| 9.  | Inspection report (≤375 MT)  | 350/shipment   |
| 10. | Inspection report (>376 MT)  | 500/shipment   |
| 11. | Incidental                   | As charged where applicable (accommodation, living allowances, and transportation/mileage) |

#### **Example**

Qty: 50 MT

50 MT: RM 500 Ins. Report: RM 500

Total: RM1,000\*

\* Total fee per shipment (not including incidental cost)

#### Note:

For pre-shipment inspection Type 1B and 1C, the importer needs to liaise directly with the FIB. SIRIM determines the time spent and the sample size for all inspections.



# Post-shipment Inspection for Method Type 1C (On-board) and Inspection at Factory Storage Yard for Method Type 2

| No | Descriptions  | TYPE 1C, 2<br>Fees (RM)   |
|----|---|---|
| 1. | First 3000 MT   | 2,700/shipment  |
| 2. | Subsequent weight (>3000 MT)  | 0.70/MT   |
| 3. | Inspection report   | 500/shipment  |
| 4. | Testing fee (If Applicable)   | 1,500/day/shipment  |
| 5. | <ul> <li>Incidental</li> <li>SIRIM branch nearest to the<br/>Port of Entry; or</li> </ul> | Refer to <b>TABLE 1</b> :<br>Incidental cost for Post-<br>shipment Inspection; or |
|    | <ul> <li>Factory storage yard</li> </ul>  | As per SIRIM's standard rate  |

Shipment via Bulk / Open Vessel

## Example

Qty: 3,000 MT

3,000 MT: RM 2,700 Ins. Report: RM 500

Total: RM 3,200\*

\* Total fee per shipment (not including incidental cost)



# Post-shipment Inspection for Method Type 1C (Off-board) and Inspection at Factory Storage Yard for Method Type 2

| No | Descriptions  | TYPE 1C, 2<br>Fees (RM)  |
|----|---|--|
| 1. | First 3 containers  | 300  |
| 2. | Subsequent containers   | 100  |
| 3. | Inspection report   | 500/shipment   |
| 4. | Testing fee (If Applicable)   | 1,500/day/shipment   |
| 5. | <ul> <li>Incidental</li> <li>SIRIM branch nearest to the Port of Entry; or</li> <li>Factory storage yard</li> </ul> | Refer to <b>TABLE 1</b> : Incidental cost for Post- shipment Inspection; or As per SIRIM's standard rate |

# **Shipment via Containers**

#### **Example**

Qty: 3 sampled containers from a total of 15 containers

3 containers: RM 300 Ins. Report: RM 500

Total: RM 800\*

\* Total fee per shipment (not including incidental cost)



## Table 1: Incidental Cost for Post-Shipment Inspection at Port of Entry

#### **SIRIM HQ to Port (Central Region)**

| No        | Port              | Incidental (RM) /<br>Round Trip |
|-----------|-------------------|---------------------------------|
| I.        | West Port, Klang  | 72                              |
|           | North Port, Klang | 48                              |
| <b>3.</b> | Lumut Port, Perak | 336                             |

#### **SIRIM Johor to Port**

| No        | Port                                  | Incidental (RM) /<br>Round Trip |
|-----------|---------------------------------------|---------------------------------|
| 1.        | Johor Port, Pasir Gudang              | 72                              |
| 2.        | Tanjung Langsat Port,<br>Pasir Gudang | 96                              |
| <b>3.</b> | Tanjung Pelépas Port,<br>Gelang Patah | 72                              |

#### **SIRIM Penang to Port**

| No | Port      | Incidental (RM) /<br>Round Trip |
|----|-----------|---------------------------------|
|    | NBCT Port | 24                              |
| 2. | BWCT Port | 24                              |

#### **SIRIM Pahang to Port**

| No | Port                     | Incidental (RM) /<br>Round Trip |
|----|--------------------------|---------------------------------|
|    | Kuantan Port, Pahang     | 24                              |
| 2. | Kertih Port, Terengganu  | 160                             |
| 3. | Kemaman Port, Terengganu | 160                             |

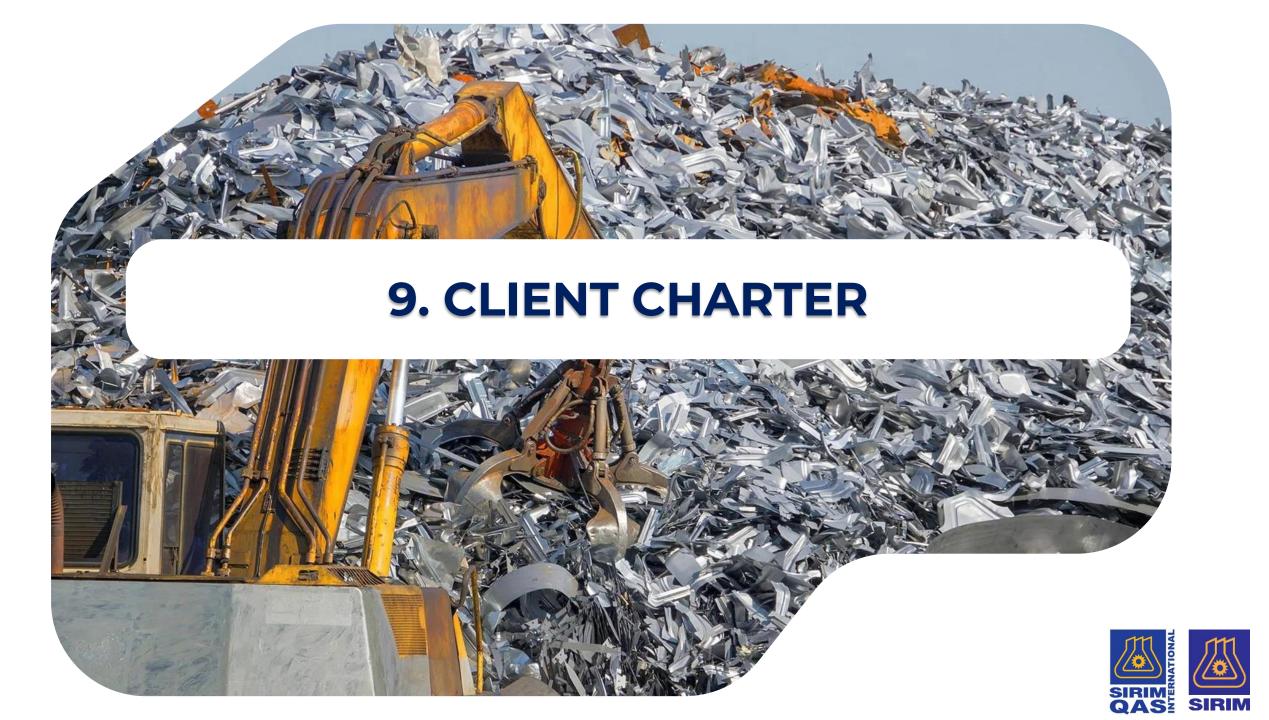
#### **SIRIM Sarawak to Port**

| No   Port       | Incidental (RM) / Round Trip         |
|-----------------|--------------------------------------|
| Kuching Port    | 16                                   |
| 2. Miri Port    | Flight Ticket + Incidental (0.80/km) |
| 3. Bintulu Port | Flight Ticket + Incidental (0.80/km) |
| 4. Sibu Port    | Flight Ticket + Incidental (0.80/km) |

#### **SIRIM Sabah to Port**

|    | Port               | Incidental (RM) / Round Trip         |
|----|--------------------|--------------------------------------|
|    | Kota Kinabalu Port | 40                                   |
| 2. | Sepanggar Port     | 24                                   |
|    | Sandakan Port      | Flight Ticket + Incidental (0.80/km) |
|    | Tawau Port         | Flight Ticket + Incidental (0.80/km) |
|    | Lahad Datu         | Flight Ticket + Incidental (0.80/km) |
| 6. | Labuan Port        | Flight Ticket + Incidental (0.80/km) |





## **CLIENT CHARTER**

#### 1. Pre-Shipment Inspection by SIRIM

| Total                           | 5-8 working days |
|---------------------------------|------------------|
| Issuing of inspection report    | 2 working days   |
| Inspection at Country of Origin | 2-5 working days |
| Issuing an invoice              | 1 working day    |

#### 2. COA Application

| Evaluation of submitted shipping | 1 working day  |
|----------------------------------|----------------|
| documents                        |                |
| Issuing an invoice               | 1 working day  |
| Total                            | 2 working days |

#### 3. Post-shipment Inspection (For Method Type 1C)

| Post-shipment Inspection       | 1-4 working days |
|--------------------------------|------------------|
| Inspection report and Approval | 1 working day    |
| Total                          | 2-5 working days |

#### 4. COA Issuance

| COA issuance upon payment (Type 1A, | 1 working day |
|-------------------------------------|---------------|
| Type 1B and Type 2)                 |               |
| COA issuance upon compliance of     | 1 working day |
| Post-shipment Inspection (1C)       |               |

#### 5. Inspection at Factory Storage Yard (For Method Type 2)

| Issuing of Quotation           | 1-2 working days  |
|--------------------------------|-------------------|
| Scheduling of inspection       | 1-2 working days  |
| Inspection process             | 1-5 working days  |
| Inspection report and Approval | 1-2 working day   |
| Total                          | 4-11 working days |





# On-Board Inspection with acceptable cargo

















#### Off-board inspection by containers

















#### **Acceptable and Non-Acceptable Samples**



Shredded metallic material > 5mm in size



Coated copper wire or coated aluminum wire



## **Acceptable and Non-Acceptable Samples**



**Uncoated copper material** 



Electrical/electronic waste material



**Cut wire cable** 



# Acceptable and Non-Acceptable Samples













# THANK YOU





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