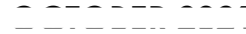




**GUIDELINES FOR MANAGEMENT  
OF IMPORTED SCRAP AND  
WASTE**



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## 1. Introduction

- 1.1 Under the purview of the Ministry of International Trade and Industry (MITI), all metal scraps and waste paper intended to be imported into Malaysia are subject to an inspection process and subsequent issuance of a Certificate of Approval (COA) as per Customs (Prohibition of Imports) Order 2021. The applicable Guidelines that stipulate the requirements are as follows:
- a) SIRIM Guidelines for Importation and Inspection of Metal Scrap
  - b) SIRIM Guidelines for Importation and Inspection of Waste Paper
- 1.2 Under these Guidelines, importers who are eligible for importation of scrap and waste into Malaysia are as follows:
- a. Manufacturers approved with a Manufacturing License from MITI; or
  - b. Manufacturers who are exempted from a Manufacturing License from MITI but issued with Exemption from Manufacturing License from Malaysian Investment Development Authority (MIDA) (ICA10); or
  - c. Third parties or subsidiaries of the iron and steel manufacturers, aluminium or copper manufactures, or paper-based manufacturers who conduct trading activities (trading arm companies). Trading arm companies must have proof of importation documents on behalf of the manufacturers as follows:
    - (i) Approved invoices from ML holders or ICA10 manufacturers; and
    - (ii) Memorandum of Agreement (MoA) with ML holders or ICA10 manufacturers.
- 1.3 The following parties are not allowed to import scrap and waste into Malaysia:
- a. Manufactures that do not fulfil requirements specified under clause 1.2a. or 1.2b.
  - b. Traders that are only involved in trading activities or do not fulfil requirements specified in clause 1.2c.

- 1.4 Manufacturers shall meet the pre-conditions/pre-qualifiers as among the requirements for COA application as follows:
- a. Hold a License under SIRIM Certification/SIRIM Eco-Label Certification scheme/Inspection Certificate as an avenue for SIRIM to conduct annual audit or inspection at manufacturing premises to ensure that:
    - (i) Manufacturers consistently process scrap and waste that meets the standard requirements including the requirements under the Guidelines.
    - (ii) The applied imported scrap and waste volume is based on the quota of raw material required and does not exceed the maximum annual production capacity of the ML holder or ICA 10 manufacturer. SIRIM will conduct an annual audit or inspection at manufacturing premises to verify and confirm the quota of raw materials and the maximum production capacity.
    - (iii) Manufacturers to have waste management facilities or standard recycling processes for the recoverable materials including plastic.
  - b. The SIRIM Certificate/License/Inspection Certificate be submitted to SIRIM during COA application by the manufacturer for each shipment.
- 1.5 This Guidelines provide guidance for manufacturer:
- a. Compliance requirements and elements to be covered during audit or inspection under the clause 1.4a.
  - b. To obtain SIRIM Certificate/License/Inspection Certificate that cover elements, but not limited to, quota verification and waste management. Manufacturers must have waste management facilities or standard recycling processes for the recoverable materials including plastic.



## 2. Scope

### 2.1 This Guideline:

- a) Covers all manufacturers that import metal scrap and waste paper who shall fulfill the requirements under the Guidelines as per clause 1.2a. and 1.2b.
- b) Specifies the requirements that must be adhered by the manufacturers to obtain and maintain the validity of the SIRIM Certification/License/ Inspection Certificate as per clause 1.4.
- c) Specifies inspection requirements for manufactures that operates, and/or manufacturers that using either one or combination of these material below, in form of imported recovered materials as material input for their production:
  - (i) Non-ferrous:
  - (ii) Iron and steel:
  - (iii) Recycle paper industry
  - (iv) Other industry that requires importation guideline

### 2.2 Application for inspection can only be made by:

- (i) Manufacturers approved with Manufacturing License from MITI.
- (ii) Manufacturers who are exempted from Manufacturing License from MITI but issued with Exemption from Manufacturing License from Malaysian Investment Development Authority (MIDA) (ICA10).

## 3. Requirements

### 3.1 General requirements

#### 3.1.1 Production process shall comply with relevant environmental regulations such as the following, but not limited to:

- a) Environmental Quality (Schedule Wastes) Regulations 2005;
- b) Environmental Quality (Industrial Effluents) Regulations 2009; and
- c) Environmental Quality (Clean Air) Regulations 2014;

- 3.1.2 The organization shall establish, implement, maintain, and continually improve their waste management system, including process needed and their interactions. Documented procedure on determining type of waste, classification on type of waste, handling of waste and treatment of waste shall be established by manufacturer.
- 3.1.3 For industry that fall under Prescribed Activities in second schedule of Environmental Quality (Prescribed Activities) Environment Impact Assessment order 2015, approved Environmental Impact Assessment (EIA) from the Director General of Department of Environment and approval from MITI / MIDA shall be obtained.
- 3.1.4 Manufacturing plant shall have relevant approval from local or relevant authority.

### **3.2 Management of Imported Scrap and Waste**

- 3.2.1 Records for the imported scrap and waste shall be maintained. The source for imported scrap and waste shall be listed and updated. Only imported scrap and waste sourced from the approved list can be accepted. Amount of imported scrap and waste, and the amount used in production shall be recorded and accordance to the approved importation quota and issuance of Certificate Of Approval (COA).

### **3.3 Management of recovered materials derived from manufacturing process**

- 3.3.1 Documented procedure and records on handling of recoverable material derived from manufacturing process shall be established by manufacturer. This includes the management of the recoverable materials to outsourced party, if any. Amount of the recoverable materials generated, and the amount of products generated from the recoverable materials shall be recorded.

### 3.4 Determining of quota for importation (yearly)

3.4.1 Calculation for determine the importation quota for scrap and waste (recovered materials) shall be as below.

Import Quota (tonnes per year) =

$$\frac{\text{Production Capacity per day} \times \text{No of days per year} \times \text{Imported recovered materials}}{\text{Yield ratio}}$$

**where :**

**Production capacity per day** = Designed production capacity per day (tonnes)  
\*calculated of each paper machine / furnace/machine

**No. of days per year** =. 365 days – (Average Number of preventive maintenance days per year  
+ public holiday)

**Yield ratio** =  $\frac{\text{Actual total production output per year (tonnes)}}{\text{Total raw materials per year (tonnes)}}$

**Imported recovered materials** =.  $\frac{\% \text{ Total raw materials (100\%)} - \text{Average \% local recovered materials} - \text{Average \% Other raw materials}}{100}$

**Or**

% agreed with authorities

3.4.2. For industry that fall under Prescribed Activities in the Environmental Quality (Prescribed Activities) Environment Impact Assessment order 2015, value for production capacity per day/raw materials, shall follow the value calculated in the approved Environmental Impact Assessment (EIA) from the Director General of Department of Environment



### 3.5 Nonconformity and corrective action

When a non-conformity occurs, the organization shall:

- a) react the nonconformity and, as applicable:
  - (i) take action to control and correct it
  - (ii) deal with the consequences, including mitigating adverse environmental impacts
  
- b) evaluate the need for action to eliminate the causes of the nonconformity, in order that it does not recur or occur elsewhere, by:
  - (i) reviewing the nonconformity
  - (ii) determining the causes of nonconformity
  - (iii) determining if similar nonconformities exist, or could potentially occur
  
- c) implement any action needed

### 3.6 Test equipment

- a) This includes all test equipment used in inspection, measuring and testing such as platform scale, weighing balance, etc.
  
- b) calibrated or verified or both at specified intervals, or prior to use, against measurement standards traceable to international or national measurement standards; where no such standards exist, the basis used for calibration or verification shall be recorded. Records of the calibration and verification shall be maintained;
  
- c) adjusted or re-adjusted as necessary;
  
- d) safeguarded from adjustments that would invalidate the measurement result;
  
- e) protected from damage and deterioration during handling, maintenance, and storage

### **3.7 Solid waste**

Solid waste generated during the manufacturing process, shall be handled according to Solid Waste and Public Cleansing Management Act 2007

### **3.8 Scheduled waste**

Scheduled waste generated during the manufacturing process shall be handled according to Environmental Quality (Schedule Wastes) Regulations 2005.

## **4 Records**

Records shall be maintained and established to provide evidence of conformity to requirements and of the effective operation of the quality control system. Records shall be legible, identifiable, stored, protected, and readily retrievable and retained for a minimum of three year. Records shall be provided whenever inspection is being carried out.

## 5 Glossary of Terms

For the purposes of this document, the following terms and definitions apply.

**ICA 10 manufacturers:** Manufacturers who are exempted from a Manufacturing License from MITI and/or granted with an Exemption from Manufacturing License from Malaysian Investment Development Authority (MIDA) (ICA 10).

**Manufactures:** Manufacturers who import the metal scrap and waste paper

**Manufacturing License (ML) holder** – A manufacturing company registered with Companies Commission of Malaysia (SSM) and has obtained Manufacturing License (ML) from MITI and other licenses from relevant local authorities.

**Recovered material:** Material that would have otherwise been disposed of as waste or used for energy recovery but has instead been collected and recovered as material input, in lieu of new primary material, for a recycling or a manufacturing process.

**Solid waste:** Any scrap materials or unwanted surplus substance or rejected products arising from the application of any process / any substance required to be disposed of as being broken, worn out, contaminated, or otherwise spoiled.

**Scheduled waste:** Any waste falling within the categories of waste listed in the First Schedule of Malaysian Environmental Quality (Scheduled Wastes) Regulations 2005.



## 6 References

- a. *Environmental Quality (Scheduled Wastes) Regulations 2005.*
- b. *ISO 14021 : 2016, Environmental labels and declaration – Self-declared environmental claims (Type II environmental labelling)*
- c. *ISO 9001 : 2015, Quality management systems — Requirements*
- d. *MS ISO 14001 : 2015 – Environmental management systems – Requirements with guidance for use (Second Revision)*
- e. *Industrial Co-Ordination Act 1975*
- f. *Solid Waste and Public Cleansing Management Act 2007*



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