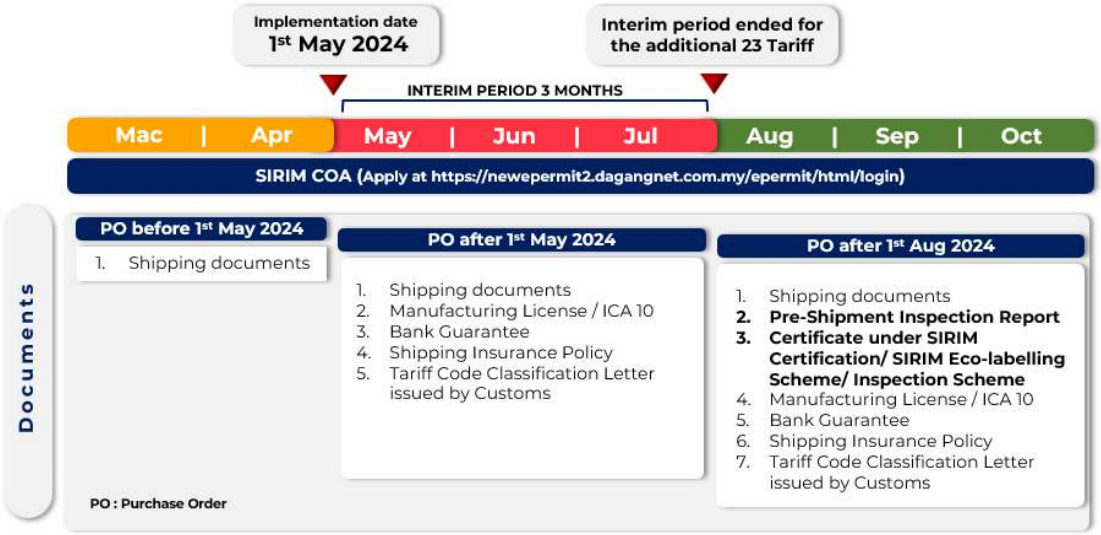
GUIDELINES FOR IMPORTATION AND INSPECTION OF METAL SCRAP

1. When is the effective date of the Guidelines for Importation and Inspection of Metal Scrap?

The effective date of the Second Edition Guidelines for Importation and Inspection of Metal Scrap is **1 May 2024**.

2. Is there an interim period after the guidelines come into effect?

Yes, there is an interim period from 1 May 2024 to 31 July 2024.



3. What is Certificate of Approval (COA)?

A permit to import metal scrap after successfully complying with the various standards and meeting all the requirements under this Guideline.

It is a document that is required for Royal Malaysian Customs Department ("Custom") clearance of the imported scrap imported into Malaysia.

It is applied and issued via ONLINE. **https://newepermit2.dagangnet.com.my/**

4. Besides COA, is there any other approval document required for customs clearance?

No. Only COA is required.

5. What types of metal scrap are subjected to guideline that requires COA from SIRIM?

The metal scrap classified under the following tariff codes are required for COA from SIRIM:

No.	Tariff Code	Description
1	72.04	Ferrous waste and scrap; remelting scrap ingots of iron or steel
2	74.04	Copper waste and scrap
3	76.02	Aluminium waste or scrap
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	Bismuth waste and scrap
14	8106.90.10 00	
15	8108.30.00 00	Titanium waste and scrap
16	8109.31.00 00	Zirconium waste and scrap
17	8109.39.00 00	
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

Other Metal Scrap not classified under the above HS codes are not covered under the scope of the Guidelines for Importation and Inspection of Metal Scrap.

6. How to identify the HS Codes of Metal Scrap?

Please obtain the Tariff Code Classification Letter from Custom.

Contact details are as follows:

Bahagian Perkhidmatan Teknik (Cawangan Klasifikasi, Tarif dan Gubalan),
Jabatan Kastam Diraja Malaysia,
Kompleks Kementerian Kewangan No 3,
Persiaran Perdana, Presint 2,
62596, Putrajaya

Customs Call Centre (CCC) : 1300 888 500
Tel (HQ) : +603 8882 2100/2300/2500
Website : http://www.customs.gov.my
Email : ccc@customs.gov.my

This Tariff Code Classification Letter shall be submitted to SIRIM as one of the documents required for COA application.

7. Who can import Metal Scrap?

a) Manufacturers with a Manufacturing Licence ("ML") approved by MITI; or

b) Manufacturers who have been issued with a Confirmation Letter for a Company Exempted from the Manufacturing License (ICA 10) ("ICA 10 Manufacturers").

c) Any third-party importer ("Third Party Importer") or Trading Arm Company.

The Third-Party Importer or the Trading Arm Company shall produce the following documents for the application process:

1) Approved invoices from ML holders or ICA 10 Manufacturers; and
2) Memorandum of Agreement (MoA) with Manufacturing Licence holders or ICA 10 Manufacturers.

8. What are the pre-conditions/pre-qualifiers for an importer to apply for COA?

a) Shall have a valid ML or a Confirmation Letter for a Company Exempted from the Manufacturing License (ICA 10).

b) Hold a License under SIRIM Certification or undergo annual inspection or verification services at manufacturing premises to ensure that manufacturers consistently process metal scrap and waste that meets the standard requirements including the requirements under this Guideline.

c) Ensure that the applied imported metal scrap 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.

d) Provide SIRIM with a Bank Guarantee.

e) Ensure that the manufacturer's premises are in operation and comply with the Environmental Quality Act 1974 and related Regulations.

f) Ensure that imported metal scrap materials' storage space/capacity is adequate and handled appropriately.

Please refer to the Guidelines for Importation and Inspection for Metal Scrap for details.

9. How to apply Manufacturing License (ML) or Confirmation Letter for aCompany Exempted from the Manufacturing License (ICA 10)?

A manufacturer can apply to the Malaysian Investment Development Authority (MIDA). Below links may be helpful:

Online Application:
https://investmalaysia.mida.gov.my/

Forms & Guidelines:
https://www.mida.gov.my/forms-and-guidelines/

Enquiry/Feedback:
https://investmalaysia.mida.gov.my/EIP/CustomerService.aspx

10. How to determine quota?

An importer shall ensure that the applied imported metal scrap 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 shall conduct an audit or inspection to verify and confirm the quota of raw materials and the maximum production capacity. The calculation for determining the importation quota for scrap and waste (recovered materials) is as below.

Import Quota (tonnes per year) =

Production output per day X No. of days per year / Yield ratio X Imported recovered materials

Legend:

Production output per day	Actual total production output per year (tonnes) Number of working days per year
No. of days per year	365 days – Average number of preventive maintenance days per year
Yield ratio	Actual total production output per year (tonnes) Total raw materials per year (tonnes)
Imported recovered materials	% Total raw materials (100%) - Average % local recovered materials. Average % Other raw materials

Environmental Quality (Prescribed Activities) Environment Impact Assessment order 2015, value for production output/capacity per day, shall follow the value calculated in the approved Environmental Impact Assessment (EIA) from the Director-General of the Department of Environment.

11. What are the procedures/Methods to import metal scrap?

Importers can choose from four (4) methods, Type 1A, Type 1B, Type 1C and Type 2:

REQUIREMENTS / PROCESSES	METHODS			
	WITHOUT SIRIM Approved MRF			WITH SIRIM Approved MRF
	TYPE 1A	TYPE 1B	TYPE 1C	TYPE 2
Mode of Transport	Land & Sea	Land & Sea	Sea Only	Land & Sea
Pre-Shipment Inspection	✓ (by SIRIM)	✓ (by FIB with MOA)	✓ (by FIB without MOA)	✗
Post Shipment at Port of Entry	✗	✗	✓ (by SIRIM)	✗
COA	✓	✓	✓	✓
Inspection at Factory Storage Yard	✗	✗	✗	✓ (by SIRIM)

Importers must select one (1) of these importation methods for each shipment.

Refer to details from the Guidelines for Importation and Inspection of Metal Scrap. Applicants need to choose the manner of import for every importation. It is NOT fixed under 1 type of import only.

12. How to obtain approval for Material Recovery Facilities (MRF)?

Please refer to the Guidelines for Material Recovery Facility Scheme, as published on SIRIM QAS International Website. Person in Charge to refer to:

1) En. Miswary Mat Yaacob at miswary@sirim.my
2) En. Kamarul Arieffin Rosli at arieffin@sirim.my
3) Pn. Nurnadhiah Nadhirah Che Abas at nnadhiah@sirim.my

13. What is the cost of COA?

RM 350/shipment

14. How can payment for COA and inspection by SIRIM be made?

Payment for COA, Post-shipment Inspection at the Port, and Post-shipment inspection at the storage yard is made online through E-Permit System.

15. Can payment be made monthly or yearly instead of for each shipment?

Currently, payment must be made per shipment via E-Permit system.

16. When to apply COA?

Application for COA can be applied immediately once the shipment leaves Port of Origin at the exporting country.

17. How to submit documents for COA Application?

COA application and its supporting documents can be submitted to SIRIM via ONLINE. Please register and apply via the following link:

https://newepermit2.dagangnet.com.my/

18. What documents are required for COA Application?

No.	COA Application Document	Manufacturer	Trading Arm Company
1.	Shipping documents (Invoice, Packing List & Import Documents)	✓	
2.	Valid Pre-shipment inspection report (For Method Type 1A, 1B and 1C)	✓	
3.	Inspection reports issued by SIRIM Approved MRF (For Method Type 2 only)	✓	
4.	Proof of SIRIM Approved MRF Certificate (For Method Type 2 only)	✓	
5.	Proof of manufacturing license (ML) or Confirmation Letter for a Company Exempted from Manufacturing License (ICA 10) issued by MIDA	✓	
6.	Verified invoice from ML holders or ICA 10 manufacturers and Memorandum of Agreement (MoA) with ML holders or ICA 10 manufacturers	✗	✓
7.	Bank Guarantee	✓	
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	✓	
9.	Shipping Insurance Policy	✓	
10.	Tariff Code Classification Letter issued by RMCD	✓	

19. What is SIRIM Certificate?

SIRIM Certificate can be any Certificate/License issued under the following schemes:

- SIRIM Product Certification Scheme
- SIRIM Eco-Labelling Scheme
- Management of Imported Scrap and Waste (MISW)
- SIRIM Management System Certification such as ISO 9001 or ISO 14001

20. How long does it take to issue COA when my goods arrive at port?

If documents and inspection results are satisfactory, **COA will be issued within one (1) working day.**

If the importation is via Method Type 1C, inspection shall be carried out at the Port of Entry first before COA can be issued, which will take 2-5 working days (depending on the completion of the post-inspection).

21. How long is the COA validity period?

The validity period of the COA is **forty-five (45) days**.

22. Are there any demurrage charges incurred for these COA activities?

Only **TYPE 1C** may have demurrage charges when the post-shipment inspection is done at the Port of Entry. The charges are subjected to Port Authorities/ Port Operators' jurisdiction for detention of the imported metal scrap for inspection.

To avoid demurrage charges, please arrange an inspection as soon as the shipment arrives at the Port of Entry.

23. Please explain about the Bank Guarantee.

Bank Guarantee is required as a security for the compliance of the Guideline. The Bank Guarantee amount shall be projected based on the maximum shipping cost, including all incidental costs for returning the non-compliance materials to its country of origin (per shipment).

Example:
There are an estimated 100 shipments in a year. Among these shipments, one of the shipments incurs the highest cost for returning to the country of origin, for example, RM 1 million. Therefore, this cost of RM 1 million shall be regarded as the Bank Guarantee value.

An importer shall ensure the Bank Guarantee value is sufficient to cover the shipping cost plus incidental (other costs such as administration, logistics, storage, insurance etc.) that will incur to return the goods to the country of origin in the event of non-compliance.

The same Bank Guarantee can be used for COA application of all the shipments throughout its validity period.

Importer to apply Bank Guarantee from Bank under the name of SIRIM QAS International Sdn. Bhd.

The Bank Guarantee shall be submitted to SIRIM along with other documents for COA application.

The Bank Guarantee provided for COA application shall be forfeited in the event of non-compliance or any false declaration and actions required are not taken by the importer or the shipment is abandoned at the Port of Entry.

Letter requesting Bank Guarantee and its format from SIRIM QAS International website.

24. Are there any sampling process activities at the port?

Yes, sampling process activities are applicable only for importation via Type 1C. SIRIM will identify the sampled containers from the shipment, and only those containers will be subject to inspection.

Other importation methods i.e. Type 1A, Type 1B, and Type 2 do not require sampling and inspection activities at the Port of Entry.

However, SIRIM reserves the right to conduct random inspections at the Port of Entry notwithstanding any selected Method of Importation by the Applicant. All costs of inspection are to be borne by the applicants. This may include the inspection to be conducted upon requests by relevant authorities like the Royal Malaysian Customs Department (RMCD).

25. How sampling for inspection is conducted?

Sampling for inspection at the Port of Entry (for importation Method Type 1C) and Factory Storge Yard (for importation Method Type 2) is conducted based on 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

Lot size (Number of ordered products)			General Inspection Levels			Special Inspection Levels			
			I	II	III	S-1	S-2	S-3	S-4
2	→	8	A	A	B	A	A	A	A
9	→	15	A	B	C	A	A	A	A
16	→	25	B	C	D	A	A	B	B
26	→	50	C	D	E	A	B	B	C
51	→	90	C	E	F	B	B	C	C
91	→	150	D	F	G	B	B	C	D
151	→	280	E	G	H	B	C	D	E
281	→	500	F	H	J	B	C	D	E
501	→	1 200	G	J	K	C	C	E	F
1 201	→	3 200	H	K	L	C	D	E	G
3 201	→	10 000	J	L	M	C	D	F	G
10 001	→	35 000	K	M	N	C	D	F	H
35 001	→	150 000	L	N	P	D	E	G	J
150 001	→	500 000	M	P	Q	D	E	G	J
500 001	→	10000000	N	Q	R	D	E	H	K

ISO 2859-1, ANSI/ASQ Z1.4, MIL-STD 105E, Single Sampling Plan



26. Can SIRIM conduct inspection during Public Holidays or weekends?

Yes, SIRIM has the provision to perform inspections during Public Holidays or weekends, but it is subject to an early request at least seven (7) days in advance and the availability of Port Authorities/Port Operators/Customs staff involved.

27. How many days do importers inform SIRIM before the inspection date?

SIRIM requires the following advance notice:

- 5 working days in advance for Pre-Shipment Inspection (for Type 1A).
- 3 days in advance for Post-Shipment Inspection at Port of Entry (for Type 1C).
- 3 days in advance for Inspection at Factory Storage Yard (for Type 2).
- 7 days in advance for Inspections on Public Holidays or weekends.

Contact details are as follows:

1) Pn. Nurul Mujahidah Binti Ahmad Khairuddin at nmujahidah@sirim.my
2) Cik Dayana Bt Halimi at dayana@sirim.my

28. What are the inspection criteria for metal scrap?

Criteria imposed as per the table below:

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

- The expected total shipment weight of metal scrap (target solid metal scrap & other solid metal scrap) shall be minimum of 99.75%.
- The metal scrap shall not contain or be contaminated with hazardous wastes that allow it to be subjected to hazardous wastes or any waste under the Basel Convention and does not contain other impurities.
- Crushed or shredded form of metal scrap of sizes less than 5 mm is not allowed for importation.
- Manufacturers shall have waste management facilities or standard recycling processes for the recoverable materials including plastic.
- Unintentional traces of scheduled waste including e-waste aiming at 0% should not be penalized.

29. What happens if failed inspection criteria?

1) SIRIM shall issue a Notification Letter and followed by a Suspension Letter.
2) The Importer is required to take the following actions:
   a) <u>For non-compliance due to the presence of scheduled or hazardous waste</u>

      To return the non-compliant metal scrap to the country of origin, as per Article 9 of the Control of Transboundary Movements of Hazardous Wastes under the Basel Convention. All costs of return to be borne by the importer

      Note:
      Any non-compliance may be subject to enforcement under Section 34B of the Environmental Quality Act 1974.

   b) <u>Other non-compliance apart from the scheduled waste and hazardous waste</u>

      To return to the country of origin or appropriately dispose of in an environmentally sound manner. All costs of return to be borne by the importer.

   c) <u>Rejection of the Pre-shipment Inspection report issued by FIB</u>

      COA will not be issued and the Applicant needs to return the non-compliant materials to its country of origin (per shipment).

3) The Bank Guarantee provided for COA application shall be forfeited in the event of non-compliance or any false declaration and actions required as per clause 3.2.1(ii) are not taken or the shipment is abandoned at the Port of Entry. The Bank Guarantee amount shall be used to cover transportation and incidental costs for the return shipment to its country of origin and/or its disposal.

The Suspension letter shall be withdrawn if all actions are complied with by the importer.

As stated in the Guideline, the importer is prohibited from any future applications for a COA if it fails to take action.

SIRIM reserves the right to disqualify any importer from future applications of a COA in the case of repetitive non-compliance of more than two (2) times by the same manufacturer.

Manufacturers may also be prohibited and disqualified if their appointed Third-Party Importer or Trading Arm Company is found to be in non-compliance with the Guideline.