GUIDELINE FOR IMPORTATION OF IRON AND STEEL PRODUCTS CUSTOM (PROHIBITION OF IMPORTS) ORDER AMENDMENT NO 4.2009

1. INTRODUCTION: POLICY REVIEW OF IRON AND STEEL INDUSTRY (MITI)

The International Trade and Industry Ministry of Malaysia (MITI) has announced a review of steel policy which will ultimately lead to reductions in duties on the imports of steel and the introduction of a set of Malaysian standards for imported steel products. The motivation for the Review is to enhance the competitiveness of the Malaysian steel industry. The Policy Review of Iron and Steel Industry - a document published on the website of the Ministry of International Trade and Industry states that "With the objectives to enhance competitiveness of the local industry, as well as encourage the manufacture of more competitive products for international market, the Government has agreed to implement the following measures, effective from 1 August 2009. The policy measures for iron and steel industry are formulated after a series of discussions held with the Malaysian Iron and Steel Industry Federation (MISIF) since early 2007."

The measures introduced by the review are:

i) Manufacturing Licences

Manufacturing licences will be granted without restriction to meet the demand for domestic and export markets for long and flat products.

ii) Import and Export Licences (AP)

a) Free issuance of import licences for flat products will be continued for monitoring and data collection purposes. No export licence is required on flat products. The current import and export duty exemption on 57 tariff lines of long products will be maintained.

b) Import control for products of Hot-Rolled Coils (HRC), Cold-Rolled Coils (CRC) and Electro-Galvanised Iron (EGI) through fixing the ratio between locally sourced and imported products will be abolished.

iii) Import Duty

a) For long products which are subject to import duties, reduction in import duties will be implemented gradually. Import duties will be reduced to 10 per cent from 1st August 2009 and 5 per cent from 1st January 2010 and for subsequent years.

b) For flat products which are subject to import duty, the current import duty under the MFN rate for products imported from outside ASEAN will be reduced in stages. Effective from 1st August 2009, the current import duty of 50 per cent for flat products will be reduced to 25 per cent and the rates will be further reduced between 0 to 10 per cent from 1st January 2018.

iv) Import Duty Exemption

a) Import duty exemption for flat products, including HRC, CRC and EGI, is given to:
   1) raw materials used for the production of finished goods for the export market, irrespective of local availability
   2) products for which grades and specifications are not produced locally for the local market; and
   3) products used as raw material to produce nil duty finished goods;

b) Importation by Steel Service Centres for MEs

   Import duty exemption will be given to Steel Service Centres for products for which grades and specifications are not produced locally.

c) Import duty exemption for Seven Selected Sectors

   Import duty exemption for seven selected sectors will be abolished, since it is no longer relevant, as the policy review on tariff reduction structure has taken into consideration the requirement for these sectors.

d) Import duty exemption for traders

   Current policy will be maintained, where import duty exemption is not given to traders.

v) Determination of HRC base price

The Government has also decided that the determination of HRC base price implemented by MITI be abolished. This will allow HRC price to be determined based on domestic and international market forces.

vi) Implementation of Mandatory Standards

a) To prevent the influx of sub-standard products into the country, the Government has agreed to implement mandatory standards for imported and locally produced long and flat products. The imposition of mandatory standards will be implemented in stages and will be effective from 1st August 2009 for iron and steel products which have

Malaysian Standards (MS).

b) For iron and steel products which have no MS, imported products will be tested and verified using the existing international standards (ISO), until the adoption process into MS has been completed. The adopted ISO will be effective from 1st April 2010.
c) For iron and steel products which have no MS and ISO standards, but have acquired foreign national standards, MS will be developed by the Department of Standards and will be effective from 1st October 2010. During the period of MS development, foreign national standards will be used.
d) For iron and steel products which have no standards, imports will be monitored by the Ministry of International Trade and Industry, and Royal Customs of Malaysia.
e) Enforcement of mandatory standards will be implemented by the Construction Industry and Development Board (CIDB) and SIRIM QAS International Sdn. Bhd. (SIRIM).

2. MANDATORY STANDARDS

The government of Malaysia had decided to liberalize Iron and Steel Industry through its various commitments to existing Free Trade Agreement (FTA) with ASEAN and other countries. The first implementation came to being when the Ministry of Finance, Malaysia made the announcement on 15 Nov 2008 the following measures to support liberalization of Iron and Steel Products:

- Custom Duties (Exemption) Amendment No 9. Order 2008
- Custom (Prohibition of Imports) Order Amendment No 5. 2008

Under Custom Duties (Exemption) Amendment No 9. 2008, 54 new tariff code related to Iron and Steel products were identified to be liberalized and entitled for Import Duty exemption.

Simultaneously, the Ministry of Finance, Malaysia named SIRIM as the responsible agency for the enforcement of Mandatory Standard Compliance for importation of Iron and Steel Products (for Non Construction Sector) through Custom (prohibition of imports) Order Amendment No. 5 2008, which cover 57 new tariff code.

The Mandatory Standard Compliance is in place to ensure that after the liberalization of iron and steel products, only products that conforms to Malaysia Standards and other International Standards (in the absence of Malaysian Standards) can be imported to Malaysia.

The Custom (prohibition of Imports) Order Amendment No 5. 2008, under Custom Act 1967, explain in details the manner of importation of iron and steel products:

That the import is accompanied by a certificate of approval issued by or on behalf of the Chief Executive of SIRIM for non-construction sector certifying that the import conforms to Malaysian Standards(MS) or any other International Standards recognized by SIRIM (if Malaysian Standard is not available)

Further liberalization of iron and steel was announced by the Malaysian Government on June 17 in an effort to prevent the influx the sub-standards products into the country, the Government has decided to implement mandatory standards for iron and steel products.

The compliance of mandatory standards for products which have Malaysian Standards (MS) will be effective from 1st August 2009. The scope of iron and steel products made mandatory include a total of 627 tariff lines under chapter 72 and 73 of HS Code and gazette through Customs (prohibition of Imports) order No 2. 2009.

In the implementation, Products with MS will be tested according to MS, whereas products without MS, however has ISO standards, it will be tested and verified using the existing international standards (ISO) until the adoption process into MS has completed. For products without MS nor ISO, however has Foreign National Standards (FNS), products will be tested to FNS, until adoption of FNS to MS is completed.

Imports of products without any standards will be monitored by MITI and Customs. The needs for mandatory standards for this category of products will be reviewed from time to time. Following the implementation of the above mandatory standards since 1 August 2009, the Malaysian industry expressed some concern over the implementation, as the 627 tariff lines that have been made mandatory have far reaching effects in the total value chain of various industries. Some industry including electrical & electronics, aerospace, maritime, oil and gas and automotives provided feedbacks that due to the implementation of COA, their production lines experiences interruption due to materials supply.

After 12 days of implementation, MITI decided to temporarily exempt the implementation of COA for 2 months upon review of the issues raised by the industry. The review among others include the followings;-

1. Review of Critical and Non Critical list of tariff lines.
2. SIRIM QAS to undertake Electronic applications and approval
3. All SIRIM QAS branch offices to accept enquiry, application, issue of COA.
4. SIRIM to undertake outreach programs to disseminate information to all affected parties before the resumption of the mandatory standard implementation back on 13 Oct 2009 with 187 tariff lines.

GUIDELINE FOR IMPORTATION OF ALUMINIUM PRODUCTS CUSTOM (PROHIBITION OF IMPORTS) ORDER AMENDMENT NO 3.2011

The Government of Malaysia has agreed to enforce mandatory standards effective 1st November 2011 on 6 tariff lines of aluminium sheets and foils. The enforcement of the mandatory standards has been gazetted under the Customs Order (Import Prohibition) (Amendment) (No.3) 2011 on 30th September 2011 involving the following Customs Harmonised System (HS) tariff lines:

a) aluminium plates, sheets and strip of a thickness exceeding 0.2 mm, whether or not alloyed	:	7606.11.000 7606.12.000 7606.91.000 7606.92.000
b) aluminium foil of a thickness not exceeding 0.2mm, not backed :		
a. rolled but not further worked		7607.11.000
b. other		7607.19.000

The implementation of mandatory standards on aluminium products is to ensure raw materials used in end-products meet the quality and safety requirements, minimise the importation of sub-standards products, as well as support the development and competitiveness of the local aluminium industry by producing high quality products that meet international standards. A series of consultations with related industries and associations on the implementation of mandatory standards have been held by MITI from January 2010 to October 2011.

Under the new ruling, the importation of aluminium sheets and foils will require importers to obtain a Certificate of Approval (COA) or a letter of exemption issued by SIRIM QAS International Sdn. Bhd. for manufactured products or Construction Industry Development Board (CIDB) for construction products. The COA issued by SIRIM or CIDB certify that the imported aluminium products conform to the requirements of Malaysia Standards or any other international standards recognised by SIRIM QAS International Sdn. Bhd. or CIDB (if Malaysian Standard is not available).

The procedures for the implementation of mandatory standards cover testing and verification of imported aluminium products which will take 1 to 3 working days prior to the issuance of COA. Exemptions from the COA requirements will also be considered for importers of aluminium products, as follows:

i. Automatic exemption from obtaining a COA :

   a) importation of up to a maximum 500 kg of aluminium products; and

   b) manufacturers with Licensed Manufacturing Warehouse (LMW) status and companies operating in Free Industrial Zones (FIZ). However, a COA is required for any local sales made by companies under LMW and FIZ if the aluminium products are subject to COA requirement.

ii. COA exemption on application basis :

   a) manufacturers (Tier 1 & Tier 2) who are directly involved in oil and gas, automotive, maritime or shipbuilding, aerospace and electrical and electronic sectors; and

   b) for steel service centres, the exemption will be considered only for aluminium products imported for the consumption of oil and gas, automotive, maritime or shipbuilding, aerospace and electrical and electronic sectors.

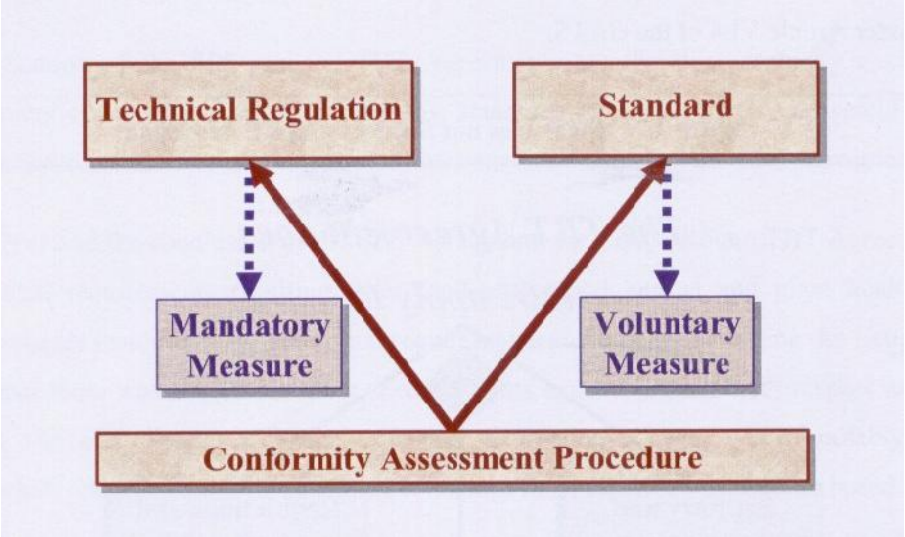
SIRIM QAS International Sdn. Bhd has briefed the industries on the implementation of mandatory standards on aluminium products through outreach programmes 2011 in Shah Alam (28 July), Penang (16 August), Johor Bahru (21 September), Sarawak (27 September) Sabah (28 September) and FMM (17 November).

Submission of application for COA can be made on-line (ePermit) and the approval is also done online.

3. WTO TBT AGREEMENT

The WTO TBT Agreement applies to: **technical regulations, conformity assessment procedures and standards.** Technical regulations are measures with which compliance is mandatory and standards voluntary. Conformity assessment procedures are procedure used to determine that relevant requirements in technical regulations or standard are fulfilled.

Figure 1: Applicability of the TBT Agreement



3.1 COVERAGE

The scope of the TBT Agreement extends to all technical regulations, standards and conformity assessment procedures that apply to trade in goods, i.e. to all agricultural and industrial products. Article 1.3 reads:

All products, including industrial and agricultural products, shall be subject to the provisions of this Agreement.

In terms of the definitions contained in Annex 1, Paragraphs 1 and 2 of the TBT Agreement, technical regulations and standards which lay down related "processes and production methods" (PPMs) that are related to characteristics of products are also covered by the TBT Agreement. In addition, the second sentence of Annex 1, Paragraphs 1 and 2 provides that technical regulation and standards "may also include or deal exclusively with terminology, symbols, packing, marking or labelling requirements as they apply to a product, process or

production method".

3.2 TECHNICAL REGULATIONS

Obligations on technical regulations in the TBT Agreement are found in two provisions: one related to central government bodies (Article 2) and one on local government bodies and non-governmental bodies (Article 3).

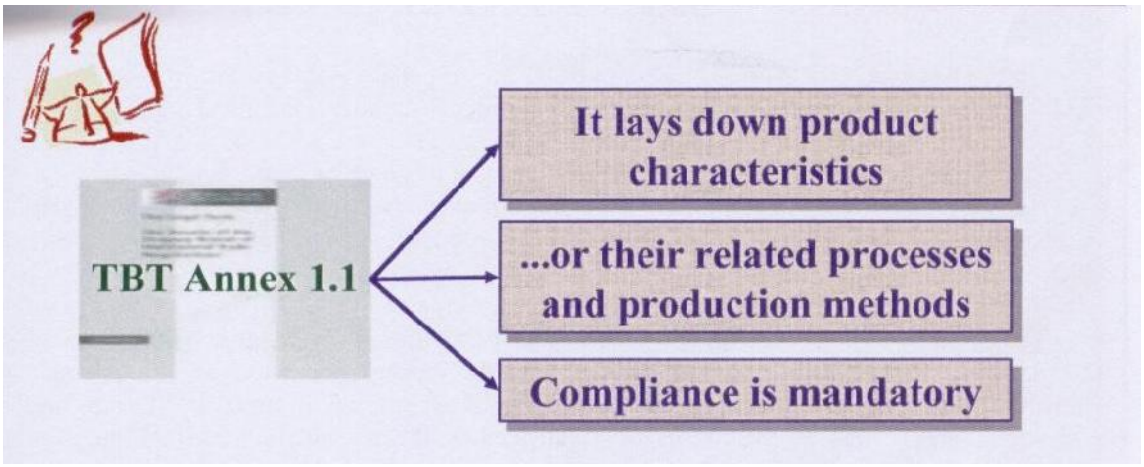
3.2.1 SCOPE OF A TECHNICAL REGULATION

Definitions

A technical regulation is defined in TBT Annex 1, Paragraph 1 as a:

Document which lays down product characteristics or their related processes and production methods, including the applicable administrative provisions, with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labeling requirements as they apply to a product, process or production method.

Figure 2: What is a Technical Regulation



In addition, Annex 1, Paragraph 1 provides the following examples of requirements which can be included in a technical regulation:

a) Terminology requirements;
b) Symbol requirements;
c) Packing requirements;
d) Marking requirements;and
e) Labeling requirements.

The definition of a technical regulation contained in Annex 1, Paragraph 1 is completed by an Explanatory Note, which refers to the respective definition of ISO/IEC Guide 2. The Explanatory note states that “the definition in ISO/IEC Guide 2 is not self-contained, but based on the so-called “building block” system”. This provision recalls that the definitions contained in the Guide should not be read in isolation from each but in conjunction with all related definitions. Therefore, three additional definitions may be considered to have a complete picture of how a technical regulation is defined pursuant to ISO/IEC Guide 2 : 1991. These combined definitions provide for the following characteristics of a technical regulation according to both ISO/IEC Guide 2 : 1991

a) A technical regulation provides technical requirements, which convey criteria to be fulfilled;
b) These requirements directly incorporate, or refer to, the content of a standard, technical specification or code of practice;
c) It may be supplemented by a deemed-to-satisfy provision, which indicated one or more means of compliance with a requirement of a normative document; and
d) It provides binding legislative rules and is adopted by an authority.

3.3 SCOPE OF A CONFORMITY ASSESSMENT PROCEDURE

Definitions

A conformity assessment procedure is defined in TBT Annex 1, Paragraph 3 as:

Any procedure used, directly or indirectly, to determine that relevant requirements in technical regulations or standards are fulfilled.

The Explanatory note of Annex 1, Paragraph 3 provides a non-exhaustive list of conformity assessment procedures which include:

- Procedures for sampling, testing and inspection;
- Evaluation, verification and assurance of conformity; and
- Registration, accreditation and approval.

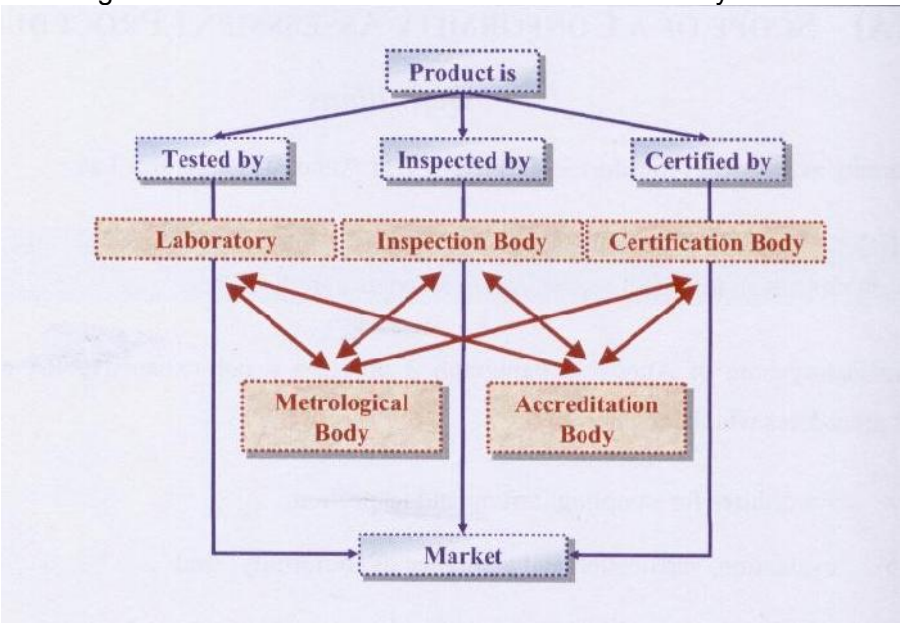
It further indicates that any combination of these procedures is also covered by the definition.

3.3.1 TYPE OF CONFORMITY ASSESSMENT PROCEDURES

Conformity assessment takes a variety of forms: procedures performed in relation to the conformity assessment of products; and procedures performed in relation to the activity of

conformity assessment. The first category comprises testing, inspection and certification activities, while the second category includes metrology and accreditation. The following figure depicts the overall technical infrastructure of conformity assessment.

Figure 3: The Technical Infrastructure of Conformity Assessment



3.3.2 PROCEDURES IN RELATION TO THE CONFORMITY ASSESSMENT OF PRODUCTS

Conformity assessment in relation to products includes a wide range of activities (i.e. testing, inspection and certification) and may be performed by a first, second or third party:

a) First Party Assessment: the supplier itself carries out the conformity assessment procedure;
b) Second Party Assessment: the purchaser or a conformity assessment body on his/her behalf carries out the conformity assessment procedure; and
c) Third Party Assessment: a body independent from both the supplier and the purchaser carries out the conformity assessment procedure.

The various conformity assessment activities may be linked. For instance, testing may form part of inspection and inspection and testing results may be used to support certification.

3.3.3 TESTING

Pursuant to the ISO/IEC Guide 2 : 1991, a test is a;

Technical operation that consists of the determination of one or more characteristics of a given product, process or service according to a specified procedure.

Testing is probably the most commonly performed procedure of conformity assessment: it is the process of determining that a product complies with specified requirements. Testing provides the basis for other major forms of conformity assessment, such as inspection and certification. Typical tests involve measurement of dimensions, chemical composition, microbiological purity, strength or other physical characteristics of materials or structure. Testing is operated by a wide range of organizations, including government agencies, academic and research institutions, commercial organizations and industry.

Different procedures may be used in order to test products. For example, *sampling* is the process of selecting one or more specimens of a product in a statistically valid manner for the purpose of evaluating the conformity of the product to specified requirements. Another possibility is *100 percent testing,* whereby every product specimen of a batch is tested individually.

3.3.4 INSPECTION

An inspection is defined in the ISO/IEC Guide 2 : 1991 as:
Evaluation for conformity by measuring, observing, testing or gauging the relevant characteristics.

There may be an overlap between testing and inspection and such activities are often performed by the same organizations. Inspection relies mostly on visual examinations but may also involve testing usually with simple instruments, such as scales. Unlike testing, which is generally carried out according to objective and standardized procedures by highly trained staff, inspection usually relies on the subjective judgment and experience of the inspector.

3.3.5 CERTIFICATION

The ISO/IEC Guide 2 : 1991 defines certification as follows;
Procedure by which a third party gives written assurance that a product, process or service conforms to specified requirements.

Certification goes beyond testing and inspection. The certification body provides a formal attestation (“certificate”) that the product meets the specified requirements and/or licences a manufacturer to place a certification mark on the product. Usually, certification bodies operate

in narrow product areas, with a particular emphasis on products where there is a potential concern about health and safety. Certification gives additional confidence and a guarantee to the customer due to the systematic intervention of a competent third body and helps suppliers to build their reputation, expand their market and promote new products.

Certification is normally based on type approval and not 100 per cent testing of every individual item. Apart from certifying product characteristics, certain certification bodies also attest to the conformity of systems, for example, the conformity of an organization's quality management system to a particular international standard.

4. MUTUAL RECOGNITION ARRANGEMENT (MRA)

4.1 APLAC MRA

One of the primary aims of APLAC is to harmonise accreditation practices in the region and to extend the APLAC Mutual Recognition Arrangement (MRA). The inaugural signing of the APLAC MRA was in Tokyo on 19 November 1997 when seven APLAC Full members signed. APLAC is also an ILAC-recognised region and most signatories to the APLAC MRA are also Members of ILAC (i.e. signatories to the global ILAC Arrangement for testing and/or calibration).

This MRA forms a regional network of laboratories and inspection bodies accredited by accreditation bodies that have been peer-evaluated and recognised as being competent. **This network facilitates the acceptance of test, calibration and inspection reports in the region, thus contributing to the facilitation of trade and the free-trade goal of "tested/inspected once, accepted everywhere".**

The APLAC MRA is based on the results of an intensive evaluation of each accreditation body done in accordance with procedures detailed in the relevant APLAC publications. Each APLAC MRA signatory has demonstrated compliance with the international standard ISO/IEC 17011 and that its accredited facilities are in compliance with ISO/IEC 17025 (laboratories), ISO 15189 (medical laboratories), ISO/IEC 17020 (inspection bodies) and/ or ISO Guide 34 in combination with ISO/IEC 17025 (RMPs). A re-evaluation is done at a maximum of 4-yearly intervals by a team of trained APLAC peer-evaluators.

Obligations of APLAC MRA signatories include:

a) Recognition, within its own scope of recognition the accreditation of a laboratory, inspection body or RMP by other signatories as being equivalent to an accreditation by its own organisation.
b) **Acceptance, for its own purposes, endorsed calibration, test or inspection reports or reference materials certificates issued by laboratories, inspection bodies or reference material producers accredited by other signatories on the same basis as it accepts endorsed calibration, test or inspection reports issued by its own accredited laboratories and/or inspection bodies.**
c) **Recommending and promoting the acceptance by users in its economy of endorsed test, calibration, and inspection reports or reference material certificates issued by organisations accredited by other signatories.**

Currently 30 of the 37 Full APLAC members are signatories to the APLAC MRA. The scopes of recognition of each signatory is summarised below.

a) **NATA** Australia - testing, calibration, inspection, RMP
b) **SCC** Canada - testing, calibration
c) **CALA** Canada - testing (previously known as **CAEAL**)
d) **CNAS** People's Republic of China - testing, calibration, inspection, ISO 15189, RMP
e) **HKAS** Hong Kong China - testing, calibration, ISO 15189, inspection
f) **NABL** India - testing, calibration
g) **KAN** Indonesia - testing, calibration, inspection
h) **JAB** Japan - testing, calibration, ISO 15189
i) **IAJapan** Japan - testing, calibration, RMP
j) **VLAC** Japan – testing
k) **KOLAS** Republic of Korea - testing, calibration
l) **Standards Malaysia** Malaysia - testing, calibration, ISO 15189
m) **EMA** Mexico - testing, calibration, ISO 15189, inspection
n) **IANZ** New Zealand - testing, calibration, ISO 15189, inspection
o) **PNAC** Pakistan - testing,calibration
p) **PAO** Philippines - testing, calibration
q) **AAC Analitica** Russian Federation – testing
r) **SAC** Singapore - testing, calibration, ISO 15189, inspection
s) **TAF** Chinese Taipei - testing, calibration, ISO 15189, inspection
t) **DMSc** Thailand - testing, ISO 15189
u) **DSS** Thailand – testing
v) **NSC-ONAC** Thailand - testing, calibration (previously known as **TLAS**)
w) **A2LA** USA - testing, calibration, inspection, RMP
x) **ACLASS** USA - testing, calibration
y) **IAS** USA - testing, calibration, inspection
z) **LAB** USA - testing, calibration **NVLAP** USA - testing, calibration **PJLA** USA - testing, calibration

aa) BOA Vietnam - testing, calibration, inspection
bb) JAS-ANZ Australasia – inspection

4.2 ILAC

The ILAC Arrangement supports international trade by promoting international confidence and acceptance of accredited laboratory data. Technical barriers to trade, such as the retesting of products each time they enter a new economy would be reduced.

The International Laboratory Accreditation Cooperation (ILAC) first started as a conference in 1977 with the aim of developing international cooperation for facilitating trade by promotion of the acceptance of accredited test and calibration results. In 1996, ILAC became a formal cooperation with a charter to establish a network of mutual recognition agreements among accreditation bodies that would fulfil this aim. The ILAC Mutual Recognition Arrangement (often referred to as the ILAC Arrangement) is the culmination of 22 years of intensive work.

On 2 November 2000, 36 laboratory accreditation bodies, full members of the International Laboratory Accreditation Cooperation (ILAC), from 28 economies worldwide signed an arrangement in Washington, DC to promote the acceptance of technical test and calibration data for exported goods.

The arrangement came into effect on 31 January 2001. The ILAC Arrangement provides significant technical underpinning to international trade. The key to the Arrangement is the developing global network of accredited testing and calibration laboratories that are assessed and recognised as being competent by ILAC Arrangement signatory accreditation bodies. The signatories have, in turn, been peer-reviewed and shown to meet ILAC's criteria for competence. Now that the ILAC Arrangement is in place, governments can take advantage of it to further develop or enhance trade agreements. **The ultimate aim is increased use and acceptance by industry as well as government of the results from accredited laboratories, including results from laboratories in other countries. In this way, the free-trade goal of "a product tested once and accepted everywhere" can be realised.**

Foundation

The aim of the ILAC Arrangement is to develop a global network of accredited testing, calibration and inspection facilities that can be relied on to provide accurate data.

The ILAC Arrangement provides technical underpinning to international trade by promoting cross-border stakeholder confidence and acceptance of accredited laboratory data. Until the advent of the ILAC Arrangement, there had been no multi-lateral mutual recognition agreement in laboratory accreditation. This has been a hindrance for some types of international trade, particularly those products which have had to undergo re- testing or re-calibration upon entry to importing countries. The ILAC Arrangement should facilitate this trade.

The principal elements for establishing confidence among the participating systems within ILAC are listed below. These elements are designed to ensure conformance with the requirements in order to establish and maintain mutual confidence in the technical competence of ILAC members and their accredited laboratories. The elements are:

1. Exchange of information on the development and operation of ILAC member accreditation schemes;
2. Participation in the work and decision-making of the ILAC General Assembly and ILAC Committees where applicable;
3. Participation in international inter-laboratory comparisons and proficiency testing programs;
4. Participation in the work of ILAC Expert Groups and Task Forces held to discuss problems related to testing and calibration in various technical fields;
5. Evaluations of applicants and re-evaluations of signatories to this Arrangement are conducted in accordance with the relevant ILAC and regional cooperation documents;
6. Observations of applicant bodies' and signatories' assessments of their laboratories to determine if these laboratories meet the requirements of the current version of ISO/IEC 17025 or ISO 15189 (for medical testing laboratories);
7. Confidence in the metrology institutes of the signatory economies to which traceability is claimed by accredited laboratories and support for the measurement comparison activities of the International Bureau of Weights and Measures (BIPM) and/or regional metrology organizations.

How does the ILAC Arrangement Work?

This arrangement is based on the results of an intensive evaluation of each body carried out by peers and in accordance with the relevant rules and procedures contained in several ILAC publications.

Each accreditation body signatory to the Arrangement agrees to abide by its terms and conditions and by the ILAC evaluation procedures and shall:

- Maintain conformance with the current version of ISO/IEC 17011, related ILAC guidance documents, and a few, but important, supplementary requirements, and
- Ensure that all accredited laboratories comply with ISO/IEC 17025 or ISO 15189 (for medical testing laboratories) and related ILAC policy and guidance documents.

The ILAC Arrangement builds upon existing or developing regional arrangements established around the world. The bodies participating in these regional arrangements are responsible for maintaining the necessary confidence in accreditation bodies from their region that are signatories to the ILAC Arrangement. Each recognized Regional Cooperation Body must abide by the procedures defined in ILAC requirements documents. The European cooperation for Accreditation (EA), the Asia Pacific Laboratory Accreditation Cooperation (APLAC) and the Inter-American Accreditation Cooperation (IAAC) are the current ILAC-recognized regions with acceptable mutual recognition arrangements (MRAs) and evaluation procedures. The Southern African Development Community in Accreditation (SADCA) is currently developing their MRA evaluation processes before requesting recognition and approval by ILAC. Regions being developed in other parts of the world are in their infancy, with one such region, the Central Asian Cooperation on Metrology Accreditation and Quality (CAC-MAS-Q) having recently joined ILAC. Accreditation bodies that cannot be affiliated with a recognized region may apply directly to ILAC for evaluation and recognition.

The evaluation of an accreditation body to establish its qualifications to be a signatory involves a team of peers (generally senior staff of experienced accreditation bodies). Evaluations include time spent at the headquarters office of the applicant body to determine compliance with ISO/IEC 17011. Additionally, the evaluators witness the performance of the applicant's assessors during actual assessments/reassessments to determine if the laboratories are in compliance with ISO/IEC 17025 or ISO 15189 (for medical testing laboratories) and that there is sufficient depth of examination to determine competence.

In order to maintain the value and meaning of the ILAC Arrangement, the signatories agree to notify each other about any significant changes in the status or operation of the accreditation body. Issues of significance include changes in name or legal/corporate status; new agreements negotiated with other accreditation bodies or the revision, suspension or termination of any such agreements; changes in key senior staff or the organisational structure; or significant changes in the operations of the body. Each signatory to the ILAC Arrangement must also designate a liaison officer to afford a consistent channel of communication between the accreditation bodies.

Future Steps

Now that the ILAC Arrangement is in place, the next crucial step is for governments and industries to take advantage of this arrangement. **Governments can use it to further develop or enhance trade agreements. Another important step that is already underway involves government acceptance of the results from accredited laboratories. Regulatory agencies around the world are beginning to accept the results from testing and calibration laboratories that are accredited by accreditation bodies that are signatories to the ILAC Arrangement, without direct government review, including results from laboratories in other countries.**

Many specifiers, like government agencies, have come to appreciate the importance of credible accreditation programs that are based on internationally recognised standards. With restricted budgets, many Government agencies can no longer do it all themselves; increasingly, they must rely on third-party laboratories to support their regulatory efforts. When they do so, they need a fair and meaningful basis for identifying qualified providers. Accreditation provides that and the ILAC Arrangement provides a means for recognition of acceptable accreditation bodies.

Industry users of test and calibration data similarly can take advantage of the ILAC Arrangement. Users will have greater confidence in the accuracy of the test or calibration report they are purchasing, particularly if they are conscious of the scope of the

laboratory's accreditation because it has been generated by a competent facility. Manufacturers also gain efficiency because of accreditation instead of their own on-site assessments they can defer to the assessments of competent accreditation authorities that are ILAC Arrangement signatories.

The ILAC Arrangement builds confidence among accreditation bodies and their ability to determine a laboratory's competence to perform testing or calibrations. Confidence facilitates the acceptance of testing and calibration results between countries when the results can be demonstrated to come from accredited laboratories. This ultimately helps to reduce some technical barriers to trade. Through the ILAC Arrangement, the foundation for realising the ideal of having products "tested once and accepted everywhere" has been established.

International Recognition

The **Asia Pacific Laboratory Accreditation Cooperation** (APLAC) was initiated in 1992 as a forum for laboratory accreditation bodies in the Asia Pacific region. Its primary aim was to establish, develop and expand a mutual recognition arrangement among accreditation bodies in the region.

Malaysia, through STANDARDS MALAYSIA has been accepted into the Asia Pacific Laboratory Accreditation Cooperation Mutual Recognition Arrangement (APLAC MRA) in the field of testing on 14 November 2002. This historic occasion took place in Vancouver, Canada. A year later, its status as signatory of the MRA has been extended to include calibration with effect from 13 November 2003.

APLAC	In 2007, STANDARDS MALAYSIA has extend recognition in the Asia Pacific Laboratory Accreditation Cooperation Mutual Recognition Arrangement (APLAC MRA) for its Medical Testing field on April 18, 2007.
ilac	The International Laboratory Accreditation Cooperation (ILAC) - is an international cooperation of laboratory and inspection accreditation bodies formed more than 30 years ago to help remove technical barriers to trade. The ultimate aim of the ILAC Arrangement is the increased use and acceptance by industry as well as regulators of the results from accredited laboratories and inspection bodies, including results from laboratories in other countries. In this way, the free-trade goal of product tested once and accepted everywhere' can be realised. Malaysia has been accepted into the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement (ILAC MRA) in field of testing on 16 January 2003. Meanwhile for the field of calibration Malaysia has been accepted into ILAC MRA on 19 November 2003.

	Pacific Accreditation Cooperation (PAC) The Pacific Accreditation Cooperation is an association of accreditation bodies and other interested parties to facilitate trade and commerce among economies in the Asia Pacific region. The PAC promotes the international acceptance of accreditations granted by its accreditation body members, based on the equivalence of their accreditation programmes. The PAC operates within the framework of the International Accreditation Forum (IAF) and in cooperation with other regional groups of accreditation bodies around the world.
	International Accreditation Forum (IAF) The International Accreditation Forum, Inc. (IAF) is the world association of Conformity Assessment Accreditation Bodies and other bodies interested in conformity assessment in the fields of management systems, products, services, personnel and other similar programmes of conformity assessment. Its primary function is to develop a single worldwide program of conformity assessment, which reduces risk for business and its customers by assuring them that accredited certificates may be relied upon. Malaysia through STANDARDS MALAYSIA has been accepted into the International Accreditation Forum (IAF) Multilateral Recognition Arrangement (MLA) for three programmes as below:
	Product Certification (PC) STANDARDS MALAYSIA has been accepted as a signatory to the IAF MLA for Product Certification programme on 9 July 2009.

5. ROLES AND FUNCTIONS OF SIRIM QAS INTERNATIONAL

a. To process an application for Certificate of Approval for Imports of Iron and Steel products by importers or its representatives.
b. To carry out sampling of products for the purpose of Full Type Test, Critical Test and Surveillance Test.
c. To carry out testing of Iron and Steel Products based on the requirements of various related Malaysia Standards and International Standards.
d. To carry out technical evaluation on test reports and inspection reports produced by overseas recognized testing labs and inspection bodies.
e. To carry out Factory Audit in fulfilment of SIRIM QAS International Product Certification requirements.
f. To carry out verification on imports for every consignment at Custom entry points, throughout Malaysia.
g. To issue a Certificate of Approval for Imports that conforms to the Malaysia Standards or other International Standards.
h. To notify Customs and MITI for any cases of Imports Not Complying with Mandatory Standards.

6. TERMS AND DEFINITIONS

a.	Products	:	Iron and Steel Products to be used for manufacturer purposes.
b.	Certificate of Approval	:	Certificate issued by SIRIM QAS International, certifying that imports conform to the requirements of Malaysia Standard or other International Standard.
c.	Consignment	:	One shipment of Iron and Steel products.
d.	Full Type Test	:	Test conducted to fulfil the full requirements of related Malaysia Standards or other International Standards.
e.	Critical Test	:	Selected tests based on certain requirements of related Malaysia Standards or International Standards.
f.	Surveillance Test	:	Selected tests based on the products standard requirement, conducted as part of the quality control plan.
g.	Verification	:	Visual inspection and document verification on imports carried out by SIRIM QAS International Sdn. Bhd.

h.	Product Certification	:	A third party attestation that products conform to a specified standard.
i.	Conformity Assessment	:	Any procedure used, directly or indirectly to determine that relevant Requirements in technical regulation or standards are fulfilled. Procedures which includes sampling, testing and inspection, evaluation, verification, assurance of conformity and accreditation.
j.	Procedures Standard	:	Documents approved by a recognized body that provides rules, guidelines or characteristics for products or related processes and production methods.
k.	Accreditation	:	Procedures by which an authoritative body gives formal recognition that a body or person is competent to carry out specific task.
l.	Recognized Testing Inspection	:	Testing, inspection and certification bodies that achieved accreditation to specific International Standards.
m.	Mutual Recognition Arrangement	:	MRA arranged by which regulatory bodies accepts the results Bodies (Testing, Inspection and Certification) to facilitate the acceptance of Conformity Assessment Results.

7. SERVICE STANDARD

The following service standards outline SIRIM QAS service commitment towards fulfilments of our pledge of service quality. The various processes highlighted below represents various critical activities where service standards need to be adhered to. By adhering to this guideline, SIRIM QAS shall be able to comply with its commitment to the industry and other stakeholders in terms of service quality and delivery.

NO.	METHOD	NEW NAME	NEW INTERNAL SERVICE STANDARD (ISS)
1	Method 1A	Consignment for Industrial Product	14 working days from date of verification and sampling until approval
2	Method 1B	Consignment with One-Off Clearance	1 working day after payment received until first approval
3	Method 1C	Consignment By Road	14 working days from date of verification and sampling until approval
4	Method 1D	Consignment for Construction Product	21 working days from date of sampling until issuance of full type test report
5	Method 1E	Consignment Less Than 250MT for Industrial Product	3 working days from date of verification and sampling until issuance of preliminary test report
6	Method 2B	Consignment with Full Type Test Report	3 working days from date of verification until approval
7	Method 2C	Consignment with Patented Material	3 working days from date of verification until approval
8	Method 3A	Consignment with Product Certification License - Direct Discharge	3 working days from date of verification until final approval
9	Method 3B	Consignment with Product Certification License	3 working days from date of verification until approval
10	Method 4	Consignment for Local Sales (from Bonded Warehouse/FCZ/FIZ) – Master COA from FTTR SIRIM only	3 working days after payment received until approval
11	Method 5	Consignment with COA Exemption	3 working days after payment received until approval