GUIDELINES FOR

MANAGEMENT OF IMPORTED SCRAP AND WASTE SCHEME (MISW)



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MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY

SIRIM

SIRIM QAS INTERNATIONAL

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1. INTRODUCTION

1.1 The importation of waste for industrial use into Malaysia is regulated by the Ministry of Investment, Trade and Industry (MITI) and is subject to the issuance of a Certificate of Approval (COA) by SIRIM, in accordance with the Customs (Prohibition of Imports) (Amendment) Order 2025 ("the Order").

1.2 To facilitate compliance with the Order, applicable guidelines for the Importation and Inspection of waste for industrial use have been established. SIRIM implements the inspection process and issues the COA as per the Guidelines. The applicable Guidelines that stipulate the requirements are as follows but not limited to:

a) SIRIM Guidelines for Importation and Inspection of Metal Scrap
b) SIRIM Guidelines for Importation and Inspection of Waste Paper
c) SIRIM Guidelines for Importation and Inspection of Waste Plastic

1.3 To complement the implementation of the above guidelines, and to ensure that the imported waste for industrial use is consistently managed in an environmentally sound manner locally, the Guidelines for Management of Imported Scrap and Waste/MISW ("the Guidelines") have been established.

1.4 The MISW Certificate shall be submitted to SIRIM during COA application by the manufacturer for each shipment.

2. SCOPE

2.1 The Guideline covers the use of imported waste into Malaysia for industrial use, ensuring it is managed in an environmentally sound manner, where the waste is used to produce finished products or goods across various industries. The manufacturer must demonstrate compliance through an independent third-party audit, which verify as according to applicable regulations.

2.2 Ensure the imported waste volume does not exceed the maximum quota determined based on SIRIM's inspection report and the annual national quota.

2.3 The process flow for the MISW application is detailed in Appendix A.

3. ELIGIBILITY CRITERIA

3.1 Under these Guidelines, manufacturer who are eligible for application for Management of Imported Scrap and Waste scheme are as follows:

i. Manufacturers holding a valid Manufacturing License ("ML") approved by MITI; or

ii. Manufacturers issued with a Confirmation Letter for a Company Exempted from the Manufacturing License (ICA 10) ("ICA 10") issued by MIDA.

3.2 The scope of the ML or ICA 10 shall include the target material intended for importation, and the manufacturer must have the in-house capability to process the specified imported target material, whether as a single material or in combination with other target materials. A Certificate of Approval (COA) is only issued to manufacturers who meet both conditions.

3.3 Manufacturers who do not meet the eligibility criteria in Clause 3.1, and 3.2 are not eligible for the application of the scheme, thus not permitted to import industrial waste into Malaysia.

4 REQUIREMENTS

4.1 General requirements

4.1.1 The production process shall comply with relevant local environmental regulations, such as the following, but not limited to:

a) Environmental Quality Act 1974 and its relevant regulations, but not limited to:

i. Environmental Quality (Scheduled Wastes) Regulations 2005;
ii. Environmental Quality (Industrial Effluents) Regulations 2009;
iii. Environmental Quality (Clean Air) Regulations 2014;

b) Environmental Quality (Prescribed Activities) Environment Impact Assessment (EIA) Order 2015

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 the Department of Environment and approval from MITI / MIDA shall be obtained.

c) Solid Waste Management

Solid waste generated during the manufacturing process, shall be handled according to Solid Waste and Public Cleansing Management Act 2007 (Act 627). For states not governed under Act 672, solid waste shall be managed in accordance with the respective state or local authority's regulations.

4.1.2 Manufacturing plant shall have relevant approvals from local and/or relevant authority.

4.1.3 The organization shall establish, implement, maintain, and continually improve their waste management system, including process needed. The type of waste, classification on type of waste, handling of waste and treatment of waste shall be documented by the manufacturer.

4.2 Imported Industrial Waste

4.2.1 The manufacturer shall have a relevant and appropriate facility and capability to process the industrial waste in environmentally sound manner.

4.2.2 The manufacturer shall have an adequate storage capacity to store the industrial waste.

4.2.3 Records for the imported industrial waste shall be maintained. The amount of the approved imported and local industrial waste, the amount used in production and the finished output records shall be recorded.

4.2.4 List of approved suppliers

The sources for imported industrial waste shall be listed and updated for any changes. Only imported industrial waste sourced from the approved list can be accepted.

4.2.5 List of potential buyers

The list of potential finished goods buyers shall be available and maintained.

4.2.6 List of outsourced parties

The list of outsourced parties shall be available in the event the manufacturer possesses any external extended processes, or trading arm companies acting as the COA applicant.

4.3 By-Products or Residual Materials

Documented information (e.g. type, quantity etc.) on handling of any recoverable by-products or residual materials derived from the manufacturing process shall be maintained by the manufacturer.

4.4 Control of Outsourced Processes

4.4.1 Where the manufacturer chooses to outsource any production process, the manufacturer shall ensure control over such processes and shall be defined within a documented procedure and records. The permitted outsourced processes such as crushing, grinding, and re-melting etc.

4.4.2 The production process shall comply with relevant local regulations whereby the outsource party is subjected to an inspection by SIRIM.

4.4.3 The quantities of all incoming and outgoing outsourced materials shall be recorded. This includes the type of material, quantity by weight, destination, receipt, dispatch date, etc.

4.4.4 There shall be a documented agreement between the manufacturer and their subcontract service provider, including but not limited to the outsourced activities, ownership of the product, and the responsibilities of the manufacturer.

4.5 Determination and Calculation of Quota for Importation

The calculation for determining and calculation of the importation quota for industrial waste shall be based on the circumstances described below:

4.5.1 The existing factories with more than one (1) year of manufacturing product within the scope of importation, the percentage allowed for importation of industrial waste is 110% from the maximum annual production records within five (5) previous years, regardless of the availability of EIA or Written Notification from DOE.

Where;

$$\text{Production capacity per day (MT)} = \text{Designed production capacity per day} \times \text{quantity machine}$$

$$\text{Number of maximum production days} = 365 \text{ days} - (\text{Average No. of preventive maintenance days} + \text{public holidays per year})$$

$$\text{Yield ratio} = \frac{\text{Total production output per year (MT)}}{\text{Total raw materials per year (MT)}}$$

4.5.2 In the event of the manufacturer's factory is under construction; or a new phase of construction is completed; or upgraded to new capacity machinery; or existing factories with less than one (1) year duration of manufacturing product within the scope of importation, the percentage allowed for importation of industrial waste is 50% from maximum production capacity.

i. The manufacturers that hold an approved EIA or Written Notification from DOE, the calculation of quota is derived based on the approved maximum production capacity; or from the approved amount of raw material consumption.

ii. The manufacturer who does not hold any approved EIA or Written Notification from DOE, the calculation of quota will be based on the maximum production capacity derived by:

$$\frac{\text{The designed maximum production capacity per day x No. of maximum production days}}{\text{Estimated yield ratio}}$$

4.5.3 The percentage of imported industrial waste may vary with valid supporting evidence. However, it shall not exceed the maximum production capacity or contradict other conditions outlined in the manufacturer's license approval terms and conditions.

4.5.4 The quota of importation may be subject to the annual national quota, whichever applies.

4.5.5 The approved importation quota per company may be subject to any amendments stipulated in the current national policy.

4.5.6 Each MISW License is valid for three (3) years or based on each license stated expiry date.

4.5.7 The quota renewal shall be done by SIRIM annually.

4.5.8 The manufacturer may request a change request in the certificate details such as change of location, change of company name, addition or reduction of quota with subject to approval by SIRIM.

4.6 Nonconformity

4.6.1 Nonconformity raised during production

The manufacturer shall establish, implement and maintain documented information to manage any nonconformities that occur during the production process. The actions include the following, but are not limited to:

i. Identify the possible root cause
ii. Implement any action needed
iii. Handle the consequences, including mitigating environmental impacts

4.6.2 Nonconformity raised during inspection

When a non-conformity arises during quota inspection:

i. The quota will not be renewed until the nonconformance is rectified.
ii. The COA application may be suspended.
iii. To rectify, the manufacturer shall:
    a. Identify the possible root cause
    b. Implement any action needed
    c. Handle the consequences, including mitigating environmental impacts
iv. SIRIM may conduct a special inspection to rectify the nonconformity.

4.7 Test equipment

This includes all relevant test equipment used in inspection, measuring and testing, at least the following: platform scale, weighing bridge,, etc.

i. 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;

ii. Adjusted or re-adjusted as necessary;

iii. Safeguarded from adjustments that would invalidate the measurement result;

iv. Protected from damage and deterioration during handling, maintenance, and storage.

4.8 Records

Records shall be maintained and established to provide evidence of conformity to requirements and the effective operation of the quality control system. Records shall be legible, identifiable, stored, protected, and readily retrievable and retained for a minimum of five (5) years. Records shall be provided whenever an inspection is carried out.

5 GLOSSARY OF TERMS

For this document, the following terms and definitions apply.

5.1 **Applicant(s):** Importer (Manufacturer) who applies for the importation of waste plastic into Malaysia**.**

5.2 **Certificate of Approval (COA):** A permit to import industrial waste after successfully complying with the various standards and meeting all the requirements under the Guidelines.

5.3 **ICA 10:** Exemption from application of Manufacturing License which is obtained from Malaysian Investment Development Authority (MIDA).

5.4 **Industrial waste:** 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.

5.5 **Manufacturer**: Companies registered under Companies Commission of Malaysia (SSM) and have obtained a manufacturing License from MITI.

5.6 **Manufacturing License (ML):** License granted by MITI to manufacturing company to undertake Manufacturing Activities.

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

5.8 **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.

5.9 **Target material:** The type of industrial waste intended to be imported.

6 REFERENCES

6.1 Environmental Quality Act 1974

6.2 Environmental Quality (Scheduled Wastes) Regulations 2005

6.3 Environmental Quality (Industrial Effluents) Regulations 2009;

6.4 Environmental Quality (Clean Air) Regulations 2014;

6.5 Environmental Quality (Prescribed Activities) Environment Impact Assessment (EIA) order 2015;

6.6 Solid Waste and Public Cleansing Management Act 2007

6.7 SIRIM Eco Labelling Scheme

6.8 SIRIM Product Certification Scheme

6.9 ISO 9001:2015 – Quality Management System

6.10 ISO 14001:2018 – Environmental Management System

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