



CROSS-BORDER OPERATIONAL GUIDEBOOK

FOR SARAWAK - BRUNEI - SABAH TRANSPORTATION EFFICIENCY

(Including best practices, standards and guidelines)



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MALAYSIA PRODUCTIVITY CORPORATION (MPC)
East Wing, Level 9, MATRADE, Jalan Sultan Haji Ahmad Shah,
Kompleks Kerajaan, 50480 Kuala Lumpur,
Federal Territory of Kuala Lumpur
Tel: 603-7955 7266
Fax: 603-7957 8068

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Disclaimer

The Cross-Border Operational Guidebook for Sarawak – Brunei - Sabah Transportation Efficiency provides key recommendations and best practices for managing cross-border transportation activities between Sabah and Sarawak, including transit through Brunei. It is primarily intended for stakeholders in the cross-border logistics subsector. This Guidebook is essential for achieving standardisation and harmonisation of current practices among the cross-border logistics stakeholders.

Developed in collaboration with industry practitioners and leaders from the Logistics Productivity Nexus (LPN), a unit under Malaysia Productivity Corporation (MPC), this framework focuses on enhancing productivity and competitiveness across various logistics subsectors. It promotes continuous improvements and strives for excellence in service delivery.

This Guidebook is industry-focused and will be regularly updated to reflect advancements in transport and logistics. This continuous revision process is conducted in partnership with industry representatives, ensuring that the framework remains a "living document."

For further information or clarification, users are encouraged to contact the enquiry desk at the Malaysia Productivity Corporation (MPC). The content of this Guidebook is based on industry information available at the time of writing. However, due to the evolving nature of operational functions, systems and processes, updates may be made periodically to align with new policies, strategies and best practices.

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Message from Chairman, Malaysia Productivity Corporation (MPC)

It is with great pleasure that I present the Cross-Border Operational Guidebook for Sarawak - Brunei - Sabah Transportation Efficiency, a practical toolkit and resource reference developed to support more efficient, predictable and seamless cross-border transportation operations across the Sarawak - Brunei - Sabah corridor.

This Guidebook reflects Malaysia Productivity Corporation's continued commitment, through the Logistics Productivity Nexus (LPN), to strengthen productivity and competitiveness in the logistics sector by addressing practical operational challenges faced by transport operators, freight forwarders, business owners and other supply chain stakeholders. The Sarawak - Brunei - Sabah corridor plays an important role in facilitating trade, connectivity and regional economic growth.

The development of this Guidebook is an important step towards enhancing trade facilitation, reducing operational uncertainties, improving compliance and promoting greater consistency in cross-border procedures. More importantly, it serves as a practical bridge between policy objectives and day-to-day operational realities on the ground.

This initiative reflects the power of collaboration. Developed alongside government agencies, regulators, industry associations, and logistics experts across Sabah, Sarawak, and Brunei, this resource is directly shaped by real-world operational needs. I extend my sincere gratitude to all stakeholders for their invaluable time and contribution.

Beyond its immediate operational value, this Guidebook carries strategic significance for regional integration and inclusive growth. By supporting more transparent and harmonised cross-border practices, it helps strengthen supply chain resilience, improve market access for micro, small and medium enterprises (MSMEs), and enhance the attractiveness of the corridor for logistics, manufacturing and value-added activities. It also supports the broader aspiration of building a more connected, efficient and competitive ASEAN logistics ecosystem.

Designed as a living document, this Guidebook will evolve alongside changing policies, technologies, and market dynamics. As cross-border logistics shifts toward digital,



integrated, and sustainable practices, it will remain an essential reference for driving compliance, efficiency, and higher productivity.

I encourage all industry players and regulatory agencies to fully utilize this Guidebook. Beyond serving as a reference, its true worth lies in driving daily operational efficiency, resolving bottlenecks, and fostering a seamless cross-border logistics network. Together, let us advance the Sarawak - Brunei - Sabah corridor as a model of efficient, reliable and productive cross-border logistics, contributing to shared prosperity, stronger regional connectivity and Malaysia's continued competitiveness in the global logistics landscape.

Datuk Kamaruzzaman Johari,
Chairman
Malaysia Productivity Corporation (MPC)



Message from Chairman, Logistics Productivity Nexus (LPN)

As Chairman of the Logistics Productivity Nexus (LPN), I am pleased to welcome the publication of the Cross-Border Operational Guidebook for Sarawak – Brunei - Sabah Transportation Efficiency. This Guidebook provides a practical reference to support more efficient, predictable and reliable cross-border transportation operations across the Sarawak - Brunei – Sabah corridor.

From an industry perspective, cross-border logistics is fundamentally about time, cost and reliability. Unclear procedures, repetitive documentation and unnecessary waiting time can increase operating costs, create uncertainty and ultimately affect business competitiveness. By bringing together key procedures, documentation requirements, process flows and practical references in one comprehensive resource, this Guidebook can help logistics operators plan more effectively, minimise delays and deliver greater service reliability.

At LPN, we believe that productivity improvement must translate into real and measurable impact on the ground. This requires simpler processes, stronger coordination between government agencies and industry and practical solutions that enable goods to move across borders with greater speed, efficiency and certainty. The development of this Guidebook demonstrates the value of an industry-led and collaborative approach, bringing together government agencies, regulators, industry associations and logistics operators towards a common objective.

I encourage all industry stakeholders to use this Guidebook as a practical tool for continuous improvement and operational excellence. By strengthening collaboration and streamlining cross-border processes, we can build more resilient and efficient supply chains, unlock greater market opportunities and enhance the competitiveness of the Sarawak - Brunei – Sabah corridor and the wider BIMP-EAGA region.

Ultimately, when goods move more efficiently, businesses become more competitive, communities gain greater access to opportunities and the region moves forward together.

I commend all parties involved in the development of this Guidebook and trust that it will serve as a valuable reference for the industry, contributing towards a more seamless, productive and connected cross-border logistics ecosystem.

Dato' Seri (Dr.) Michael Tio
Chairman
Logistics Productivity Nexus (LPN)

Purpose and Strategic Importance of this Guidebook

This Guidebook reflects ongoing collaboration between the Logistics Productivity Nexus of the Malaysia Productivity Corporation (MPC) and industry stakeholders in Sarawak and Sabah. Through direct engagement and practical initiatives, it seeks to enhance cross-border trade facilitation and logistics efficiency along the Sarawak - Brunei - Sabah corridor, delivering measurable improvements in operational performance and supporting deeper economic integration across the region.

Foundational Purpose

The Cross-Border Operational Guidebook was developed through collaborative workshops with transportation operators from Sarawak and Sabah. These sessions provided a vital platform for industry stakeholders to share experiences, identify key challenges and explore practical solutions to strengthen trade and logistics within the Sarawak - Brunei - Sabah corridor. Drawing on these real-world insights, this Guidebook serves as a comprehensive, standardised and user-friendly practical reference for all supply chain stakeholders, including government agencies, logistics providers and business owners.

Its primary objectives are to facilitate smoother and more efficient cross-border trade by simplifying complex regulatory requirements, harmonising procedures across agencies and establishing a clear operational framework that promotes both efficiency and compliance. Beyond improving operational processes, the Guidebook seeks to promote transparency and consistency, thereby reducing uncertainties and delays.

Whilst larger companies often possess the resources to navigate regulatory complexities, many Micro, Small and Medium-sized Enterprises (MSMEs) face significant obstacles that limit their participation in regional trade. A core aim of this Guidebook is to address these barriers directly, demystifying procedures and ensuring fairer access to market opportunities for MSMEs. By providing clear guidance and practical tools, it empowers smaller operators to overcome operational challenges and engage more confidently in regional commerce.

Ultimately, the Guidebook aspires to transform everyday operational challenges into opportunities for enhanced productivity, efficiency and competitiveness. It aims to foster an inclusive trade environment that benefits all stakeholders, supports sustainable economic growth and strengthens regional connectivity and resilience.

Strategic Importance and Regional Alignment

This initiative aligns closely with broader regional economic objectives, underpinning the development of a more efficient, resilient and interconnected cross-border logistics environment. The Guidebook provides tangible value in four key areas:

1. Enhancing operational efficiency by reducing border delays, minimising unnecessary paperwork and lowering unpredictable costs, thus enabling smoother and faster trade flows.
2. Supporting supply chain resilience by helping MSMEs and local producers access wider regional trade networks, strengthening their market reach and long-term sustainability.
3. Translating ASEAN integration goals into practical, actionable measures that businesses can implement effectively, thereby advancing deeper regional economic integration.
4. Promoting compliance and secure trade by clarifying regulatory requirements, encouraging consistent practices amongst stakeholders and strengthening supply chain reliability.

Furthermore, the Guidebook prioritises collaboration by creating a shared platform for public-private engagement on regulatory practices, encouraging transparency and mutual understanding across all sectors.

A Living Tool for Shared Prosperity

Building on these strategic pillars, this Guidebook is conceived as a living, evolving resource, continuously refined through ongoing input to foster sustainable and inclusive economic growth. Its purpose extends beyond operational guidance to establishing a foundation for broad-based development, championing innovation, resilience and cooperation.

By equipping current and future cross-border operators with practical knowledge and tools, the Guidebook aims to facilitate smoother trade flows and alleviate bottlenecks. It also aspires to attract increased investment, generate quality employment and stimulate entrepreneurship within the corridor. As cross-border trade becomes more predictable and efficient, the Sarawak - Brunei - Sabah corridor will become increasingly attractive to logistics providers, manufacturers and value-added industries, catalysing a virtuous cycle of regional development.

Underpinning this progress is the public-private collaboration reflected in the Guidebook, demonstrating the shared commitment of government, industry and development partners to building a more integrated, resilient and prosperous regional economy.

In essence, the Guidebook serves both as a practical tool and as a catalyst for broader economic development within the Sarawak - Brunei - Sabah corridor by:

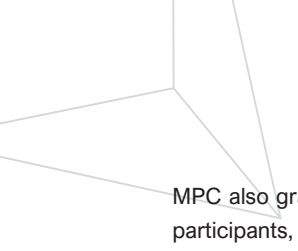
- Enhancing operational efficiency
- Promoting fair participation
- Fostering regional integration
- Supporting sustainable growth
- Building a resilient trade ecosystem

Acknowledgements

The production of this Guidebook stands as a testament to the spirit of collaboration and unwavering commitment exhibited by numerous individuals, organisations and industry representatives. Their collective wisdom and professionalism have been instrumental in transforming this document into a definitive and authoritative reference for the logistics sector.

The Malaysia Productivity Corporation (MPC) conveys its deepest gratitude to all government agencies, partner organisations and industry stakeholders for their steadfast support, guidance and cooperation throughout the development of this initiative. MPC is honoured to extend particular recognition to:

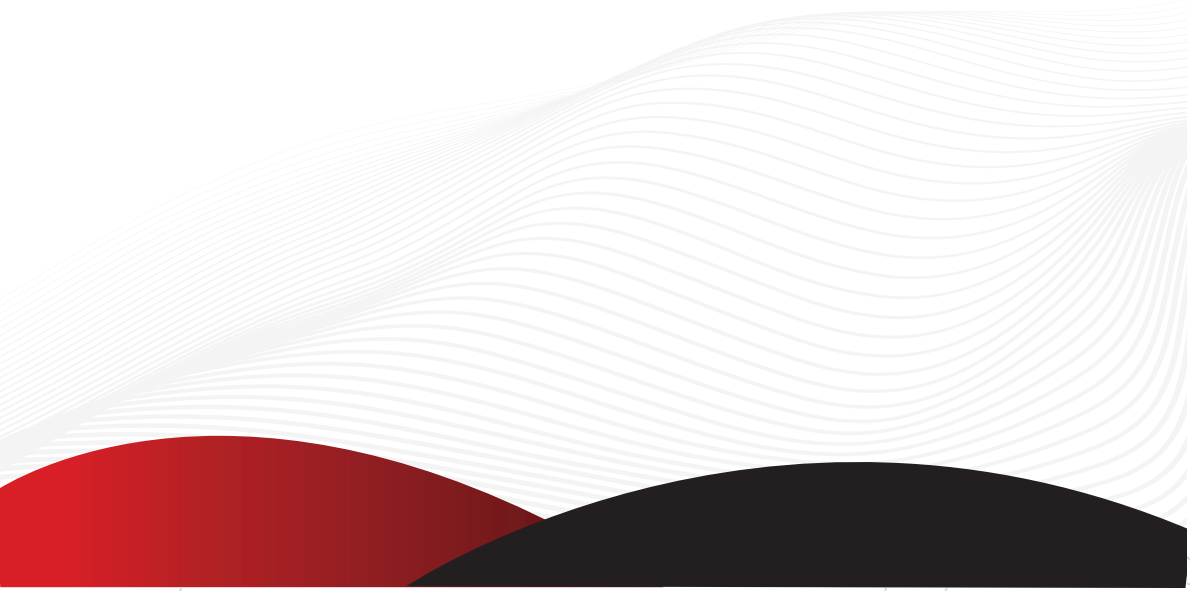
- Ministry of Transport Malaysia (MOT)
- Ministry of Transport Sarawak (MOTS)
- *Lembaga Pelesenan Kenderaan Perdagangan (LPKP) Sarawak*
Commercial Vehicle Licensing Board (Sarawak)
- *Lembaga Pelesenan Kenderaan Perdagangan (LPKP) Sabah*
Commercial Vehicle Licensing Board (Sabah)
- *Jabatan Pengangkutan Jalan Malaysia (JPJ)*
Road Transport Department Malaysia
- Sabah Logistics Council
- Sarawak State Planning Unit (Sarawak UPEN)
- Sabah State Planning Unit (Sabah UPEN)
- Royal Malaysia Customs Department Sarawak
- Royal Malaysia Customs Department Sabah
- BIMP-EAGA Business Council Malaysia (BEBC Malaysia)
- BIMP-EAGA Business Council Brunei (BEBC Brunei)
- Sarawak Forwarding Agencies Association (SFFA)



MPC also gratefully acknowledges the invaluable contributions of dedicated industry participants, subject matter experts and trade associations, whose analytical perspectives and evidence-based recommendations have substantially enriched the contents of this Guidebook.

This Guidebook exemplifies a collective resolve to advance efficiency, consistency and competitiveness across the region's logistics sector. It is envisaged as a strategic instrument supporting Malaysia's aspiration to reinforce its role as a preeminent export hub within ASEAN and the international trading community.

Chapter 1 : Introduction



1.1 Background and Strategic Context

The land borders connecting Sabah, Sarawak and Brunei are vital gateways for trade, cultural exchange and economic development within the corridor. However, this significant potential has often been constrained by complex regulations, administrative inefficiencies and the absence of standardised procedures and information, resulting in delays, increased operational costs and persistent uncertainty for transporters and traders.

Despite strong regional aspirations, a persistent gap endures between policy objectives and the realities of day-to-day operations. Logistics operators and micro, small and medium enterprises (MSMEs), key contributors to grassroots economic growth, continue to encounter obstacles such as inconsistent regulatory interpretations, extensive documentation requirements and unpredictable clearance times. These barriers impede growth, limit broader market participation and restrict the corridor's full potential.

To address these challenges and align with broader regional goals, this Guidebook provides direct support to key initiatives such as the ASEAN Economic Community (AEC), ASEAN Single Window (ASW), ASEAN Customs Transit System (ACTS) and the BIMP-EAGA Memorandum of Understanding on Transit and Inter-state Transport of Goods, all of which prioritise regional integration and trade facilitation. It further aligns with efforts in Malaysia and Brunei to advance digitalisation and ease of doing business.

It is precisely this gap between policy and practice that the Guidebook aims to bridge. By consolidating diverse, multi-jurisdictional requirements into a single, practical reference, its chief objective is to transform the Sarawak - Brunei - Sabah corridor into a model of efficient, predictable and seamless cross-border trade, fully consistent with the strategic visions of ASEAN and BIMP-EAGA.

1.2 Objectives of the Guidebook and Expected Benefits

Building on the strategic context outlined above, this Guidebook has been developed to address the identified challenges by translating policy goals into clear, practical guidance that fosters a transparent, efficient and user-friendly environment for cross-border trade.

Primary Objectives

1. Simplify and Clarify Procedures

Provide a single, authoritative reference featuring step-by-step instructions for complying with cross-border transport regulations across Sabah, Sarawak and Brunei, thereby reducing ambiguity and complexity.

2. Harmonise Operational Understanding

Bridge interpretational gaps between jurisdictions and agencies to promote a shared understanding among transporters, freight forwarders and regulators, thus minimising confusion at checkpoints.

3. Enhance Accessibility for MSMEs

Lower the knowledge barrier for MSMEs, enabling them to compete more effectively with larger firms in cross-border trade.

4. Promote Digital Adoption

Guide operators in the adoption of digital tools such as route optimisation software, Internet of Things (IoT) devices and blockchain applications, whilst leveraging platforms like National Single Windows and the ASEAN Customs Transit System (ACTS) for paperless efficiency.

5. Foster a Culture of Compliance

Present regulatory requirements in a transparent and easily understood format to encourage voluntary compliance, allowing enforcement efforts to concentrate on high-risk consignments.

Expected Benefits

1. For Transport Operators and Logistics Companies:

- Reduced transit times through clearer procedures and documentation.
- Greater predictability in operating costs owing to reduced uncertainty and fewer bottlenecks.
- Enhanced operational efficiency enabling improved vehicle turnarounds.

2. For MSMEs and Traders:

- Lowered barriers to market entry through accessible, practical guidance.
- Improved competitiveness due to reductions in costs and delays.
- More reliable delivery schedules that enhance customer confidence.

3. For Government Agencies:

- Higher compliance rates facilitated by standardised and accessible information.
- Improved border security as a result of orderly and transparent procedures.
- Strengthened inter-agency cooperation through aligned processes.

4. For the Broader Region:

- Increased intra-regional trade driven by streamlined processes.
- Tangible progress towards ASEAN integration goals.
- Enhanced attractiveness for investment in logistics, manufacturing and value-added industries.

This Guidebook functions both as a reference point and as a catalyst for economic growth and regional integration. Realising these objectives is expected to drive greater efficiency, cost-effectiveness and reliability in cross-border trade, thereby fostering shared prosperity throughout Sabah, Sarawak and Brunei.

1.3 Scope and Target Audience

To ensure both clarity and practical utility, this Guidebook has been deliberately scoped to address the most pertinent aspects of cross-border goods movement within a clearly defined geographical and procedural framework. It is specifically tailored to meet the needs of key users directly engaged in the cross-border logistics ecosystem.

Scope of the Guidebook

This Guidebook focuses exclusively on the land-based transportation of commercial goods across the borders connecting Sabah, Sarawak and Brunei. Its coverage is both detailed and precise, encompassing the following key areas:

Geographical Coverage:

The primary border crossing points (BCPs) involving customs, immigration and quarantine (CIQ) complexes that facilitate trade between these territories. This includes major routes such as Sarawak - Brunei (via Sungai Tujoh) and Sabah - Brunei (via Mengkalap). It also extends to crossings between Brunei's two districts - Brunei-Muara and Temburong - separated by the Malaysian land region of Limbang, including routes from Kuala Lurah to Ujong Jalan, which transit Malaysian border crossings at Tedungan and Pandaruan.

Procedural Coverage:

The complete end-to-end process for cross-border goods movement, including:

- Pre-departure requirements (e.g. vehicle permits, driver documentation).

- Customs procedures for import, export and transit.
- Mandatory documentation from relevant agencies.
- Clearance processes at border checkpoints.
- Transit procedures for shipments passing through Brunei between Sabah and Sarawak.

Regulatory Framework:

Alignment with the national laws and regulations of Malaysia and Brunei governing cross-border trade and transport, with reference to relevant ASEAN and BIMP-EAGA regional agreements.

Limitations:

This Guidebook does not cover the carriage of hazardous materials (dangerous goods), live animals or controlled items such as pharmaceuticals and weapons, which are subject to specialised regulatory regimes. Nor does it address the procedures for air and sea freight, as its focus is solely on land transport.

Target Audience

This Guidebook is designed as a practical toolkit for the primary stakeholders engaged in the day-to-day activities of cross-border trade. The principal target audiences include:

1. Transport and Logistics Operators:

Lorry and truck owners, fleet managers and drivers responsible for goods movement across borders. The Guidebook provides clear checklists, process maps and compliance guidance to ensure smooth and predictable journeys.

2. Freight Forwarders and Forwarding Agents:

Professionals managing documentation and regulatory declarations on behalf of traders. The Guidebook serves as a valuable reference for preparing accurate documents and adhering to harmonised procedures, thereby enhancing reliability and service quality.

3. Micro, Small and Medium-sized Enterprises (MSMEs):

Often operating without dedicated logistics departments, MSMEs gain essential knowledge for navigating the cross-border process, managing shipments and making informed choices about entering neighbouring markets.

4. Government Agencies and Regulatory Bodies:

Although primarily developed for the private sector users, the Guidebook offers a useful resource for frontline officers, supporting the consistent application of rules and facilitating coordinated, efficient border management.

5. Industry Associations and Chambers of Commerce:

Serving as facilitators of knowledge and capacity building, these bodies may use the Guidebook as a standardised reference for training, advocacy and enhancing members' cross-border trade operations.

By clearly articulating its scope and defining its primary users, this Guidebook ensures its content remains focused, relevant and easily accessible - maximising its effectiveness in strengthening supply chain efficiency and reliability, promoting compliance and supporting regional economic growth.

1.4 Development Methodology and Stakeholder Consultation

The development of this Guidebook followed a rigorous, multi-phased methodology that emphasised inclusivity, practicality and accuracy. Far from being a purely desk-based endeavour, its creation was a collaborative exercise designed to ensure the final document genuinely reflects the on-the-ground realities and addresses stakeholders' needs.

Development Methodology

A structured, iterative approach guided the entire process, comprising the following key stages:

1. Initial Scoping and Desk Research:

This foundational stage involved a comprehensive review of existing documentation, including:

- National laws and regulations of Malaysia and Brunei relating to customs, trade and land transport.
- Regional agreements and frameworks under ASEAN and BIMP-EAGA.
- Procedural guidelines from relevant government agencies. This research established the essential legal and regulatory context for the Guidebook.

2. Stakeholder Identification and Engagement:

All major entities involved in the cross-border ecosystem - from regulators and operators to supporting agencies - were mapped to ensure comprehensive representation throughout the consultation process.

3. **Primary Data Collection via Consultative Workshops:**

A series of structured workshops was conducted with cross-border transport operators and MSME representatives from Sabah and Sarawak. These sessions gathered qualitative insights on:

- Real-world challenges and operational bottlenecks.
- Practical solutions and established best practices.
- Gaps in current information and support mechanisms.

4. **Drafting and Validation:**

The initial draft, synthesised from research findings and workshop outcomes, was subjected to a rigorous two-tier validation process:

- **Inter-Agency Review:** Circulated amongst relevant government agencies and regulatory bodies in Sabah, Sarawak and Brunei for technical verification and endorsement
- **Private Sector Validation:** Revised by industry associations and private sector stakeholders to ensure the Guidebook's clarity, practicality and usability.

5. **Finalisation and Layout:**

Feedback from all these validation stages was systematically integrated. The final draft was then professionally laid out, incorporating visuals, checklists and logical structure to maximise user friendliness and accessibility.

Stakeholder Consultation

The Guidebook's credibility and relevance derive from extensive consultation with the following key stakeholders:

1. **Government Regulatory Agencies:**

Customs Departments, Land Transport Agencies, Commercial Vehicle Licensing Boards and relevant ministries from Malaysia (federal, Sabah and Sarawak) and Brunei. Their contributions were vital to ensuring accuracy and official standing.

2. **Cross-Border Transport Operators:**

Lorry and truck owners, fleet managers and drivers, who provided indispensable practical insights into daily operational pain points and essential information needs.

3. **Freight Forwarders and Forwarding Agents:**

Professionals specialising in documentation, declaration processes and inter-agency coordination, who ensured procedural accuracy and completeness.

4. Industry Associations and Chambers of Commerce:

These organisations played a vital role in consolidating broad-based feedback and ensuring the Guidebook aligns with the collective interests of the wider business community.

This multi-stakeholder, collaborative approach ensures the Guidebook is a practical, credible and authoritative resource - one that reflects the collective knowledge and experience of the entire ecosystem it serves.

1.5 Five Primary Target Outcomes

The Sarawak - Brunei – Sabah Cross-Border Operational Guidebook is designed to deliver measurable improvements in transport efficiency, trade facilitation and regional connectivity. To ensure clear strategic direction, it is structured around five primary target outcomes. These outcomes consolidate the operational, regulatory and digital priorities identified through multi-stakeholder consultation and serve as key benchmarks for implementation and performance monitoring. While detailed procedures, compliance frameworks and practical toolkits are elaborated in subsequent chapters, the following provides a consolidated overview for strategic alignment:

1. Reduced Border Clearance Time:

Streamline customs and regulatory procedures at all designated checkpoints to enable faster and more predictable clearance for commercial vehicles and cargo. This includes adopting risk-based inspections, pre-arrival processing and coordinated joint controls to minimise congestion, eliminate duplicate checks and reduce overall transit delays.

2. Seamless Digital System Integration:

Promote interoperable electronic documentation and real-time data exchange between Malaysian and Bruneian authorities. Through the transition to paperless trade, implementation of electronic movement tracking and integration of national single window platforms, stakeholders will benefit from improved cargo visibility, reduced administrative burden and faster cross-border information flows.

3. Logistics Cost Reduction & Operational Efficiency:

Reduce end-to-end transport costs by eliminating procedural redundancies, optimising routing and transit schedules and minimising ancillary expenses such as demurrage, storage and vehicle idling. Enhanced asset utilisation and streamlined documentation processes will improve overall commercial efficiency for freight forwarders and transport operators.

4. **Harmonised Regulatory Compliance & Institutional Coordination:**

Establish aligned operational standards and effective governance mechanisms across all border authorities. This includes clarifying stakeholder roles and responsibilities, strengthening cross-agency collaboration and promoting mutual recognition of compliance programmes (including Authorised Economic Operator schemes) to ensure consistent enforcement, regulatory predictability and efficient dispute resolution.

5. **Enhanced Cargo Security, Safety & Sustainable Practices:**

Strengthen risk-based inspection regimes, vehicle and cargo safety standards and structured incident management procedures. In parallel, promote the adoption of green logistics practices, fuel-efficient routing and environmental compliance to support long-term corridor resilience, reduce carbon emissions and align with regional sustainability commitments.

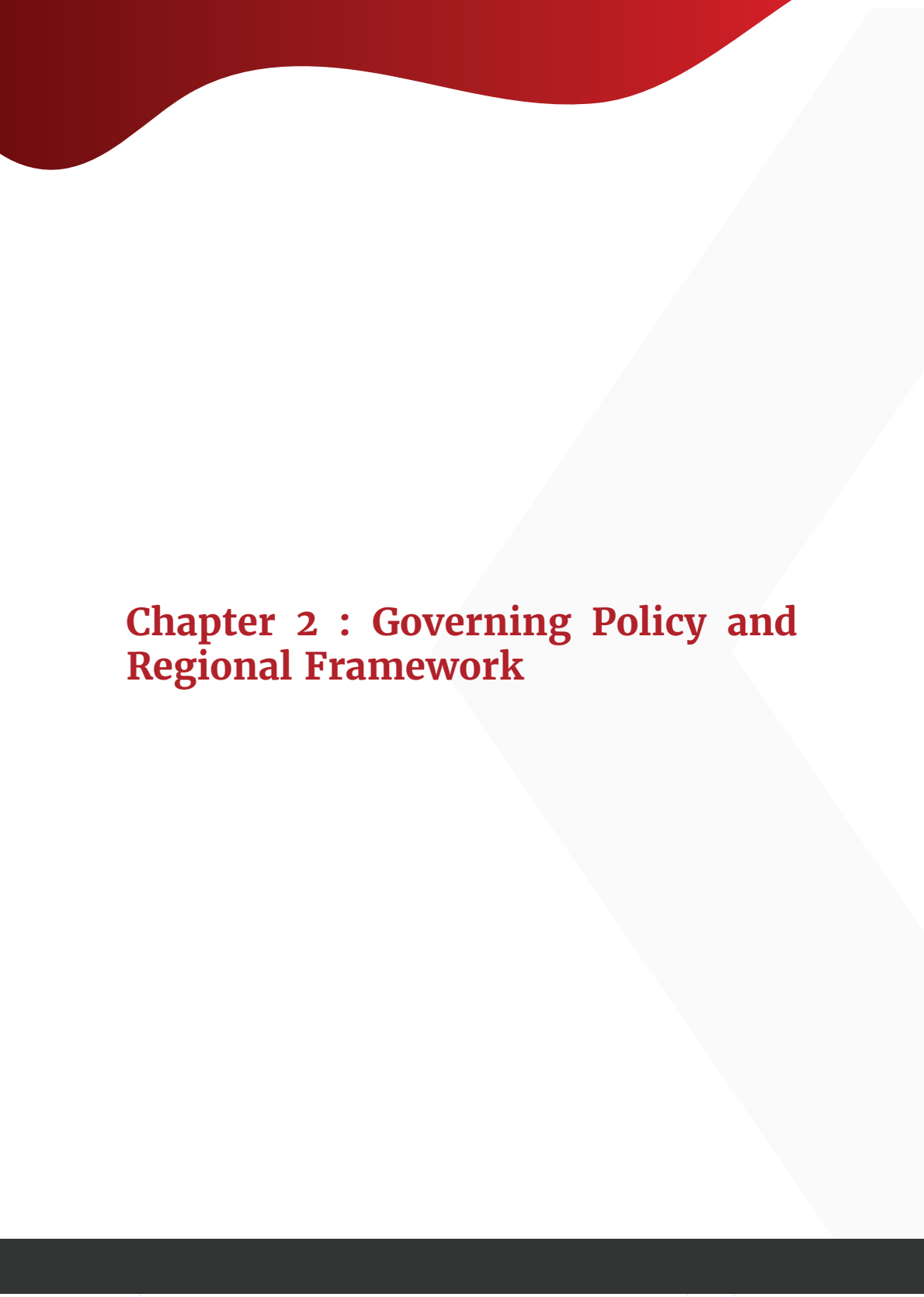
The five target outcomes outlined above establish a clear direction towards a more efficient, predictable and commercially viable cross-border logistics environment across the Sarawak - Brunei - Sabah corridor.

Their successful implementation will yield returns for industry stakeholders:

- **Transport operators** will benefit from reduced turnaround times, lower fuel consumption and improved fleet utilisation.
- **Freight forwarders and forwarding agents** can achieve faster documentation processing, reduced clearance uncertainty and enhanced service reliability;
- **Shippers and cargo owners** stand to gain from shorter lead times, lower landed costs and improved supply chain visibility.

Realising these gains will require proactive alignment with the operational, regulatory and digital improvements set out in this guidebook.

The subsequent chapters provide target procedures, compliance frameworks and practical tools designed to address the specific challenges faced by each stakeholder group. By adopting these measures, industry players can minimise inefficiencies, reduce administrative and handling costs and optimise end-to-end logistics performance. Stakeholders are strongly encouraged to integrate the recommended practices into their daily operations to unlock measurable cost savings, strengthen market competitiveness and capture sustained value from a more seamless and integrated cross-border ecosystem.



Chapter 2 : Governing Policy and Regional Framework

2.1 ASEAN Economic Community and Connectivity Goals

The cross-border operations addressed in this Guidebook directly support the strategic vision of ASEAN. The establishment of the ASEAN Economic Community (AEC) in 2015 marked a definitive commitment to creating a single market and production base, facilitating the free flow of goods, services, investment, skilled labour and capital across the region.

The AEC is built upon four pillars. Pillar A: A Highly Integrated and Cohesive Economy is of direct operational relevance to this Guidebook. Its objective is to deepen regional supply chain connectivity and efficiency by systematically eliminating barriers to trade - both tariff and, significantly, non-tariff barriers (NTBs). The regulatory complexities, procedural inconsistencies and burdensome documentation requirements that hinder trade between Sabah, Sarawak and Brunei are classic examples of the NTBs this pillar aims to address.

Building on the AEC framework, the Master Plan on ASEAN Connectivity (MPAC) provides the actionable blueprint for enhancing physical, institutional and people-to-people linkages. This Guidebook serves as a practical instrument for advancing MPAC objectives within the Sarawak - Brunei - Sabah corridor:

- **Institutional Connectivity:**

By harmonising customs procedures, regulatory standards and operational practices, this Guidebook facilitates the seamless movement of goods, translating policy into practice.

- **Physical Connectivity:**

It ensures that investment in transport infrastructure 'hardware' is fully leveraged by robust, efficient procedural 'software', maximising corridor performance and reliability.

Together, the AEC and MPAC aim to boost ASEAN's collective competitiveness, stimulate intra-regional trade and foster a stable, prosperous economic community. This Guidebook delivers a standardised, harmonised set of operational procedures for the corridor, making a tangible contribution to these goals. It effectively translates ASEAN's high-level policy objectives into actionable steps for transporters, logistics providers and businesses, ensuring the benefits of regional integration are accessible at the operational level.

2.2 National Regulatory Frameworks: Malaysia (Sabah, Sarawak) and Brunei

Cross-border transport operations between Sabah, Sarawak and Brunei are governed by distinct national legal systems. A clear understanding of these regulatory pillars – covering customs, vehicle licensing and immigration – is essential for ensuring compliance, facilitating smooth trade movements and enabling coordinated border management.

Malaysia (Sabah and Sarawak)

Sabah and Sarawak operate with Malaysia's federal legal framework but exercise state-level authority, particularly in commercial transport regulation. The principal legislation governing cross-border operations includes:

- **Customs Act 1967:**
The foundational law for all customs procedures, including declaration, duty assessment and enforcement. It applies to all goods entering or leaving Malaysia, including via the land borders of Sabah and Sarawak.
- **Sales Tax Act 2018:**
Governs the imposition and collection of Sales Tax on imported goods, a key fiscal consideration for traders.
- **Land Public Transport Act 2010 & Commercial Vehicles Licensing Board (CVLB) Act 1987:**
These acts regulate commercial vehicle licensing. Importantly, whilst the Land Public Transport Agency (APAD) administers licensing in Peninsular Malaysia, Sabah and Sarawak each have their own state-level Commercial Vehicle Licensing Board (CVLB). Operators must obtain the relevant cross-border permits (e.g. the Commercial Vehicle Permit or A-Permit) from the CVLB in their state of operation (Sarawak or Sabah).
- **Road Transport Act 1987:**
Establishes national standards for vehicle registration, licensing and roadworthiness (safety), which all commercial vehicles operating in or entering Malaysia must meet.

Brunei Darussalam

Brunei's legal system for cross-border movement is separate and encompasses the following key frameworks:

- **Customs Act 2006:**

Empowers the Royal Customs and Excise Department (RCED) to control the import, export and transit of goods, detailing declaration procedures, identifying prohibited and restricted items and stipulating penalties for non-compliance.

- **Excise Order 2006:**

Provides the legal basis for levying excise duties on specified goods.

- **Road Traffic Act (Chapter 68):**

Regulates all road transport. Foreign commercial vehicles require a Vehicle Entry Permit (VEP) and drivers must hold valid driving licences and insurance.

- **Immigration Act (Chapter 17):**

Governs the entry and exit of persons, including drivers and vehicle crew, enforcing passport and visa requirements at border control.

The Imperative for Operational Harmonisation

The central challenge for stakeholders is navigating two interlinked but distinct regulatory systems during a single journey. Differences in permit regimes, documentation standards and procedural interpretations can create significant administrative bottlenecks.

This Guidebook is designed as a strategic tool to harmonise these procedures in practice. By clearly mapping the requirements of both jurisdictions and identifying overlaps and divergences, it provides actionable guidance to:

- Align permit applications and documentation.
- Clarify compliance steps for both Malaysian and Bruneian authorities.
- Minimise friction and delays at border checkpoints.

Ultimately, this harmonised approach is vital for reducing non-tariff barriers, enabling seamless transit and supporting the broader governmental objectives of enhanced regional connectivity and trade facilitation within the Sarawak - Brunei - Sabah corridor.

2.3 Relevant Bilateral and Multilateral Agreements

Cross-border transport in the Sarawak - Brunei - Sabah corridor is enabled and regulated by a well-defined legal architecture of international agreements. This framework moves beyond ad hoc arrangements, establishing the formal rights, obligations and cooperative mechanisms that underpin the operational procedures in this Guidebook.

Multilateral Agreements: ASEAN Agreements

1. ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT, Ha Noi 1998)

This agreement establishes the foundation for a regional transit system. Its core principle is freedom of transit, allowing goods to move through the territory of ASEAN Member States (AMS) with minimal interference.

- **Key Provisions:**

Guarantees unimpeded movement, mandates use of designated routes and provides for temporary admission of vehicles (exempt from duties and taxes during transit).

- **Relevance to this Corridor:**

AFAFGIT provides the high-level legal basis for goods transiting through Brunei when moving between Sabah and Sarawak. Malaysia and Brunei are both signatories, having ratified the agreement and all its protocols.

Malaysia ratified AFAFGIT on 2 March 1999, including all nine Protocols, while Brunei ratified the Agreement and its nine Protocols on 15 August 2000.

2. ASEAN Framework Agreement on the Facilitation of Inter-State Transport (AFAFIST, Manila 2009)

Building on AFAFGIT, this agreement specifically facilitates the movement of vehicles between AMS, not just through them. It aims to harmonise technical specifications (e.g. vehicle weights, dimensions) and promote mutual recognition of driving licenses and vehicle registrations.

- **Key Objectives:**

To allow a vehicle from one AMS to carry goods from an inland origin to an inland destination in another AMS without transshipment at the border.

- **Relevance to this Corridor:**

AFAFIST is the key enabler for Malaysian-registered trucks to deliver goods to destination within Brunei and vice-versa. Its implementation simplifies the regulatory environment for cross-border operators.

Malaysia has ratified AFAFIST on 3 March 2025, with entry into force on 6 April 2025.

Sub-Regional Framework: BIMP-EAGA

The Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) initiative provides the sub-regional policy and coordination platform that directly supports this corridor.

- **Role:**

BIMP-EAGA translates broad ASEAN agreements into actionable programmes within its member regions. It focuses on:

- Harmonising customs and transport regulations.
- Developing strategic infrastructure links.
- Facilitating MSME integration into cross-border trade.
- Promoting digitalisation for logistics efficiency.

- **Significance:**

The BIMP-EAGA Memorandum of Understanding on Transit and Inter-state Transport of Goods is a direct instrument guiding the practical cooperation between Malaysia and Brunei addressed in this Guidebook.

Bilateral Implementation: Malaysia-Brunei Agreement

Multilateral frameworks are operationalised through specific bilateral agreements. The most critical for this corridor is:

- **Agreement Between the Government of Malaysia and the Government of Brunei Darussalam on the Movement of Persons and Goods (2003).** This agreement directly governs daily operations. Its principal features include:

- **Simplified Procedures:** Establishes streamlined customs and immigration clearance at designated border posts (e.g. Sungai Tujoh, Mengkalap)
- **Licence Recognition:** Provides the legal basis for the mutual recognition of commercial vehicle permits, which governs the issuance of Brunei's Vehicle Entry Permit (VEP).
- **Designated Routes:** Officially approves the border crossing points and routes for commercial traffic.

Practical Implication for Operators

Collectively, these agreements grant transport operators the legal right to move goods across and between Sabah, Sarawak, and Brunei. They mandate the simplification of procedures that this Guidebook details. Understanding this legal foundation reinforces the legitimacy of streamlined processes and provides a reference point for resolving operational disputes.

This Guidebook serves to translate the rights and obligations contained within these agreements into clear, compliant and actionable guidance for cross-border operations within the corridor.

2.4 Alignment with Regional Initiatives: ASEAN Single Window (ASW) & ASEAN Customs Transit System (ACTS)

The long-term efficiency of cross-border trade in ASEAN depends on digital integration. Whilst this Guidebook addresses current, predominantly paper-based procedures, it is strategically aligned with two central regional digital initiatives: the ASEAN Single Window (ASW) and the ASEAN Customs Transit System (ACTS). Understanding and preparing for these systems is essential for the future competitiveness of operators in the Sarawak - Brunei - Sabah corridor.

1. ASEAN Single Window (ASW): Streamlining Document Exchange

The ASW is a regional platform that interconnects the National Single Windows (NSW) of ASEAN Member States. Its principal aim is to expedite customs clearance by enabling the secure, electronic exchange of standardised trade documents between authorities.

- **How It Works:**

Instead of submitting physical documents to multiple agencies in different countries, traders submit data electronically to their home country's NSW. This data is then transmitted automatically to the relevant authorities in the destination country via the ASW.

- **Benefits for Malaysia-Brunei Trade:**

Full ASW implementation offers key advantages:

- **Reduced Documentation:** Diminish reliance on physical copies of key documents like the ATIGA Certificate of Origin (Form D).
- **Faster Clearance:** Enables pre-arrival data processing, leading to quicker cargo release. The use of the ASEAN Customs Declaration Document (ACDD) ensures authentic data transmission.
- **Enhanced Predictability:** A transparent, standardised electronic process improves supply chain planning.

2. ASEAN Customs Transit System (ACTS): Facilitating Seamless Transit

ACTS is a computerised transit management platform designed to facilitate the seamless movement of goods across multiple ASEAN borders. It allows a single electronic customs declaration and a single guarantee to cover an entire journey, drastically reducing paperwork, delays and administrative costs.

- **Key features:**

- **Single Transit Declaration:** One electronic declaration at the point of departure is valid for the entire transit journey.
- **Single Guarantee:** A single guarantee covers all duties and taxes at risk throughout participating countries.
- **Seamless Movement:** Goods move directly from origin without separate customs formalities or physical transshipment at intermediate borders.
- **Real-time Tracking:** Customs authorities monitor shipment status in real-time from departure to arrival.
- **Authorised Operators:** The system is operated by qualified transport operators under ACTS rules.
- **Coordinated Implementation:** Customs and land transport authorities jointly administer the system to ensure consistency.

- **Strategic Importance:**

ACTS is the practical implementation of the ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT). It is a direct catalyst for the AEC's vision of a highly integrated economy, harmonising procedures to enhance connectivity and competitiveness.

- **Relevance to the Corridor:**

For goods transiting between Sabah and Sarawak via Brunei, ACTS offers transformative efficiency:

- It replaces the need for multiple import/export declarations in Brunei.
- It consolidates financial security requirements into one guarantee.
- It streamlines border procedures for covered shipments.

Currently, ACTS operates in Malaysia, Cambodia, Lao PDR, Singapore, Thailand, Vietnam and Myanmar, with ongoing efforts to expand its reach further to Brunei, Indonesia and the Philippines.

Strategic Alignment of this Guidebook

This Guidebook is designed to bridge current operational practices with the future state of full digital integration. It achieves this by:

- **Promoting Digital Readiness:**

Encouraging the disciplined, accurate preparation of documents in a format compatible with ASW and ACTS requirements.

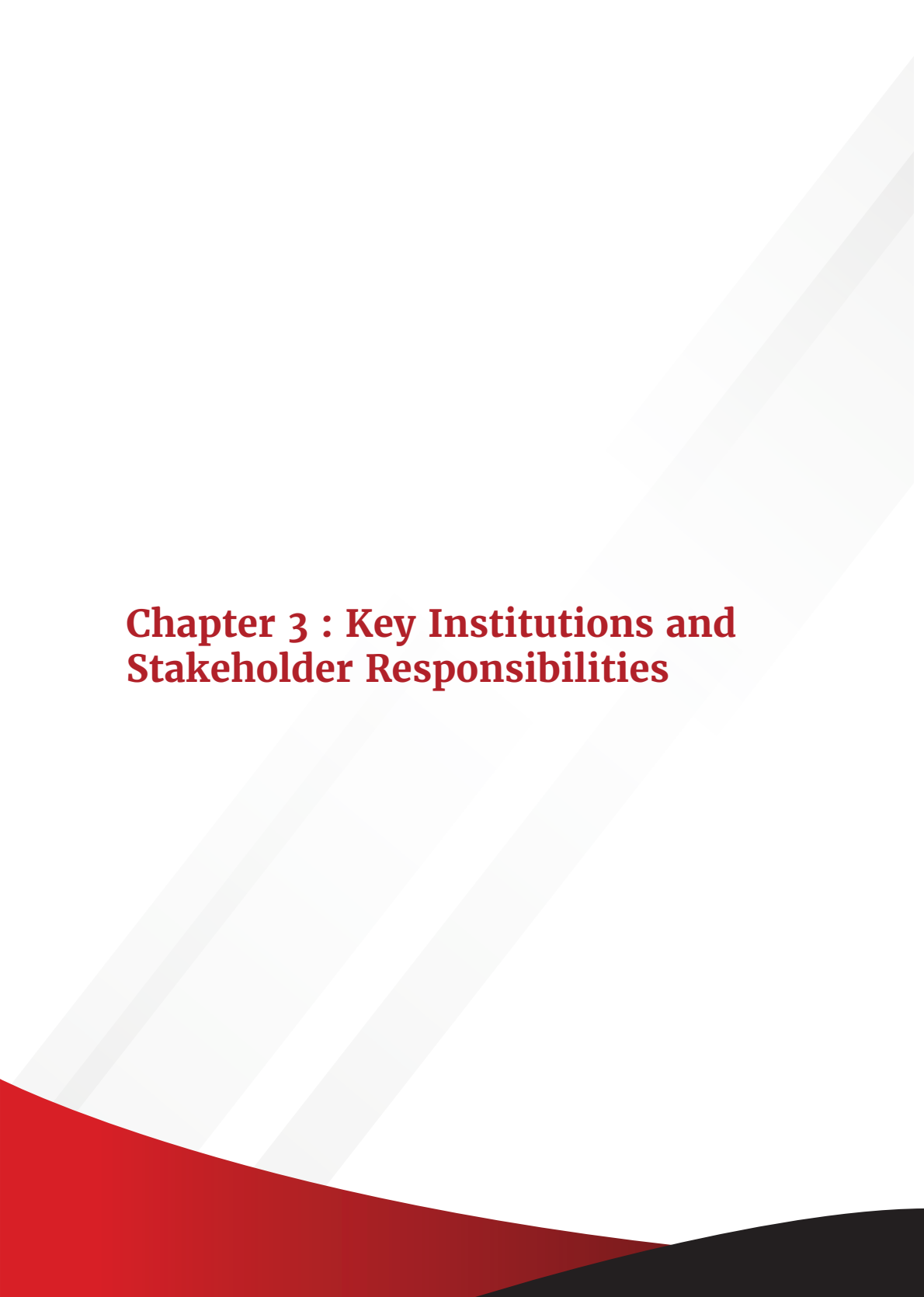
- **Clarifying the Transition:**

Explaining how today's manual processes map onto tomorrow's electronic systems, reducing the learning curve for adoption.

- **Building a Compliance Mindset:**

Establishing the procedural rigor necessary to succeed in both paper-based and digital environments.

By aligning with the harmonised best practices detailed in this Guidebook, operators can optimise their current cross-border movements whilst strategically positioning themselves to capitalise on ASW and ACTS. This ensures sustained viability and growth within the evolving ASEAN economic landscape.



Chapter 3 : Key Institutions and Stakeholder Responsibilities

Navigating the cross-border supply chain successfully requires a clear understanding of the principal actors involved. The efficient movement of goods between Sabah, Sarawak and Brunei depends on the coordinated interaction of a diverse network of public agencies and private sector operators, each with distinct mandates for regulation, logistics and commerce.

This chapter provides a structured directory and functional overview of these key institutions. It clarifies their respective roles and responsibilities, enabling you to engage the correct stakeholders at each process stage. This knowledge is fundamental for ensuring seamless operations and consistent regulatory compliance.

Understanding the participants' roles is essential to:

- Streamlining processes and minimise delays.
- Ensure adherence to all legal requirements.
- Optimise the allocation of resources.
- Build strong, effective partnerships across the supply chain.

The following sections detail the responsibilities of government agencies, logistics providers, forwarding agents and other essential contributors within the corridor's supply chain ecosystem. This guidance will help you navigate the complexities of cross-border trade with confidence and prepare you for the operational procedures outlined in subsequent chapters of this guidebook.

3.1 Mapping of Key Regulatory and Facilitation Agencies

The cross-border movement of goods within the Sarawak - Brunei - Sabah corridor is governed by a network of public agencies with specific mandates to regulate, secure and facilitate trade and transport. Operators must engage with the correct agency based on jurisdiction and function. The table below maps the principal agencies you will encounter.

An Important Operational Note: In Malaysia, commercial vehicle licensing for this corridor is managed at the state level by Sabah and Sarawak's respective boards, not by the federal Land Public Transport Agency (APAD). In Brunei, all relevant functions are centralised under national departments.

Jurisdiction	Agency	Primary Function(s) Relevant to the Corridor
Malaysia (Federal)	Royal Malaysian Customs Department (RMCD)	Administers national customs policy, processes import / export / transit declarations and assesses / collects duties
	Land Public Transport Agency (APAD)	Regulates commercial vehicle licensing for Peninsular Malaysia only. <i>(Not applicable for Sabah/Sarawak border operations)</i>
	Department of Immigration	Controls the entry and exit of drivers and crew at authorised checkpoints.
	Malaysian Quarantine and Inspection Services Department (MAQIS)	Enforces sanitary and phytosanitary (SPS) controls for regulated agricultural, food, and animal products.
Sabah / Sarawak (State)	Royal Malaysian Customs Department (Sabah & Sarawak Branch)	Implements federal customs procedures and controls at state border posts and ports.
	State Commercial Vehicle Licensing Boards (LPKP Sabah & LPKP Sarawak)	The Primary Authority for issuing licences and permits (e.g. A-Permit) for commercial vehicles operating within and across state borders.
	Relevant State Departments (e.g. Agriculture, Veterinary Services)	Issue specific permits or approvals for regulated commodities (e.g. plants, animals) as required by state law.
Brunei Darussalam	Royal Customs and Excise Department (RCED)	Oversees all customs procedures, declarations, and enforcement at Brunei's border crossings.
	Land Transport Department (JPD)	Issues Vehicle Entry Permits (VEPs) for foreign commercial vehicles and regulates vehicle standards and driver licensing.
	Immigration and National Registration Department	Manages the entry and exit of all persons, including professional drivers and crew.
	Other Relevant Ministries / Agencies	May issue additional permits for controlled goods (e.g. from Ministries of Health, Primary Resources).

Why This Mapping Matters: Highly Critical for Operators

Familiarity with these institutions and their distinct jurisdictions enables you to direct enquiries and applications correctly from the outset. This proactive understanding is fundamental to avoiding delays, ensuring compliance, and optimising cross-border operations within the corridor.

3.2 Roles and Functions: Core Regulatory Agencies

This section details the standard roles and functions of the two primary regulatory pillars for cross-border transport in the Sarawak - Brunei - Sabah corridor: Customs Administrations and Commercial Vehicle Licensing Authorities. Understanding these distinct responsibilities is pertinent for ensuring compliant and efficient movement of goods and vehicles.

Customs Administrations

The Royal Malaysian Customs Department (RMCD) and Brunei's Royal Customs and Excise Department (RCED) are responsible for controlling the international movement of goods. Their core functions at border checkpoints include:

- **Procedure Administration:** Implementing import, export and transit procedures under national laws (e.g. Malaysia's Customs Act 1967, Brunei's Customs Act 2006).
- **Regional Implementation:** Applying regional agreements like the ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT) and the ASEAN Customs Transit System (ACTS).
- **Fiscal & Security Enforcement:** Assessing and collecting duties and taxes and validating permits, licenses and cargo declarations.
- **Risk Management:** Conducting inspections based on risk assessment to expedite low-risk consignments while maintaining supply chain security.
- **Digital Facilitation:** Operating digital systems (e.g. Malaysia's Customs Information System - SMK, Brunei's National Single Window - BNSW) for data processing and exchange.

Key Communication for Operators:

You must submit accurate declarations and present goods, vehicles and supporting documents to the customs authority of the country you are entering.

Commercial Vehicle Licensing Authorities

The regulation of commercial vehicles for cross-border operations is managed by state-level authorities in Malaysia (Sabah & Sarawak) and a national department in Brunei.

In Sabah & Sarawak:

- **Primary Authority:** The State Commercial Vehicle Licensing Boards (LPKP Sabah & LPKP Sarawak).

- **Core Functions:**

- **Licensing & Permits:** Issuing and renewing commercial vehicle licenses and specific cross-border permits.
- **Vehicle & Operator Standards:** Enforcing rules on vehicle safety, weights, dimensions and operator credentials.
- **Regulatory Compliance:** Monitoring adherence to route specifications, fare rules and other operational conditions.

In Brunei Darussalam:

- **Primary Authority:** The Land Transport Department (JPD).
- **Core Functions:**
 - **Foreign Vehicle Regulations:** Issuing Vehicle Entry Permits (VEPs) for foreign commercial vehicles.
 - **Licensing & Standards:** Regulating vehicle safety standards and driver licensing within Brunei.

An Important Operational Note: For travel between Sabah/Sarawak and Brunei, operators must secure the correct permits from both jurisdictions: the relevant Malaysian State LPKP and Brunei's JPD.

The Importance of Harmonisation

Currently, differences in documentation formats, technical standards, and procedural interpretations between these agencies can create delays. A more harmonised approach is widely recognised as essential to:

- Reduce administrative burdens and transit times.
- Ensure consistent enforcement of safety and compliance standards.
- Lower operational costs, particularly for MSMEs.

(Note: Specific recommendations for improving coordination, such as joint verification protocols, are addressed in the context of broader corridor improvement initiatives in subsequent sections.)

3.3 Responsibilities of Private Sector Operators

Private sector actors are the principal drivers of cross-border logistics in the Sarawak - Brunei - Sabah corridor. Their culture of compliance and operational discipline is central to the efficiency, reliability and cost-effectiveness of regional transport. This section summarises the key responsibilities and recommended best practices for transport operators, forwarding agents and micro, small and medium-sized enterprises (MSMEs).

Transport Operators

Transport operators - including trucking and haulage companies - are responsible for moving goods safely, lawfully and efficiently through key checkpoints such as Sungai Tujoh, Kuala Lurah, Pandaruan, Ujong Jalan and Mengkalap.

Their **Core Responsibilities** include:

- Ensuring all vehicles are roadworthy and comply with applicable safety, loading, axle weight and emission standards.
- Maintaining up-to-date permits and documentation, including Vehicle Entry Permits (VEPs), road transport licences and any required commercial operating approvals.
- Adhering to customs and border procedures, including proper cargo sealing, timely submission of e-Movement or equivalent manifest and use of authorised transit routes.
- Coordinating with shippers, consignees, freight forwarders and forwarding agents to schedule transport movements in line with border checkpoints operating hours and inspection windows.
- Training drivers in cross-border documentation requirements, cargo handling practices, incident reporting and emergency procedures.

Well-prepared transport operators minimise non-compliance risks, reduce border delays and penalties, and enhance overall service quality within the supply chain.

Freight Forwarders and Forwarding Agents

Freight forwarders and forwarding agents are key facilitators, managing documentation, customs clearance and coordination at border checkpoints.

Their **Primary Functions** include:

- Prepare and lodge required import, export or transit documentation through the relevant national customs platforms.

- Liaise with customs officials and consignors to ensure accurate, compliant cargo declarations that meet the requirements of both Malaysia and Brunei.
- Advise shippers and consignees on tariff classifications, duty and tax obligations and permits or licence requirements.
- Coordinate closely with transport operators and communicate inspection results, holds or release decisions promptly to all affected parties.
- Safeguard the integrity, confidentiality and accuracy of all electronic submissions and communications with regulatory agencies.

Forwarding agents are particularly indispensable for MSMEs, bridging complex regulatory and procedural gaps that can hinder efficient trade.

Micro, Small and Medium-sized Enterprises (MSMEs) and Cargo Owners

MSMEs account for a substantial share of cross-border trade in this corridor, especially in consumer goods, food products and manufacturing inputs.

Their **Key Obligations and Best Practices** include:

- Ensure goods comply with all sanitary, phytosanitary, quality and packaging regulations in both Malaysia and Brunei.
- Engage licensed forwarding agents to check the accuracy of commercial invoices, packing lists and customs declarations.
- Plan production cycles and shipment schedules to accommodate border clearance timelines and potential inspections or peak-period congestion.
- Maintain organised records of commercial transactions, licenses, permits and supporting documents to facilitate audits or verification by authorities.
- Participate actively in industry associations or logistics forums to stay informed about regulatory changes and new facilitation measures.

Greater compliance, documentation accuracy and proactive planning by MSMEs enhance end-to-end supply chain predictability and contribute directly to broader cross-border trade facilitation objectives.

3.4 Cross-Border Coordination and Governance Mechanisms

Efficient cross-border transport in the Sarawak - Brunei - Sabah corridor requires strong, multi-level coordination amongst government agencies and the private sector. Structured governance and clear communication channels are essential to remove bottlenecks, align operational standards and ensure the smooth flow of cargo.

Summary: Multi-Level Coordination Architecture

The coordination architecture underpinning the corridor operates across complementary levels:

Level	Key Platform/Mechanisms	Primary Focus & Participants
National	National logistics councils; state transport committees.	Policy feedback & internal harmonisation. (Transport ministries, Customs, Regulators, Industry representatives.)
Bilateral	Joint Committee on Land Transport; ICQS Working Groups.	Policy / operational alignment & infrastructure planning between Malaysia & Brunei. <i>(Customs, Immigration, Police, Licensing Authorities.)</i>
Border Post	Joint border operations; information-sharing platforms.	Synchronised processes, bottleneck resolution, emergency response. <i>(Frontline Customs, Immigration, Enforcement Officers.)</i>
Private Sector	Consultation sessions; industry working groups & task forces.	Feedback, piloting new measures, practical problem-solving. <i>(Transport Operators, Freight Forwarders, Forwarding Agents, MSMEs, Associations)</i>
Regional / ASEAN	AFAFGIT, ACTS, ASEAN Single Window frameworks.	Mutual recognition, transit facilitation, digital harmonisation, standards setting. <i>(ASEAN Working Groups, National Focal Agencies.)</i>

Together, these mechanisms ensure all levels operate in a mutually reinforcing way, supporting efficient and compliant logistics throughout the corridor. The following sections detail the key activities at each level.

1. Bilateral Committees and Joint Working Groups

Strategic policy alignment and long-term planning are managed through formal platforms, such as the Malaysia - Brunei Joint Committee on Land Transport and the Border Immigration, Customs, Quarantine and Security (ICQS) Working Committee.

These committees facilitate:

- **Policy Harmonisation:** Aligning operating procedures, enforcement standards and road safety regulations to ease traffic flow.
- **Performance Monitoring:** Tracking border checkpoint efficiency and identifying logistics bottlenecks.
- **Infrastructure Planning:** Coordinating the development and upgrade of ICQS complexes, rest stops and inspection facilities.
- **Data-Driven Decision-Making: Sharing information** on trade flows and enforcement to support targeted interventions.

This institutional framework provides a dedicated channel for resolving operational issues and planning regional connectivity improvements.

2. Border Post Coordination and Information Sharing

Day-to-day operational efficiency at checkpoints like Sungai Tujoh, Pandaruan and Merapok relies on direct coordination between frontline officers from Customs, Immigration, Transport and Police departments on both sides of the border.

Their **Key Coordination Priorities** include:

- **Synchronised Operations:** Aligning operating hours, inspection routines and lane management to prevent congestion and delays.
- **Joint Training:** Conducting familiarisation programmes to standardise procedures and interpretations.
- **Emergency Protocols:** Establishing clear contact channels and escalation procedures for emergencies, disruptions or breakdowns along cross-border routes.
- **Digital Tools:** Implementing electronic cargo tracking, electronic seals and digital document verification to speed up clearance and enhance transparency.

Regular joint reviews and data sharing are essential to maintaining consistent, high-performance standards at each border post.

3. Private Sector Engagement and Feedback Channels

To ensure procedures remain practical and business-friendly, structured dialogue with logistics operators, freight forwarders, forwarding agents and traders is essential.

Standard engagement mechanisms include:

- **Regular Consultations:** Sessions hosted by authorities to gather industry feedback on new regulations or pilot initiatives.
- **Joint Task Forces:** Collaborative working groups with industry associations to test new digital systems or border processes.
- **Presentation in Council:** Ensuring private sector representatives are included in national logistics councils and relevant ASEAN forums to maintain cross-jurisdictional alignment.

Effective public-private dialogue helps identify operational challenges early and support the co-design of workable, mutually beneficial solutions.

4. Regional and ASEAN-Level Linkages

Coordination within the Sarawak - Brunei - Sabah corridor directly supports and is reinforced by ASEAN's wider transport facilitation agenda, particularly through the ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT).

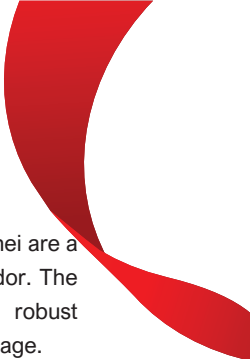
Regional coordination helps to:

- **Promote Mutual Recognition:** Of vehicle registrations, transit permits and operator licences to facilitate freer movement of goods and vehicles.
- **Streamline Documentation:** Through systems like the ASEAN Customs Transit System (ACTS) and associated national processing platforms.
- **Converge Standards:** For commercial vehicle safety, environmental performance and technical compliance across AMS.

By aligning corridor-level initiatives with these broader ASEAN frameworks, local improvements directly contribute to deeper regional connectivity and enhanced competitiveness.



Chapter 4 : Cross-Border Transport Procedures and Compliance



Efficient cross-border transport operations between Sabah, Sarawak and Brunei are a cornerstone of regional trade and economic integration in the Borneo Corridor. The seamless movement of goods relies on coordinated procedures, robust documentation and strict compliance with regulatory requirements at every stage.

This chapter provides a comprehensive operational framework for cross-border cargo movements. It details the end-to-end process, documentation obligations and compliance checks that operators must follow. By understanding this sequence and all stakeholder responsibilities, transport operators can minimise delays, maintain cargo integrity and ensure smooth transit through the interconnected border control points of Malaysia and Brunei.

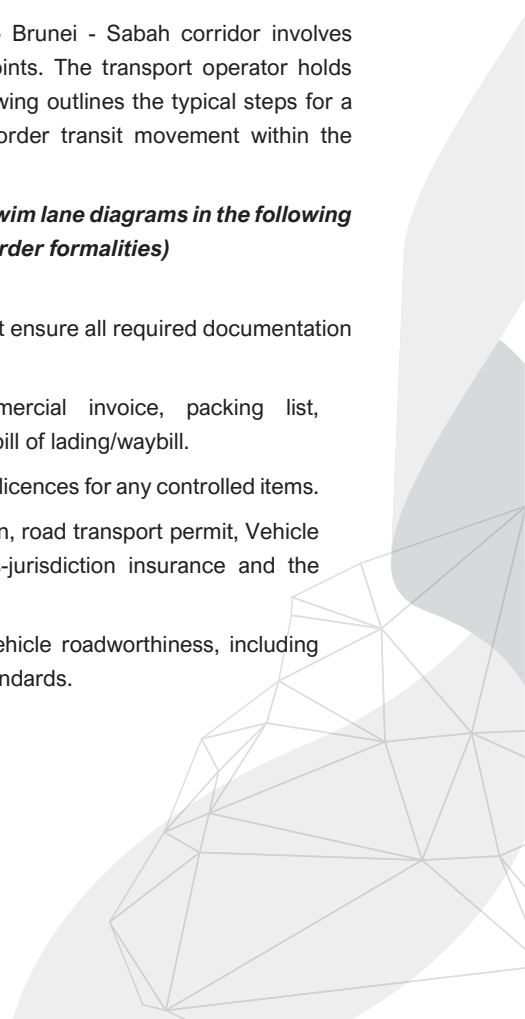
4.1 End-to-End Journey Overview

A cross-border journey between the Sarawak - Brunei - Sabah corridor involves careful coordination through multiple control points. The transport operator holds specific responsibilities at every stage. The following outlines the typical steps for a commercial goods vehicle undertaking cross-border transit movement within the Borneo Corridor.

(Note: This overview is supported by detailed swim lane diagrams in the following pages, illustrating the key process flow and border formalities)

Stage 1: Pre-Departure Preparation

The transport operator and forwarding agent must ensure all required documentation is complete and valid prior to departure:

- Confirm commercial documents: commercial invoice, packing list, consignment note and (where applicable) bill of lading/waybill.
 - Validate customs declarations, permits and licences for any controlled items.
 - Confirm vehicle documentation: registration, road transport permit, Vehicle Entry Permit (VEP), valid covering cross-jurisdiction insurance and the driver's identity documents.
 - Inspect cargo security seals and verify vehicle roadworthiness, including compliance with weight and load safety standards.
- 

Stage 2: Exit Procedures from Origin Country

At departure border points (e.g. Lawas, Limbang, Miri, Sipitang), operators must:

- Present the vehicle permit and all supporting documents for exit clearance.
- Facilitate customs verification, including endorsement of export or transit forms (e.g. Malaysia's K2¹ for exports to Brunei, K8² for duty-unpaid movements or the e-Movement³ declaration for Sarawak-Sabah transits).
- Obtain exit clearance before departing the country.

Stage 3: Transit or Entry into Neighbouring Jurisdiction

Upon entry to Brunei or re-entry to Malaysia (in transit), operators must:

- Present endorsed export/transit documents, valid vehicle permits and driver ID at customs and immigration posts.
- Ensure transit declarations are officially endorsed at both entry and exit points.
- Comply with Brunei's transit regulations: use only approved routes and do not off-load cargo without authorisation. All cargo seals must remain intact throughout the journey.

Stage 4: Checkpoint-to-Checkpoint Movement

Drivers are responsible for:

- Following designated routes and observing each checkpoint's operational hours.
- Maintaining accurate trip logs, seal records and communicating estimated arrival times (ETAs) to clearing agents at each intermediate post.
- Complying with any convoy or escort requirements for certain goods or under security instructions.

¹ **K2** is the Malaysia Customs Form for Export, meaning exporting into Brunei.

² **K8** is the Malaysia Customs Form for Movement of Duty Unpaid Cargo from Miri Port to Limbang or Lawas, for duty payment at destination.

³ **E-Movement Form** is the Malaysia Customs Declaration Form for movement from Sarawak to Sabah or vice-versa via Brunei. **Note:** the cargo declared in e-Movement are locally produced cargo or imported cargo with duty already paid.

Stage 5: Arrival and Cargo Delivery

At the final destination in Sabah or Sarawak, complete these final customs clearance steps:

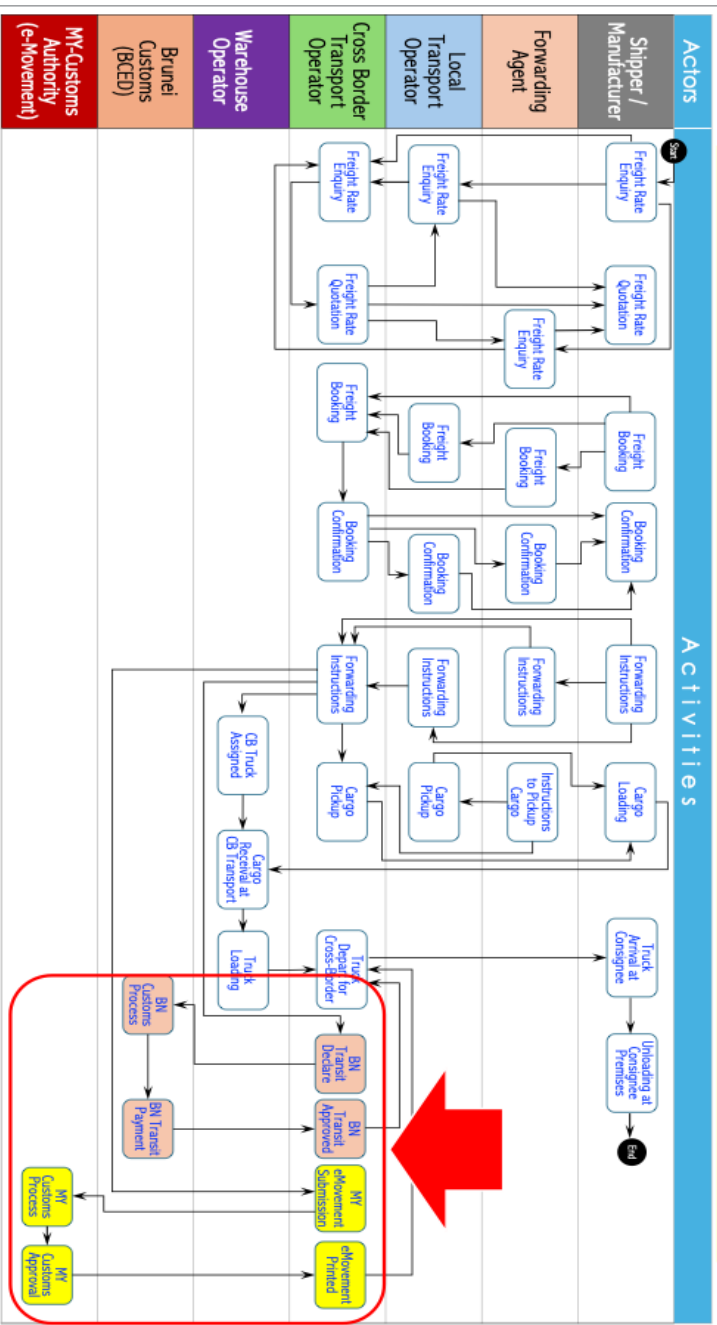
- Present transit/export documentation and intact seals for final verification.
- Complete import declarations, settling any applicable duties/taxes and obtain release documents.
- Retain delivery receipts and endorsed documents for compliance audits.

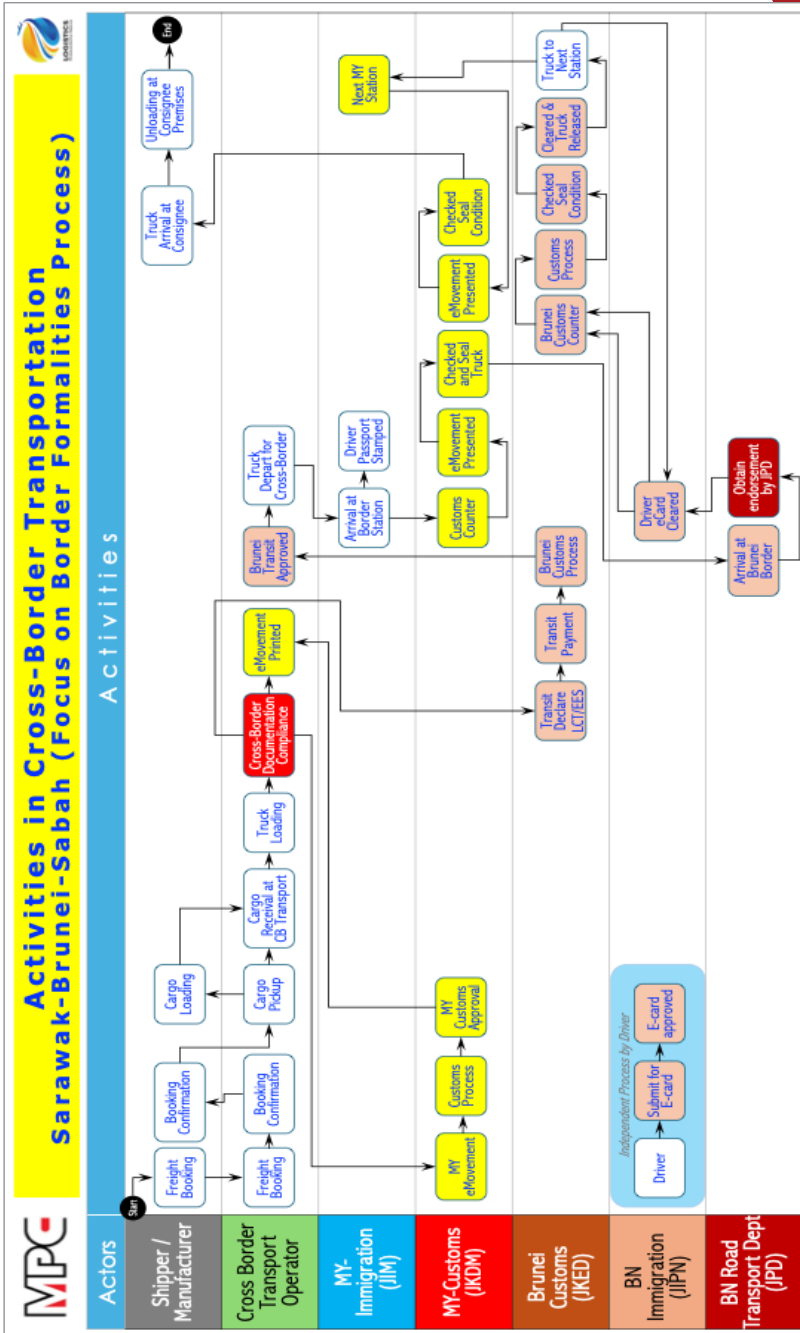
Stage 6: Post-Trip Compliance Review

After each trip, operators should conduct an internal review:

- File closure confirmations and retain records for the statutory retention period.
- Conduct internal audits, report any incidents or discrepancies and update operational processes as needed.
- Use this continuous monitoring to support compliance and improve efficiency for future journeys.

Each stage relies on the active coordination between Malaysian and Bruneian regulatory agencies, as well as consistent communication among all logistics operators, to safeguard the uninterrupted and compliant movement of goods across the corridor.





4.2 Import, Export and Transit Documentation Requirements

Smooth cross-border transport in the Sarawak - Brunei - Sabah corridor hinges on the meticulous preparation and completeness of all supporting documents. Operators must ensure documentation is accurate before departure, as each border authority relies on these documents for cargo verification, customs enforcement and regulatory compliance.

The following checklist specifies the essential documents required for import, export and transit movements within the Sarawak - Brunei - Sabah corridor.

A. Core Transport and Trade Documents

- **Commercial Invoice:** Details the goods' description, quantity, unit price, total value and buyer/seller information. Essential for customs valuation and duties assessment, if applicable.
- **Packing List:** Itemises cargo by package, indicating weight and dimensions to facilitate inspection and verification against declarations.
- **Consignment Note / Delivery Order:** Issued by the transporter or freight forwarder. Provides shipment details, sender/receiver information and vehicle registration for ensuring administrative traceability.
- **Bill of Lading (for containerised cargo):** Functions as a contract of carriage and receipt issued. For multimodal movement, a combined transport documents links sea and land segments.

B. Customs Clearance Documents

- **Customs Declaration Form:** Must be lodged with the relevant customs authority, supported by accompanying documents (e.g. Malaysia's K1 for import, K2 for export, K8 or e-Movement for transit).
- **Certificate of Origin:** Certifies product's country of origin. Required to claim preferential tariff treatment under applicable Free Trade Agreement (FTAs).
- **Import/Export Permit or Licence:** Mandatory for regulated goods (e.g. agricultural products, chemicals). Must be obtained from the issuing agency prior to shipment.

C. Vehicle and Driver-Related Documents

- **Vehicle Registration & Road Transport Permit:** Confirms the vehicle's commercial authorisation.
- **Vehicle Entry Permit (VEP):** Required for foreign commercial vehicles entering Brunei, issued by the Land Transport Authority (JPD).
- **Driver's Passport & Identification:** A valid passport is mandatory. Any required cross-border entry visa must be obtained in advance.
- **Vehicle Insurance (Third-Party Coverage):** Valid coverage is essential for both Malaysian and Bruneian territory must be verifiable at border checkpoints.

D. Transit-Specific Documents (for goods moving via Brunei)

- **Transit Declaration & Endorsement Form:** Must be officially endorsed at entry and exit points in Brunei to confirm uninterrupted movement.
- **Cargo Seal Record:** Document the unique seal numbers affixed to trucks/containers, enabling officers to verify between checkpoints.
- **Temporary Import Approval:** Required for equipment or units that will be imported temporarily and re-exported after use.

E. Supporting Agency Clearances (as required by cargo type)

- **Sanitary or Phytosanitary (SPS) Certificate:** Mandatory for agricultural, food, and animal products to comply with health standards.
- **Hazardous Cargo Declaration:** Required for dangerous goods, ensuring compliance with UN Model Regulations on labelling, handling and routing.

Operational Notes for Document Management

- **Verify Early:** All documents should be verified and prepared before the vehicle departs its origin point.
- **Accessible Copies:** Keep copies of key documents readily in both **printed and digital** for prompt presentation at border posts.
- **Checkpoint Retention:** Be prepared for checkpoints to retain copies or attach electronic endorsements for compliance traceability.
- **Maintain a Trip File:** Assemble and retain a complete trip file. Robust records minimise clearance time, reduce disputes and ensure uninterrupted cargo flow across the corridor.

Adhering to these documentation protocols enables seamless border clearance, supports full regulatory compliance and underpins the integrity of the trans-border supply chain.

4.3 Procedures for Transit and Trans-shipment via Brunei

Transit via Brunei is essential for moving cargo between Sabah and Sarawak. This process requires precise adherence to regulations at multiple border points to ensure timely and compliant operations. The core principle is that cargo must remain sealed throughout the transit, with no commercial activity occurring within Brunei.

1. Authorised Transit Framework

Malaysian-registered commercial vehicles may transit Brunei provided they:

- Hold valid cross-border permits (bilateral, ASEAN AFAFGIT or specific inter-state permits)
- Travel strictly on designated routes approved by Brunei's Customs and Land Transport Department (JPD)
- Maintain all cargo seals intact from origin to destination.

2. Key Control Points and Routes

The principal corridors pass through the following border checkpoints:

- **Sarawak → Brunei → Sabah:** Sungai Tujuh, Kuala Belait, Tedungan, Pandaruan, Ujong Jalan, Labu and Mengkalap.
- **Sabah → Brunei → Sarawak:** The same above checkpoints but in reverse order.

3. Step-by-Step Entry & Transit Procedures

Upon arrival at Brunei entry border posts (e.g. Sg Tujuh, Kuala Lurah, Ujong Jalan, Labu), drivers and operators must follow this sequence:

Step 1: Document Verification

Present the following to JPD, Customs and Immigration officer:

- Driver's valid passport (minimum 6 months' validity) and Malaysian driving licence.
- Vehicle registration, road tax disc and valid Vehicle Entry Permit (VEP) issued by JPD.
- QR Code from Brunei's **Vehicle Entry/Exit System (EES)** registration.
- Complete customs documentation for the cargo (transit declaration, etc).

Step 2: Inspection & Clearance

Officers will conduct:

- **Vehicle Roadworthiness Check:** Ensuring compliance with safety standards.
- **Cargo Verification:** Matching the physical cargo against declared documents.
- **Permit Validation:** Confirming all permits are correct and valid.

***Note:** For sensitive or high-risk cargo, Brunei authorities may assign a customs escort to accompany the vehicle to the designated exit checkpoint.*

Step 3: Compliance with Transit Conditions

Once cleared for entry, strict conditions apply:

- **Time Limit:** Transit is typically limited to 3 – 5 hours, depending on the route.
- **Route Adherence:** Drivers must follow the approved route without unauthorised stops or deviations.
- **Seal Integrity:** Seals affixed by Malaysian Customs must remain unbroken
- **No Local Transaction:** Loading, unloading, or selling cargo within Brunei is prohibited.

4. Summary of Border Agency Actions:

Step	JPD & Border Agency Primary Actions
Document Verification	Verify all driver, vehicle, and cargo permits and documentation.
Vehicle Inspection	Conduct roadworthiness, customs, and cargo compliance inspections.
EES Registration & Fees	Issue QR codes and collect entry/exit processing fees (Caj Perkhidmatan).
Time & Route Control	Monitor and enforce transit time limits and approved routing.
Final Exit Verification	Confirm journey compliance and grant exit clearance for onward travel.

5. Additional Compliance Measures

Operators should also be prepared to:

- Submit job order sheets or waybills as required
- Install or utilise approved tracking devices (GPS) for real time journey monitoring, where mandated.
- Maintain robust records of all documents presented and endorsements received.

Brunei's integrated border control system ensures secure and efficient transit for authorised vehicles. Adherence to these procedures is fundamental for maintaining border security, regulatory integrity and the reliable flow of goods along the Sabah–Sarawak–Brunei corridor.

4.4 Identify and Mitigate Common Bottlenecks

Cross-border truck movements in the Sabah - Sarawak - Brunei corridor face recurring procedural and regulatory bottlenecks that impact operational timing, compliance and overall efficiency. Proactively addressing these challenges is essential for ensuring journey predictability and smooth cargo movement.

The following guide outlines common bottlenecks and targeted mitigation measure:

A. Documentation Mismatch and Incomplete Declarations

The Problem: Discrepancies between customs declarations, commercial invoices and packing lists; expired permits (e.g. Vehicle Entry Pass -VEP); inconsistent details across electronic and hard copies of documents.

To mitigate:

- Use standardised document templates verified by your freight forwarders/forwarding agents before submission.
- Conduct a pre-trip documentation audit to ensure completeness and that all permits are current.
- Maintain accessible digital copies of all documents for immediate presentation to border authorities.
- Train drivers to identify and present the correct forms required at each specific border post.

B. Repeated Cargo Inspections and Manual Verification

The Problem: Duplicated inspections by multiple agencies; delays from manual checks due to poor connectivity or unreadable/unclear documents.

To Mitigate:

- Advocate for and participate in joint inspection regimes between customs and other agencies.
- Adopt and submit digital cargo manifests to streamline the validation process.
- Utilise customs pre-clearance mechanisms, where available, to reduce inspection points.
- Ensure all physical documentation and cargo labelling is clear, legible and consistent.

C. Limited and Misaligned Border Operating Hours

The Problem: Delays from arriving during border posts closures or peak times when paired checkpoints on either side of the border have misaligned schedules.

To Mitigate:

- Schedule trip departures to align precisely with the operating hours of both the exit and entry checkpoints.
- Use despatch systems to provide drivers with real-time updates on operating hours and queue times.
- Support industry advocacy for better-coordinated border schedules between Malaysian and Brunei agencies.

D. Transit Delays Within Brunei

The Problem: Delays from convoy requirements, checkpoint congestion and limited facilities for parking and inspection along the transit route.

To Mitigate:

- Employ real-time GPS tracking and notify destination agents of your estimated arrival time (ETA).
- Maintain direct communication channels with Brunei border officials to advise of high-volume periods.

- Prepare all vehicle, drivers and seal documentation in an organised, accessible manner to expedite customs check.

E. Communication Gaps Between Operators and Agencies

The Problem: Delays from slow information exchange or unclear requirements, especially for specialised cargo.

To Mitigate:

- Establish direct, official contact channels between your transport company and frontline customs officers.
- Use approved electronic pre-notification systems or agreed messaging platforms (such as WhatsApp) for coordination during peak conditions.
- Assign a dedicated compliance representative to monitor border activities and resolve issues in real time, when they arise.

F. Regulatory Inconsistencies and Route-Specific Rules

The Problem: Challenges from differing interpretations of cargo control, seal protocols and trans-shipment procedures between jurisdictions.

To Mitigate:

- Maintain a regularly updated internal register of route permissions, regulatory changes and official notices.
- Participate in or support routine technical meetings between Malaysia and Brunei enforcement agencies to align interpretation.
- Distribute and train staff on clear, written standard operating procedures (SOPs) for consistent implementation.

Effective bottleneck management across the corridor depends on **proactive planning, rigorous pre-checks, enhanced digital documentation and sustained coordination** between all border agencies and operators. Institutionalising these measures is key to delivering reliable, delays-minimising cross-border trucking.

Chapter 5 : Operational Process Maps



This chapter provides a suite of operational process maps to enhance clarity, consistency and efficiency in cross-border freight transport across the Sarawak - Brunei - Sabah corridor.

These maps translate complex regulatory procedures into clear, step-by-step workflows. They visually outline the sequence of actions, identify responsible parties and specify the documentation required at each stage of cargo movement. As such, they serve as an indispensable reference for transport operators, freight forwarders, forwarding agents and regulatory authorities managing daily cross-border operations.

Grounded in current practices, the maps reflect:

- Standard operational procedures.
- Clearly defined agency responsibilities.
- All key compliance checkpoints along the corridor.

Together, they provide a comprehensive, end-to-end overview of the cargo journey from origin to final destination, encompassing export, transit and import clearance procedures.

Map Overview:

- **Maps 1 & 2** detail core procedural flows: **Outbound** (origin to border) and **Inbound** (border to destination).
- **Map 3** outlines the specialised process for **Transit** between Sarawak and Sabah via Brunei, detailing formalities at each checkpoint.
- **Map 4** illustrates **Documentation Workflows**, covering both manual and electronic (e-Movement) compliance requirements.
- **Map 5** consolidates all **Vehicle and Cargo Inspection Points**, highlighting mandatory checks and the enforcing agencies.
- **Section 5.6** establishes the **Protocol for Incident Management and Exception Handling**, providing a complementary framework for managing operational disruptions.

By standardising workflows and clarifying coordination points, these process maps aim to reduce procedural ambiguity, reinforce operational discipline and support seamless logistics throughout the corridor.

5.1 Map 1: Outbound Procedures from Origin to Border

This process map outlines the operational tasks and compliance requirements for transporting cargo from the consignor's premises to exit clearance at the first border checkpoint. It is designed to standardise and optimise procedures for both containerised and conventional freight, ensuring a seamless transition from domestic loading to international transit.

A. Overview

Outbound cross-border movements comprise six (6) sequential stages:

1. Pre-shipment preparation and verification.
2. Cargo loading and documentation check.
3. Despatch confirmation and route planning.
4. Transit movement to the border checkpoint.
5. Arrival, entry and inspection at the Border Control Post.
6. Customs clearance and exit validation.

This structured sequence acts as a compliance gateway, ensuring that all cargo, documentation and vehicle requirements are fully verified before reaching the international control point. By front-loading verification, operators minimise inspection delays, reduce the risk of customs rejection and facilitate efficient border processing.

B. Step-by-Step Outbound Flow

Stage 1: Pre-shipment Preparation and Verification

- The consignor and forwarding agent collate all mandatory documentation: commercial invoice, packing list and delivery order. These documents establish the commercial value, cargo composition and legal ownership of the shipment.
- Submit the customs declaration electronically using the appropriate channel: ⁴Form K2 for direct exports, Form K8 for duty-suspended transit to Limbang or Lawas or the e-Movement system for standard regional transit. Data accuracy is critical; mismatched references or incomplete fields will trigger customs queries or declaration rejection.

⁴ K2 (Export Declaration), K8 (Duty-Suspended Transit), e-Movement (Cargo Tracking System for Internal Movement in Sarawak transit via Brunei).

- The transport operator secures valid vehicle permits, and route authorisations and assigns a driver holding the correct class of licence and any required cross-border endorsements.

Stage 2: Cargo Loading and Documentation Check

- Load cargo in strict accordance with safety, weight distribution and cargo restraint regulations. Improper stowage can cause transit damage, axle-load violations and inspection failures.
- Prior to departure, the driver must conduct a physical verification, cross-checking the loaded cargo against the packing list and delivery order. This step confirms quantities, packaging integrity and hazardous goods declarations before the vehicle leaves the consignor's site.
- Affix a customs-approved security seal to the vehicle door or container. Record the unique seal number on all shipping documents and the vehicle trip log. This seal establishes the chain of custody and must remain unbroken until destination clearance.

Stage 3: Despatch Confirmation and Route Planning

- The consignor issues the final delivery order and supporting documentation, formally confirming cargo readiness and specifying any special handling requirements (e.g. temperature control, fragile handling or hazardous material protocols).
- Finalise departure schedules to align with border post operating hours and shift patterns. Planning arrivals during off-peak windows or avoiding shift-change periods significantly reduces queue times and prevents out-of-hours processing delays.

Stage 4: Movement to Border Checkpoint

- Adhere strictly to the pre-approved customs route. Deviations from the declared route may breach customs bond conditions and trigger enforcement action or declaration invalidation.
- Remain prepared for en-route compliance checks by the Road Transport Department (JPJ) or police. Officers may verify vehicle roadworthiness, driver credentials, permit validity and load security.
- Maintain proactive communication with the company's despatch team. Report real-time updates, including estimated time of arrival (ETA), traffic disruptions or emerging delays, to enable coordinated border scheduling.

Stage 5: Arrival, Entry and Inspection at Border Control Post

- Upon arrival, the driver proceeds to the designated export lane and submits the complete outbound documentation package to the primary customs office.
- Customs officers conduct an initial verification of the documents and inspect the external seal for integrity. Based on automated risk profiling, the vehicle is either fast-tracked (green lane) or selected for secondary inspection (red lane).
- If a physical inspection is conducted, customs officers will examine the cargo against the declaration. Should the seal be broken during inspection, officers will apply a new official customs seal. The driver must record this replacement seal number on the export documentation before the vehicle is released. (Refer to Section 5.6 for exception handling protocols if discrepancies, damage or unauthorised seal tampering are identified).

Stage 6: Customs Clearance and Exit Validation

- Once all checks are satisfied, Customs grants formal exit validation, either through a physical stamp on the transit document or an electronic clearance notification. This confirms the legal release of cargo from the origin jurisdiction.
- The driver must securely retain all endorsed documents. These records are required for presentation at the next border checkpoint, for final delivery verification and for inclusion in the company's audit-compliant operational files.

C. Operational Notes

1. Drivers must carry both physical and digital copies of all mandatory documentation and be prepared to present them immediately upon request by enforcement officers at any checkpoint.
2. Report any route deviation, unscheduled stop or cargo alteration (e.g. partial loading, substitution or repackaging) immediately to the despatch team and record the incident in the vehicle trip log. Unreported changes may invalidate customs bond conditions.
3. Close coordination among freight forwarders, forwarding agents, consignors and transport operators is essential to ensure timely document validation, accurate seal recording and reduced queuing times at border facilities.

4. Vehicles transporting restricted or regulated goods (e.g. agricultural produce, hazardous materials, controlled chemicals or strategic goods) must present the relevant export permits, phytosanitary certificates or safety data sheet during clearance.

Implementation Guidance

Rigorous execution of these outbound procedures ensures cargo arrives at the border checkpoint with complete documentation, full regulatory compliance and minimised risk of processing delays. This front-loaded diligence lays the operational foundation for efficient cross-border transit and seamless handover to Brunei or onward domestic delivery.

Recommendation

Develop and distribute a printed Standard Operating Procedures (SOP) checklist for the Outbound Journey to every driver assigned to cross-border operations. This provides clear, field-ready guidance throughout the assignment and supports consistent, audit-compliant execution. A sample quick-reference card layout is provided below, illustrating both the front and reverse side for optimal field usability.

STANDARD OPERATING PROCEDURE (SOP) FOR OUTBOUND JOURNEYS (Sabah/Sarawak > Brunei Border - Export or Transit)

1.0 Pre-Shipment Preparation and Verification

- 1.1 Consignor prepares primary commercial documents:
a) Commercial invoice, b) Packing list, c) Delivery order
- 1.2 Forwarding agent files electronic customs declaration via the customs system:
a) K2 for export cargo, b) K8 or e-Movement declaration for transit cargo, c) Attach references to all supporting documents
- 1.3 Transport operator secures and verifies the following:
a) Valid Cross-border Vehicle Entry Permit (VEP), b) Route approval documentation, c) Assigned driver holding valid passport and driving licence
- 1.4 Confirm vehicle readiness:
a) Valid roadworthiness inspection certificate, b) Valid insurance coverage (both Malaysia and Brunei territories),
c) Compliance with statutory axle and gross vehicle weight limits

2.0 Cargo Loading and Documentation Check

- 2.1 Cargo must be packed and secured in the vehicle, trailer, or container in accordance with:
a) Safety regulations, b) Approved Weight limits, c) Load securing standards
- 2.2 Before departure, driver must physically verify that cargo matches shipping documents.
- 2.3 The driver must affix a customs-approved security seal to the doors of the truck or container.
- 2.4 The unique seal number must be recorded in/on:
a) Shipping documentation, b) Consignment note, c) Driver trip log, d) Company's electronic cargo tracking system (if any)

3.0 Despatch Confirmation and Route Planning

- 3.1 Consignor issues formal delivery order confirming cargo readiness and authorising despatch.
- 3.2 Driver receives the following before departure:
a) Signed delivery order, b) Complete set of supporting documents (invoice, packing list, customs forms),
c) Route instruction sheet specifying the approved route and border-crossing checkpoints
- 3.3 Finalise trip schedule:
a) Estimated time of arrival (ETA) at border post, b) Align ETA with border operating hours to avoid closure-related delays
- 3.4 Despatch team confirms route plan and brief driver on emergency protocols.

4.0 Movement to Border Checkpoint

- 4.1 Driver travels strictly according to approved route. No unauthorised deviations permitted.
- 4.2 Maintain communication with the company despatch team to provide:
a) Real-time location monitoring, b) Reporting of delays or incidents, c) Updates on border traffic conditions
- 4.3 If stopped by enforcement agencies (JPJ, Police) en route:
a) Present vehicle registration, driver's licence, road transport permit, b) Allow inspection of cargo securing, weight compliance and documentation, c) Record details of inspection in vehicle log
- 4.4 Any route deviations or seal compromises must be reported immediately to Despatch team.

5.0 Arrival at Border Control Post - Entry and Inspection

- 5.1 Upon arrival, proceed directly to the Customs Export Lane.
- 5.2 Submit complete outbound documentation to the Customs Officer:
a) Commercial invoice, b) Packing list, c) Delivery order / consignment note, d) Customs declaration form (K2 or K8/e-Movement), e) Vehicle permit and registration, f) Driver's passport and licence
- 5.3 Customs officer inspects:
a) Cargo seal integrity: verify seal number matches documentation, b) Accuracy of cargo details against declaration,
c) Completeness of all supporting documents
- 5.4 If selected for inspection:
a) Proceed to designated inspection bay, b) Allow customs officer to conduct random or targeted examination,
c) Cooperate fully during inspection process
- 5.5 If inspection conducted and the seal is broken:
a) The Customs officer reapplies a new official seal, after inspection, b) New seal number recorded on export documentation,
c) Driver updates trip log with new seal number

6.0 Customs Clearance and Exit Validation

6.1 Upon satisfactory verification, Customs will endorse all outbound documents.

6.2 Customs grants export clearance, including:

a) Exit approval stamp (physical or electronic), b) Release order for departure

6.3 Driver collects endorsed documents:

a) Retain original endorsed copies for presentation at next entry point, b) Ensure all stamps, signatures and seal numbers area clearly recorded

6.4 Exit the border post and proceed to the next checkpoint or final destination.

6.5 Within 24 hours of completing trip, the driver must submit a trip completion reportm including:

a) Border clearance time, b) Any incidents or delays encounteres, c) Condition of cargo and seals

5.2 Map 2: Inbound Procedures from Border to Destination

This process map outlines the sequence for goods and vehicles entering Malaysia (Sarawak or Sabah) from Brunei. It ensures complete customs clearance, document verification and regulatory compliance from border arrival to final delivery at the consignee's premises. By standardising inbound protocols, operators mitigate clearance delays, maintain cargo security and fulfil all post-transit legal obligations.

A. Overview

Inbound cross-border movements comprise six (6) sequential stages:

1. Arrival and document presentation at the Border Control Post.
2. Customs verification and inspection.
3. Clearance approval and seal management.
4. Domestic journey authorisation.
5. Delivery to the consignee and document handover.
6. Post-delivery compliance reporting.

This framework applies to goods entering Malaysia for domestic delivery, as well as shipments re-entering Malaysia during transit between Sarawak and Sabah.

B. Step-by-Step Inbound Flow

Stage 1: Arrival at Border Control Post

- Drivers proceed to the designated inbound lane and present the complete documentation package to Malaysian Customs officials. This includes all endorsed outbound/transit documents and the Brunei Customs endorsement form.
- Customs officers verify vehicle identity, cross-check documentation against the electronic declaration, and inspect the external cargo seal for integrity. Any discrepancies (e.g. mismatched seal numbers, missing endorsements, or damaged seals) must be resolved before the vehicle is permitted to proceed. Failure to resolve issues at this stage may result in detention or escalation to secondary inspection.

Stage 2: Customs Verification and Inspection

- Officers conduct a primary assessment by verifying seal integrity and validating the transit declaration against cargo manifests.

- Based on automated risk profiling or random selection, vehicles may be directed to a dedicated inspection bay for physical examination. Officers will cross-verify actual cargo against declared goods, weights, and packaging specifications.
- For regulated or high-value consignments (e.g. agricultural produce, livestock, pharmaceuticals, or controlled items), additional verification by quarantine, veterinary or other specialised agencies may be required before clearance is granted.

Stage 3: Clearance Approval and Seal Management

- Upon successful verification, Customs issues a formal entry endorsement or electronic gate pass, legally authorising the vehicle to proceed inland.
- The cargo seal must remain intact and unbroken until final delivery. It may only be removed under direct, authorised Customs supervision or at the consignee's premises during unloading.
- The clearance event is digitally logged in the customs management system, updating the shipment status to 'released' and confirming lawful entry into Malaysian territory.

Stage 4: Domestic Journey Authorisation

- Drivers confirm the final delivery route and schedule with the appointed freight forwarder, consignee, and company despatch team. Strict route adherence is required to maintain transit conditions and avoid unauthorised diversions.
- Compliance with Malaysian road safety regulations, axle load limits, and vehicle fitness standards is mandatory throughout the domestic leg.
- For multi-drop consignments, drivers must obtain a signed receipt or proof of delivery at each location and retain the corresponding delivery order to maintain an accurate chain-of-custody record.

Stage 5: Delivery to Consignee

- Upon arrival at the final destination, the consignee conducts a pre-unloading inspection to verify cargo condition, seal integrity, and delivery accuracy.

- Any damage, shortage, or discrepancy must be immediately recorded on the delivery note, photographed where possible, and reported to the freight forwarder and despatch team. This documentation is essential for insurance claims, liability resolution, and customs audit trails.
- The consignee's signed delivery acknowledgement formally completes the physical transfer of custody and releases the transport operator from transit liability.

Stage 6: Post-Delivery Compliance Reporting

- The freight forwarder compiles all endorsed documentation, including signed delivery notes, customs clearances, and inspection records, into the official trip file for audit trail maintenance and records management.
- All operational incidents (e.g. border delays, route deviations, inspection findings, or seal replacements) must be logged internally to support continuous improvement and regulatory reporting.
- Digital records are updated and archived in accordance with Royal Malaysian Customs and tax authority retention requirements, ensuring readiness for future audits or compliance review.

C. Operational Notes

- Drivers must adhere strictly to the designated route from the border to the consignee. Unauthorised stops or diversion are prohibited to maintain cargo integrity, preserve customs bond conditions and ensure continuous chain of custody.
- Retain all inbound and border entry documents for the statutory minimum period (typically 5 to 7 years) to satisfy potential tax, customs or compliance audits.
- Effective coordination between Border Customs, the Road Transport Department (JPJ) and other enforcement agencies is essential to streamline entry processing and eliminate redundant checks.
- **Important Compliance Note:** For transit shipments, any mid-point drop-off, partial delivery or unauthorised unloading automatically converts the movement to a formal import. This triggers full import customs clearance, duty assessment and potential penalty liabilities at that location.

Adherence to these inbound procedures ensures efficient border entry, accurate documentation and timely delivery to consignees across Sabah and Sarawak, while safeguarding regulatory compliance and commercial liability.

Recommendation

Develop and distribute a printed Standard Operating Procedure (SOP) checklist for Inbound Journey to every driver assigned to cross-border operation. This provides clear, actionable guidance throughout the assignment and supports consistent, compliant execution in the field. A sample layout is provided, illustrating both the front and reverse sides of the quick-reference card.

STANDARD OPERATING PROCEDURE (SOP) FOR INBOUND JOURNEYS (BRUNEI > Sabah/Sarawak - Import or Transit)

1.0 Arrival at Border Control Post

- 1.1 Driver proceeds to the designated Malaysian entry lane upon arrival at the border post.
- 1.2 Presents all required documentation to Malaysian Customs Officer:
 - a) Endorsed outbound/export documents from Origin Country, b) Brunei Customs endorsed form (transit declaration, if applicable), c) Commercial Invoice and Packing List, d) Delivery Order/Consignment Note, e) Malaysia Customs Declaration (K1 for Import, e-Movement for transit re-entry), f) Vehicle permit and registration, g) Driver's passport and driving licence.
- 1.3 Customs officer verifies:
 - a) Vehicle identification matches documentation, b) Cargo seal integrity (check seal number against documents), c) Completeness of all supporting documents.
- 1.4 Resolve any discrepancies or missing information immediately before proceeding to Inspection.
- 1.5 Drivers must not proceed beyond the border post until clearance is granted.
- 2.0 Customs Verification and Inspection
- 2.1 Customs officer inspects external cargo seal for signs of tampering or damage.
- 2.2 If selected for inspection:
 - a) Proceed to designated inspection bay as directed, b) Await Customs officer to conduct physical cargo examination,
 - c) Cooperate fully during inspection process.
- 2.3 Customs officer physically compares cargo against the following:
 - a) Customs declaration details, b) Commercial Invoice and Packing List, c) Transit/export documentation.
- 2.4 For Regulated Goods (agricultural products, controlled items, high-value cargo):
 - a) Additional verification by relevant agencies (Plant quarantine services, Veterinary services, Other regulatory authorities) may be required, b) Driver must wait for all agency clearances before proceeding.
- 2.5 Record any inspection findings or delays in vehicle trip log.
- 3.0 Clearance Approval and Seal Release
- 3.1 Upon satisfactory verification and inspection, Customs issues:
 - a) Entry endorsement stamp on documentation, b) Gate pass authorising inland movement.
- 3.2 Customs updates digital release in the system, confirming legal entry into Malaysia.
- 3.3 **IMPORTANT:** Cargo seal must remain intact until:
 - a) Final delivery at consignee's premises, OR b) Authorised breaking under Customs supervision (if mid-point inspection required).
- 3.4 Driver collects all endorsed documents:
 - a) Retain original stamped copies, b) Verify all endorsements are clearly visible, c) Update vehicle trip log with border clearance time.
- 3.5 Exit the border post and proceed to the destination following the designated route.

STANDARD OPERATING PROCEDURE (SOP) FOR INBOUND JOURNEYS (BRUNEI > Sabah/Sarawak - Import or Transit)

(Continuation)

4.0 Post-Clearance Inland Journey Movement

4.1 Driver confirms delivery route to final destination with Despatch team.

4.2 Maintain continuous communication with:

- a) Despatch team (for real-time tracking), b) Forwarding Agent (for delivery coordination), c) Consignee (to confirm ETA).

4.3 Comply with Malaysian road safety regulations:

- a) Speed limits, b) Load limits, c) Rest period requirements, d) Vehicle safety standards.

4.4 For multi-drop deliveries:

- a) Each delivery location must acknowledge receipt, b) Consignee retains first page of delivery order, c) Driver updates vehicle trip log after each drop.

4.5 **CRITICAL:** Follow designated route without unauthorised stops to maintain cargo integrity and security.

4.6 Report any delays, incidents or route deviations immediately to Despatch team.

5.0 Delivery to Consignee

5.1 Upon arrival at consignee's premises, the driver must report to the receiving department.

5.2 The driver must present delivery documentation:

- a) Delivery order/consignment note, b) Endorsed customs clearance documentation, c) Commercial invoice and Packing list.

5.3 Consignee inspects cargo condition before authorising unloading:

- a) Check seal integrity (verify seal number matches documentation), b) Verify package count and condition,
- c) Note any visible damage or discrepancies.

5.4 If damage or discrepancy is found:

- a) Record details on the delivery note immediately, b) Take photographs, if possible, c) Do not proceed with unloading until consignee provides instructions, d) Report to the Forwarding Agent and Despatch team immediately.

5.5 If cargo condition is satisfactory:

- a) Proceed with unloading as directed, b) Ensure safe handling throughout the unloading process, c) Do not break pallet configuration without proper instructions from consignee. If requested, update the delivery note with actual package count from the broken pallet configuration.

5.6 Obtain final delivery acknowledgement:

- a) Consignee signs delivery order confirming receipt, b) Note the date, time and receiver's name and designation, c) Retain a signed copy of the delivery order for company records.

6.0 Post-Delivery Compliance Reporting

6.1 Driver returns all documentation to the despatch office:

- a) Endorsed customs clearance, b) Signed Delivery Order, c) Border entry documentation, d) Vehicle trip log with all checkpoints recorded.

6.2 Despatch team compiles a complete trip file, including:

- a) All endorsed forms & stamps, b) Delivery acknowledgements, c) Inspection records (if any), d) Incident report (if any).

6.3 File Retention:

- a) Maintain all documents for the prescribed statutory period, b) Store in a secure location for potential audit verification,
- c) Update digital records as required by company policy.

6.4 Report any operational incidents for internal review:

- a) Border delays and causes, b) Route deviations, c) Inspection findings, d) Delivery issues or disputes.

6.5 Conduct internal trip audit:

- a) Review compliance with procedures, b) Identify improvement opportunities, c) Update operational processes as needed.

STANDARD OPERATING PROCEDURE (SOP) FOR INBOUND JOURNEYS

(BRUNEI > Sabah/Sarawak - Import or Transit)

IMPORTANT COMPLIANCE NOTES

1. Documentation Requirements:

- ⇒ Drivers must carry both **printed and digital copies** of all documents throughout the journey.
- ⇒ Ensure all border stamps and endorsements are clearly visible and legible.
- ⇒ Retain a complete set of documents for audit purposes.

2. Route Adherence:

- ⇒ Follow the designated route from the border to the consignee only.
- ⇒ No unauthorised stops or deviations.
- ⇒ Report any route changes immediately to Despatch team.

3. Seal Integrity:

- ⇒ Cargo seal must remain intact from the border to the final destination.
- ⇒ Only break the seal at the consignee's premises or under Customs supervision.
- ⇒ Report any seal tampering immediately.

4. Transit Re-Entry Requirements:

- ⇒ For transit cargo re-entering Malaysia: Full customs clearance is required.
- ⇒ Any mid-point delivery will convert status from **transit** to **import**.
- ⇒ Ensure appropriate customs procedures are followed.

5. Communication and Record-Keeping:

- ⇒ Maintain continuous contact with Despatch team throughout the journey.
- ⇒ Provide real-time updates on location and ETA.
- ⇒ Report all incidents immediately.
- ⇒ Complete the trip log at every checkpoint.
- ⇒ Document all inspections, delays and incidents.
- ⇒ Retain records for the statutory audit periods.

This Standard Operating Procedures (SOP) provides a clear, actionable framework ensuring all drivers understand their roles and responsibilities, promoting compliance, efficiency and predictability in cross-border cargo transportation.

Effective Date: dd/mm/yyyy

Driver Name:

Driver ID:

Driver Signature:

Name of Transport Company:

5.3 Map 3: Transit Procedures for Sarawak-Sabah Shipment via Brunei

Transit movements through Brunei are a critical logistical link for cargo travelling between Sarawak and Sabah. As goods cross an international border twice, this journey activates dual-jurisdiction customs controls and requires strict adherence to the customs and vehicle-entry regulations of both Malaysia and Brunei.

Core Principle:

All goods must travel under a continuous customs seal. No unloading, sale, transfer or commercial activity is permitted within Brunei's territory boundaries. Any breach voids the transit bond and triggers full import clearance procedures.

A. Overview: The Three Crossing Segments

1. Exit from Malaysia & Entry into Brunei (e.g. via Sungai Tujuh or Mengkalap)
2. Internal Transit within Brunei along the strictly designated corridor.
3. Exit from Brunei & Re-Entry into Malaysia (e.g. via Kuala Lurah or Labu)

B. Phase 1: Pre-Departure Preparation (Origin in Sarawak / Sabah)

- **Freight Forwarder/Forwarding Agent's Responsibilities:**
 - Submits the Malaysian customs declaration via the e-Movement system, attaching the commercial invoice, packing list and delivery order. This initiates the electronic transit bond.
 - **Exception:** For duty-suspended cargo destined exclusively for Limbang or Lawas, submit the Malaysian Customs K8 Form instead of e-Movement.
 - Lodge a Land Cargo Transit (LCT) declaration with Brunei Customs via the Brunei National Single Window (BNSW) to secure pre-arrival approval.
- **Transport Operator's Responsibilities:**
 - Secure a valid Brunei Vehicle Entry Permit (VEP) and confirm third-party vehicle insurance coverage extends to Brunei territory.
 - Submit the entry/exit documentation to Brunei Customs and settle the applicable fee via Brunei's Entry and Exit System (EES).
 - Brief the driver thoroughly on the approved transit routes, designated border crossings and Brunei-specific road regulations.

- **At Loading:** Cargo is sealed under customs supervision at the origin. The unique seal number must be recorded accurately in the e-Movement or K8 declaration, establishing the baseline for the chain of custody.

C. Phase 2: Exit from Malaysia & Entry into Brunei

1. At Malaysian Export Lane (e.g. Sungai Tujuh or Mengkalap):

- The truck proceeds to the designated export lane and presents the vehicle and complete documentation package.
- Malaysian Customs verifies the declaration, inspects the external seal and endorses the e-Movement / K8 form for export. The endorsement legally releases the cargo from the domestic jurisdiction.
- Upon clearance, the vehicle is authorised to cross into Brunei under transit bond conditions.

2. At Brunei Entry Point (First Border Control):

- Brunei Land Transport Department (JPD) Officers: Record vehicle particulars, endorse the transit declaration and verify the approved route.
- Brunei Customs Officers: Review Malaysian-endorsed documents and inspect the Malaysian seal for integrity. If selected for secondary inspection, cargo is physically verified against the manifest. Otherwise, the truck is cleared to proceed.
- Upon clearance, Brunei Customs will re-apply its own official seal. The driver must record this new seal number on all transit documentation to maintain an unbroken audit trail.
- The driver is formally advised of route restrictions, speed limits and the mandatory exit point.

D. Phase 3: Internal Transit within Brunei

- Upon leaving the border post, the vehicle must proceed strictly along the designated routes. Route deviations or unauthorised stops breach the customs bond conditions and may result in cargo detention or penalties.
- Adhere to posted speed limits and complete the transit within the stipulated window (typically 3-5 hours). Extended transit times may trigger customs queries or enforcement checks.
- Be prepared for en-route verification by Brunei enforcement units (Customs, JPD, Police). Present transit documentation promptly, if requested.

- Under no circumstances may goods be unloaded, sold, exchanged or repackaged while in Brunei.

E. Phase 4: Exit from Brunei & Re-Entry into Malaysia

1. At Brunei Exit Point (e.g. Kuala Lurah or Labu):

- Brunei Customs verifies the integrity of the seal and documentation consistency with the original transit declaration.
- Officers endorse both the Brunei Transit Form and the Malaysian e- Movement / K8 Form, formally clearing the vehicle for exit from Brunei territory.

2. At Malaysian Entry Point:

- The driver presents all endorsed documentation from both jurisdictions to Malaysian Customs.
- Officers verify seal status, transit declaration and driver credentials to confirm continuous bond compliance.
- Cargo may be selected for a final physical examination based on risk profiling.
- For K8 shipments: If delivery is to Limbang or Lawas, the transit form is formally terminated. Any applicable duties or taxes are assessed and settled at this point.
- The vehicle receives final Malaysian Customs endorsement on the e-Movement or K8 form, concluding international transit formalities and releasing the cargo for domestic movement.

F. Phase 5: Delivery to Final Destination (Domestic Journey)

- Upon clearing Malaysian Customs, the driver proceeds to the consignee following the designated domestic route plan.
- Upon arrival, the consignee verifies cargo condition and seal integrity before authorising unloading.
- The driver obtains the consignee's signed delivery acknowledgment on all relevant transport documents (e.g. Delivery Order, Consignment note, Forwarder's Receipt). This signature formally transfers custody and releases the operator from transit liability.
- All completed K8 forms and digital/physical e-Movement records are retained for compliance, audit and archival purposes.

G. Control Point Coordination Reference

Each key border post in the Sarawak-Sabah-Brunei corridor has defined roles and bilateral coordination mechanisms:

Border Post	Route/Function	Key Notes
Sungai Tujuh	Miri (MY) → Kuala Belait (BN)	Primary westbound corridor; high traffic volume; full inspection facilities.
Kuala Lurah	Brunei → Limbang (MY)	Central transit checkpoint for cargo and passenger flows.
Pandaruan	Brunei → Limbang (MY)	Common re-entry point into Sarawak before eastbound transit to Sabah.
Labu	Temburong (BN) → Lawas (MY)	Final Brunei–Malaysia crossing en route to Sabah.

Coordination between these paired checkpoints ensures document continuity and seamless seal validation. Maintain real-time communication with freight forwarders in both countries to monitor clearance status and adjust transit timing accordingly.

H. Operational Notes

1. **Seal Integrity is Paramount:** The customs seal must remain intact and unbroken from origin loading until final destination clearance. Report any breakage, damage or suspected tampering immediately to the nearest customs authority and the despatch team.
2. **Contingency Planning:** In the event of vehicle breakdown, seal compromise or unavoidable route deviation, the driver must notify the relevant customs posts and despatch team without delay. Unreported incidents may invalidate the transit bond.
3. **Schedule Awareness:** Always consult current operating hours for all border posts to avoid closures, unnecessary delays or unplanned overnight layovers, which may trigger additional administrative expenses.
4. **Dual Record-Keeping:** Maintain complete records in both digital and hard-copy formats to ensure end-to-end traceability, facilitate rapid dispute resolution and satisfy audit requirements.

Recommended Implementation Best Practice:

Print and provide a Standard Operating Procedure (SOP) checklist based on this map to every driver undertaking this transit via Brunei. This ensures consistent, compliant execution in the field and provides clear, actionable guidance throughout the assignment.

By rigorously following this phased procedure, operators can ensure shipments between Sarawak and Sabah via Brunei remain fully compliant, secure and operationally efficient, supporting a resilient, predictable logistics corridor.

STANDARD OPERATING PROCEDURE (SOP) FOR TRANSIT JOURNEYS (BETWEEN SABAH AND SARAWAK) THROUGH BRUNEI

1.0 Pre-Transit Documentation and Permitting (Origin: Sarawak or Sabah)

1.1 Consignor prepares the commercial documentation:

- a) Commercial invoice, Packing list, Delivery order, b) Import/Export licence for controlled goods (if applicable).

1.2 Forwarding agent submits the Malaysian customs declaration:

- a) For TRANSIT to Limbang/Lawas: Submit Customs K8, endorsed for transit under duty suspension, b) For TRANSIT to Sabah: Submit e-Movement declaration with full export details, c) Declare accurate HS codes, quantities, value and route plan (e.g. Sarawak → Kuala Lurah → Pandaruan → Mengkalap → Sabah).

1.3 Forwarding agent lodges the Brunei transit declaration:

- a) Submit Land Cargo Transit (LCT) declaration via BDNWS at least 24 hours prior to travel, b) Include vehicle registration, driver details, cargo information, entry/exit border post and estimated transit time.

1.4 Transport operator secures and verifies:

- a) Valid Brunei Vehicle Entry Permit (VEP), b) Valid Malaysian cross-border transport licence (JPJ form, LPKP cross-border permit), c) Comprehensive third-party insurance covering Malaysian and Brunei territories, d) Driver's passport (validity exceeds 6 months), Brunei entry visa (if required) and valid driving licence.

1.5 Transport Operator must confirm route approval and timing:

- a) Use only designated transit routes: i) Sarawak → Sabah (southbound: Pandaruan or Mengkalap) or (northbound: Sungai Tujuh), ii) Brunei → Sabah (Labu to Lawas/Temborong/Sabah route) or (Kuala Lurah to Limbang/Lawas/Temburong/Sabah route), b) The driver/despatch team must ensure ETA aligns with border operating hours.

2.0 Cargo Loading, Sealing and Verification (Origin)

2.1 Driver/loader must load cargo in compliance with:

- a) Road safety regulations (JKR/JPJ standards), b) Weight and axle load limits, c) Proper cargo securing standards.

2.2 Driver verifies that cargo matches the documents before departure.

- a) Confirm that item count, description and markings match the invoice/packing list.

2.3 Driver/loader must affix a customs-approved seal to the truck or container.

- a) Sealing must be conducted under supervision of the consignor's representative or the forwarding agent.

2.4 Record unique seal number in:

- a) e-Movement/K8 declaration (mandatory field), b) Consignment note and Delivery Order, c) Vehicle trip log.

Note: Seal must remain unbroken until customs clearance at destination.

3.0 Despatch and Pre-Departure Planning

3.1 Consignor issues the delivery order, confirming:

- a) Cargo readiness, b) Seal number has been applied, c) Authorised driver and vehicle.

3.2 Driver receives and acknowledges:

- a) Complete documentation pack (original + copies) comprising e-Movement or K8 (endorsed), Commercial Invoice and Packing List, Delivery Order, Brunei LCT form and VEP and Insurance certificates, b) Printed route instruction sheet with approved entry and exit, estimated transit time & emergency contact number (forwarding agent, customs helpdesk).

3.3 Despatch team confirms:

- a) Real-time tracking activated (GPS telematics), b) ETA is communicated to forwarding agents in Malaysia and Brunei, c) Despatch team briefs the driver on the contingency plan (e.g. breakdown protocols, seal break procedures).

4.0 Movement: Origin to First Border (Malaysia Exit)

4.1 Driver adheres strictly to the approved route:

- a) No deviations without prior approval from the forwarding agent and the customs authorities.

4.2 Maintain communication with the dispatch team:

- a) Report traffic, delays or incidents immediately, b) Log all stops (time, location, reason) in the vehicle trip log.

4.3 If inspected en-route by JPJ or PDRM:

- a) Present: vehicle registration and road transport permit, Driver's licence, passport and copies of e-Movement/K8/delivery order, b) Allow verification of load securing and axle weights, c) Record inspection details (officer name, outcome) in vehicle trip log.

4.4 Upon arrival at Malaysian export checkpoint:

- a) Queue in the designated transit/export lane, b) Driver remains with the vehicle and no cargo access is permitted.

5.0 Malaysian Exit Clearance

5.1 Submit outbound documentation to the Malaysian Customs Officer:

- a) e-Movement or K8 (Original + copies), b) Commercial Invoice, Packing list, Delivery order, c) Vehicle permit and registration, VEP and insurance, d) Driver's passport and licence.

5.2 Customs officer verifies:

- a) Completeness of document and accuracy of declaration, b) Seal number matches records, c) Consistency of cargo description with documents.

**STANDARD OPERATING PROCEDURES FOR TRANSIT JOURNEYS
(BETWEEN SABAH AND SARAWAK) THROUGH BRUNEI
(Continuation)**

- 5.3 If vehicle is selected for inspection:
a) Proceed to designated inspection bay, b) Customs may conduct a non-intrusive scan (e.g. X-ray) or a partial physical check. c) If the seal is broken, Customs re-applies an official seal. The new seal number must be recorded and endorsed on e-Movement or K8, d) Driver updates vehicle trip log and notifies Brunei forwarding agent and Customs.
- 5.4 Upon clearance:
a) Customs endorses the e-Movement/K8 with an export stamp and time, b) Driver collects the endorsed copies (retain originals for Brunei, Sabah or Sarawak presentation).
- 6.0 Brunei Entry and Transit (First Border)**
- 6.1 At Brunei entry point:
a) First stop: JPD checkpoint - verify vehicle registration, VEP, insurance and endorse Transit Declaration (LCT) with entry time and route confirmation, b) Second stop: Brunei Customs (RCED) - Present Malaysian endorsed e-Movement/K8, Brunei LCT declaration (BNNWS printout), Commercial documents & original seal number record.
- 6.2 Customs verifies:
a) Seal integrity (visual / number match), b) Cargo description matches LCT and Malaysian declaration, c) Route consistency
- 6.3 If vehicle is inspected:
a) Inspection is conducted at designated transit inspection bay, b) Upon completion, Brunei Customs re-applies seal, (if broken) and records new seal number in LCT, c) Customs endorses LCT and e-Movement with an entry clearance stamp.
- 6.4 Driver receives confirmation of:
a) Approved exit point (e.g. Labu), b) Maximum allowable transit time, c) No unloading, reloading or commercial activity permitted in Brunei.
- 7.0 Movement within Brunei Territory**
- 7.1 Driver proceeds strictly along designated transit route (e.g. Pandaruan Labu Highway):
a) Observe all speed limits and no unscheduled stops.
- 7.2 En-Route checks by Royal Brunei Police or RCED mobile units may occur:
a) Present: LCT, e-Movement, Delivery Order and proof of seal number (vehicle trip log), b) Cooperate fully but no cargo access without customs supervision.
- 7.3 In case of incident (breakdown, accident or seal break):
a) Immediately notify Despatch team, b) Contact Brunei Customs 24-hr hotline, forwarding agent and local police, c) Secure cargo and await customs supervision before any intervention.
- 8.0 Brunei Exit Clearance (e.g. Labu or Kuala Lurah)**
- 8.1 At Brunei exit checkpoint:
a) Present - original LCT, e-Movement/K8 and proof of seal integrity (vehicle trip log, visual verification).
- 8.2 Customs verifies:
a) Seal number is unchanged (updated if resealed), b) No route deviation (GPS/logbook match), c) Transit time compliance.
- 8.3 Upon clearance:
a) Brunei Customs endorses exit stamp and time on LCT and e-Movement/K8 (retained by driver), b) Vehicle is released to proceed to Malaysian entry point.
- 9.0 Malaysian Re-entry and Final Clearance (Sabah/Limbang/Lawas)**
- 9.1 At Malaysian entry checkpoint (e.g. Labu Lawas or Kuala Lurah Limbang):
a) Queue in transit/entry lane, b) Submit all endorsed documents, including Brunei-stamped LCT, e-Movement or K8 (with BN/MY export/entry stamps), Commercial Invoice, Packing List and Delivery Order.
- 9.2 Malaysian Customs verifies:
a) Seal integrity (visual and records), b) Consistency across all declarations (MY-BN), c) Driver credentials / vehicle permits.
- 9.3 If vehicle is selected for inspection:
a) Inspection is conducted at import/transit inspection bay, b) If seal intact: verify only), c) If seal broken full inspection and new seal application.
- 9.4 Final clearance depends on destination:
a) For Limbang/Lawas (duty-unpaid zone) K8 is terminated, duty/tax is assessed, paid (if applicable) and goods are released for local delivery, b) For onward movement to Sabah e-Movement is endorsed with a final entry stamp, and transit formalities are closed, with cargo released for domestic distribution.
- 9.5 Driver retains all fully endorsed documentation for audit compliance
- 10.0 Post-Delivery and Record Retention**
- 10.1 Upon delivery to consignee:
a) Consignee inspects cargo and signs delivery note, b) Driver obtains consignee's endorsement on copy of delivery order.
- 10.2 Forwarding agent files complete transit folder within 48 hours, including:
a) Original endorsed K8/e-Movement, b) Brunei LCT with entry/exit stamps, c) Seal log (initial, BN reseal if any, final), d) Vehicle trip log and incident reports (if any), e) Proof of delivery.
- 10.3 Retain records for the statutory period for potential audit by RMCD/RCED.

STANDARD OPERATING PROCEDURE FOR TRANSIT JOURNEYS
(BETWEEN SABAH AND SARAWAK) THROUGH BRUNEI

IMPORTANT COMPLIANCE NOTES

1. **Seal Integrity:**
An unbroken seal **is required** from origin to final clearance.
In the event of any breach, the driver must **immediately** notify **Despatch team**, forwarding agent and the Customs authorities at next checkpoint.
2. **Documentation:**
All documents must be originals or certified copies.
Digital backup (PDF) is acceptable only if the device is functional and accessible.
3. **Route Deviation:**
Unauthorised route deviation is prohibited without written approval.
Unauthorised deviation may result in transit termination and possible seizure by authorities.
4. **Restricted Goods:**
Additional permits are required (e.g. permits for controlled items, Brunei CITES for wildlife products). These must be declared in both Malaysia and Brunei systems.
5. **Transit Time Limit:**
Refer to Annex N for details of transit time limitation. Any extension of time requires RCED approval in advance.

Retain all endorsed documents and vehicle trip logs for audit and compliance verification purposes.

This Standard Operating Procedures (SOP) provides a clear, actionable framework ensuring all drivers understand their roles and responsibilities, promoting compliance, efficiency and predictability in cross-border cargo transportation.

Effective Date: dd/mm/yyyy

Driver Name:

Driver ID:

Driver Signature:

Name of Transport Company:

5.4 Map 4: Integrated Documentation and e-Movement Flow

Efficient cross-border logistics in the Sarawak - Brunei - Sabah corridor depends on the seamless integration of physical documentation with digital data exchange via Malaysia's Customs Information System (Sistem Maklumat Kastam - SMK), specifically the e-Movement module for transit. This section outlines the end-to-end documentation workflow, ensuring regulatory compliance, end-to-end visibility and coordinated action among customs authorities, transport operators and enforcement agencies.

A. The Dual-Track Documentation Principle

Every consignment must maintain a parallel, auditable record trail combining hardcopy of documentation for on-site verification with real-time digital submissions via SMK.

1. Physical Trail: Printed, stamped documents presented at checkpoints.
2. Digital Trail: Electronic records submitted, updated and validated in real-time via SMK.

This dual-track approach delivers immediate operational and compliance benefits by:

- Minimising duplication of paperwork, reducing administrative burden.
- Enhancing inspection readiness with pre-verified, readily accessible data.
- Enabling near real-time cargo tracking for improved supply chain visibility.
- Supporting automated status synchronisation across Malaysian and Bruneian jurisdictions.

The unique Customs Declaration Number (CDN), generated by SMK upon successful digital lodgement, serves as the primary audit key linking and authenticating all physical and digital records throughout the journey.

B. The Four-Stage Documentation Workflow

Stage 1: Origin - Digital Lodgement & Physical Preparation

- Action: The freight forwarder or consignor prepares core commercial documents:
 - Commercial invoice,
 - Packing list,

- Delivery order or Transport manifest.
- Digital Submission: Lodge the customs declaration electronically in SMK. Form selection is determined by shipment type:
 - E-Movement: Sealed transit between Sarawak and Sabah via Brunei.
 - K8 Form: Bonded (duty-suspended) cargo destined for Limbang or Lawas via Brunei.
 - K2 Form: Direct export to Brunei.
- Critical Output: Upon successful submission, SMK generates the CDN and a transaction receipt/QR code. The cargo seal number must be accurately recorded in the SMK system.
- Best Practice: Print at least two (2) copies of the SMK-acknowledged declaration (with QR code visible) for the driver to present at border checkpoints.

Stage 2: Border Clearance - Verification & Synchronisation

- Driver's Action: Present all physical documents alongside the SMK printout (QR code visible) at the customs lane.
- Officer's Action:
 - Scan the QR code or manually enter the CDN to retrieve the e-declaration.
 - Cross-verify physical seals and documents against the digital record.
 - Resolve any discrepancies before granting clearance.
- System Update: Manual endorsements (physical stamps) or electronic releases are synchronised with SMK, automatically updating the cargo status (e.g. Cleared for Export).

Stage 3: Transit - Real-Time Monitoring

- For Transit via Brunei: The e-Movement record is updated at each border event (entry to and exit from Brunei).
- System Logs critical data: Timestamps, inspection flags and route adherence data.
- Monitoring: Authorised users (forwarders, operators) can monitor progress status via the SMK portal or linked logistics dashboards (e.g. BIMP-EAGA pilot platform).

Stage 4: Destination - Digital Closure & Archiving

- Action: Upon delivery, obtain the consignee's signed delivery note or proof of receipt.
- System Closure: SMK automatically closes the e-Movement record upon receipt of delivery confirmation or formal K8 termination.
- Record Retention: Retain all physical and digital records for the statutory audit period to ensure period full regulatory compliance.

C. Practical Operator Guidelines

1. Carry Dual Copies: Maintain at least two printed sets of all documents plus digital backups (PDFs stored on a charged, secure device).
2. Re-Departure Check: Confirm SMK status is "Declaration Approved" and note the CDN. The printed acknowledgement is mandatory for border presentation.
3. Driver Briefing: Provide drivers with the CDN, QR code, ETA, and emergency contacts. Train them to present documents in a standardised, pre-agreed order.
4. Ensure Connectivity: Equip vehicles with dual-SIM mobile data (Malaysian & Bruneian networks) and use offline-capable documentation apps to maintain access in low-signal zones.

D. Reference: Manual-Digital Integration Points

Physical Process	Digital Counterpart (SMK)	Integration Mechanism
Customs Declaration	SMK Transaction Record	The CDN serves as the master reference for all stages.
Seal Application & Check	Seal number logged in SMK + audit trail	Manually recorded at origin; digitally verified at each border.
Customs Endorsement	Electronic clearance code & timestamp	Manual stamps are recorded; e - releases auto-sync to SMK.
Inspection Report	Digital inspection record in SMK	Findings and notes are attached to the CDN for full auditability.

E. Summary: Key Benefits

- **Faster Clearance:** Automated data matching reduces reliance on manual inspections and shortens dwell times.
- **Full Traceability:** Real-time status enables proactive management and stakeholder communication.
- **Stronger Compliance:** Immutable digital audit trails support Authorised Economic Operator (AEO) certification and regulatory audits.
- **Enhanced Inter-Agency Coordination:** Shared data enables joint risk assessment across Customs, JPJ, Police and RCED, streamlining enforcement and reducing redundant checks.

This integrated documentation system forms the operational backbone of a transparent, efficient and secure corridor, transforming a historically fragmented route into a predictable, data-driven supply chain link.

5.5 Map 5: Vehicle and Cargo Inspection & Clearance Checkpoints

Vehicle and cargo inspections are essential to safeguarding regulatory compliance, security and the integrity of trade flows along the Sarawak - Brunei - Sabah corridor. This section outlines the principal inspection process encountered at border and domestics checkpoints along the route. Understanding this workflow is key to ensuring procedural consistency, minimising duplication of checks and reducing transit delays.

A. The Inspection Framework: A Multi-Agency Approach

Vehicle and cargo are subject to review by multiple enforcement agencies, each with a specific focus:

- **Customs:** Verifies declarations, assessing duties and taxes and inspects cargo for compliance with customs legislation.
- **Road Transport Department (JPJ/JPD):** Checks vehicle roadworthiness, licensing compliance, driver credentials and axle load weight compliance.
- **Immigration:** Validates driver and crew passports, visas and work permits to ensure lawful cross-border movement.
- **Police (PDRM Malaysia / RBPF Brunei):** Conducts security screenings, criminal record checks and general safety verifications.

- **Quarantine & Veterinary Authorities:** Inspects regulated goods (e.g. plants, livestock, food products) to prevent biosecurity risks.

While standard operating procedures are broadly harmonised across the corridor, individual checkpoints may apply targeted controls based on local operational requirements, intelligence-led risk assessment or cargo-specific threat profiles.

B. The Core Inspection Process: A Four-Step Flow

Regardless of the specific checkpoint, the inspection sequence follows this standard progression:

Stage 1: Arrival & Document Presentation

- Drivers proceed to the designated heavy or light vehicle lanes based on vehicle classification.
- Present all required documents to the primary control officer in a standardised order:
 - Customs Declaration (e-Movement, K2, or K8).
 - Commercial Invoice, Packing List and Delivery Order.
 - Vehicle Registration Certificate, Road Tax and Transit Permits (A-Permit, VEP).
 - Valid Driver's Licence, Passport and any required work authorisations.

Stage 2: Primary Inspection & Risk Assessment

- Customs officers verify submitted documentation against digital records using the Customs Declaration Number (CDN) or QR code.
- A visual inspection of the vehicle exterior is conducted, with particular attention to cargo seal integrity, tamper indicators and vehicle condition.
- Based on automated risk-profiling algorithms and officer discretion, the consignment is either:
 - Fast-tracked (Green Lane): Cleared for onward movement with minimal delay.
 - Escalated (Red Lane): Directed to secondary inspection for enhanced verification,

Stage 3: Secondary Inspection (if triggered)

- The vehicle is directed to a dedicated inspection bay equipped for detailed examination.

- Procedures may involve one or more of the following:
 - Non-intrusive scanning (e.g. X-ray or gamma-ray scanning) to assess cargo contents with physical unpacking.
 - Physical examination, including partial or full unpacking and sampling of cargo for laboratory analysis.
 - Detailed verification of cargo content, weights, packaging and markings against the manifest and/or declaration.
- All findings are formally documented in the customs management system. Discrepancies (e.g. undeclared goods, seal tampering, weight violations) are escalated in accordance with established protocols. (Refer to Section 5.6 for exception handling procedures.)

Stage 4: Endorsement, Clearance & Onward Movement

- Upon successful verification, Customs issues a formal clearance endorsement, either as a physical stamp on transit documents or an electronic release notification.
- Seal numbers, inspection outcomes and clearance timestamps are updated in the customs management system to maintain an auditable trail.
- The driver must retain all endorsed documentation for presentation at subsequent checkpoints, final delivery verification and inclusion in the company's compliance records.

C. Key Border Checkpoints & Their Focus

While the core inspection process applies uniformly, major border posts have specialised roles and operational emphases:

Checkpoint	Primary Role/Route	Key Inspection Focus
Sungai Tujuh	Main freight gateway: Miri (MY) – Kuala Belait (BN)	Export/transit clearance; seal verification; high-volume processing with dedicated fast lanes.
Pandaruan	Strategic mid-corridor: Limbang (MY) – Temburong (BN)	Transit record continuity; seal validation for northbound shipments; coordination with downstream checkpoints.
Kuala Lurah	Primary re-entry point: Brunei – Limbang (MY)	Import clearance; duty assessment; verification of Bruneian exit seals and transit documentation.
Labu	Eastern crossing: Temburong (BN) – Lawas (MY) / Sabah	Full CIQ clearance; Sabah entry permits validation; regulated goods inspection.

Coordination between paired checkpoints ensures document continuity and seamless seal validation. Maintain real-time communication with appointed freight forwarders to monitor clearance status and adjust transit timing accordingly.

D. Domestic Enforcement Checkpoints (Before the Border)

Operators should anticipate enforcement checks prior to reaching international borders:

- **JPJ Weighbridges:** Enforce axle load limits (BDM) and verify vehicle fitness standards. Non-compliance may result in fines, offloading orders or vehicle detention.
- **Police Roadblocks:** Conduct random verification of driver credentials, vehicle documentation, cargo legitimacy and security screening.
- **Customs Inland Points:** Located in key logistics hubs (e.g. Bintulu, Miri), these facilities enable pre-clearance of documentation, significantly reducing border dwell times and queue congestion.

E. Important Operational Guidance for Operators:

- **Timing:** Schedule arrivals to avoid peak congestion periods (e.g. Friday afternoons, public holiday eves or shift-change windows) and align with the operating hours of paired border checkpoints.
- **Specialised Cargo:** Utilise designated lanes for hazardous materials, live animals or perishable goods. Declare such consignments in advance to facilitate priority processing and appropriate handling.
- **Contingency Protocols:** Report any incident (e.g. broken seal, unauthorised deviation, mechanical failure or documentation loss) immediately to the nearest customs office and the despatch team. Unreported incidents may invalidate transit bonds or trigger penalty assessments.
- **Professional Conduct:** Courteous, cooperative and professional conduct by drivers and crew significantly expedites inspection processes, facilitates dispute resolution and enhances the operator's reputation with enforcement agencies.

This structured inspection framework, supported by inter-agency coordination, risk-based profiling and digital clearance systems, ensures secure, compliant and efficient movement of goods throughout the Sarawak - Brunei - Sabah corridor.

5.6 Protocol: Incident Management and Exception Handling

Incidents and exceptions - whether arising from mechanical failures, regulatory non-compliance, security breaches or unforeseen events - can disrupt the integrity and continuity of cross-border freight movements along the Sarawak-Sabah-Brunei corridor. A structured, standardised incident management framework is essential to ensure timely resolution, regulatory accountability and operational safety.

This section establishes a consistent, compliant and coordinated response protocol designed to minimise disruption while safeguarding personnel, cargo and the public.

The protocol is designed to:

- Enable an immediate, safe and compliant response at the point of occurrence.
- Facilitate rapid communication between drivers, operators, forwarding agents and enforcement authorities.
- Ensure accurate documentation for regulatory, insurance and audit requirements.
- Support the swift restoration of normal operations without compromising oversight.

A. Immediate Priority: Driver's First Response

In the event of an incident, the driver must execute the following sequence without delay:

1. Secure the Scene & Assess Risks

- Stop and park in a safe location, clear of active traffic lanes.
- Activate hazard warning lights and deploy reflective warning triangles at appropriate distances.
- Conduct an immediate risk assessment for fire, chemical leaks, injuries or security threat.

2. Request Emergency Assistance (if Hazard or Injury are Present)

- Dial the relevant emergency Services: 999 (Malaysia) or 991/995 (Brunei).
- For hazardous material releases, evacuate immediately and establish a safety perimeter of at least 50 metres.

3. Notify Key Stakeholders & Authorities

- As soon as practicable and no longer than 30 minutes after securing the scene, contact:
 - The company Despatch/Operations Team.
 - The appointed Freight Forwarder.
 - The nearest Customs or Police station (ensure a current list is carried on board)
- Provide the following details: precise location (with GPS coordinates), nature of the incident, vehicle registration/ID and any immediate hazards.

4. Document the Scene

- Do not move cargo or tamper with security seals without explicit authorisation.
- Photograph or video-record the damage, seal conditions and the surrounding scene.
- Record preliminary details in the vehicle trip log, including time, location and initial observations.

B. Incident and Exceptions Classification

Determine the primary category to guide the first response:

Category	Examples	Primary Focus
Safety & Security	Collision, injury, hazardous spill, theft or security breach	1. Protect Life 2. Contain the Hazard. 3. Secure the Scene.
Regulatory Compliance	Broken or tampered seal, expired permits, unauthorised cargo handling.	1. Preserve Evidence 2. Notify Customs Immediately. 3. Await formal Instructions.
Operational Disruption	Mechanical breakdown, route deviation (e.g. landslide, flood, road closure) or significant delay.	1. Ensure Personnel and Public Safety. 2. Implement the Recovery Plan. 3. Update Transport Schedules and Stakeholders.

Note: Incidents may span multiple categories (e.g. a collision involving hazardous cargo and a compromised seal). All applicable classifications must be recorded to ensure comprehensive handling and logged in the Vehicle Trip Log.

C. Escalation & Agency Coordination

Response protocols are determined by incident severity:

- **Minor (Operational):** Resolve through internal company or agent support. Log and report internally.
- **Moderate (Agency Notification):** Report to the nearest Customs, JPJ or JPD office within 2 hours. Do not resume cargo movement until formal endorsement is obtained (e.g. authorisation for seal replacement).
- **Major (Multi-Agency):** Immediately alert all relevant emergency and enforcement agencies. Activate cross-border liaison protocols. All vehicle movement must be suspended until joint clearance is formally granted.

D. Mandatory Documentation Checklist

Once the scene is secure and immediate hazards are mitigated, complete the following records:

1. **Incident Report Form:** The primary record containing factual details, actions taken, witness statements and photographic evidence.
2. **Customs Endorsement Form:** Mandatory for any seal replacement, cargo transfer or approved route deviation. Must bear the official stamp or signature of a Customs officer.
3. **Police/Accident Report:** Required for collisions, theft or safety-related incidents. Obtain and record the official police report number.
4. **Updated Vehicle Trip Log:** Annotate with stoppage details, repair timelines, approved deviations and cross-reference incident report numbers.
5. **Final Closure Report (within 5 working days):** Confirms that regulatory compliance has been restored, cargo has been reconciled, and all agency clearances have been obtained. Submit to the appointed freight forwarder and retain for audit purposes.

Best Practice: Upload digital copies of all incident documentation to the Transport Management System (TMS) within 24 hours of generation. Interim documents must be uploaded promptly as they are produced, with a final consolidated upload upon submission of the Closure Report.

E. Post-Incident Review & Continuous Improvement

1. **Internal Root Cause Analysis (within 7 days):** Investigate the incident to identify contributing factors, including human error, procedural gaps or equipment failure.
2. **Regulatory Reporting:** Submit incident summaries to relevant authorities where mandated (e.g. under AEO requirements or hazardous goods licensing conditions).
3. **Update SOPs:** Revise operating procedures where deficiencies are identified (e.g. enhanced pre-trip inspections, revised deviation protocols) to prevent recurrence.
4. **Knowledge Sharing:** Disseminate anonymised lessons learned through internal training programmes and industry forums to strengthen corridor-wide preparedness.

F. Driver & Operator Preparedness Requirements

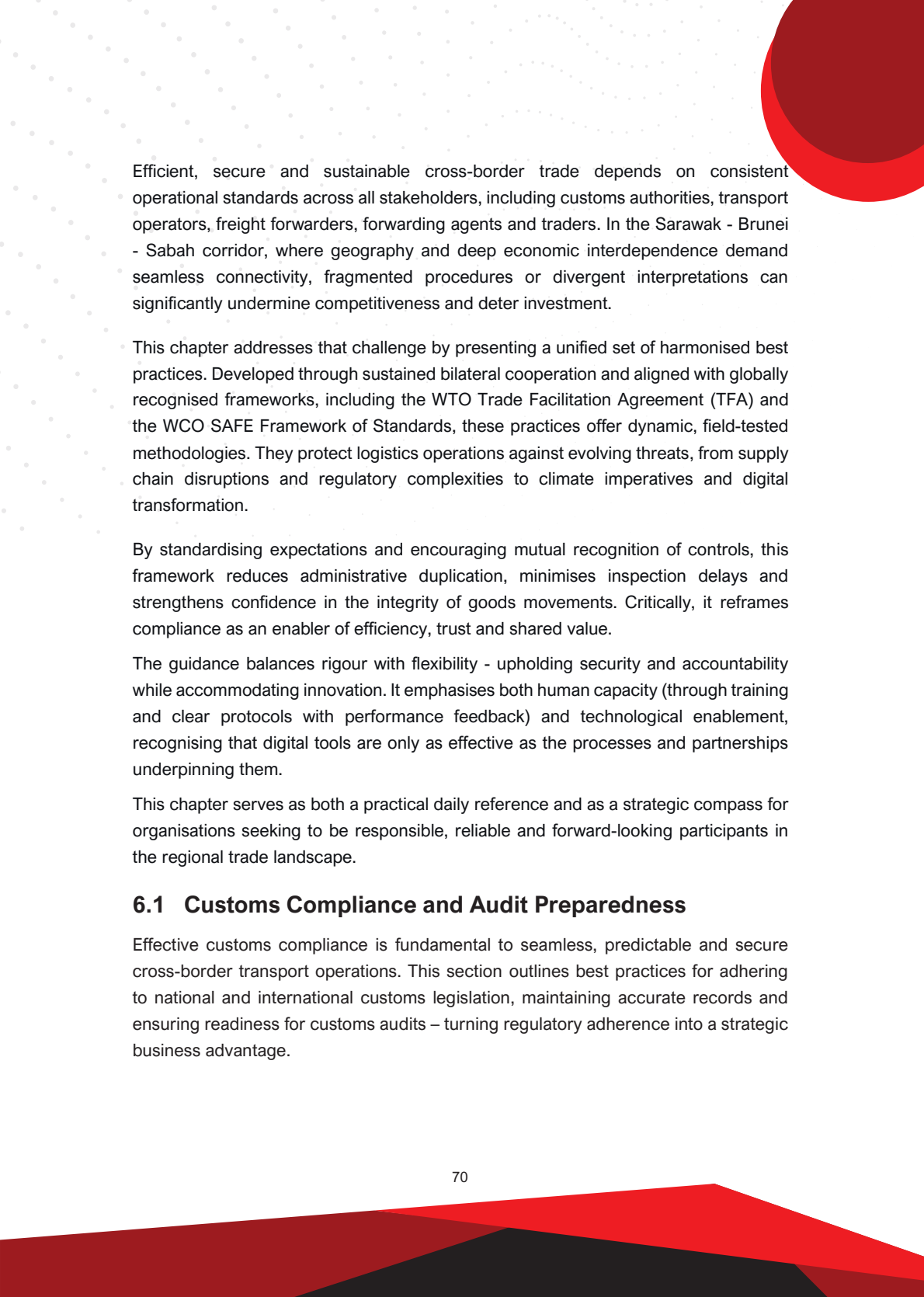
- **In-Vehicle Emergency Kit:** Maintain a readily accessible kit containing a fully charged power bank, first-aid supplies, high-visibility vests, reflective warning triangles and pre-printed incident report forms.
- **Emergency Contact Cards:** Carry laminated, 24/7 contact lists for Customs, JPJ/JPD, Police and appointed freight forwarder in both Malaysia and Brunei. Review and update these lists quarterly.
- **Competency & Training:** Complete scheduled training on this incident management protocol and associated emergency response procedures. Maintain valid certification where applicable.

Core Principle: A robust incident management protocol is a cornerstone of trusted, efficient cross-border logistics. Clear, accountable and cooperative responses reinforce regulatory confidence, protect cargo integrity and uphold safety standards across the Sarawak - Brunei - Sabah transport corridor.



Chapter 6 : Harmonised Operational Best Practices





Efficient, secure and sustainable cross-border trade depends on consistent operational standards across all stakeholders, including customs authorities, transport operators, freight forwarders, forwarding agents and traders. In the Sarawak - Brunei - Sabah corridor, where geography and deep economic interdependence demand seamless connectivity, fragmented procedures or divergent interpretations can significantly undermine competitiveness and deter investment.

This chapter addresses that challenge by presenting a unified set of harmonised best practices. Developed through sustained bilateral cooperation and aligned with globally recognised frameworks, including the WTO Trade Facilitation Agreement (TFA) and the WCO SAFE Framework of Standards, these practices offer dynamic, field-tested methodologies. They protect logistics operations against evolving threats, from supply chain disruptions and regulatory complexities to climate imperatives and digital transformation.

By standardising expectations and encouraging mutual recognition of controls, this framework reduces administrative duplication, minimises inspection delays and strengthens confidence in the integrity of goods movements. Critically, it reframes compliance as an enabler of efficiency, trust and shared value.

The guidance balances rigour with flexibility - upholding security and accountability while accommodating innovation. It emphasises both human capacity (through training and clear protocols with performance feedback) and technological enablement, recognising that digital tools are only as effective as the processes and partnerships underpinning them.

This chapter serves as both a practical daily reference and as a strategic compass for organisations seeking to be responsible, reliable and forward-looking participants in the regional trade landscape.

6.1 Customs Compliance and Audit Preparedness

Effective customs compliance is fundamental to seamless, predictable and secure cross-border transport operations. This section outlines best practices for adhering to national and international customs legislation, maintaining accurate records and ensuring readiness for customs audits – turning regulatory adherence into a strategic business advantage.

Proactive compliance reduces exposure to penalties, cargo seizures and operational disruptions, safeguarding supply chain continuity, corporate reputation and commercial viability. By embedding a culture of accountability and transparency, operators can become trusted, collaborative partners within a resilient regional trade ecosystem.

Recommended Best Practices

1. Invest in On-going Training and Expertise

- Appoint a dedicated compliance officer or team to monitor updates to Malaysian and Bruneian customs regulations.
- Ensure all staff involved in documentation, declarations and logistics operations receive regular, structured training to apply regulatory requirements consistently and accurately.

2. Ensure Accurate and Complete Documentation

- The integrity of every shipment hinges on precise supporting documents: customs declarations, commercial invoices, packing lists and certificates of origin.
- Minor inaccuracies or omissions can trigger extended inspections, delays or rejections at border points.

3. Maintain a Structured Record-Management System

- Implement a secure, searchable system that is audit-ready
- Retain all cross-border transaction documents, including transport manifests, customs submissions, duty payments and official correspondence, for the statutory retention period (typically seven years). Well-organised records support swift responses to queries and smoother regulatory reviews.

4. Conduct Pre-Declaration Internal Audits

- Establish a formal verification protocol to review all customs declarations before submission. Have a second trained reviewer check all declarations to detect inconsistencies, calculation errors or classification inaccuracies, substantially reducing the risk of post-submission corrections or penalties.

5. Practice Proactive Engagement and Transparency

- Seek timely and formal guidance from customs authorities when faced with ambiguities.
- Voluntarily disclosing inadvertent errors before official detection demonstrates good faith and may lead to reduced penalties, unlike penalties imposed following formal audits or investigations.

Audit Preparedness: A Mindset, not a Reaction

Treat every shipment as if it will be audited. View audits as routine validation exercises within a transparent trading environment.

Preparedness requires:

- Clear, documented procedures for responding to audit notifications.
- A designated, trained point of contact to liaise with customs officials.
- Staff awareness of their rights and obligations during audits (e.g. scope, timelines, document access).
- Periodic mock audits to test readiness and identify process gaps.

Operators with disciplined documentation practices and responsive protocols navigate audits efficiently - minimising downtime, preserving stakeholder trust and reinforcing their status as reliable participants in regional supply chains.

6.2 Cargo Security and Vehicle Safety Standards

Cargo security and vehicle safety form indispensable pillars of resilient cross-border logistics. Beyond regulatory obligation, they safeguard goods, personnel and public infrastructure - ensuring supply continuity and preserving stakeholder confidence. Operators who consistently adhere to high standards are recognised by customs and transport authorities as low-risk, trusted partners, qualifying for expedited processing, reduced inspections and preferential treatment under risk-based frameworks.

Proactive measures mitigate the financial and reputational costs of theft, accidents or non-compliance while strengthening the overall supply chain integrity.

Recommended Best Practices

1. Implement Robust Cargo Integrity Protocols

- Fit all containers and trailers with ISO/PAS 17712-certified high-security, tamper-evident bolt seals. Record seal numbers accurately in electronic movement systems (e.g. e-Movement) and cross-reference them in all documents.
- Conduct pre-trip inspections of cargo compartments to verify structural integrity and confirm the absence of unauthorised persons or illicit materials.
- Supervise loading operations to reconcile declared cargo against physical cargo, verifying quantity, condition and compatibility to prevent mis-declaration and unintentional concealment of illegal goods.

2. Maintain Rigorous Vehicle Roadworthiness Standards

- Enforce mandatory pre-journey checklists covering critical components: braking systems, tyre condition and pressure, lighting, signalling devices, coupling mechanisms and load-securing equipment.
- Adopt a documented preventive maintenance schedule that exceeds statutory minimums, retaining comprehensive service records.
- Secure cargo in line with recognised load guidelines (e.g. EN 12195), using appropriate lashings and blocking to prevent load shift or discharge during transit.

3. Promote Driver Safety and Security Awareness

- Train and certify drivers in defensive driving, fatigue risk management and operating in region-specific hazards/conditions, including heavy monsoon rainfall, mountainous terrain and remote border crossings.
- Equip drivers with clear security protocols for unscheduled stops, border delays or suspicious encounters, including '*see something, say something*' reporting procedures.
- Ensure all vehicles carry standardised emergency kits (first aid, fire extinguisher, reflective warning triangles, high-visibility vest), with drivers trained in basic incident response.

4. Establish Tested Incident Response Procedures

- Develop and regularly test formal protocols for security breaches, cargo theft, road accidents or hazardous material incidents, including escalation and coordination with police, customs and emergency services.
- Maintain direct communication channels with authorities and partners for rapid incident notification and collaborative resolution.
- Conduct root cause analyses after significant events, embedding lessons learned into updated policies and training to prevent recurrence.

Systematic adoption of these measures demonstrates a tangible duty of care. It enhances credibility, can reduce insurance premiums and position operators as preferred partners for secure, reliable transport services. Ultimately, safety and security are strategic investments that underpin trust, efficiency and long-term competitiveness.

6.3 Digitalisation and Paperless Trade Practices

The shift from paper-based to digital trade processes is no longer optional. It is a strategic necessity for competitiveness in the corridor. Digitalisation drives tangible gains: providing faster clearance, fewer administrative errors, enhanced real-time visibility and greater resilience against disruption. It also lays the groundwork for deeper regional integration, aligning with ASEAN's vision of a seamless, interoperable trade environment.

Operators who embrace digital transformation improve their own operational agility and help reduce systemic friction across the entire corridor, benefiting all participants in the supply chain.

Recommended Best Practices

1. Leverage National and Regional Electronic Platforms

- Fully utilise Malaysia's Sistem Maklumat Kastam (SMK) and Brunei's National Single Window (BDNSW) for end-to-end electronic submission of import, export and transit declarations, eliminating manual, paper-based submissions.
- Integrate with the ASEAN Single Window (ASW) to enable the electronic exchange of ATIGA Certificates of Origin and other controlled documents, removing the need for physical presentation and manual verification at borders.

2. Deploy Integrated Digital Operational Tools

- Implement Transport Management Systems (TMS) to digitise order management, route optimisation, real-time shipment tracking and performance analytics, creating a single source of data across operations.
- Transition to electronic documentation suites, including digital invoices, packing lists, and electronic Proof of Delivery (e-POD), to accelerate invoicing, reconciliation and audit readiness.

3. Preparedness for Next-Generation Digital Integration

- Familiarise teams with the ASEAN Customs Transit System (ACTS), its electronic transit declarations and the use of a unified regional guarantee mechanism, key to streamlining cross-corridor transit via Brunei.
- Monitor developments in emerging technologies, such as:
 - Distributed Ledger Technology (DLT) for secure, immutable documentation exchange.

- IoT-enabled sensors for real-time monitoring of cargo condition (e.g. temperature, humidity, shock).
- AI-driven predictive analytics for risk profiling and demand forecasting.

A digital-first mindset enables businesses to anticipate regulatory evolution, meet client expectations for transparency and position themselves at the forefront of a modern, integrated regional logistics ecosystem.

6.4 Risk Management and Authorised Economic Operator (AEO) Programme

Effective risk management transforms logistics from a reactive function into a strategic capability. For operators in the Sarawak - Sabah - Brunei corridor, the Authorised Economic Operator (AEO) programme is the cornerstone of this transformation.

AEO is a globally recognised certification, endorsed by the World Customs Organization (WCO), that validates a company's commitment to supply chain security and customs compliance. It is more than a badge – it is a strategic passport to streamlined border processes, reinforced trust and tangible commercial benefits, especially given the active Malaysia-Brunei Mutual Recognition Arrangement (MRA).

Recommended Best Practices:

1. Cultivate a Proactive Risk Management Culture

- Conduct periodic, structured risk assessments across the supply chain, covering compliance, cargo handling, IT systems and third-party relationships. Implement documented mitigation plans.
- Apply due diligence to all business partners (suppliers, customers, freight forwarder, subcontractors, forwarding agents) by screening for sanctions, financial stability and compliance history.
- Secure physical premises and digital infrastructure with robust access controls, surveillance and cybersecurity protocols. Conduct regular internal audits.

2. Pursue AEO Accreditation as a Strategic Priority

AEO accreditation, awarded after rigorous customs audits, confers significant operational and reputational advantages:

- **Expedited Clearance:** Reduced frequency of physical and documentary inspections, leading to faster cargo release.

- **Priority handling:** Preferential treatment during peak periods or heightened security alerts.
- **Mutual Recognition Benefits:** Under the Malaysia - Brunei MRA, certified operators enjoy reciprocal facilitation (e.g. lighter-touch controls in both countries).
- **Financial and administrative efficiencies:**
 - **Malaysia:** Deferred GST/duty payments (up to 7 days), simplified drawback processing and streamlined approvals from LPKP/APAD and the Ministry of Transport.
 - **Brunei:** Extended duty deferral (15 - 30 days), eligibility for on-premises container inspections and participation in controlled post-clearance audit schemes via the SLMS⁵ Secretariat.
- **Enhanced market positioning:** AEO status signals reliability, opening doors to premium contracts and strategic partnerships with customers, insurers and financiers.

3. Engage in Trust-Based Programmes for Continuous Improvement

- Treat AEO certification as a catalyst for ongoing, continuous improvement, using its criteria to benchmark and refine internal controls.
- Engage proactively with national AEO focal points early in the application process to align expectations and internal readiness.
- Maintain certification through regular internal audits, refreshed staff training and documented evidence of ongoing compliance.

Operators who invest in robust risk governance and AEO accreditation evolve from regulated enterprises into trusted partners. This strategic transition unlocks significant operational advantages, strengthens supply chain security, reduces clearance times and future-proofs cross-border operations along the Sarawak - Brunei - Sabah corridor.

⁵ SLMS stands for Sutera Lane Merchant Scheme. The SLMS Secretariat acts as the primary oversight body for qualified AEOs. The secretariat is located in RCED Bandar Seri Begawan, official email: slms@customs.gov.bn and details can be obtained from website: <https://bdnsw.mofe.gov.bn/Documents/SLMS.pdf>

6.5 Sustainable and Green Logistics Practices

Sustainability is central to long-term logistics viability. In the Sarawak - Sabah - Brunei corridor, home to Southeast Asia's biodiverse ecosystems and climate-vulnerable communities, environmental stewardship is both a moral responsibility and a commercial differentiator. Regulatory frameworks are tightening globally, and clients increasingly prioritise suppliers with demonstrable green credentials.

Integrating sustainability into core operations delivers co-benefits: reduced fuel and maintenance costs, improved driver retention, stronger community relations and enhanced resilience to climate disruptions.

Recommended Best Practices

1. Optimise Energy Use and Reduce Emissions

- Accelerate fleet renewal towards Euro 5/6-compliant or alternative-fuel vehicles (e.g. CNG⁶, hybrid or electric, where infrastructure permits).
- Institutionalise eco-driving training (e.g. smooth acceleration, optimal gear use, speed moderation and minimising engine idling) to reduce fuel consumption by 5% to 15%.
- Use TMS-enabled route optimisation tools to consolidate loads, reduce empty running, avoid congestion-prone zones, lowering mileage, emissions and vehicle wear.

2. Advance Circular Resource Management

- Collaborate with partners (shippers and packaging suppliers) to minimise material use and promote reusable, returnable packaging (e.g. pallet pools, collapsible containers) to ensure recyclability of residual waste.
- Continue digitising back-office and field operations to reduce paper use and physical storage, while ensuring data security and archival integrity.
- Partner exclusively with licensed waste handlers for the environmentally compliant disposal or recycling of operational by-products (e.g. used lubricants, tyres, batteries and refrigerants).

⁶ CNG stands for Compressed Natural Gas. It is an eco-friendly operational alternative to gasoline and diesel.

3. Champion Social Sustainability and Community Engagement

- Enforce fair scheduling, mandatory rest breaks and wellness initiatives to counter fatigue-related incidents to drivers and supporting drivers' mental and physical health.
- Minimise localised impacts by scheduling noisy operations (e.g. loading, engine start-up) outside residential quiet hours and implementing noise-dampening measures, where feasible.
- Support local community initiatives (e.g. road safety awareness campaigns or environmental clean-ups) to build goodwill and reinforce corporate citizenship.

Chapter Conclusion

The harmonised operational best practices outlined in this chapter are more than a collection of technical recommendations. They represent a shared vision for a more integrated, secure and sustainable logistics corridor.

When consistently applied, these practices:

- Reduce systemic friction and administrative duplication.
- Strengthen mutual trust between agencies and operators.
- Unlock measurable gains in predictability, cost-efficiency and resilience.

Most importantly, they enable a shift from fragmented compliance towards collaborative stewardship, where regulatory authorities, businesses and communities all benefit from a supply chain that is faster, safer and more accountable, and future ready.

The true value of this framework will be realised through committed action: leadership that prioritises standardisation, investment in digital and green transitions and a culture that rewards integrity, transparency and continuous improvement.

As regional connectivity deepens, these harmonised practices will serve as both foundation and compass, guiding the corridor toward its full potential as a model of efficient, trusted and responsible cross-border trade in ASEAN.

Chapter 7 : Practical Implementation Toolkit

This chapter offers a practical, ready-to-use toolkit designed to help micro, small and medium-sized enterprises (MSMEs) manage cross-border logistics confidently and efficiently. It translates earlier principles into practical resources - clear guidance, adaptable templates and straightforward checklists, that can be integrated directly into daily operations.

Tailored for busy entrepreneurs, logistics managers and operational staff, including drivers, this toolkit supports stronger regulatory compliance, smoother movements and improved performance. Each section offers focused resources and step-by-step instructions to accelerate implementation and provide day-to-day assurance.

Whether the enterprise is new to cross-border trade or looking to refine existing workflows, this chapter equips users with the tools to take timely, well-informed decisions to act effectively.

7.1 Step-by-Step Operational Checklists

Systematic preparation is essential for seamless cross-border shipments. These practical checklists help operators to reduce the risk of delays, penalties or cargo rejection by minimising human error and reinforcing procedural consistency. Apply them in sequence before and during every cross-border journey.

Checklist A: Pre-Journey Planning & Documentation

(Complete at least one day before departure)

1. Confirm Order Details

- Cross-check the goods description, quantity and declared value against the commercial invoice to ensure consistency across all documents.

2. Verify Importer/Exporter Information

- Ensure consignor (sending party) and consignee (receiving party) details, including full legal names and complete addresses, are accurate and current.

3. Prepare Core Documents

- Commercial Invoice (minimum 3 copies),
- Packing List (minimum 2 copies).
- Certificate of Origin, where required (e.g. ATIGA Form D for preferential ASEAN tariffs).

- Import/Export permit for any controlled or regulated goods, as specified by the relevant authorities.

4. Secure Required Vehicle Permits

- Cross-Border Vehicle Entry Permit (VEP) issued by Brunei Land Transport Department (JPD).
- Vehicle Entry Pass issued by Brunei RCED through the Vehicle Entry System (VES) in the BDNSW platform.
- Valid Cross-Border Lorry Licences issued by Commercial Vehicle Licensing Boards (LPKP Sarawak or/and LPKP Sabah) for vehicles operating between Sabah and Sarawak.

5. Confirm Driver & Vehicle Compliance

- Valid Malaysia Driving Licence for the appropriate vehicle class (e.g. Class E for heavy commercial vehicle and Class C for light commercial vehicle, including vans).
- Motor Insurance that clearly covers operations in both Malaysia and Brunei, with cross-border validity confirmed in writing by the insurer.

6. Submit Customs Declarations

- Ensure the relevant customs declaration (e.g. K2, K8 or e-Movement declaration, as applicable to the specific route and procedures) has been submitted, acknowledged and approved by customs.
- Print and retain copies of the approved declaration to accompany the vehicle and cargo throughout the journey.

Checklist B: Vehicle & Cargo Pre-Departure Check

(Conduct on the day of departure, at the loading facility or warehouse)

1. Vehicle Roadworthiness

- Check tyre pressure and tread depth to ensure they meet legal and safety requirements for the journey.
- Test all vehicle lights (headlights, brake lights, reversing lights and indicators) to confirm their operation.
- Verify the braking system functions effectively and without abnormal noise.
- Inspect fuel, engine oil and coolant levels to confirm they are sufficient for the planned route, including possible delays.

2. Cargo Security

- Inspect goods for visible damage before loading and sealing the container or trailer.
- Ensure cargo is properly secured, stowed and evenly distributed to prevent shifting while in movement and to maintain axle load limits.
- Apply a high-security, tamper-evident bolt seal to the container or trailer doors in line with company and regulatory requirements.
- Record the seal number clearly on all transport documents and in the relevant electronic transit or e-Movement system, where required.

3. Document Pack:

- Compile all original documents (prepared under Checklist A) into a clearly labelled, waterproof document folder to be kept in a secure but accessible location inside the vehicle cab.
- Brief the driver on the folder's contents and location of the folder and confirm they understand their responsibilities at each border checkpoint.

Checklist C: At the Border Checkpoint

(To be followed on arrival at the border with cargo onboard)

1. Approach & Initial Compliance

- Reduce speed well before the checkpoint. Follow designated lane markings and signage for commercial vehicles.
- Keep the driver's passport, vehicle papers, permits and cargo documents readily accessible, when requested for inspection.

2. Customs & Immigration Procedures

- Present required documents promptly and cooperate fully with all officers, including customs, immigration and other border agencies.
- Provide clear, accurate and truthful responses to officers' questions and instructions at each counter.
- Immediately return all stamped or endorsed documents into the secure document folder after completion of checks.

3. Post-Clearance Verification

- Confirm that all required clearances (customs, immigration, agriculture and any other relevant agencies) have been granted before moving the vehicle out of the checkpoint area.
- Conduct a brief visual inspection of the vehicle, load compartment and cargo seals to ensure they remain intact before continuing the journey.

Implementation Notes: Used consistently, these checklists provide a reliable foundation for cross-border operations. They are flexible enough for all operators to adapt to specific corridors, new regulatory requirements or internal process improvements, helping to strengthen compliance, reduce downtime and enhance overall efficiency and control along the cross-border supply chain.

7.2 Document Preparation Guides

Accurate and complete documentation is non-negotiable for successful cross-border clearance. Minor discrepancies can cause significant delays, heightened inspections or potential penalties.

This section provides a concise reference to the core documents required for transit shipments, highlights common pitfalls and directs users to detailed templates and samples in the Annexes.

Core Document Guide

1. Commercial Invoice

- **Purpose:** The principal document used by customs authorities to assess the customs value of goods for duty and tax calculation.
- **Key Details Required:**
 - Full seller and buyer information (name, address and contact details).
 - Precise, clear description of goods, including Harmonised System (HS) code, where known.
 - Clearly stated Incoterms (e.g. FOB, CIF) indicating the allocation of responsibilities and costs between the parties.
 - Itemised pricing, total invoice value and currency of the transaction.

- **Common Pitfalls:**
 - Vague or generic descriptions (e.g. "miscellaneous or general goods").
 - Inflated, deflated or inconsistent declared values.
 - Missing an authorised signature or company stamp, where required by the buyer or authorities.
 - For computer-generated invoices, include the phrase: *"This is a computer-generated document and does not require a signature"* at the bottom of the document.
- **Reference:** See **Annex B** for a sample template.

2. Packing List

- **Purpose:** Provides a detailed breakdown of the physical composition of cargo, used for verification during physical inspections and logistics handling.
- **Key Details Required:**
 - Number and type of packages (e.g. cartons, pallets, crates, drums).
 - Net weight, gross weight and dimensions (length x width x height) for each package.
 - Clear external identification marks and numbers on packaging (e.g. shipping marks, barcodes) for easy identification.
- **Common Pitfalls:**
 - Weight or volume figures that differs from those declares on the commercial invoice.
 - Mismatch package counts or mislabelled identifiers.
- **Reference:** A comprehensive sample in included in **Annex B**.

3. Certificate of Origin (e.g. ATIGA Form)

- **Purpose:** Confirms the country of origin of the goods so can qualify for preferential tariff treatment under trade agreements (e.g. ASEAN Trade in Goods Agreement - ATIGA).
- **Key Details Required:**
 - Issued by an approved authority (e.g. Ministry of Investment, Trade and Industry - MITI or an accredited Chamber of commerce).
 - All particulars (exporter, consignee, description, quantity, value) must correspond exactly with the commercial invoice.

- Accurate declaration of origin criteria (e.g. “WO” for Wholly Obtained, “PSR” for Product-Specific Rules).
 - **Common Pitfalls:**
 - Minor data mismatches between the certificate and invoice (e.g. typographical errors in product names or quantities).
 - Incorrect or unsupported origin criteria.
 - Missing official stamp, signature or endorsement from the issuing authority.
 - **Reference:** See **Annex B** for a completed sample.
4. **Customs Declaration** (e.g. *Customs Form K2 / K8 / e-Movement*)
- **Purpose:** The formal declaration submitted, typically electronically, to customs, providing full particulars of the shipment for import, export or transit clearance.
 - **Key Details Required:**
 - Correct HS Code and declared customs value, consistent with the commercial invoice.
 - Valid permit or licence numbers for controlled or regulated goods, where applicable.
 - Accurate container or vehicle seal number, verified against the physical seal and supporting documents.
 - **Common Pitfalls:**
 - Typographic errors in HS codes (even a single digit can lead to reclassification or query).
 - Missing, invalid or expired permit or licence references.
 - Inconsistencies with supporting documents, particularly commercial invoice, packing list and certificate of origin.
 - **Reference:** Although submitted electronically, a printable driver's summary sheet for physical carriage is available in **Annex B**.

Golden Rule: Ensure absolute consistency across all documents, particularly in descriptions, quantities, weights, values and HS codes. Even small discrepancies are a common trigger for customs intervention (e.g. holds, inspections, re-assessment). Always cross-verify details before submission.

7.3 Compliance Do's and Don'ts: A Quick Guide

Why This Matters

Cross-border trade is about moving goods lawfully, transparently and responsibly. Minor compliance issues, such as an expired permit, a mismatched seal number or a vague goods description, can trigger delays, penalties, vehicle detention or reputational damage. In critical corridors like Sarawak - Sabah - Brunei, scrutiny is high and expectations for documentation integrity are particularly strict.

This guide translates complex regulations into clear, actionable principles. Think of it as an operational 'compass' for drivers, transport managers and compliance officers, helping them make confident, lawful decisions before, during and after border crossings. These are not suggestions but baseline standards of professional practice.

Applied consistently, they help avoid costly errors and build trust with customs authorities, partners and clients - significantly increasing the likelihood of smooth, uninterrupted border crossing.

The Quick Do's:

1. **DO** ensure absolute consistency across every document (Commercial Invoice, Packing List, Certificate of Origin, Customs Declaration).
 - **Why this matters:** Inconsistencies in weights, values, or descriptions are a leading cause of manual inspections. Use a cross-check sheet before submission to pick up discrepancies early.
2. **DO** submit your electronic customs declarations accurately and well in advance of arriving at the border checkpoint.
 - **Why this matters:** Late or rushed submissions increase the risk of errors, missed validations or queuing delays. Pre-lodgement gives time to identify and correct any issues before the vehicle reaches the border.
3. **DO** use a high-security, tamper-evident seal (ISO 17712 'H' or 'S' grade) and record its number in your e-Movement declaration, transport documentation and vehicle trip log.
 - **Why this matters:** A compromised, unrecorded or incorrectly recorded seal number may be treated as evidence of unauthorised access, triggering a full inspection or shipment rejection.

4. **DO** verify all permits, licences and insurance (Vehicle Entry Permit - VEP, driver's credentials like passport/visa and vehicle insurance) are valid for the entire journey, including entry into Brunei.
 - **Why this matters:** Brunei enforces strict entry requirements for foreign-registered commercial vehicles. An expired or invalid VEP will result in automatic refusal of entry and may disrupt the wider supply chain.
5. **DO** engage with border officials professionally, courteously, truthfully and cooperatively. Answer questions directly and present requested documents promptly and neatly organised.
 - **Why this matters:** Behaviour at the checkpoint matters. Respectful, professional interaction can de-escalate routine queries, whereas defensiveness, argument or delay can raise suspicion even when documentation is otherwise in order.
6. **DO** retain full transaction records, including copies of declarations, invoice, permits and communication logs, for a minimum of seven years (or longer if required by law or company policy).
 - **Why this matters:** Customs authorities (Brunei RCED and Malaysia RMCD) may conduct post-clearance audits. Inadequate records are often treated as automatic non-compliance, even if the original shipment was otherwise legitimate.

The Quick Don'ts:

1. **DON'T** attempt a border crossing with an incorrect, expired or missing permit (e.g. VEP, transit pass or goods-specific licence).
 - **Why this matters:** This can lead to immediate refusal of entry, vehicle impoundment or potential blacklisting. Always confirm current requirements with the state Commercial Vehicle Licensing Board (CVLB) or official customs portals before departure.
2. **DON'T** use vague or generic descriptions (e.g. "general cargo", "spare parts, "hardware").
 - **Why this matters:** Customs may mis-classify goods, causing overpayment of duty, delays or allegations of misdeclaration. Be specific: for example, "Stainless steel flanged ball valves, DN50, PN16, for industrial water systems".

3. **DON'T** tamper with, break or replace a customs-applied seal en-route. If a seal is damaged or missing, declare it immediately upon arrival and follow official instructions. Never attempt to conceal the issue.
 - **Why this matters:** Unauthorised seal violation is treated as a serious security incident, leading to full cargo inspection and potentially can trigger criminal investigation.
4. **DON'T** transport prohibited or restricted items (e.g. certain chemicals, wildlife products, weapons or dual-use goods) without first verifying licensing requirements.
 - **Why this matters:** Penalties include confiscation, heavy fines and prosecution under national security or biosecurity laws (e.g. Brunei's Customs Order 2016). When in doubt, always consult customs or the relevant competent authority before loading.
5. **DON'T** offer, promise or imply any form of gratification, "facilitation payment" or gift to any regulatory official.
 - **Why this matters:** This constitutes bribery, a criminal offence regardless of local 'customs' and can lead to imprisonment, corporate liability and even exclusion from future cross-border operations.
6. **DON'T** assume past approval guarantees future compliance. Regulations, including HS classifications, duty rates, permit rules and entry requirements, can and do change.
 - **Why this matters:** Regulations change. A procedure accepted a few months back may now be partially or wholly non-compliant. Always verify the latest rules through official sources (RCED in Brunei and RMCD in Malaysia) prior to each trip.

Final Reminder: when in doubt, always Pause. Clarify. Proceed

Uncertainty is a signal to seek authoritative guidance. If anything is unclear, contact:

- Your Company's Compliance Officer
- The relevant Customs Authority Helpdesk
- Your industry or Trade Association

Taking five (5) minutes to confirm a requirement is always faster, cheaper and safer than facing hours of delay in a holding bay or facing an enforcement action.

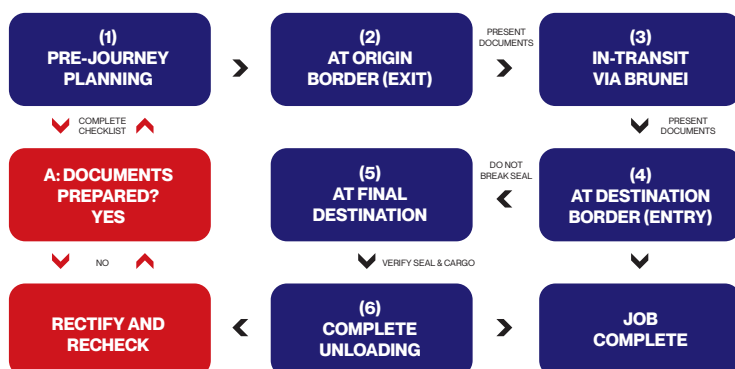
7.4 Illustrated Process Flowcharts for Daily Use

Visual flowcharts like Flowchart 1 and Flow 2 are essential tools for navigating the complex, multi-stage cross-border journey between Sabah, Sarawak and Brunei. They transform lengthy written procedures into clear, scannable diagrams that drivers and transport coordinators can reference at a glance, supporting faster, more compliant decisions under pressure.

This section provides detailed breakdowns of two key flowcharts designed for daily use.

Flowchart 1: The End-to-End Cross-Border Journey

(Ideal for planning & briefing before departure)



This flowchart outlines the full shipment lifecycle from pre-journey checks through to final documentation. It helps transport managers and drivers understand how customs seals, routes and transit rules connect across jurisdiction.

Step-by-Step Breakdown:

Step 1: Pre-Journey Planning

- **Action:** Complete the Pre-Departure Compliance Checklist (see Section 7.1).
- **Key Tasks:**
 - Confirm route and permit and insurance validity.
 - Verify HS codes, customs value and origin criteria.

- Assign a tamper-evident seal number.
- Print all documents (Invoice, Packing List, Certificate of Origin, e-Movement form)
- **If incomplete:** Rectify and recheck before proceeding.

Step 2: At Origin Border (Exit)

- **Action:** Present the full set of documents to Customs and Immigration.
- **What to Expect:**
 - Document verification.
 - Seal application (if not already applied).
 - Exit stamp and/or confirmation of the electronic declaration.
- **Tip:** Allow 30 - 60 minutes buffer for potential delays.

Step 3: In-Transit via Brunei

- **Action:** Maintain sealed integrity and avoid unauthorised stops.
- **Critical Rule:**
 - Do not break or replace the customs seal en-route, even when stopping for fuel or rest.
 - If the seal is damaged, report it immediately at the next checkpoint.
- **Note:** Brunei enforces strict rules to goods in transit and unsealed or irregular cargo may be detained for investigation.

Step 4: At Destination Border (Entry)

- **Action:** Present the same full documents set again.
- **Note:** Verify if a separate entry declaration is required and confirm this with the local forwarding agent or customs representative.

Step 5: At Final Destination

- **Action:** Confirm seal is intact and that the cargo matches documentation.
- **Next steps:**
 - Unseal the cargo only under customs supervision, if required.
 - Hand over goods to the consignee and obtain signed proof of delivery.

Step 6: Complete Unloading & Documentation

- **Action:** Finalise documentation and record any discrepancies.
- **Post-Trip Actions:**

Step 2: First Stop - Immigration

- **Action:** The driver presents passport, visa (if required) and professional driving licence.
- **Purpose:** To verify identity, travel authorisation and to record entry or exit in the passport system.

Step 3: Second Stop - Customs

- **Action:** Present a complete, neatly arranged document set:
 - Commercial Invoice.
 - Packing List.
 - Certificate of Origin (if applicable).
 - Customs Declaration (printed copy of e-Movement).
 - Vehicle Entry Permit (VEP).
 - Insurance certificate
- **Important:** Ensure all documents are clear, legible and logically sorted.

Step 4: Inspection Required?

- **Decision Point:** Based on risk-profiling or officer discretion.
 - **YES** → Proceed to Physical Inspection.
 - **NO** → Proceed to next border checkpoint.
- **Important:** Remain professional and always be courteous and ready to assist.

Step 5: Physical Inspection (If Triggered)

- **Action:** Cooperate fully with the Customs Officer.
- **You Must:**
 - Provide physical access to the cargo (open doors, remove tarpaulins, etc.).
 - Allow re-sealing if the original seal has been broken, damaged or missing.
 - Answer all questions honestly, without exaggeration or omission.
- **Important:** Refusing to cooperate can lead to detention, seizure of goods or further enforcement action.

Step 6: Inspection Passed?

- **Decision Point:**
 - **YES** → Continue to Departure Gate for next Checkpoint.
 - **NO** → Resolve the issue Immediately as instructed by officials.

Step 7: Resolve Issue (if required)

- **Common resolutions include:**
 - Providing additional documents or clarifications.
 - Paying any outstanding duties/taxes or fines (availability of on-site payment facilities may vary).
 - Returning to origin in serious cases, such as prohibited goods or suspected fraud.
- **Important:** Do not argue at the checkpoint and always comply with instructions first and, if needed, use formal appeal channels later.

Step 8: Proceed To Next Border Checkpoint

- **Action:** Continue the journey with verified documents and intact seal.
- **Final Reminder:**
 - Keep your cab file correctly organised, as subsequent checkpoints may request the same documents again.

Recommended Use of These Flowcharts

- **For Drivers:** Keep a laminated copy of both flowcharts in the cab file. Review them before each trip, especially when routes or regulations change.
- **For Despatch Team:** Use Flowchart 1 during pre-trip briefings. Emphasise key decision points: seal handling, declaration requirements and buffer times.
- **For Auditors & New Staff:** Pair these visual guides with real vehicle trip logs and scenario-based exercises (e.g. broken seals or additional document requests) to monitor compliance and support training.

7.5 Strategies for Cost-Effective Cross-Border Operations

Profitability in cross-border logistics hinges on the effective management of end-to-end operational costs. For MSMEs operating on narrow margins, disciplined cost control combined with value-adding practices is essential to maintain competitiveness and building long-term resilience.

This section outlines eight core, interlinked and practical strategies designed to minimise waste, improve operational efficiency and enhance profitability, without compromising regulatory compliance or service quality. Rather than optional enhancements, these measures are critical operational requirements for sustaining business performance in a volatile and highly regulated environment.

Strategy 1: Master the Fundamentals of Trip Economics

Moving beyond rough estimates to understand the full cost of each journey, encompassing fixed, variable and hidden costs, enables MSMEs to set realistic prices, avoid loss-making contracts and negotiate from a position of strength with customers and subcontractors. Operators who lack a clear understanding of their cost structure frequently underquote just to win business, only to discover that every additional trip gradually erodes their cash flow.

Empty kilometres are one of the most significant sources of value leakage in cross-border operations, particularly on routes with imbalanced trade flows. By actively pursuing backloads and forging strategic partnerships to minimise empty running, MSMEs can transform a typical non-revenue-generating return leg into a profitable revenue stream. Even partial backloads substantially improve revenue per kilometre while reducing the operational carbon footprint, a factor that increasingly influences carrier selection among large shippers and manufacturers.

To implement these principles effectively, operators should focus on two core actions:

Action 1: Calculate the True Trip Cost

Move beyond basic fuel and wage calculations. Develop a comprehensive trip cost model that accounts for:

- **Fixed cost:** vehicle depreciation, insurance premiums, annual permit fees (e.g. VEP) and LPKP licensing.
- **Variable costs:** fuel consumption, driver wages and allowances, routine maintenance and toll charges.

- **Hidden costs:** border waiting time (idle driver hours, auxiliary fuel burn), currency exchange margins, administrative expenses arising from documentation errors and demurrage or storage charges.

Action 2: Eliminate Empty Kilometres

An empty return journey can effectively double the per-kilometre cost of the outbound trip. To mitigate this:

- Utilise digital freight exchange platforms to identify and secure backloads.
- Establish partnership with complementary operators and freight forwarders to arrange reciprocal backloads.
- Recognise that even partial backloads (e.g. 50% capacity utilisation) convert a cost centre into a revenue generator while lowering the operational carbon footprint.

Strategy 2: Optimise Trip and Load Planning

Consolidating shipments from multiple customers into full truckloads (FTL) helps MSMEs to achieve economies of scale typically reserved for larger logistics operators. This reduces the number of trips and border crossings needed per tonne moved, thereby lowering fuel consumption, toll charges and administrative overheads per unit shipped. Consequently, MSMEs can improve market competitiveness without compromising profit margins. It also provides greater flexibility to accept urgent or premium-paying jobs during peak periods, enhancing both revenue potential and client satisfaction.

Route optimisation is equally critical, as every unnecessary detour, queue or congestion delay directly translates into wasted fuel and driver hours. By utilising route planning tools to bypass bottlenecks, align crossings within border operating hours and avoid poor-quality roads, MSMEs can deliver more trips per vehicle per month without expanding their fleet size. This improves asset utilisation, streamlines operations and reduces operational strain on both drivers and administrative staff.

To unlock these efficiencies through shipment consolidation and intelligent routing, operators should implement the following actions:

Action 1: Consolidate Shipments

Combine smaller less-than-truckload (LTL) consignments into full truckloads (FTL), wherever operationally feasible. This approach:

- Reduces the cost per unit (by weight or pallet).
- Decreases the number of border crossing required per tonne of cargo.

- Streamlines documentation and customs compliance processes.

Action 2: Implement Route Optimisation Tools

Digital planning software (e.g. Google Maps Platform or dedicated logistics applications) helps operators to:

- Avoid congested border crossings and schedule arrivals within official operating hours.
- Account for real-time traffic data, roadworks and weighbridge locations.
- Reduces fuel use and driver fatigue by selecting the most direct and road-suitable routes.

Strategy 3: Leverage Technology for Efficiency

Digital fleet management systems and basic telematics give MSMEs with operational visibility previously accessible only to large logistics companies. By monitoring actual idle time, harsh driving patterns and tracking precise border dwell times, operators can coach drivers effectively and adjust schedules to cut fuel waste and mechanical wear-and-tear. Over time, these improvements compound into meaningful cost savings and fewer vehicle breakdowns, while simultaneously supporting safer driving practices and enhancing compliance with road safety rules.

Automating administrative work, including invoicing, document storage and permit tracking, reduces human error and frees up scarce manpower for higher-value activities such as customer service and planning. For MSMEs with smaller teams, even a single customs error or missed permit renewal can trigger delays, penalties or shipment rejections that wipe out the profit from several trips. Digital workflows and automated reminders minimise these risks, support faster billing and collections and make the business look more professional to customers and authorities.

To achieve greater operational visibility and automate administrative workflows, operators should focus on the following actions:

Action 1: Deploy Digital Fleet Management

GPS tracking and telematics systems provide actionable insights into:

- Idling time (a major source of fuel waste, accounting for up to 20% of consumption during border queues).
- Harsh braking and acceleration (directly linked to increased mechanical wear and higher fuel use).
- Precise border arrival and departure timestamps, enabled by automated geofencing.

Note: Utilise these insights for constructive driver coaching (not punitive surveillance) to promote fuel-efficient and safe driving.

Action 2: Automate Administrative Processes

Manual documentation is slow, error-prone and costly. Utilise accessible or cost-effective digital tools to:

- Generate compliant invoices and electronic consignment notes.
- Store and retrieve documents securely in cloud-based platforms with structured directory systems. (e.g. Google Drive with structured folders).
- Track permit expiry dates and renewal deadlines using shared digital calendars or automated reminder systems.
- **Critical Compliance Note:** A single customs declaration error can trigger delays, inspection fees or regulatory penalties - often wiping out the profit margin equivalent to 1 to 3 completed trips.

Strategy 4: Enhance Fuel and Vehicle Efficiency

Fuel typically represents one of the largest variable costs in road-based cross-border operations, meaning even marginal percentage savings significantly impact profit margins. Eco-driving programmes and structured driver coaching can deliver 5 to 15% reductions in fuel consumption. Compounded over an entire year, these savings often determine whether an operator merely breaks even or achieves healthy profit. MSMEs that invest in their driver competency also typically experience lower accident rates and less mechanical stress on vehicles.

Preventive maintenance ensures vehicle availability during peak demand and reduces the likelihood of costly roadside breakdowns, especially in remote areas or at borders crossings where repair facilities are limited. Well-maintained vehicles use less fuel, experience fewer unexpected failures and command more confidence from customers and enforcement agencies during inspections. For MSMEs operating with limited spare capacity, asset-level reliability is a decisive competitive advantage.

To target this major variable cost through training and maintenance, operators should implement the following actions:

Action 1: Invest In Eco-Driving Training

As detailed Section 6.5 of this Guidebook, certified eco-driving techniques can reduce fuel consumption by 5 to 15%. Key practices include:

- Practising smooth acceleration and anticipating traffic flow.
- Maintaining steady speeds (e.g. 75 to 80 km/h on highways)

- Switching off engines during prolong stops (e.g. idle stops exceeding 20 minutes).

Action 2: Adopt Proactive (Preventive) Maintenance

Reactive repairs consistently incur higher costs than planned upkeep. Operators must ensure that:

- Tyres are maintained at correct inflated pressures (under-inflation can increase fuel usage by up to 3%)
- Air filters and engine oil are changed according to the manufacturer's recommended schedule.
- Brakes and wheel alignment are inspected at least quarterly.

A well-maintained vehicle spends less time off the road and more time generating revenue.

Strategy 5: Build Financial and Operational Resilience

Pricing for operational reality rather than optimistic assumptions protects MSMEs from securing contracts that undermine financial health. Incorporating realistic allowances for border delays, currency conversion and compliance costs into rate calculations ensures that every trip can reliably generate a profit. Tiered pricing structures (e.g. offering discounts for flexible delivery windows) also helps operators improve fleet utilisation, a critical factor for operators managing a small number of vehicles.

Managing currency risk and payment timing is essential in cross-border corridors where revenues and expenses may be in different currencies. For MSMEs with limited cash buffers, unexpected exchange losses or delayed payments can quickly create working capital shortages. By monitoring exchange trends, standardising billing currencies where feasible and planning conversions in advance, operators can stabilise margins and avoid costly emergency financial borrowings.

To protect profit margins from volatility and build a reputation for reliability, operators can strengthen resilience by applying the following measures:

Action 1: Price for Operational Reality

Negotiate client rates that accurately reflect cross-border operational costs, including:

- Contingency margins for potential border delays.
- Currency conversion and transfer fees.
- Associated costs for seal replacement or re-inspection.

Consider implementing tiered pricing models:

- Standard rate: Fixed delivery schedule.
- Discounted rate: Flexible delivery window ($\pm$ 4 hours) to allow better fleet utilisation.

Action 2: Manage Currency Fluctuations

When billing in Ringgit (MYR) but incurring costs in Brunei Dollars (BND) or vice versa:

- Monitor exchange trends via reliable financial applications (e.g. XE or My Money Master).
- For recurring contracts, consider partial hedging or invoicing in a single currency (e.g. BND or Singapore Dollars -SGD)
- Avoid last-minute currency conversions. Always plan foreign exchange transaction in advance.

Action 3: Invest in Reliability

Consistent, on-time performance builds trust. Reliable operators:

- Are prioritised by forwarders or manufacturers for repeat business.
- Can command premiums of 5 to 10% for time-critical trade routes.
- Experience fewer commercial disputes and accelerate payment cycles.

Reliability remains a highly scalable competitive advantage.

Strategy 6: Streamline Administrative Processes

Streamlined administration reduces friction at every stage of the journey, from pre-departure checks to border clearance and final invoicing. Implementing digital templates, submitting electronic documentation well in advance and maintaining digital “cabinet files” on mobile devices ensures drivers always have the right documents readily available. This lowers the risk of checkpoint disputes, shortens border dwell times and improves the operator’s reputation with authorities.

Batching permit application and scheduling renewals in advance helps MSMEs avoid last-minute applications, penalty surcharges or trip cancellations because a vehicle is not properly authorised to cross. Working with reliable customs agents and pursuing pre-clearance where available can significantly cut border waiting times, which in turn frees up vehicles and drivers to complete more revenue-generating trips. For MSMEs, this improved predictability is as valuable as the direct cost saving, because it enables more accurate planning and commitments to customers.

To minimise administrative friction across the cargo journey, operators should consider adopting the following practices:

Action 1: Implement Digital Documentation Workflows

- Use templates from Annex B with pre-configured auto-fill fields.
- Submit e-Movement and customs declarations electronically and well in advance.
- Maintain a secure digital “cabinet files” on tablet or mobile device for instant access to key documents.

Action 2: Batch Permit Applications

When operating multiple vehicles:

- Submit Vehicle Entry Permits (VEPs) in consolidated batches.
- Reduce administrative processing time, minimise handling and processing fees, and avoid last-minute submission rush.

Action 3: Pursue Pre-Clearance (where available)

Collaborate with trusted forwarding agents to:

- Submit customs declarations and pay duties/taxes (if applicable) before arrival at border.
- Obtain pre-approval for low-risk shipments (e.g. under ASW framework)
- Reduce average border dwell time from 90 minutes or more to under 30 minutes.

Time saved at the border translates directly into fuel savings, preserved driver hours and higher customer satisfaction.

Strategy 7: Forge Strategic Partnerships and Scale

Collaboration with other complementary operators enables MSMEs to access benefits that are typically difficult to achieve independently (e.g. group lubrication oil discounts, shared compliance expertise and collectively licensed software subscriptions). These arrangements spread fixed costs, create economies of scale and help smaller firms meet tightening regulatory requirements and technology expectations from global shippers.

Positioning the business as a “preferred carrier” - known for reliability, compliance and professional communication, opens doors to longer-term contracts and higher-value, recurring freight loads. Large forwarders and manufacturers tend to prioritise carriers who consistently deliver on schedule as promised and minimise operational

disruptions. For MSMEs, becoming a trusted partner rather than just a low-cost vendor means more stable revenue, better trip planning and the ability to negotiate fairer terms over time.

To access collective economies of scale and secure premium contracts, MSMEs should pursue partnerships in two main ways:

Action 1: Collaborate with Other Operators

Pool resources to access economies of scale:

- Retain a shared compliance officer or customs expert on a joint retainer.
- Establish group lubricating oil purchasing arrangements (typically yielding 3 to 7% savings versus spot or kiosk prices).
- Pool capital for joint investment in software (e.g. a shared subscription to a fleet management or compliance platform).

Action 2: Aim to Become a “Preferred Carrier”

Demonstrate reliability, regulatory compliance and professional service to secure:

- Long-term contractual agreements with forwarders or manufacturers.
- Priority access to high-value, recurring freight loads.
- Inclusion in vendor-managed inventory (VMI) or just-in-time (JIT) delivery programmes.

Freight forwarders value carriers who mitigate operational risk over those offering solely on the lowest price.

Strategy 8: Monitor, Measure and Improve

Adopting a standardised trip cost sheet embeds a culture of data-driven decision-making, even within the smallest operation. When operators systematically track fuel, tolls, permits, driver allowances, border delays and ancillary costs, they can quickly identify routes, customers or practices that erode value. This visibility allows them to redesign routes, renegotiate rates or adjust operational practices before problems escalate into significant losses.

Regular review of trip-level data also helps MSMEs benchmark performance across vehicles and drivers, set realistic targets and track improvement over time. Continuous measurement makes it easier to justify investments in training, technology or new equipment because the impact can be clearly seen in reduced costs or higher margins. For operators that must grow carefully with limited capital, this disciplined feedback loop is essential to scaling sustainably.

A practical method to embed this discipline is to use a standardised trip cost sheet for every journey, as shown below:

Action: Use a Standardised Trip Cost Sheet

For each journey, track key costs to calculate true net margin:

#	Cost Component	Sample Costs (RM)
1	Fuel	1,200
2	Tolls & Border fees	200
3	Permits (VEP, transit)	50
4	Diver allowance (meals, overnight)	600
5	Estimated delay cost (e.g. 1.5 hrs @ RM100/hr)	150
6	Miscellaneous	200
Total Trip Cost		RM 2,400

Subsequently:

- Compare total costs against revenue and calculate net margin per kilometre or per unit packaging unit (e.g. pallet, drum or carton).
- Identify and investigate consistently unprofitable routes or customers.
- Use data to justify targeted investments in training and technology or process improvement.

Continuous improvement begins with rigorous cost visibility.

Cost-effectiveness is not about cutting corners - it is about working smarter. By integrating these eight strategies, operators can transform cross-border transport from a high-risk, low-margin activity into a resilient, value-driven service that supports sustainable growth and competitive differentiation. The most profitable operator is not always the cheapest but the one who delivers certainty, consistency and compliance on every trip.

Why MSMEs Should Prioritise These Strategies

For MSME operators, these strategies are not optional “nice-to-haves” but core survival tools in a volatile cross-border environment. They convert unpredictable, low-margin operations into structured, resilient businesses capable of absorbing market shocks, complying with evolving regulations and still generating sustainable profit.

By mastering these eight core areas, MSMEs move beyond competing purely on the lowest price. Instead, they differentiate through certainty, consistency and compliance - the qualities that customers value most and are willing to pay a premium for over the long-term partnership.

Annex

Annex A Glossary of Terms

For the purposes of this Operational Guidebook, the following terms and explanatory notes are provided on a foundational basis. For more details and explanation on these terms, we suggest that you refer to your logistics service providers for more detailed explanation or alternatively, you may contact Malaysia Productivity Corporation (MPC) and ask for Logistics Productivity Nexus personnel.

Terms	Explanatory Notes
Ad Valorem	An ad valorem tax is a tax levied based on the assessed value of an asset, property, or transaction. It is calculated as a percentage of the estimated market value or worth of the item being taxed, meaning the tax amount varies in direct proportion to the value being taxed.
Advanced Shipping Notice (ASN)	A digital or paper document sent by a supplier that provides detailed shipment information, including contents, estimated arrival time, and tracking details.
All Risk Insurance	All Risk Insurance is a comprehensive insurance policy that covers loss or damage to property from any cause except those specifically excluded in the policy. Unlike named perils insurance, which only covers risks explicitly listed, all risk insurance covers all risks unless explicitly excluded. Common exclusions include events like war, wear and tear and nuclear hazards. The burden of proof is on the insurer to show an exclusion applies if a claim is denied.
ATA Carnet	ATA Carnet is an international customs document that allows for the duty-free and tax-free temporary import and export of goods for up to one year. It simplifies customs procedures by serving as a "passport for goods," enabling businesses to temporarily move merchandise such as commercial samples, professional equipment and exhibition goods across multiple countries without paying import duties or taxes, provided the goods are re-exported within the allowed timeframe.
Authorised Economic Operators (AEO)	A party involved in the international movement of goods that has been approved by a national customs administration as meeting the security standards of the World Customs Organization (WCO) or equivalent. The AEO status certifies that the operator complies with supply chain security standards and is considered reliable, enabling benefits such as simplified customs procedures, faster clearance and reduced inspections. This certification fosters secure and efficient global trade by promoting partnerships between customs and the business community.

Automated Storage And Retrieval System (AS/RS)	A technology used in warehouses to store and retrieve goods efficiently
Axle Load	The total weight that a vehicle's wheels exert on the ground through a single axle. It is an important factor in road and vehicle safety, as exceeding the prescribed axle load limits can cause damage to infrastructure and create dangerous driving conditions. Axle load limits are regulated to protect roads and extend their lifespan and compliance is typically monitored through weigh stations and vehicle inspections.
Benchmarking	The process of measuring and comparing the performance, quality, or efficiency of a product, service, or process against industry bests or competitors. It helps organisations identify areas for improvement, adopt best practices and set realistic goals to enhance overall performance and competitiveness.
Bond	Specifically, a Customs Bond, is a legal contract involving three parties, the importer (principal), the surety company and the customs authority - that guarantees the payment of duties, taxes and compliance with customs regulations for imported goods. It ensures that the importer fulfils all legal and financial obligations related to customs clearance, facilitating the lawful entry of goods into a country. Customs bonds can be continuous (covering multiple shipments over a period) or single-entry (for one shipment) and are required to protect government revenue and ensure regulatory compliance.
Bonded Goods	Imported goods stored in a customs-controlled warehouse or facility where payment of customs duties, taxes and fees is deferred until the goods are released for domestic use or re-exported. These goods remain under customs supervision, providing businesses with cash flow advantages and flexibility in managing inventory while ensuring compliance with customs regulation.
Bonded Warehouse	A Warehouse that is a secure storage facility authorised by customs where imported goods can be stored without immediate payment of import duties and taxes. The goods remain under customs control until they are withdrawn for domestic use (upon payment of duties) or re-exported without duties. Bonded warehouses can be operated by government authorities or private entities, and the stored goods may undergo limited manipulation under customs supervision. This system helps businesses defer duty payments and manage inventory efficiently while ensuring compliance with customs regulations.
Booking	Booking, in logistics and customs, refers to the process of reserving space for cargo or goods with a carrier, warehouse, or freight forwarder ahead of shipment or storage. This involves providing details about the shipment, such as type, volume,

	weight and destination, to ensure the timely allocation of transport or storage capacity. In the context of bonded warehouses, booking may include scheduling the receipt and storage of goods under customs control for duty deferral purposes.
Bottleneck	A bottleneck in the context of transportation refers to any point in the process that causes delays, inefficiencies or restrictions, hindering smooth and timely operations. Common bottlenecks include compliance issues, high operational costs, outdated systems, inadequate staffing, poor coordination between stakeholders and regulatory complexities, which can lead to increased waiting times, higher costs and reduced efficiency in managing the movement of goods.
Capacity Planning	The process of determining the production capacity needed to meet demand.
Capacity Utilisation	A measure of how efficiently a business is using its production capacity.
Carbon Footprint	The total amount of greenhouse gases produced by supply chain activities.
Cargo Manifest	A detailed document listing all the cargo aboard a transport carrier, including shipment descriptions, quantities, weights, consignor and consignee information and transport details. It is essential for customs clearance, transport operations and regulatory compliance, ensuring proper tracking and handling of goods during the transportation by road.
Carnet	Carnet is an international customs document that permits the duty-free and tax-free temporary import and export of goods for up to one year. Often called a "passport for goods," it simplifies customs procedures by allowing goods such as commercial samples, professional equipment and exhibition items to enter multiple countries without paying duties, provided the goods are re-exported within the allowed timeframe. The ATA Carnet system, governed by the World Customs Organization and the International Chamber of Commerce, currently operates in about 80 countries worldwide.
Carrier	Any company or individual responsible for transporting goods from one location to another. In the context of cross-border transportation by road, a carrier specifically holds a cross-border permit and owns the truck. This type of carrier assumes responsibility for the goods during transit, ensuring they are securely moved from the exporter's premises to the destination importer. The carrier would be responsible for customs clearance, assisting in regulatory compliance and efficient logistics management.

Certificate of Origin (COO)	A certificate stating the country of origin of the goods. Depending on the importing country's requirements, this can be as simple as being issued by the seller or the manufacturer. In most cases however, it is required to be issued by a Chamber of Commerce in the country of origin.
Clearance for Home Use	Goods are imported where Customs authority approves the importation for free circulation in a country, upon compliance of all regulations and payment of duties and taxes, if any.
Cold Chain	A specialised supply chain process that manages the storage, transportation and handling of temperature-sensitive products such as perishable food, pharmaceuticals, chemicals and vaccines. It maintains a controlled temperature environment from the point of origin to the final destination to preserve product quality, safety and efficacy. Key components of cold chain logistics include refrigerated storage facilities, refrigerated transport, temperature monitoring and specialised packaging, all aimed at preventing spoilage and ensuring regulatory compliance.
Consignee	The person or entity named in a freight transport document to whom the goods have been consigned to or to be handed over. For export control purpose, correct declaration has to be made in documentation to differentiate the "intermediate" consignee and the "final" consignee
Consignor	The person or entity named in a freight transport document from whom the goods have been originated from. Sometimes, it is also known as shipper. For export control purpose, the declaration for the exportation of goods must be named and is referred to as "Exporter".
Consolidated cargo	Shipments of less-than-container-load (LCL) cargo belonging to two or more shippers, usually undertaken by a consolidator, e.g. freight forwarder / NVOCC. Usually, these small LCL shipments are grouped into one container. The consolidator takes advantage of lower FCL rate and resells the freight to LCL shippers.
Container Seal	A device that is used to passed through apertures (used for locking) on the container door and pushed into a non-return mechanism in such a way that it provides evidence of tampering should unauthorised persons attempt to open the container once the seal has been applied. Seals are usually serially numbered, and this number is shown on the customs declaration and other transport / commercial documents evidencing the sealing process is undertaken.
Cross-Docking	A logistics process where products are unloaded from inbound transport vehicles and directly loaded onto outbound vehicles with minimal or no storage time in between. This method speeds up delivery, reduces warehousing costs and improves supply

	chain efficiency by minimising inventory handling and storage. It is commonly used for perishable goods, high-volume products and items with steady demand, facilitating faster and more streamlined distribution.
Customs clearance	The procedures involved in getting the cargo released by customs through designated formalities such as presenting Customs documents, import / export licence, approved permits and payment of duties. The formalities may include interaction with relevant border agencies involved, like health / agricultural / safety inspectors.
Customs clearing agent / Forwarding Agent	A company approved under section 90 of the Customs Act, 1967 to make customs entries and obtain customs clearance of the goods belonging to the exporter / importer. Commonly known as “forwarding agent” in Malaysia.
Customs Control	All goods imported or exported must comply with the regulations provided under the Customs Act, 1967 and all movements must be approved by Customs before granting the release from customs control.
Dangerous Goods	The term used by IMO for certain materials which are capable of posing significant threats / risks to health, safety or property when transported by a means of carriage. Recognising these threats / risks, IMO published the IMDG code, which provides the guidelines to all aspects of handling dangerous goods (including marine pollutants) in sea transport. The IMDG code divides dangerous goods into 9 classes, namely (1) explosives, (2) gases, (3) flammable liquids, (4) spontaneously combustible substances, (5) oxidising substances, (6) toxic and infectious substances, (7) radioactive materials, (8) corrosives and (9) miscellaneous dangerous substances.
Delivery Order (DO)	A document authorising delivery to a nominated party of cargoes in the care of a third party. The document is issued by a carrier or a forwarder on surrender of a bill of lading and then used by the merchant to transfer title by endorsement.
Demurrage	The additional charge for detaining a ship longer than is provided for or the compensation amount for failing to ship the cargo within specified days. This term is also applied to the charge made for additional days required to take delivery of the container out of the port area within the free storage period allowed by the port terminal.
Distribution Centre (DC)	A facility used to store and distribute goods to retailers or directly to consumers.
Drawback	Import duties or taxes repaid by a government, in whole or in part, when the imported goods are re-exported or used in the manufacture of exported goods

Duty Drawback	If goods which have been imported and customs duty has been paid, are re-exported or have been used in the manufacture of goods which are subsequently exported, then the exporter may be entitled to a refund of the original import duty paid.
Duty-Free Zone	A location where imported goods can be stored without paying customs duties. Commonly known as Free Commercial / Industrial Zone.
E-commerce Logistics	The management of supply chain activities for online retail operations.
Electronic Data Interchange (EDI)	The electronic exchange of business documents between supply chain partners.
End-to-End Supply Chain	The complete flow of goods, from raw materials to the end customer.
Expedited Shipping	A faster-than-standard delivery method to meet urgent demand.
Force Majeure	A term that describes circumstances outside the immediate control of the exporter or importer and generally defined as something which could not have been anticipated even with foresight (e.g. earthquake, flood, storm or war).
Fourth Party Logistics (4PL)	A company that manages the entire supply chain on behalf of a business.
Freight	The amount payable for the carriage of goods. Sometimes also used to describe the goods themselves, which are better, described as cargo in marine transportation.
Freight Forwarder	An independent service provider (intermediary) who, at the request of the shipper /consignee, makes arrangements and provides the necessary services for expediting the shipment to its overseas destination. In most cases, a freight forwarder would combine various LCL into a container and takes care of documentation needed to move the shipment from origin to destination, preparing and presenting such documentation to the exporter. Would also arrange for the cargo insurance, makes the overseas communications and advises the shipper on foreign compliance requirements of marking, labelling, etc. When a freight forwarder provides the consolidated services, he may issue his house bill of lading and in doing so, would accept responsibility for the cargo.
Fulfilment Centre	A warehouse that processes and ships customer orders for e-commerce companies.
Geofencing (in Logistics)	The use of GPS technology to create virtual boundaries for tracking shipments.

Green Logistics	Efforts to measure and minimise the environmental impact of logistics activities.
Gross Weight	The total weight of a shipment, including packaging.
Harmonised System (HS)	In short for “Harmonised Commodity Description and Coding System”. Developed under the auspices of the World Customs Organisation (WCO), HS is a system for classifying goods in international trade. It may be used as a “multi-purpose international goods classification” for manufacturers, transporters, exporters, importers, customs officials, statisticians and others to classify goods moving in international trade under a single commodity code. The code is a hierarchically structured product nomenclature containing approximately 5000 headings and sub-headings describing the articles moving in international trade. It is organised in 99 chapters arranged in 22 sections. The Code essentially consists of 4-digit headings, 2-digit sub-headings and 3-digit provisions for national classification.
Hazardous Materials (HAZMAT)	Substances that require special handling due to safety risks. Commonly known as Dangerous Cargo.
Hub-and-Spoke Model	A distribution model where goods are shipped from a central hub to regional locations.
Import Permit	Usually required for items that might affect the public health, morals, existence of flora & fauna. In Malaysia, imports that require an import permit are found in Schedule 2 and 3 of the Prohibition of Imports Order, under Section 31 of the Customs Act 1965. In certain foreign countries, an import permit is identical to an import license.
In Bond	Goods on which duty/taxes have not been paid are held “in bond”. Goods in a Bonded Warehouse are stored “in-bond”.
Inbound Logistics	The transportation and storage of raw materials coming into a manufacturing concern.
INCOTERMS	Incoterms are a set of uniform rules codifying the interpretation of trade terms defining the rights and obligation of both buyer and seller in an international transaction, enabling the complex basis for a sale contract to be accomplished in three letters. Incoterms are drafted by the International Chamber of Commerce (ICC).
Internet of Things (IoT) devices (in Supply Chain)	The use of connected devices (such as barcode reader or RFID scanners) to monitor and optimise logistics operations.
Key Performance Index (KPI)	A metric used to measure performance efficiency of a mutually agreed process.

Landed Cost	The total cost of a product including transportation, duties, and fees.
Last-Mile Delivery	The final step of a product's journey to the customer.
Lead Time	The time it takes for an order to be fulfilled from start to finish.
Less-Than-Truck-Load (LTL)	A freight method where shipments don't require a full truck.
Load Planning	The process of optimizing space in a truck or container.
Material Requirements Planning (MRP)	A system used to manage inventory in supporting the manufacturing activities.
Milk Run	A delivery method that consolidates shipments to multiple locations in one trip.
Nearshoring	Moving production closer to the end market to reduce supply chain risks.
Normal Value (NV)	The price at which the merchandise is sold or offered for sale in the open market of the exporting country from which it is imported into another country. Usually, the term is used by Customs in the determination of value of merchandise imported.
Order Fulfilment	The process of receiving, processing, and delivering customer orders.
Outsourcing (in Supply Chain)	The practice of hiring external companies to handle logistics, procurement, or manufacturing.
Palletisation	The process of stacking goods on pallets for easier handling.
Quality Assurance (QA)	The process of ensuring that products meet specified quality standards.
Reverse Logistics	The process of handling product returns, recycling, refurbishing and disposal to recover value and minimise waste in the supply chain.
Route Optimisation	The process of determining the most cost-effective route for delivery.
Seal	A device designed to be used to secure a container's doors as a deterrent against pilferage.
Shipper	The consignor or sender of goods by ship. The person tendering goods for carriage.

Standards	Published as a set of technical specifications that lay down characteristics of a product such as size, quality, performance or safety. It may also cover terminology, testing methods and packaging, labelling or marking requirements. Standards are usually maintained at a national standard body governed by the government and at ISO at international level. For Malaysia, SIRIM is the national body where all the national standards are maintained.
Supply Chain	The network of all the individuals' organisations, resources, activities and technology involved in the creation and sale of a product, from the delivery of source materials from the supplier to the manufacturer, through to its eventual delivery to the end user.
Supply Chain Visibility	The ability to track products at each stage of the supply chain.
Technical Barriers to Trade	Usually, these are the various standards and regulations imposed by a government or its authorities to restrict trade.
Third-Party Logistics (3PL)	A company that provides outsourced logistics services to other businesses.
Trade Agreement	A bilateral or multilateral treaty or other enforceable instruments committing two or more countries to specified terms of commerce, usually involving mutually beneficial concessions.
Trade Barriers	A set of government laws, regulations, policies, or practices that either protect domestic products from foreign competition or artificially stimulate exports of particular domestic products.
Trade Compliance	Adherence to laws and regulations governing international trade practices.
Transit Zone	The area usually situated near or adjacent to a port of entry in a coastal country that serves as a storage and distribution center for the convenience of a neighboring country (a land-locked country, for example), lacking adequate port facilities or access to the sea. A transit zone is administered so that goods in transit to and from the neighboring country are not subject to the customs duties, import controls, or many of the entry and exit formalities of the host country. A transit zone is a more limited facility than either a free trade zone or free port.
Transport Fleet Controller	A transport fleet controller is a person who oversees and supervises the business operations from despatch to delivery, assigning drivers to tasks, optimising driver's routes, tracking locations of vehicles, collaborating with drivers and communication with customers.

Transport Management System (TMS)	TMS is a logistics software platform that helps business plan, execute and optimise the movement of goods in a supply chain.
Transshipment	A shipment that has been moved through, imported, transferred, or unladen in one or more intermediary ports (other than their originating country) prior to importation into the final destination country.
Truck Turnaround Time	The time it takes for a truck to load, unload and leave a warehouse or port.
Unit Load	A standardised quantity of goods that can be handled as a single entity in the supply chain.
Vendor Compliance	The adherence of suppliers to the standards and requirements set by a company.
Vendor-Managed Inventory (VMI)	A system where the supplier manages inventory levels for the buyer.
Warehouse Management System (WMS)	WMS is a software platform that helps optimise activities within warehouse operations.
Work-in-Progress (WIP)	Inventory that is in the process of being manufactured but is not yet complete.
Zero Inventory	A lean strategy that minimises stock levels to reduce costs.
Zone Skipping	A logistics strategy where goods are transported directly to a regional hub, bypassing intermediate distribution centres.

Annex B Practical Templates (Checklists, Sample Forms & Declarations)

1. Malaysia e-Movement Form (Sample form)

 JABATAN KASTAM DIRAJA MALAYSIA (ROYAL MALAYSIAN CUSTOMS DEPARTMENT) PERMOHONAN KEBENRAN UNTUK MEMINDAHKAN DAGANGAN TEMPATAN (APPLICATION FOR APPROVAL TO REMOVE GOODS)						Lampiran A
1. Stesen Penghantar Sending Station MENGKALAP			UNTUK KEGUNAAN RASMI / FOR OFFICIAL USE			
			5. Tarikh Dan Waktu Terima Date and time received	6. No. Pendaftaran Registration No.		
2. Stesen Penerima Terakhir Last Receiving Station SUNGAI TUJUH			7. Pegawai Kastam Yang Hak Proper Officer Of Customs Nama Pegawai / Officer's Name: _____ Tarikh : / Date : _____			
3. Konsainor (Nama dan alamat) Consignor (Name and address)			8. Destinasi asal konsaimen Consignment origin KOTA KINABALU	9. Destinasi akhir konsaimen Consignment destination KUCHING		
			10. No. Daftar Kenderaan Vehicle registration no.	11. Jenis Kenderaan Vehicle type PRIME MOVER		
			12. No. Kontena Container No.	13. Nama Pemandu Name of driver		
4. Konsainee (Nama dan alamat) Consinee (Name and address)			14. Dokumen yang disertakan Document attached ☐ Invoices No : _____ ☐ Packing List No : _____ ☐ Delivery Order No : _____			
15. Bil No.	16. Diskripsi Description	17. Kuantiti Quantity	18. Nilai (RM) Value (RM)	19. No. Invois Invoice no	20. Destinasi barang Goods destinations	
1		8	364,980.00		KUCHING, SARAWAK	
21. Jumlah / Total		364,980.00				
22. Jumlah bungkusan Total number of packages		8	23. Ukuran (m3) Measurement (m3)		NIL	
			24. Jumlah berat kasar (kg) Total gross weight		16 TON	
25. Nama Pembuat Akaun Name of declarant SIAPA ANAK SIAPA No. NRIC / Passport NRIC / Passport no.		26. Jawatan Designation DRIVE R Tarikh Date 23/09/2025		27. Saya mengesahkan ikrar ini benar dan lengkap I hereby certify that this declaration is true and complete _____ Tandatangan dan tarikh Signature and date		
UNTUK KEGUNAAN STESEN KASTAM PENERIMA / FOR OFFICIAL USE OF RECEIVING CUSTOMS STATION Pengesahan Penerimaan Barang-barang Transit / Received Verifications Of Goods In-Transit						
28. POS SEMPADAN Sg. Tujoh Sg. Tujoh Border Post (Tandatangan / signature) Nama Pegawai : Officer Name : Tarikh : Date : Cop Rasmi Jabatan Official stamp		28. POS SEMPADAN Tedungan Tedungan Border Post (Tandatangan / signature) Nama Pegawai : Officer Name : Tarikh : Date : Cop Rasmi Jabatan Official stamp		28. POS SEMPADAN Pandaruan Pandaruan Border Post (Tandatangan / signature) Nama Pegawai : Officer Name : Tarikh : Date : Cop Rasmi Jabatan Official stamp		
28. POS SEMPADAN Mengkalap Mengkalap Border Post (Tandatangan / signature) Nama Pegawai : Officer Name : Tarikh : Date : Cop Rasmi Jabatan Official stamp						

Nota : Sekiranya terdapat barang-barang yang dipungkah sebahagiannya dimana-mana stesen yang dilalui, pemohon/pemandu kenderaan hendaklah memaklumkan kepada pegawai pemeriksa untuk catatan

2. Malaysia e-Movement Slip to be carried by Driver while crossing Borders

6/26/23, 11:53 AM

e-Movement

SLIP PERJALANAN

Sungai Tujuh-Mengkalap

Tarikh Keluaran : 26 Jun 2023



Nombor borang:

Y41/06/0917/23

Nombor Lori:

QAB1151D

Konsainor:

[REDACTED]

Konsainee:

[REDACTED]
[REDACTED]
[REDACTED] 98000 MIRI,
SARAWAK.

Jumlah Berat:

300

Jumlah Nilai:

RM 500

Barangan

Deskripsi	Jenis	Kuantiti	Nilai (RM)	No. Inbois	Destinasi Barang
BARANGAN AM	Barangan Bukan Kawalan	54	500	PS/26062023	LAWAS

3. Combined Invoice & Packing List Form (Blank form)

Consignor ①				Combined Invoice & Packing List				
				Invoice No: ②		Date: (YYYY-MM-DD) ③		Page No: (# of Total) ④
				Order Ref or Purchase Order No: ⑤				
Consignee (Shipped To) ⑥				Buyer (Sold To) (if different from consignee) ⑦				
Notify Party (if different from Consignee) ⑧				Terms of Delivery, Incoterms (2010), Credit Ref No, Payment Details, etc ⑨				
Conveyance Details ⑩				Port of Export ⑪ ⑫				
Insurance Coverage Details ⑬ ⑭				Port of Destination ⑮ ⑯				
Transport Document Details ⑰ ⑱				Container Nos with Seal Nos ⑲ ⑳				
Item No ① ②	Description of Goods ③ ④	Country of Origin ⑤ ⑥	Quantity ⑦ ⑧	UOM ⑨ ⑩	Unit Price ⑪ ⑫	Currency ⑬ ⑭	Amount ⑮ ⑯	
Case or Pkg No (with shipping marks) ⑰ ⑱	Dimensions (in cm) (Length x Width X Height) ⑲ ⑳	Volume (MTQ) ㉑ ㉒	Gross Weight (KGM) ㉓ ㉔	UN No (if any) ㉕ ㉖	Item Nos & Brief Description ㉗ ㉘			
Strategic Trade Act / Dangerous Goods Declarations: (please tick ✓) ☐ STA ☐ DGR (If yes, provide details below)								㉙ ㉚
STA Permit No :			STA Permit Expiry :			MSDS attached ? : Yes / No		

It is hereby certified that this invoice shows the actual price of the goods described, that no other invoice has been or will be issued and that all particulars are true and correct.

for (Name of Exporter or Consignor)

㉛ ㉜

.....
Name of Signatory/Designation

3a. Sample form (Continuance Sheet for Invoice Portion)

Consignor ①			Combined Invoice & Packing List - Continuing Sheet A					
			Invoice No: ④	Date: (YYYY-MM-DD) ⑤	Page No: (# of Total) ⑥			
Consignee (Shipped To) ②			Order Ref or Purchase Order No: ③					
			Buyer (Sold To) (if different from consignee) ⑦					
Item No ① ⑤	Description of Goods ① ⑦	Country of Origin ① ③	Quantity ① ②	UOM ② ①	Unit Price ② ①	Currency ② ②	Amount ② ③	
Strategic Trade Act / Dangerous Goods Declarations: (please tick ✓) ☐ STA ☐ DGR (If yes, provide details below) ③ ① STA Permit No: STA Permit Expiry: MSDS attached ? : Yes / No								

It is hereby certified that this invoice shows the actual price of the goods described, that no other invoice has been or will be issued and that all particulars are true and correct.

for (Name of Exporter or Consignor)

③ ①

Name of Signatory/Designation

[illegible]

for (Name of Exporter or Consignor)

.....
Name of Signatory/Designation

3c. Sample of Combined Invoice & Packing List

Consignor (Exporter)			Combined Invoice & Packing List				
SAM TRADING CO (M) SDN BHD NO 1, JALAN MASJID INDIA 56000 KUALA LUMPUR, MALAYSIA			Invoice No: UKCXYZ201011001		Date: (YYYY-MM-DD) 2010-11-12		Page No: (# of Total) 1 of 1
Consignee (Shipped To) TO THE ORDER OF BANK			Order Ref or Purchase Order No: ORDER REF XYZ-7211 / LC NO RBS241271				
Notify Party (if different from Consignee) MESSRS UNICORN IMPORT CO (UK) LLP NO 10, MAIN AVENUE, COVENTRY, MIDLAND, UNITED KINGDOM			Buyer (Sold To) (if different from consignee) MESSRS UNICORN IMPORT CO (UK) LLP NO 10, MAIN AVENUE, COVENTRY, MIDLAND, UNITED KINGDOM				
Conveyance Details SHIPPED BY MV BUNGA KENANGA VOY123W			Terms of Delivery, Incoterms (2010), Credit Ref No, Payment Details, etc CIP FELIXSTOWE DRAWN AGAINST LC AT SIGHT				
Insurance Coverage Details 110% MARINE POLICY NO MSIG90001210			Port of Export PORT KELANG (MYPKG)				
Transport Document Details BL NO ASPER ATTACHED			Port of Destination FELIXSTOWE (GBFXT)				
			Container Nos with Seal Nos MSIU2136073 SEAL NO: MISC8937				
Item No	Description of Goods	Country of Origin	Quantity	UOM	Unit Price	Currency	Amount
1.	BEDROOM SET C/W BOTTOM CLOSET (VICTORIAN STYLE VC-10) FINISHED IN MAROON COLOR AND MATT VANISH PACKED SEPARATELY IN CARTON UCL STD	MALAYSIA	100	SETS	200.00	GBP	20,000.00
2.	BED SIDE TABLE (VICTORIAN STYLE ST-101) FINISHED IN DARK MAROON COLOUR AND MATT FINISH PACKED SEPARATELY IN CARTON UCL STD	MALAYSIA	50	SETS	25.00	GBP	1,250.00
						CIP FELIXSTOWE GBP	21,250.00
=====							
Case or Pkg No (with shipping marks)	Dimensions (in cm) (Length x Width X Height)	Volume (MTQ)	Gross Weight (KGM)	UN No (if any)	Item Nos & Brief Description		
350 CARTON PACKED IN 1x40 CONTAINER COMPRISING OF:							
100 CARTON	200 x 50 x 40	40	4,000		MAIN BED FRAME A		
100 CARTON	100 x 50 x 40	20	2,000		BED PARTS B		
100 CARTON	50 x 50 x 40	10	1,000		BED PARTS C		
50 CARTON	40 x 20 x 20	0.8	500		BED SIDE TABLE		
CARTON NUMBERED FROM 1 ~ 350 MARKED WITH MODEL NO AND COLOUR CODE							

We certify that the above descriptions and details are correct to the best of our knowledge and are destined to the above mentioned consignee and/or buyer.

for **SAM TRADING CO (M) SDN BHD**

(No signature required - computer generated invoice)

4. ATIGA Certificate of Origin (Form D) (Sample)

1. Goods Consigned from (Exporter's business name, address, country) 		Reference No. 			
2. Goods consigned to (Consignee's name, address, country) 		ASEAN TRADE IN GOODS AGREEMENT CERTIFICATE OF ORIGIN (Combined Declaration and Certificate) FORM D Issued in VIET NAM (Country) See Overleaf Notes			
3. Means of transport and route (as far as known) Departure Date: 29/11/2023 Vessel's name/Aircraft etc.: BY TRUCK Port of Discharge: OTHER (VIETNAM)		4. For Official Use ☐ Preferential Treatment Given Under ASEAN Trade in Goods Agreement ☐ Preferential Treatment Not Given (Please state reason/s) Signature of Authorised Signatory of the Customs Authority of the Importing Country			
5. Item number	6. Marks and numbers on packages	7. Number and type of packages, description of goods (including quantity where appropriate and HS number of the importing country)	8. Origin criterion (see Overleaf Notes)	9. Gross weight or other quantity and FOB price where RVC is applied	10. Number and date of invoices
1	N/M	ALUMINUM PROFILE 80B-011 LENGTH 1000MM COLOR (MF) HS CODE: 76042910	CTH	4,450.00 KILOGRAM 1,006.00 KILOGRAM	351 DATE: 29/11/2023
2	N/M	ALUMINUM PROFILE 80B-011 LENGTH 1000MM COLOR (MF) HS CODE: 76042910	CTH	504.80 KILOGRAM	351 DATE: 29/11/2023
11. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in: VIET NAM (Country) and that they comply with the origin requirements specified for these goods in the ASEAN Trade in Goods Agreement for the goods exported to: VIETNAM (Importing country) HAI DUONG, 30/11/2023 Place and date, signature of authorised signatory			12. Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct.   NGUYEN THI MINH HANH  HAI DUONG, 30/11/2023 Place and date, signature and stamp of certifying authority		
13. ☐ Third Country Invoicing ☐ Accumulation ☐ Back-to-Back CO ☐ Partial Cumulation			☐ Exhibition ☐ De Minimis ☒ Issued Retroactively		

5. Brunei Customs Transit Declaration (Sample of completed form)

 JABATAN KASTAM DAN EKSAIS DIRAJA Negara Brunei Darussalam Royal Customs and Excise Department PENGAKUAN TRANSIT KASTAM CUSTOMS TRANSIT DECLARATION									
1. Pengantar (nama dan alamat): <i>Consigner (name and address):</i> XXXXXXXXXXXXXXXXXXXX SDN BHD ADDRESS 1, ADDRESS 2 POSTAL CODE, KOTA KINABALU, SABAH		2. Opis bertolak: <i>Office of departure:</i> Labu Control Post 3. Opis Dituju: <i>Office of destination:</i> Sungai Tujoh Control Post							
		4. No. Deklarasi Transit: <i>Transit Declaration No.:</i> LCT-234-202001-123456 5. Seal No(s): Tarikh: <i>Date:</i> 23/09/2025 11.46 AM							
6. Penerima (nama dan alamat persuratan): <i>Consignee (name and postal address):</i> NAME OF CONSIGNEE SDN BHD ADDRESS 1, INDUSTRIAL PARK, 93050 KUCHING, Alamat penghantaran: <i>Delivery address:</i> ADDRESS 1, JALAN XXXXX, INDUSTRIAL PARK, 93050 KUCHING,		7. Negeri asal pengirim: <i>Country whence consigned:</i> Malaysia 9. Nombor Daftar Kendaraan: <i>Registration number of vehicle:</i> QQQ1234A							
		8. Negeri yang dituju: <i>Country of destination:</i> Malaysia 10. Jenis pengangkutan: <i>Means of transport:</i> Land							
11. Pengikral (nama dan alamat): <i>Declarant (name and address):</i> SIAPA ANAK SIAPA KUCHING, SARAWAK		12. Nama dan nombor kad pengenalan atau passport pemandu: <i>Name of Driver and Identity Card or Passport No.:</i> APA NAMA SIAPA 860101-52-1234							
13. Dokumen – dokumen disertakan / Document attached <table border="0"> <tr> <td>☐ Airway Bill No.:</td> <td>☐ Export Declaration No.:</td> </tr> <tr> <td>☒ Packing List No.:</td> <td>☒ Invoices No.:</td> </tr> <tr> <td>☐ Delivery Order No.:</td> <td>☐ Other:</td> </tr> </table>				☐ Airway Bill No.:	☐ Export Declaration No.:	☒ Packing List No.:	☒ Invoices No.:	☐ Delivery Order No.:	☐ Other:
☐ Airway Bill No.:	☐ Export Declaration No.:								
☒ Packing List No.:	☒ Invoices No.:								
☐ Delivery Order No.:	☐ Other:								
14. Jumlah bungkusan: <i>Total number of packages:</i> 8		15. Ukuran (m3): <i>Measurement (m3):</i> <i>Unit</i>							
		16. Jumlah berat secara kasar (kg): <i>Total gross weight (kg):</i> 16							
17. Jenis Barangan Item Type		18. Keterangan barangan: Description of goods:							
19. Nilai BND\$: Value BND\$:		20. Nombor inbois: Invoice No.:							
BARANGAN AM		ELECTRONIC EQUIPMENT							
365000		ABC20250922MYSY-011							
JUMLAH / TOTAL \$25.00									

21. Payment Status:	<i>Paid</i>	22. Payment Receipt: RES-092025-6972178
23. Clearance Request No.	CLR-202509-1074194	
24. Saya selaku penandatangan, mengaku keterangan diberikan dalam boring ini adalah benar dan betul dan bertanggungjawab untuk mematuhi kewajiban yang dikenakan dalam operasi transit kastam ini menurut kehendak syarat-syarat yang di tetapkan oleh Jabatan Kastam dan Eksais Diraja Negara Brunei.		
<i>I, the undersigned declare that the particulars given in this Declaration are true and correct and accept responsibility for fulfilment of the obligations incurred under this customs transit operation in accordance with the conditions prescribed by the Royal Customs and Excise Department Negara Brunei Darussalam</i>		
KESALAHAN DAN DENDA / OFFENCE AND PENALTY		
MEMBUAT PENGISYTIHARAN TIDAK BETUL / MAKING INCORRECT DECLARATIONS		
BAB 136 PERINTAH KASTAM 2006 / BAB 142 PERINTAH EKSAIS 2006 BAB 138 PERINTAH KASTAM 2006 / BAB 144 PERINTAH EKSAIS 2006 SECTION 136 CUSTOMS ORDER 2006 / SECTION 142 EXCISE ORDER 2006 SECTION 138 CUSTOMS ORDER 2006 / SECTION 144 EXCISE ORDER 2006 <u>DENDA / PENALTY</u>		
• DENDA KOMPAUN TIDAK MELEBIHI \$5,000; COMPOUND NOT EXCEEDING \$5,000; • JIKA MELEBIHI JUMLAH KOMPAUN, DENDA MAHKAMAH ADALAH JUMLAH DUTI ATAU \$40,000 (MANA-MANA YANG LEBIH TINGGI); IF EXCEEDING THE COMPOUND AMOUNT, THE PERSON SHALL BE LIABLE ON CONVICTION TO A FINE EQUIVALENT OF THE AMOUNT OF CUSTOMS DUTY PAYABLE OR \$40,000(WHICHEVER IS THE GREATER); • PENJARA TIDAK MELEBIHI SATU TAHUN ATAU KEDUA-DUANYA. IMPRISONMENT FOR A TERM NOT EXCEEDING ONE YEAR OR BOTH.		
MEMBUKA DAN MEMECAH SEGEL / REMOVAL AND BREAKING OF SEAL		
ATURAN 15 DARI ATURAN-ATURAN KASTAM (TRANSIT KASTAM), 2006 RULE 15 OF CUSTOMS (CUSTOMS TRANSIT) RULES, 2006 <u>DENDA / PENALTY</u>		
• DENDA TIDAK MELEBIHI \$16,000; FINE NOT EXCEEDING \$16,000; • PENJARA TIDAK MELEBIHI 8 BULAN ATAU KEDUA-DUANYA. IMPRISONMENT FOR A TERM NOT EXCEEDING 8 MONTHS OR BOTH.		

Tarikh: 23/09/2025

Date:

SIAPA ANAK SIAPA

860101-52-1234

TRANSPORT COMPANY SDN BHD

THIS IS A COMPUTER-GENERATED DOCUMENT. NO SIGNATURE IS REQUIRED.

6. Brunei Land Transport Department (JPD) Form for Application of Vehicle Entry Permit (VEP) for Malaysia-Registered Commercial Trucks, for purpose of Inter-State or Transit Transportation Activities in Brunei.

BORANG LINTAS BATAS
(KENDERAAN LUAR NEGARA)

JABATAN PENGANGKUTAN DARAT
KEMENTERIAN PENGANGKUTAN DAN INFOKOMUNIKASI
NEGARA BRUNEI DARUSSALAM

**BORANG PERMOHONAN UNTUK MENDAPATKAN
PERMIT KENDERAAN (VEHICLE PERMIT)**

Sila tanda ☒ jenis permohonan awda:

☐ Permohonan Permit Baru	☐ Membaharui Permit	☐ Transit	☐ Inter-State
---	--	----------------------------------	--------------------------------------

A. Keterangan Syarikat/Pesendirian

- 1) Nama Syarikat/Nama Pemohon : _____
- 2) No. Pendaftaran Syarikat/ No. Kad Pintar: _____
- 3) Alamat Persuratan: _____ Poskod: _____
- 4) Nombor Telefon Pejabat: _____ 5) Nombor Telefon Bimbit: _____
- 6) Emel: _____

B. Keterangan Kenderaan

- 1) Nombor Pendaftaran Kenderaan: _____
- 2) Tarikh Mansuh LKM (RoadTax): _____
- 3) Jenis Kenderaan: _____
- 4) Muatan Duduk Kenderaan: _____
- 5) No. Rangka / No. Chasis: _____

C. Keterangan Permit Kenderaan

- 1) Jenis Kelas Lesen: _____
- 2) Rujukan Lesen: _____
- 2) Tarikh Sah Laku: _____ (Tarikh Mula) Hingga _____ (Tarikh Mansuh)

D. Surat Sokongan (Bagi kenderaan dari Malaysia atau Indonesia sahaja)

- 1) Rujukan Lesen: _____
(Yang mana berkenaan: LKIP / JPU / MOTAC / KARTU PENGAWASAN)
- 2) Tarikh Dibenarkan: _____ (Tarikh Mula) Hingga _____ (Tarikh Mansuh)

E. Keterangan Perjalanan

- 1) Rujukan Vehicle Permit: _____
(Jika membaharui permit kenderaan)
- 2) Tarikh Perjalanan: _____ Hingga _____
- 3) Jenis Barangan/Muatan: _____
- 4) Butiran Perjalanan Dari: _____ Menuju Ke: _____
(Sila gunakan kertas tambahan jika ruangan tidak mencukupi)
- 5) Tarikh yang dipohonkan: _____ (Tarikh Mula) Hingga _____ (Tarikh Mansuh)

F. Pengakuan Pemohon

Saya mengaku bahawasanya jawapan-jawapan dan keterangan-keterangan yang saya isi dan lengkapkan di dalam pengakuan ini adalah benar. Jika saya disahkan memberi jawapan dan keterangan palsu maka saya akan didakwa di bawah Bab 177 Kanun Hukuman Jenayah (Penggai 22 Undang-Undang Negara Brunei Darussalam) dan boleh dihukum penjara bagi suatu tempoh tidak melebihi 6 bulan, denda tidak melebihi \$4,000.00 atau kedua-duanya sekali.

Tandatangan Pemohon
Nama: _____

Cop Syarikat: _____

Tarikh _____

JPD/PKKPA/RTA 63(2)

Imbas sini bagi
panduan mengisi
borang



Annex C Directory of Key Agencies and Contact Information

For data protection matters, including access requests, correction or retention disputes, at the Royal Customs and Excise Department (RCED), Brunei, you should direct inquiries to the department's main contact point. While the official designation "Data Protection Officer" may not always be explicitly listed, the following contact details are provided for such queries by the Ministry of Finance and Economy and BDNSW system:

Key Contact Details

- **Royal Customs and Excise Department, Ministry of Finance and Economy**
 - Email: [info@customs.gov.bn]
 - Telephone: +673-2382333 / +673-2382361 (Customer Services Counter)
 - Address: Customer Services Counter, Customs Headquarters, Jalan Menteri Besar, Berakas BB3910, Brunei Darussalam
 - For data protection-specific matters, indicate "Attention: Data Protection Officer" or "System Administrator" in your email or letter.
- **BDNSW System Support**
 - Email: [bdnsw.support@customs.gov.bn]
 - For portal technical support, access, or correction issues.

For sensitive or legal matters regarding personal data handling, use formal written requests and provide supporting application or reference numbers to ensure prompt handling. You can also request a meeting or direct escalation to the officer responsible for data protection within RCED if you are disputing a case related to retention, correction or access.

For access requests or document retention disputes relating to the VES or EES systems in Brunei, the responsible authority is the Royal Customs and Excise Department (RCED), Ministry of Finance and Economy. Their dedicated contacts for system and document queries are:

Primary Contact for VES / EES Data Issues

- **Royal Customs and Excise Department (RCED), Ministry of Finance and Economy**
 - Email: [info@customs.gov.bn]
 - Telephone (Customer Services Counter): +673-2382333, +673-2382361
 - Hotline (Border/Post queries): +673-8323741

- For system access, application, or retention extensions, contact during regular office hours.

For Immigration or Personal Data Retention Disputes

- **Immigration and National Registration Department**

- Email: [info@immigration.gov.bn]
- Telephone: +673-2381107, +673-2382108, +673-2383106, +673-2382430

How to Initiate a Request

- Submit a formal email stating your access request or dispute, referencing your application number, personal particulars and supporting documents.
- For unresolved issues, follow up via hotline or visit the Customer Services Counter at the Customs Headquarters, Jalan Menteri Besar, Berakas BB3910, Brunei Darussalam.

Commercial Vehicle Licensing Board (CVLB) Sarawak [Lembaga Pelesenan Kenderaan Perdagangan (LPKP) Sarawak]

Tingkat 12, Bangunan Sultan Iskandar, Jalan Simpang Tiga,
93300 Kuching, Sarawak

Tel: +6082-412073 / +6082- 413303

Fax: +6082-256757

Email: pertanyaan@lpkpsarawak.gov.my

Sibu District Branch Office:

Commercial Vehicle Licensing Board (CVLB) Sibu

Level 3, Wisma Persekutuan Blok 1, Jalan Awang Ramli Amit,
96000 Sibu, Sarawak.

Tel: +6084-343103 / +6085-322103

Fax: +6084-343940

Miri District Branch Office:

Commercial Vehicle Licensing Board (CVLB) Miri

Ground Floor, Block B, Wisma Persekutuan Fasa II, Jalan Cahaya Lopeng,
98000 Miri, Sarawak

Telephone: +6085-419876 / +6085-420641

Fax: +6085-426285

Royal Malaysian Customs Department (RMCD) – Sarawak

(Cross-Border Checkpoints)

For cross-border customs, document access, system issues or data/retention queries relating to movements between Sarawak and Brunei at **Sungai Tujuh (Miri), Tedungan, Pandaruan and Menkalap**, the primary authority is the **Royal Malaysian Customs Department (RMCD) Sarawak**.

Use the state office as the main coordination point and indicate the specific border control post in your request.

Primary Contact for RMCD Sarawak:

- **Royal Malaysian Customs Department (RMCD)
Sarawak State Director's Office**
 - Address: Wisma Kastam, Jalan Tun Abdul Rahman Yaakub, Petra Jaya, 93050 Kuching
 - General Telephone: +6082 472 133 / +6082 513 767
 - General Email: ccc@customs.gov.my
 - Website: www.customs.gov.my

For border-related matters, contact the following:

- 1. Sungai Tujuh (Miri) Customs Checkpoint:** +60 85 491 400
- 2. Tedungan Customs Checkpoint:** +60 85 213 401
- 3. Pandaruan Customs Checkpoint:** +60 85 225 037
- 4. Menkalap Customs Checkpoint:** +60 85 283320

Use this contact point for:

- Clarification or escalation of cross-border documentation issues (e.g. VES/EES equivalents, manifests, permits).
- Questions on document retention periods and access to records held at border posts.
- Requests for coordination meetings involving multiple border posts (e.g. Sungai Tujuh and Tedungan) and industry associations.

Royal Customs and Excise Department (RCED) – Brunei Cross-Border Checkpoints

For customs, data protection, access or document retention issues related to **VES/EES**, and for cross-border movements at **Sungai Tujuh (Kuala Belait), Kuala Lurah, Ujung Jalan and Labu**, the responsible authority is the **Royal Customs and Excise Department (RCED)**, Ministry of Finance and Economy, Brunei Darussalam.

Primary Contact for RCED Cross-Border Data and System Issues

- **Royal Customs and Excise Department (RCED), Ministry of Finance and Economy**
 - Address: H.M. Customs House, Jalan Menteri Besar, Berakas BB3910, Negara Brunei Darussalam
 - Telephone (HQ/): +673-2382333 / 2382361
 - Fax: +673-2382666
 - General Email: info@customs.gov.bn or info@customs.mof.gov.bn
 - Hotline (Customer Services Counter): +673-8323741
 - Website: www.tradingacrossborders.gov.bn / bdnsw.mofe.gov.bn
 - For data protection or system matters: Data Protection Officer / System Administrator (VES/EES) and
 - The relevant checkpoint (e.g. Sungai Tujuh, Kuala Lurah, Ujung Jalan, Labu)
- **Checkpoint Focus (Immigration & Border Complex)**
 - **Sungai Tujuh (Kuala Belait):**
 - Tel: +673 333 4473 / Fax: +673 333 6049
 - **Kuala Lurah:**
 - Tel: +673 268 3125 / +673 220 0655
 - Fax: +673 268 3122 / +673 268 3122
 - **Ujung Jalan:**
 - Tel: +673 522 1953 / Fax: +673 522 1293
 - **Labu:**
 - Tel: +673 524 0083 / Fax: +673 524 0082

- **BDNSW System Support**

- Email: bdnsw.support@customs.gov.bn
- Use for portal technical support, access problems, correction of system entries and other VES/EES system-related issues.

- **How to Initiate Cross-Border or Data-Related Requests (Reminder)**

- Submit a formal email or letter stating your access request, correction or retention dispute, referencing:
 - Application or declaration number,
 - Personal or company particulars, and
 - Relevant checkpoint and date/time of crossing.
- For unresolved issues, follow up via hotline or visit the Customer Services Counter at RCED HQ (Jalan Menteri Besar, Berakas BB3910).
- For disputes involving both Malaysian and Brunei authorities (e.g. VES/EES records on both sides), you should contact both administrations, quoting both RMCD Sarawak and RCED references in the correspondence so cases can be matched more quickly.

Jabatan Pengangkutan Darat (JPD) / Land Transport Department, Brunei

- **Jabatan Pengangkutan Darat (JPD) – Head Office**

- Address: Bangunan Ibu Pejabat JPD, Beribi, Jalan Gadong, BE1110 Bandar Seri Begawan.
- Telephone (HQ): +673 245 1990 / +673 245 1991
- WhatsApp (enquiry): +673 718 1641
- Fax: +673 242 4775
- Email Add: info_ltd@jpd.gov.bn
- Website: <https://www.jpd.gov.bn>

Annex D BIMP-EAGA MoU on Transit and Inter-State Transport of Goods.



MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENTS OF BRUNEI DARUSSALAM, INDONESIA, MALAYSIA AND THE PHILIPPINES ON TRANSIT AND INTER-STATE TRANSPORT OF GOODS

The Governments of Brunei Darussalam, Indonesia, Malaysia and the Philippines, hereinafter referred to individually as the "Participating Party" and collectively as "the Participating Parties", having subscribed to the establishment of Brunei Darussalam, Indonesia, Malaysia and the Philippine - East ASEAN Growth Area (BIMP-EAGA);

DESIRING to promote, develop and enhance trade and investment among the Participating Parties;

RECALLING the decision of the Third BIMP-EAGA Summit held at Cebu City in the Philippines on 12 January 2007 to further facilitate cross-border movement of people and goods through adoption of sub-regional inter-state transport and transit transport agreements;

RECALLING also the decision of the Fourth BIMP-EAGA Summit held in Singapore on 19 November 2007 to undertake specific measures to pilot-test the ASEAN Framework Agreement on the Facilitation of Goods in Transit in BIMP-EAGA by 2008;

REITERATING the objective of the BIMP-EAGA Roadmap to Development 2006-2010 to establish border arrangements that will facilitate flow of goods and people and reduce transport costs within BIMP-EAGA;

REAFFIRMING that an efficient and integrated transport system is key in hastening the establishment of the ASEAN Economic Community by 2015;

AGREEING that further strengthening of BIMP-EAGA transport agenda will contribute towards acceleration of ASEAN economic integration;

RECOGNIZING that advancing the transport linkages, including roll-on/roll-off services are pivotal towards promoting trade in BIMP-EAGA;

Without prejudice to any ongoing territorial claims between Participating Parties, existing agreements, national laws, policies and regulations, the Participating Parties have hereby agreed to the following:

1. OBJECTIVE

The objective of this Memorandum of Understanding is to facilitate inter-state transport of goods and transportation of goods in transit between and among the Participating Parties as well as to promote multimodal transport.

2. DEFINITION OF TERMS

For the purpose of this Memorandum of Understanding, the following meanings shall apply to the underlined terms:

Cabotage: The carriage of goods loaded in the territory of a participating Party for unloading at a place within the territory of the same Participating Party.

Competent Authority: Agency or agencies of the respective Participating Parties responsible for regulating transport-related matters.

Dangerous Goods: Those substances and articles which may affect the interest of environment, health, safety, and national security.

Designated Points of Entry and Exit: Designated points of entry and exit to be determined in accordance with Paragraph 6.1 of this Memorandum of Understanding.

Designated Ports of Entry and Exit: Designated ports of entry and exit for roll-on/roll-off vessels to be determined in accordance with Paragraph 6.1 of this Memorandum of Understanding.

Designated Routes: Designated transit and inter-state transport routes to be determined in accordance with Paragraph 6.1 of this Memorandum of Understanding.

Home Country: For Transport Operators, the country of establishment and for means of transport, the country of registration.

Host Country: The country where transport operation is performed.

Inter-state Transport: Transport of goods and the movement of means of transport into and/or from participating parties.

Means of Transport: Road vehicles as specified in Protocol 3 of the ASEAN Framework Agreement on the Facilitation of the Transit of Goods in Transit, including those on-board roll-on/roll-off vessels.

Multimodal Transport: Transportation which combines two or more modes of transport such as air, road, rail or sea.

Perishable Goods: Fruits, vegetables, egg products and Fresh, chilled or frozen fish, crustacean, mollusks, meat or poultry, dairy and dairy products, eggs and swine and pork.

Third countries: Countries that are not participating parties to this Memorandum of Understanding.

Transit Country: The country of a participating party through which traffic in transit passes.

Transit Transport: Transit of goods and means of transport across the territory of one or more participating parties, when the passage across such territory or territories, with or without transshipment, warehousing, breaking bulk or change in the mode of transport, is only a portion of a complete journey beginning and terminating beyond the frontier of one or more participating parties across whose territory the traffic passes.

Transit Vehicles: The means of transport performing transit transport.

Transport Crew: People engaged in transport operation, i.e., drivers and crew who are on board the means of transport.

Transport Operator: Licensed legal entity which carries goods by means of transport for hire and/or financial reward.

Unladen journey: A portion of transport operation where no goods are being carried on board the means of transport.

3. SCOPE OF APPLICATION

3.1 This Memorandum of Understanding shall apply to transit and inter-state transport of goods by means of transport between and among the territories of the Participating Parties and/or in transit through the territory of another Participating Party that are:

3.1.1. Carried out by transport operators for hire and/or financial reward established in the country of a Participating Party in accordance with its laws and holding a license to undertake carriage of goods; and

3.1.2. Using means of transport registered in the Participating Party where the transport operator is established; or

3.1.3. Using vehicles hired by a transport operator not registered in the Participating Party where the transport operator is established but registered in another Participating Party.

3.2. Paragraph 3.1 of this Memorandum of Understanding shall also apply to unladen journey and transport.

4. ADMITTANCE OF VEHICLES INTO THE TERRITORY OF OTHER PARTICIPATING PARTIES

4.1. Identification Marks, Certificate of Registration and Registration Plate

Vehicles in cross-border traffic shall be registered in their Home Country. They shall bear identification marks (trademark of manufacturer, chassis and engine serial number), carry a valid certificate of registration issued by the Competent Authority of its Home Country and display their registration number on a plate in the rear and the front. Each Participating Party shall recognize the vehicle registration certificate and registration plate issued by the Competent Authority of the other Participating Parties.

4.2. Technical Conditions

- 4.2.1. Vehicles travelling to the territory of other Participating Parties must comply with the road safety requirements and equipment safety and emissions standards laid down in the Transit Country and Host Country. They must also comply with the technical standards on weights, axle loads, and dimensions in force in the Transit Country and Host Country.
- 4.2.2. Operation of right and left hand-drive road vehicles is allowed provided that special permit for such operation is obtained from the Transit Country and Host Country;
- 4.2.3. The age of the vehicles should not exceed fifteen (15) years and be certified by the Competent Authority of the Home Country.

4.3. Technical Inspection Certificate

Vehicles travelling to the territory of other Participating parties shall be road worthy. The Home Country is responsible for the supervision of the roadworthiness of the vehicles in its territory, based on which it will issue a technical inspection certificate. The other participating Parties will recognize such technical inspection certificate in accordance with the Agreement on the Recognition of Commercial Vehicle Inspection Certificates for Goods Vehicles and Public Service Vehicles Issued by ASEAN Member Countries signed at Singapore on 10 September 1998.

4.4. Compulsory Third-Party Motor Vehicle Liability Insurance

Vehicles travelling to the territory of other participating parties shall comply with the compulsory third-party motor vehicle liability insurance required in the Transit Country and Host Country so as to be adequately insured against death or bodily injuries and/or property damages arising from road traffic accidents in the territories of the other Participating Parties.

4.5. Driving License

The Participating Parties shall recognize driving licenses issued by all other Participating Parties in accordance with the Agreement on the Recognition of Domestic Driving Licenses issued by ASEAN Countries signed at Kuala Lumpur in Malaysia on 9 July 1985.

4.6. Vehicle Permit

Vehicles travelling to the territory of other Participating Parties shall be required to secure a vehicle permit from the Host Country and Home Country, and where applicable from the Transit Country. Such permit should be valid for one (1) year. The number of permits issued shall be determined by market forces for transport.

4.7. Body Marking, Advertisements and Sticker on the Vehicle

Only company's name, country, approved routes and the permit/license and tourism advertisement approved by the Home Country are allowed on the body of the vehicles. Any use by the Transport Operators of the Home Country of any name, logo and/or emblem of any of other Participating parties shall have prior written approval by the other relevant participating parties.

4.8. Immigration Requirement

- 4.8.1. The Transport Crew shall possess a valid passport or international travel document in lieu of the passport and shall meet the visa requirements of the Transit Country and Host Country, unless exempted in accordance with bilateral or regional agreement or Transit Country and Host Country laws and regulations.
- 4.8.2. The Participating Parties shall exempt citizens of any other Participating Parties holding valid passports from visa requirement for a period of stay from the date of entry as determined by the Participating parties in accordance with the ASEAN Framework Agreement on Visa Exemption signed at Kuala Lumpur in Malaysia on 25 July 2006.

5. TRAFFIC RIGHTS AND MARKET ACCESS

- 5.1. Transport Operators established in one participating party may undertake the following transport operations:
 - 5.1.1. Transit Transport in accordance with the ASEAN Framework Agreement on the Facilitation of Goods in Transit signed at Hanoi in Viet Nam on 16 December 1998;
 - 5.1.2. Load and unload third countries' goods destined for or coming from Participating Parties in accordance with the ASEAN Framework Agreement on the Facilitation of Goods in Transit signed at Hanoi in Viet Nam on 16 December 1998;
 - 5.1.3. Transport of goods into and/or from the territories of other Participating Parties in accordance with the ASEAN Framework Agreement on the Facilitation of Inter-State Transport signed at Manila in Philippines on 4 November 2008; and
 - 5.1.4. Load and unload goods destined for or coming from other Participating Parties in accordance with the ASEAN Framework Agreement on the Facilitation of Inter-State Transport signed at Manila in Philippines on 4 November 2008.
- 5.2. Notwithstanding Paragraph 5.1, the number of transit and inter-state transport vehicles under this Memorandum of Understanding shall be further negotiated and agreed between the Participating Parties based on market forces.
- 5.3. Transit vehicles, including those on unladen journey, should be given free access during transit.
- 5.4. Cabotage shall only be permitted upon special authorization from the Host Country.

6. DESIGNATION OF POINTS AND PORTS OF ENTRY AND EXIT AND TRANSIT AND INTER-STATE ROUTES

- 6.1. Immediately after the signing of the Memorandum of Understanding, the Participating Parties shall enter into negotiations on the designated points and ports of entry and exit, inter-state transport and transit transport routes and the standard operating procedures for the implementation of this Memorandum of Understanding.
- 6.2. The list of transit transport routes as specified in the Annex of Protocol 1: Designation of Transit Transport Routes and Facilities under the ASEAN Framework Agreement on Facilitation of Goods in Transit, signed at Bangkok in Thailand on 8 February 2007, shall be used as a basis for the negotiations of the designated inter-state transport and transit transport routes for the purpose of this Memorandum of Understanding.
- 6.3. The agreed points and ports of entry and exit, inter-state transport and transit transport routes shall be annexed to this Memorandum of Understanding and shall form an integral part of this Memorandum of Understanding.

7. OTHER OBLIGATIONS ON ROAD SAFETY STANDARD

The Participating Parties shall ensure that the Transport Operators:

- 7.1. take all measures to ensure that the transport services provided are in compliance with the road safety standards in force under the laws of the Transit Country and Host Country; and
- 7.2. have two (2) drivers for a stretch of 300 kilometres or more, or a driving duration of four (4) hours or more to prevent driver fatigue.

8. REPRESENTATIVE OFFICE

Subject to national laws, regulations and policies, the Transit Country and/or Host Country may require Transport Operators to:

- 8.1. establish representative office(s) or appoint agent(s) in the Transit Country and Host Country; and
- 8.2. hire local resident(s) of the Transit Country and Host Country at such representative office(s).

9. MULTIMODAL TRANSPORT

All Participating Parties shall in a timely manner ratify and implement the ASEAN Framework Agreement on Multimodal Transport⁷ signed at Vientiane in Lao PDR on 17 November 2005 to ensure that an efficient, integrated and reliable international transport logistics service industry is in place to support and spearhead transit and inter-state transport of goods in BIMP-EAGA.

⁷ The ASEAN Framework Agreement on Multimodal Transport force after two ASEAN Member Countries have ratified it. It shall become effective among the Member Countries that have ratified it.

10. TRANSPORT PRICING

The transport price shall be best determined by market forces and mutual agreement by Transport Operators. The Participating Parties shall ensure that Transport Operators refrain from any measures or practices that tend to distort free and fair competition.

11. FACILITATION OF BORDER CROSSING FORMALITIES

11.1. The Participating Parties shall facilitate and secure transit and inter-state traffic through the simplification, streamlining and harmonization of customs import, export and transit procedures as well as sanitary and phytosanitary measures at the designated entry and exit points in accordance with existing regional agreements and international standards and best practices;

11.2. The Participating Parties shall endeavour to:

11.2.1. Establish in-land ports/depots at control points, where appropriate;

11.2.2. Ensure that adequate manpower resources are made available for speedy completion and clearance of frontier formalities such as immigration, customs, health and foreign exchange controls;

11.2.3. Coordinate working hours of adjacent posts; and

11.2.4. Provide adequate parking space for containers and for vehicles awaiting goods clearance, and other necessary facilities and amenities.

12. CARRIAGE OF DANGEROUS AND PROHIBITED/RESTRICTED GOODS

12.1. Carriage of dangerous goods as specified in Protocol 9 to the ASEAN Framework Agreement on the Facilitation of Goods in Transit, shall not be permitted under this Memorandum of Understanding, unless there is a special permit of the Participating party in whose territory the transport is performed.

12.2. Carriage of prohibited and/or restricted goods as specified in Protocol 7 to the ASEAN Framework Agreement on the Facilitation of Goods in Transit, shall not be permitted under this Memorandum of Understanding.

13. CARRIAGE OF PERISHABLE GOODS

Subject to national laws, policies and regulations of the Transit Country and Host Country, carriage of perishable goods for the intention of trade/business shall be permitted under this Memorandum of Understanding.

14. SAFETY AND SECURITY

All Participating Parties shall ensure the safety and security of the transport crew, goods and means of transport, through coordination and cooperation among the authorities concerned and to render all necessary assistance in the event of accidents, casualties or emergencies.

15. RELATIONSHIP WITH OTHER AGREEMENTS

This Memorandum of Understanding shall be read together with existing land, air and sea transport memoranda of understanding and/or agreements between and among the Participating Parties and any amendments thereto.

16. CONSULTATION

- 16.1. In the ASEAN spirit of solidarity and cooperation, the Participating Parties shall consult each other from time to time in ensuring the full implementation of this Memorandum of Understanding.
- 16.2. The National Transit-Transport Coordinating Committee, established under Article 29 of the ASEAN Framework Agreement on the Facilitation of Goods in Transit signed at Hanoi in Viet Nam on 16 December 1998, of each Participating Party shall also be responsible for the coordination and implementation of this Memorandum of Understanding.⁸

17. REVIEW AND AMENDMENT

- 17.1. This Memorandum of Understanding may be revised, modified or amended by the Participating Parties as and when needed to ensure its effective implementation.
- 17.2. A Participating Party may request in writing any revision, modification or amendment of all or any part of this Memorandum of Understanding. Such revision, modification or amendment shall be mutually agreed upon, in written form by all the Participating Parties and shall form an integral part of this Memorandum of Understanding. Such revision, modification or amendment shall enter into force on such date as may be agreed upon in writing by all the Participating Parties. Any revision, modification or amendment shall not prejudice the rights and obligations arising from or based on this Memorandum of Understanding before or up to the date of such revision, modification or amendment.

18. SETTLEMENT OF DISPUTE

Any disputes or differences arising out of the interpretation or implementation or application of the provisions of this Memorandum of Understanding shall be settled amicably through consultation or negotiation between the Participating Parties.

19. ENTRY INTO FORCE AND DURATION

This Memorandum of Understanding shall enter into force on the date of its signing and shall remain in force until terminated in accordance with Article 21.

20. WITHDRAWAL

Any Participating Party may withdraw from this Memorandum of Understanding by written notification to all the other Participating Parties at least six (6) months prior to

⁸ To date all ASEAN Member Countries have established their respective National Transit Transport Coordinating Committee

such withdrawal. If a Participating Party withdraws, this Memorandum of Understanding shall remain in force for the remaining Participating Parties.

21. TERMINATION

21.1. This Memorandum of Understanding shall remain in force until all of the Participating Parties, or the remaining Participating Parties, if any Participating Party has withdrawn from this Memorandum of Understanding in accordance with Article 20, agree to terminate the same in writing.

21.2. This Memorandum of Understanding shall automatically terminate where three (3) of the Participating Parties has withdrawn from this Memorandum of Understanding in accordance with Article 20.

In witness whereof, the undersigned, being duly authorized to sign by their respective Governments, have signed this Memorandum of Understanding.

Done at Manado, North Sulawesi in Indonesia on 25 June 2009

For the Government of Brunei Darussalam

PEHIN DATO ABU BAKAR APONG
Minister of Communications

For the Government of Republic of Indonesia

MR. JUSMAN STAFII DJAMAL
Minister for Transportation

For the Government of Malaysia

DATUK ABDUL RAHIM BAKRI
Deputy Minister of Transport

For the Government of the Philippines

ANNELI R. LONTOC
Under-Secretary of the Department of Transportation and Communication

Annex E Asean Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT)



ASEAN FRAMEWORK AGREEMENT ON THE FACILITATION OF GOOD IN TRANSIT

PREAMBLE

The Members of the Association of Southeast Asian Nations (hereinafter referred to as "Contracting Parties");

INSPIRED to maintain, further develop and strengthen friendly relations and cooperation between their countries;

REITERATING their commitment to foster smooth, rapid and efficient movement of goods between and among Contracting Parties;

RECALLING the decisions of the First ASEAN Informal Summit held on 30 November 1996 in Jakarta and the Second ASEAN Informal Summit held on 15 December 1997 in Kuala Lumpur, to cooperate in the area of facilitation of goods in transit and to expeditiously study the necessary measures to facilitate the transportation of goods both in transit and inter-State, covering land, maritime and air links, respectively;

NOTING Article V of the General Agreement on Tariffs and Trade (GATT 1994) on "Freedom of Transit" and other relevant international conventions on goods in transit;

AGREEING that the ASEAN Framework Agreement on the Facilitation of Goods in Transit (hereinafter referred to as "this Agreement") provides the most effective arrangement for facilitating inter-State traffic and transit transport among ASEAN countries;

UNDERTAKING to encourage and facilitate inter-State traffic and transit transport among the Contracting Parties;

HAVE AGREED AS FOLLOWS:

Article 1 Objectives

The objectives of this Agreement are:

- a. to facilitate transportation of goods in transit, to support the implementation of the ASEAN Free Trade Area and to further integrate the region's economies;
- b. to simplify and harmonize transport, trade and customs regulations and requirements for the purpose of facilitation of goods in transit; and
- c. to establish an effective, efficient, integrated and harmonized transit transport system in ASEAN.

Article 2

Principles

The Contracting Parties shall be guided by the following principles under this Agreement:

- a. Most Favoured Nation Treatment: Contracting Parties shall accord to transit transport to or from the territory of any other Contracting Parties treatment no less favourable than the treatment accorded to transit transport to or from any other country;
- b. National Treatment: Contracting Parties shall accord to products which have been in transit through the territory of any other Contracting Party treatment no less favourable than that which would have been accorded to such products had they been transported from their place of origin to their destination without going through the territory of such other Contracting Party;
- c. Consistency: Contracting Parties shall ensure the consistent application of the relevant laws and regulations, procedures and administration guidelines and other rulings within each Contracting Party;
- d. Simplicity: Contracting Parties shall endeavour to ensure the simplification of all transit transport procedures and requirements in ASEAN;
- e. Transparency: Contracting Parties shall make all laws, regulations, procedures and administrative notifications pertaining to the relevant authorities publicly available in a prompt, transparent and readily accessible manner;
- f. Efficiency: Contracting Parties shall ensure the efficient and effective administration of transit transport to facilitate movement of goods in transit;
- g. Appeals: Contracting Parties shall ensure that an effective mechanism for the review of the decisions by the relevant authorities of Contracting Parties is made available and accessible to users and providers of transit transport within ASEAN; and
- h. Mutual Assistance: Contracting Parties shall endeavour their utmost cooperation and mutual assistance between the concerned agencies involved in the facilitation of goods in transit in ASEAN.

PART I

General Provisions

Article 3

Definitions

For the purposes of this Agreement:

- a. "Transit transport" means transit of goods and means of transport across the territory of one or more Contracting Parties, when the passage across such territory or territories, with or without transshipment, warehousing, breaking bulk or change in the mode of transport, is only a portion of a complete journey beginning and terminating beyond the frontier of one or more Contracting Parties across whose territory the traffic passes;
- b. "Internal transport" means the carriage of goods loaded in the territory of a Contracting Party for unloading at a place within the territory of the same Contracting Party;
- c. "Means of transport" means road vehicles, railway rolling stock, sea and inland waterways craft and aircraft;

- d. "Dangerous goods" means those substances and articles which may affect the interest of environment, health, safety and national security;
- e. "Perishable goods" means fresh, chilled or frozen fish, crustacean, molluscs, fruits, vegetables, chilled or frozen meat or poultry, dairy and dairy products, eggs and egg products and swine and pork products; and
- f. "Secretary-General" means Secretary-General of the Association of Southeast Asian Nations.

Article 4 **Scope of Application**

1. The provisions of this Agreement shall apply to transit transport.
2. Inter-State transport shall be agreed upon by all the Contracting Parties. For this purpose, the Contracting Parties shall enter into negotiations and expeditiously conclude a separate ASEAN Framework Agreement on the Facilitation of Inter-State Transport.

Article 5 **Grant of Rights**

1. Subject to the provisions of this Agreement, each Contracting Party shall grant to other Contracting Parties:
 - a. the right of transit transport; and
 - b. the right to load and discharge third countries' goods destined for or coming from Contracting Parties.
2. The Contracting Parties, through whose territory the transit transport takes place, will endeavour to provide facilities for transit transport in accordance with the provisions of this Agreement.
3. Transit Transport shall not be subject to any unnecessary delays or restrictions and shall be exempt from customs duties, taxes and other charges except charges for specific services rendered in connection with such transport.
4. Goods carried in sealed road vehicles, combination of vehicles or container shall not be subjected to examination at Customs offices en route. However, to prevent abuses such as smuggling and fraud, Customs authorities of either Contracting Party, may in exceptional cases and particularly when irregularity is suspected, carry out an examination of the goods at such offices or other areas designated by Customs authorities.

PART II **DESIGNATION OF TRANSIT TRANSPORT ROUTES**

Article 6 **Designation of Transit Transport Routes and Facilities**

1. The Contracting Parties shall adopt a list of designated transit transport routes to be specified in Protocol 1 of this Agreement.
2. For the benefit of safety, the Contracting Parties shall endeavour to provide in their territories vehicle rest areas on these specified routes at appropriate intervals.

Article 7 **Frontier Facilities**

1. The Contracting Parties agree to designate frontier posts at border points to be specified in Protocol 2 to facilitate transit transport.

2. The Contracting Parties shall provide adequate facilities and related installations at frontier posts over the transit transport routes.
3. The Contracting Parties shall endeavour to:
 - a. Provide, whenever possible and within their national jurisdiction, frontier posts which are physically adjacent to those of other Contracting Parties concerned with control areas with checking requirements in order to facilitate the clearance and examination of the means of transport and goods in transit, so that repeated unloading and reloading of these goods may be avoided. Nothing shall prevent two or more Contracting Parties from conducting joint examination at the same place by officials of these Contracting Parties;
 - b. Ensure that adequate manpower resources are made available for the speedy completion and clearance of frontier formalities, such as immigration, customs, health and foreign exchange controls;
 - c. Allow goods in transit to be temporarily stored in approved places;
 - d. Coordinate working hours of adjacent posts; and
 - e. Provide, wherever possible, adequate parking space for containers and for vehicles awaiting goods clearance.
4. The Contracting Parties agree to be guided, wherever possible, by the provisions of the International Convention on Harmonization of Frontier Control of Goods, signed at Geneva on 21 October 1982, in their efforts to harmonise frontier facilities for goods in transit.

PART III GENERAL CONDITIONS FOR ROAD TRANSPORT

Article 8 Traffic Regulations

The Contracting Parties shall endeavour to take appropriate measures to ensure the harmonization of road traffic regulations in force in their territories conform in substance to the provisions of the Convention on Road Traffic, signed at Vienna on 8 November 1968 and the Convention on Road Sign and Signals, signed at Vienna on 8 November 1968.

Article 9 Transit Transport Services

1. Each Contracting Party shall allow the use of means of transport registered in other Contracting Parties to provide transit transport services on its territory in accordance with Article 5 of this Agreement.
2. The type and quantity of road vehicles to be used for transit transport shall be agreed upon between all Contracting Parties, to be specified in Protocol 3, before the transport services are inaugurated. Thereafter, the type and quantity of road vehicles shall be discussed from time to time between the Contracting Parties.

Article 10 Road Transport Permits

The Contracting Parties undertake to harmonize road transport permit requirements in order to facilitate transit transport.

Article 11
Technical Requirements of Vehicles

Means of transport used in road transit transport shall conform to the technical requirements regarding vehicle dimensions, maximum weights and loads, emission standards and related matters to be specified in Protocol 4.

Article 12
Mutual Recognition of Inspection Certificates

1. The Contracting Parties undertake to institute periodic inspection of road vehicles registered in each respective territory and used for transit transport operations.
2. The Contracting Parties shall recognize periodic inspection certificates of road vehicles used for transit transport issued by the other Contracting Parties, in accordance with the Agreement on the Recognition of Commercial Vehicle Inspection Certificates for Goods Vehicles and Public Service Vehicles Issued by ASEAN Member Countries signed at Singapore on 10 September 1998.

Article 13
Mutual Recognition of Driving Licenses

The Contracting Parties shall recognize domestic driving licenses issued by all other Contracting Parties in accordance with the Agreement on the Recognition of Domestic Driving Licenses Issued by ASEAN Countries signed at Kuala Lumpur on 9 July 1985.

Article 14
Motor Vehicle Third-Party Insurance Scheme

1. The road vehicle entering the territory of the other Contracting Party shall strictly comply with the laws and regulations related to third-party insurance covering for the insurance of their means of transport to cover third-party liability incurred in the course of transit transport.
2. The Contracting Parties undertake to harmonize or establish a common ASEAN scheme of compulsory motor vehicle third-party liability insurance to be specified in Protocol 5.
3. The ASEAN scheme of compulsory motor vehicle third-party liability insurance shall provide, at least, all the guarantees required by the laws and regulations governing compulsory motor vehicle third-party insurance in the Contracting Parties.

Article 15
Charges and Other Financial Obligations

The Contracting Parties endeavour to simplify, consolidate and harmonize charges and other financial obligations which are levied on the means of transport.

PART IV
GENERAL CONDITIONS FOR RAIL TRANSPORT

Article 16
Connecting and Transit Services

1. Connecting and transit services on railway lines linking the territories of the Contracting Parties shall be performed at designated interchange stations.
2. Border stations, interchange stations and type and quantity of rolling stock shall be designated in Protocol 6. The Protocol shall also specify basic operational arrangements relating to such matters as technical inspection of rolling stock.

3. The Contracting Parties shall encourage their railways to conclude inter-railway agreements, including arrangements for the acceptance of technical inspection of rolling stock, which are consistent with the provisions of this Agreement and its Protocols.

PART V CUSTOMS CONTROL, SANITARY AND PHYTOSANITARY MEASURES

Article 17

Harmonization and Simplification of Customs Procedures

1. The Contracting Parties shall simplify and, whenever possible, harmonize the customs control procedures of transit transport to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.
2. The Contracting Parties shall facilitate joint customs inspection, wherever possible, of transit transport at their designated frontier points.
3. The Contracting Parties agree to be guided, whenever possible, by the standards and recommended practices of Annex E1 concerning Customs Transit of the International Convention on the Simplification and Harmonization of Customs Procedures, concluded at Kyoto on 18 May 1973, as amended, under the auspices of the World Customs Organization.

Article 18

Establishment of a Customs Transit System

1. The Contracting Parties shall establish a customs transit system for the purposes of facilitating the movement of goods in their territories.
2. The Contracting Parties agree to apply the customs transit system to be specified in Protocol 7.

Article 19

Establishment of Sanitary and Phytosanitary Measures

The Contracting Parties shall establish sanitary and phytosanitary measures to be specified in Protocol 8, to facilitate the movement of goods in their territories and ensure compliance with the laws and regulations which the relevant authorities are responsible for enforcing.

PART VI MISCELLANEOUS PROVISIONS

Article 20

Special Provisions on Transport of Dangerous Goods

Transit transport of dangerous goods to be specified in Protocol 9 shall not be permitted under this Agreement, unless there is a special permit of the Contracting Party in whose territory the transportation is undertaken.

Article 21

Special Provisions on Transport of Prohibited and/or Restricted Goods

Transit transport of goods prohibited and/or restricted in the transit territory of a Contracting Party, to be specified in Protocol 7, shall not be permitted under this Agreement.

Article 22

Special Provisions on Transport of Perishable Goods

Subject to the provisions of this Agreement, the Contracting Parties shall endeavour to facilitate transport of perishable goods.

Article 23

Provision of Greater Facilities

This Agreement does not entail in any way the withdrawal of transit facilities which are greater than those provided for in this Agreement as long as the terms and conditions are consistent with the principles embodied in this Agreement. This Agreement also does not preclude the granting of greater facilities, which may be agreed between Contracting Parties in the future.

Article 24

Domestic Legislation

1. Domestic legislation and regulations relating to transport of goods shall, in so far as this Agreement and its Protocols do not lay down, apply equally and without discrimination to transit transport.
2. The Contracting Parties endeavour to harmonize and simplify their rules, regulations and administrative procedures relating to transit transport in accordance with the provisions of this Agreement.

Article 25

Working Groups

After the signing of this Agreement, related Working Groups shall be established or designated, to conclude the Protocols which shall form integral parts of this Agreement. These are:

Protocol 1 Designation of Transit Transport Routes and Facilities
Protocol 2 Designation of Frontier Posts
Protocol 3 Types and Quantity of Road Vehicles
Protocol 4 Technical Requirements of Vehicles
Protocol 5 ASEAN Scheme of Compulsory Motor Vehicle Third-Party Liability Insurance
Protocol 6 Railways Border and Interchange Stations
Protocol 7 Customs Transit System
Protocol 8 Sanitary and Phytosanitary Measures
Protocol 9 Dangerous Goods

Article 26

Compliance with National Laws

Except where otherwise provided in Agreements between the Contracting Parties, including this Agreement:

- a. means of transport of one Contracting Party including persons and goods shall, when in the territory of the other Contracting Party, comply with national laws and regulations in force in that territory; and
- b. neither of the Parties shall impose on persons or goods of the other Contracting Party requirements which are more restrictive than those applied by its national laws and regulations on its own means of transport.

Article 27

Transparency

1. The Contracting Parties shall ensure transparency of its respective laws, regulations and administrative procedures which affect the facilitation of transit transport of goods under this Agreement and its Protocols.

2. For this purpose, all Contracting Parties shall deposit with the ASEAN Secretariat, not later than six months after this Agreement has entered into force, their aforementioned laws, regulations and administrative procedures.
3. If the aforementioned documents are not in the English language, their English translation shall also be deposited within one year after this Agreement has entered into force.

Article 28 **Assistance for Traffic Accidents**

Should the means of transport of one Contracting Party including persons and goods be involved in traffic accidents in the territory of another Contracting Party, the latter shall provide all possible assistance to the means of transport, including persons and goods and notify the appropriate authorities of the Contracting Party concerned as soon as possible.

PART VII **INSTITUTIONAL ARRANGEMENTS**

Article 29 **Institutional Arrangements**

1. A National Transit Transport Coordinating Committee shall be established in each of the Contracting Parties for the effective and efficient coordination and implementation of this Agreement.
2. A Transit Transport Coordinating Board shall be established and composed of senior official nominated from each Contracting Party and a representative of the ASEAN Secretariat, to oversee the overall coordination and implementation of this Agreement. The Board is also authorized to invite and seek the assistance of other relevant ASEAN coordinating bodies, for all matters related to the implementation of this Agreement.
3. The Transit Transport Coordinating Board shall make periodic reports on the implementation of this Agreement and seek appropriate guidance on significant issues as necessary, from the relevant ASEAN Ministerial bodies.
4. The ASEAN Secretariat shall assist the Transit Transport Coordinating Board in its functions and responsibilities under this Agreement and in particular, in the monitoring and reporting of the progress of the implementation of this Agreement. The ASEAN Secretariat shall submit evaluation reports to the Transit Transport Coordinating Board, for further action.

PART VIII **FINAL CLAUSES**

Article 30 **Dispute Settlement**

The provisions of the ASEAN Protocol on Dispute Settlement Mechanism, done at Manila on 20th day of November 1996, shall apply to consultation and the settlement of disputes under this Agreement.

Article 31 **Accession of New Members**

New Members of ASEAN shall accede to this Agreement on terms and conditions consistent with it and which have been agreed between them and the existing Members of ASEAN. Accession shall be through the signing and deposit of the Instrument of Accession of this

Agreement with the Secretary - General of ASEAN, who shall promptly furnish each Contracting Party a certified true copy thereof.

Article 32
Other Agreements in Force

This Agreement or any actions taken thereto shall not affect the rights and obligations of the Contracting Parties under any existing agreements or International Conventions to which they are also Contracting Parties.

Article 33
Final Provisions

1. This Agreement is subject to ratification or acceptance by the Contracting Parties.
2. The Instrument of Ratification or Acceptance shall be deposited with the Secretary-General of ASEAN who shall promptly inform each Contracting Party of such deposit.
3. This Agreement shall enter into force upon the deposit of Instruments of Ratification or Acceptance by all Contracting Parties with the Secretary-General of ASEAN.
4. No reservations may be made to this Agreement either at the time of signature or ratification.
5. Any amendment to the provisions of this Agreement shall be effected by consent of all the Contracting Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorized to sign by their respective Governments, have signed the ASEAN Framework Agreement on the Facilitation of Goods in Transit.

DONE at Hanoi, Vietnam on the 16th day of December 1998, in a single copy in the English language.

For the Government of Brunei Darussalam:
ABDUL RAHMAN TAIB
Minister of Industry and Primary Resources

For the Government of the Republic of Indonesia:
GINANJAR KARTASASMITA
Coordinating Minister for Economy, Finance and Industry

For the Government of the Lao People's Democratic Republic:
SOULIVONG DARAVONG
Minister of Industry and Handicrafts

For the Government of Malaysia:
RAFIDAH AZIZ
Minister of International Trade and Industry



For the Government of the Union of Myanmar:
BRIG. GEN. DAVID O. ABEL
Minister at the Office of the Chairman of the State Peace and Development Council

For the Government of the Republic of the Philippines:
JOSE TRINIDAD PARDO,
Secretary of Trade and Industry

For the Government of the Republic of Singapore:
LEE YOCK SUAN
Minister for Trade and Industry

For the Government of the Kingdom of Thailand:
SURIN PITSUWAN
Minister of Foreign Affairs

For the Government of the Socialist Republic of Viet Nam:
TRUONG DINH TUYEN
Minister of Trade

Annex F ASEAN CUSTOMS TRANSIT SYSTEM (ACTS)



PROTOCOL 7 ASEAN CUSTOMS TRANSIT SYSTEM

Signed in Bangkok, Thailand on 24 February 2015

The Governments of Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, the Lao People's Democratic Republic, Malaysia, the Republic of the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand and the Socialist Republic of Viet Nam, Member States of the Association of South East Asian Nations (ASEAN) (hereinafter referred to singularly as "Contracting Party" and collectively as "Contracting Parties");

RECALLING the ASEAN Framework Agreement on the Facilitation of Goods in Transit signed on 16 December 1998 in Ha Noi, Viet Nam (hereinafter referred to as "the Agreement");

RECOGNISING that Articles 18 and 25 thereof provide for the conclusion of implementing Protocols which shall form integral parts of the Agreement;

RECALLING that the ASEAN Customs Transit System works towards the establishment of the ASEAN Economic Community as stipulated in the ASEAN Economic Community Blueprint;

DESIRING to encourage and facilitate inter-state and transit transport operations among the Contracting Parties;

REITERATING that the conclusion of this Protocol shall provide for the efficient and effective arrangement for transit trade among the Contracting Parties;

HAVE AGREED as follows:

Article 1 Definitions

For the purpose of this Protocol:

- (a) "ASEAN Customs Transit System" or "ACTS" means the Customs system of transit transport under Customs control to facilitate the movement of goods across the territory of one or more Contracting Parties established under this Protocol, when the passage across such a territory or territories is only a portion of a complete journey beginning and terminating beyond the frontier of one or more Contracting Parties across whose territory the traffic passes;
- (b) "ACTS procedure" means the rules and procedures governing the ACTS as specified in this Protocol and its Technical Appendix;
- (c) "Competent authorities" means the Customs authority or any other authority responsible for applying the provisions of this Protocol;

- (d) "Customs" means Customs authorities of the Contracting Parties;
- (e) "Customs debt" means the Customs duties, taxes and charges which may be incurred in respect of goods placed under the ACTS procedure;
- (f) "Customs office of departure" means any Customs office at which a transit operation commences;
- (g) "Customs office of destination" means any Customs office at which a transit operation is terminated;
- (h) "Customs office of transit" means any Customs office at the point of exit from or entry into a Contracting Party in the context of a transit operation;
- (i) "Customs transit declaration" means the declaration to be lodged by the Principal to the Customs office of departure to place goods under the ACTS procedure;
- (j) "Data-processing techniques" means the introduction of information required for completion of the formalities concerned into the data-processing systems of the competent authorities or the exchange of electronic standard messages with the competent authorities;
- (k) "Guarantor" means any natural or legal third person who undertakes in writing to pay jointly and severally with the Principal any potential Customs debt up to the amount guaranteed;
- (l) "Office of guarantee" means the office(s) designated by a Contracting Party to manage arrangements in that country for the authorisation of guarantors and supervision of guarantees covering transit operations;
- (m) "Principal" means the person who places goods under the ACTS procedure, even where this is done by an authorised representative;
- (n) "Transit operation" means the transport of goods from a Customs office of departure to a Customs office of destination under the ACTS procedure.

Article 2

Scope of Application

Pursuant to Article 18.1 of the Agreement, the Contracting Parties hereby agree to establish the ACTS and to apply the provisions of this Protocol to the transit of goods in their territories.

Article 3

General Provisions

1. Without prejudice to paragraphs 2 and 3 of this Article, each Contracting Party shall allow goods to be transported across its territory under the ACTS procedure.
2. Contracting Parties may prohibit and/or restrict certain goods from the use of the ACTS, where this is justified on the grounds of public morality, public policy or public security, the protection of health and life of humans, animals or plants, the protection of national treasures possessing artistic, historical or archaeological value, or the protection of industrial or commercial property.
3. After the signing of this Protocol, the list of prohibited and/or restricted goods for each Contracting Party shall be specified in an Annex to this Protocol. Each Contracting Party may amend its list of prohibited and/or restricted goods by promptly notifying the Secretary-General of ASEAN of the amendments. The Secretary-General of ASEAN shall promptly communicate the updated Annex to the Contracting Parties.

4. Goods placed under the ACTS procedure shall not be subject to the payment of duties and taxes, other than charges for transportation or those commensurate with administrative expenses entailed by transit or with the cost of services rendered, provided that the provisions of the ACTS are observed and any security required under Article 5 of this Protocol has been furnished. This provision, however, does not prevent:
 - (a) the collection of duties and taxes in the country of exportation when such duties and taxes remain due whether the goods are exported under transit or under a national exportation procedure; or
 - (b) the collection of duties and taxes in a country of destination when the transit operation is terminated and the goods are cleared for home use.
5. The conditions to be fulfilled and Customs formalities to be applied to a transit operation shall be specified in national legislation and/or administrative notices issued by the competent authorities.
6. As a general rule, goods placed under the ACTS procedure shall be exempt from:
 - (a) routine physical Customs inspections en route other than inspection of seals and non-intrusive inspection;
 - (b) Customs escorts; and
 - (c) the requirement to provide any security or bond in addition to that prescribed under this Protocol and its Technical Appendix.
7. Contracting Parties will promote the use of information and communication technology systems and risk management techniques as regards all provisions introduced to manage the ACTS to ensure the most efficient management environment for both Customs and the traders.

Article 4 Customs Transit Declaration

1. A Customs transit declaration shall be made by the Principal or his authorised representative for goods to be placed under the ACTS procedure.
2. The Customs transit declaration and the Transit Accompanying Document for the purposes of the ACTS procedure shall be in accordance with the Technical Appendix to this Protocol.

Article 5 Security for Customs Debt

1. In order to ensure payment of Customs debt which may be incurred in respect of the goods placed under the ACTS procedure and except where otherwise provided for, a transit operation shall be covered by a guarantee valid for all Contracting Parties involved in that operation.
2. The guarantee shall be furnished by the Principal and the maximum sum shall not exceed the potential Customs debt due.
3. The guarantor shall be established in and approved by the office of guarantee in the Contracting Party where the guarantee is furnished. The guarantor shall furnish an address for service in the territory of each of the Contracting Parties involved in the transit operation in question. In the case of where the guarantor has no address for service, the guarantor shall appoint an agent in each of the Contracting Parties involved in the transit operation in question.

Article 6

Incidents En Route

In the case of loss or destruction of the goods, damage to the transit seals or any other incident or accident capable of affecting the ability to comply with the ACTS procedure, the Principal, transport operator or other persons having control over the goods shall report the occurrence immediately to the competent authorities of the Contracting Party in whose territory the means of transport is located, which shall adopt rules and procedures for such occurrences in accordance with the Technical Appendix to this Protocol.

Article 7

Offences

1. Each of the Contracting Parties shall have the right to exclude temporarily or permanently from the use of the ACTS procedure any person guilty of a serious offence against Customs or other relevant laws or regulations applicable to the international transport of goods which in the judgment of the competent authorities justifies such action.
2. Any offence detected in connection with a transit operation shall be dealt with in accordance with the national legislation of the Contracting Party concerned.

Article 8

Simplified Procedures

1. The competent authorities of the Contracting Party in whose territory the application for authorisation is made may authorise certain traders to use simplified procedures for transit operations.
2. The responsibilities of such authorised traders together with the simplified procedures are set out in the Technical Appendix to this Protocol.

Article 9

Administrative Assistance and Recovery

The competent authorities of the Contracting Parties shall render assistance to each other in accordance with their national legislation with respect to enquiries and the investigation and/or recovery of claims where these claims arise in connection with a transit operation.

Article 10

Institutional Arrangements

1. The ASEAN Directors-General of Customs Meeting shall be responsible for monitoring, reviewing, coordinating and supervising all aspects relating to the effective implementation of this Protocol. The ASEAN Directors-General of Customs Meeting may designate relevant working groups or committees to assist them in discharging their responsibilities under this Protocol.
2. The ASEAN Secretariat shall provide the necessary administrative support and assistance to the ASEAN Directors-General of Customs Meeting in carrying out its functions and discharging its responsibilities under this Protocol.
3. All amendments to the Technical Appendix to this Protocol shall be subject to the approval of the ASEAN Directors-General of Customs Meeting. The said amendments shall be administratively annexed to this Protocol and serve as an integral part of this Protocol.⁹

⁹ The approval by the ASEAN Directors-General of Customs Meeting shall be given only upon the completion of each Contracting Party's internal procedures.

Article 11
Miscellaneous Provisions

1. Each Contracting Party shall take appropriate measures to ensure that the provisions of this Protocol are effectively and harmoniously applied, taking into account the need to reduce as far as possible the formalities imposed on any party using the ACTS procedure and the need to achieve mutually satisfactory solutions of any difficulties arising out of the operation of these provisions.
2. The Contracting Parties shall, to the extent possible and subject to their national legislation, furnish each other with any information and keep each other informed of any measure that affects the operation of this Protocol.

Article 12
Final Provisions

1. This Protocol shall be deposited with the Secretary-General of ASEAN who shall promptly furnish a certified copy thereof to each Contracting Party.
2. This Protocol with its Annex and Technical Appendix shall form an integral part of the Agreement. In the event of inconsistency or conflict, the Agreement shall prevail over this Protocol.
3. This Protocol shall be subject to ratification or acceptance by the Contracting Parties. The Instrument of Ratification or Acceptance shall be deposited with the Secretary-General of ASEAN who shall promptly inform each Contracting Party of such deposit.
4. The Protocol shall enter into force upon the deposit of Instruments of Ratification or Acceptance by all Contracting Parties with the Secretary-General of ASEAN.
5. No reservations may be made to this Protocol either at the time of signature or ratification or acceptance.
6. Any amendment to the provisions of this Protocol, except for amendment to the Annex and the Technical Appendix as provided under paragraph 3 of Article 3 and paragraph 3 of Article 10 of this Protocol respectively, shall be effected by the consent of all Contracting Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorised to sign by their respective Governments, have signed Protocol 7 on Customs Transit System to implement the ASEAN Framework Agreement on the Facilitation of Goods in Transit.

DONE at Bangkok, Thailand, on the 24th day of February 2015 in a single copy in the English language.

For the Government of Brunei Darussalam,
PEHIN DATO ABD RAHMAN IBRAHIM
Minister of Finance II at the Prime Minister's Office

For the Government of the Kingdom of Cambodia,
KEAT CHHON
Deputy Prime Minister, Minister of Economy and Finance

For the Government of the Republic of Indonesia,
AGUS D.W. MARTOWARDOJO
Minister of Finance

For the Government of the Lao People's Democratic Republic,
SANTIPHAB PHOMVIHANE
Vice-Minister of Finance

For the Government of Malaysia,
DATO' SERI AHMAD HUSNI MOHAMAD HANADZLAH
Minister of Finance II

For the Government of the
Republic of the Union of Myanmar,
U WIN SHEIN
Union Minister, Minister of Finance and Revenue

For the Government of the Republic of the Philippines,
CESAR V. PURISIMA
Secretary Department of Finance

For the Government of the Republic of Singapore,
THARMAN SHANMUGARATNAM
Deputy Prime Minister and Minister for Finance

For the Government of the Kingdom of Thailand,
SOMMAI PHASEE
Minister of Finance

For the Government of the Socialist Republic of Viet Nam,
TRUONG CHI TRUNG
Vise-Minister of Finance

Annex G ACTS Technical Appendix

ASEAN Customs Transit Rules and Procedures

SECTION 1 GENERAL PROVISIONS AND PROCEDURES

Article 1 Scope

As provided for in Protocol 7 "Customs Transit System", this Appendix lays down the rules and procedures governing the ASEAN Customs Transit System (ACTS).

Article 2 Obligations of the Principal

1. In placing goods under the ACTS procedure, the Principal shall be liable for the payment of any Customs debt which may become due as a result of an irregularity occurring before the termination of the transit operation. This liability applies equally where the goods have been placed under the ACTS procedure by the Principal's authorised representative.
2. The Principal shall be required to:
 - a) present the goods intact with the necessary documents, at the Customs office of destination, within any prescribed time limits, unless an authorisation to end the ACTS procedure at a trader's premise has been granted under Article 41 of this Appendix;
 - b) present to the competent authorities, upon request and within any stipulated deadline, all documents and other information relevant to the transit operation; and
 - c) observe the provisions relating to the ACTS.
3. Paragraphs 1 and 2 of this Article shall also apply to a carrier or other legal or natural person who accepts the goods and has knowledge that such goods are being transported under the ACTS procedure.

Article 3 Sealing

1. As a general rule, the goods in transit shall be secured by sealing:
 - a) the space containing the goods, when the means of transport has been approved by the competent authorities under relevant regulations and/or those being recognised by the Customs office of departure as suitable for sealing; or
 - b) each individual package in other cases.
2. Means of transport may be recognised as suitable for sealing if:
 - a) seals can be easily and effectively affixed to them;
 - b) they are so constructed that no goods can be removed or introduced without leaving visible traces of tampering or without breaking the seals;
 - c) there are no spaces where goods may potentially be hidden; and

- d) the spaces reserved for the goods are readily accessible for inspection by the competent authorities.
3. The Customs office of departure may waive the requirement for sealing where the nature of the goods being transported makes this impracticable, subject to sufficient description of such goods to ensure easy identification.

SECTION 2 USE OF INFORMATION TECHNOLOGY

Article 4

Application of Electronic Data Exchange for the Facilitation of Goods in Transit

1. Without prejudice to special circumstances referred to in paragraph 2 of Article 32 of this Appendix, the competent authorities of the Contracting Parties shall use information technology to manage risk and register, control, monitor and exchange data concerning the ACTS procedure.
2. Pursuant to paragraph 1 of this Article, the systems adopted shall include measures for checking the source, authenticity and integrity of data and protecting them against accidental or unlawful destruction or accidental loss, alteration or unauthorised access.
3. The competent authorities shall establish and maintain adequate security arrangements for the effective, secure and reliable operation of the computerised systems for the ACTS.

Article 5

Standard Electronic Messages for Transit Operation Control

1. On release of the goods, the Customs office of departure shall transmit details of the ASEAN Customs transit declaration to the Customs office of destination using the "Anticipated Arrival Record" message and to each Customs office of transit using the "Anticipated Transit Record" message.
2. The Customs office of transit shall record the passage of the goods against the "Anticipated Transit Record" message received from the Customs office of departure. The passage of the goods shall be notified to the Customs office of departure using the "Notification Crossing Frontier" message. This notice can also be used by Customs offices of transit to verify that the goods were subsequently taken under Customs control.
3. The Customs office of destination shall use the "Arrival Advice" message to notify the Customs office of departure of the arrival of the goods. The message shall be transmitted not later than the following day after which the goods are being presented at the Customs office of destination. The Customs office of destination may retain a copy of the Transit Accompanying Document as required.
4. Where the transit operation ends at a trader's premises pursuant to the authorisation granted under Article 41 of this Appendix, the relevant Customs office of destination must be informed of the arrival of the goods before they are disposed of.
5. Where the office of guarantee and Customs office of departure are located in the territories of different Contracting Parties, the messages to be used for the exchange of guarantee data shall be defined by mutual agreement between the Contracting Parties.

6. Except where justified, the Customs office of destination shall forward the "Control Results" message to the Customs office of departure not later than two days after the goods has been presented to the Customs office of destination.

SECTION 3 GUARANTEES

Article 6 General

1. The Principal shall be required to provide a guarantee to cover payment of the Customs debt which may be incurred in respect of goods placed under the ACTS procedure unless a guarantee waiver has been granted under paragraph 8 of Article 11 of this Appendix.
2. This may either be:
 - a) a single journey guarantee covering a single transit operation; or
 - b) a multiple journey guarantee covering a number of transit operations.
3. The guarantor shall be established in the territory of the Contracting Party where the guarantee is furnished and must be approved by the office of guarantee. The guarantor shall indicate an address for service in the territories of each of the Contracting Parties involved in the transit operation for which he is acting as guarantor. In the case of where the guarantor has no address for service, the guarantor shall appoint an agent in the territories of each of the Contracting Parties involved in the transit operation in question.
4. The office of guarantee shall refuse to approve a guarantor who does not appear to be capable of ensuring payment within the prescribed period of any Customs debt liable to be incurred up to the maximum amount guaranteed.
5. Single journey guarantees shall conform to formats to be agreed by the Contracting Parties.
6. Multiple journey guarantees shall conform to formats to be agreed by the Contracting Parties.
7. The liability of the guarantor shall be based on the acceptance of his guarantee by the office of guarantee. It becomes effective from the date the Customs transit declaration which he guarantees is accepted by the Customs office of departure.
8. In the case of a single or multiple journey guarantee, the liability of the guarantor is limited to the maximum amount shown in the guarantee.
9. The office of guarantee shall maintain evidence that it has accepted the guarantor's guarantee and make this available electronically to Customs offices of departure on request.
10. The office of guarantee shall revoke its acceptance of the guarantor's guarantee if the conditions laid down at the time of issue are no longer fulfilled.
11. All Contracting Parties shall be allowed to register their concerns on the ability of a guarantor to fulfil claims and provide their justifications to the relevant office of guarantee, based on which the guarantor may be revoked.

Article 7

Single Journey Guarantees

1. A single journey guarantee shall cover the full amount of the Customs debt liable to be incurred on the transit operation concerned, which shall be calculated on the basis of the highest rates of duties, taxes and charges applicable to the goods in the territories covered by the transit operation.
2. Single journey guarantees may be provided in the following form(s):
 - a) a cash deposit lodged with the office of guarantee;
 - b) guarantee vouchers issued to the Principal by a guarantor; or
 - c) a guarantee given by a guarantor.

The acceptable form(s) of guarantee will be determined by the office of guarantee in the territory of the Contracting Party in which the Customs office of departure is located.

Article 8

Cash Deposits

1. The value of the cash deposit must be equivalent to the value of the total amount of the Customs debt which may be incurred.
2. Cash deposits shall be in the currency of the country of departure or by submission of any other means of payment recognised by the office of guarantee of that country and lodged in accordance with the provisions in force in the country of departure.
3. Single journey guarantees in the form of cash deposits shall be valid for all Contracting Parties.
4. Cash deposits shall be repaid by the office of guarantee when the transit operations to which they relate have been discharged.

Article 9

Single Journey Guarantee Vouchers

1. The Principal may use single journey guarantee vouchers issued by a Guarantor.
2. The Principal shall deliver to the office of guarantee single journey guarantee vouchers to the value of the total amount of the Customs debt which may be incurred.
3. The guarantor shall indicate on the single journey guarantee voucher the territory of the Contracting Parties for which it is valid, the validity period of the said voucher and the last date on which it may be used, which shall not exceed ninety days from the date it was issued.
4. Provided that a guarantee voucher has been accepted by the Customs office of departure on or before the final date of validity, the said voucher shall remain valid until the transit operation to which it relates terminates.
5. Single journey guarantee vouchers must be uniquely numbered and conform to a format to be agreed by the Contracting Parties.
6. The guarantor shall provide the office of guarantee the required details relating to the vouchers he has issued.

Article 10

Use of Single Journey Guarantees

1. A guarantor may provide a single journey guarantee to cover a single transit operation.
2. The single journey guarantee shall conform to a format to be agreed by the Contracting Parties and must contain the name of the Principal and its value shall be equivalent to the value of the total amount of the Customs debt which may be incurred.
3. Each single journey guarantee must be lodged with the office of guarantee and a copy of the guarantee will be retained by the Customs office of departure.

Upon the discharge of the transit operation, a single journey guarantee shall be cancelled and the guarantor shall be advised accordingly.

Article 11

Multiple Journey Guarantee

1. The Principal may use a multiple journey guarantee based on a reference amount. The reference amount shall be equivalent to the value of the total amount of the Customs debt which may be incurred in respect of the goods which the Principal places under the ACTS procedure for a period of at least seven days.
2. The relevant office of guarantee shall establish the reference amount in collaboration with the Principal taking into account:
 - a) information on the goods he has placed in the past and/or an estimate of the number of consignment and value of goods he intends to place under the ACTS procedure; and
 - b) the highest rates of duties, taxes and charges applicable in the countries of transit.
3. The office of guarantee shall review the reference amount at least once a year, using the information received from the Customs offices of departure and shall make adjustment if it deemed necessary.
4. The Principal shall inform the office of guarantee if the reference amount falls below a level sufficient to cover his current or anticipated transit operations.
5. The amount to be covered by a multiple journey guarantee shall be equivalent to the reference amount referred to in paragraph 1 of this Article.
6. A Principal that satisfies criteria regarding his experience, reliability and financial standing may be authorised to provide a guarantee for a reduced amount or to have a guarantee waiver, subject to the agreement of the Contracting Parties involved in the transit operations.
7. The amount of guarantee required may be reduced to
 - a) 50% of the reference amount where the Principal demonstrates he has sufficient experience of Customs procedures; or
 - b) 25% of the reference amount where the Principal demonstrates he has sufficient experience of Customs procedures and cooperates very closely with the competent authorities.

8. A guarantee waiver may be granted where the Principal demonstrates he meets the criteria specified in Article 15 of this Appendix, is in command of transport operations and has sufficient financial resources to meet his obligations.
9. In applying the above paragraphs all Contracting Parties shall take account of:
 - a) information provided by the Principal in the standard application forms in a format to be agreed by the Contracting Parties; and
 - b) any comment received from other Contracting Parties as provided for in paragraph 7 of Article 16 of this Appendix.

Article 12

Use of Multiple Journey Guarantees

1. The multiple journey guarantee shall be issued by a guarantor.
2. The office of guarantee shall issue the Principal with one or more multiple journey guarantee certificates conforming, to a format to be agreed by the Contracting Parties to enable him to provide proof that he holds a multiple journey guarantee.
3. Where guarantee data is exchanged between the office of guarantee and the Customs office of departure using information and communication technology particulars of the guarantee certificate shall be entered into the Customs transit declaration and be printed on the Transit Accompanying Document.
4. In the absence of electronic exchange of data, the certificate must be presented to the Customs office of departure by the Principal.

Article

13 Liability of Guarantor

1. The guarantor shall undertake to pay the Customs debt, due under the Customs laws and other relevant laws and regulations of the Contracting Party in which an irregularity has been identified in connection with a transit operation. The guarantor shall be liable, jointly and severally with the Principal, for the payment of such sums.
2. The liability of the guarantor shall commence when a Customs transit declaration which he guarantees is accepted by the Customs office of departure and shall be to the competent authorities of that Contracting Party. The guarantor shall be automatically liable to the competent authorities of each succeeding Contracting Party at the time when the goods enter the territory of each succeeding Contracting Party.
3. Subject to paragraph 8 of Article 6 of this Appendix, the liability of the guarantor shall cover not only those goods which are included in the Customs transit declaration but any other legitimate goods which may be contained in the normal load compartment of the road vehicle or container and should have been declared. It shall not extend to any other goods.
4. Where the transit operation has not been discharged, the competent authorities of the Contracting Party in which the irregularity has been identified shall:
 - a) within a period of ninety days of the date the Customs transit declaration was accepted by the Customs office of departure, notify the guarantor that the procedure has not been discharged; and

- b) within two hundred and seventy days of the date the Customs transit declaration was accepted by the Customs office of departure, notify the guarantor that he is, or might be required, to pay the Customs debt for which he is liable as guarantor to the transit operation in question. The notification must contain:
- (i) the number and date of the Customs transit declaration;
 - (ii) the name of the Customs office of departure;
 - (iii) the Principal's name and address; and
 - (iv) the amount to be claimed.
5. The guarantor shall be released from his obligations by the competent authorities in respect of the transit operation if either of the notifications provided for in paragraph 4 of this Article has not been issued to him in writing before the expiry of the relevant time limit.
6. Where a notification has been issued in accordance with paragraph 4 of this Article the guarantor shall be informed by the office of guarantee of the recovery of the Customs debt or the discharge of the ACTS operation.
7. When the competent authorities of a Contracting Party have discharged an ACTS operation, they can no longer claim from the guarantor unless the discharge was obtained by virtue of fraudulent information.
8. Where the guarantor has not been advised of a potential claim arising from a fraudulent discharge within one year from the date the relevant Customs transit declaration was accepted by the Customs in the country of departure, he shall in any case be absolved from all liability relating to that transit operation.
9. The guarantor shall have a period of thirty days from the date on which a written claim for payment was made to pay the amounts claimed. The sums paid shall be reimbursed to the guarantor if, within one year following the date on which the payment was made, it is established to the satisfaction of the competent authorities making the claim that no irregularity was committed in connection with the transit operation in question.

Article 14

Cancellation and Revocation of Guarantees

1. The office of guarantee shall revoke its acceptance of a guarantee or a Principal's guarantee waiver authorisation if the conditions laid down at the time of issue are no longer fulfilled. Revocation shall be with immediate effect.
2. A guarantor may cancel his guarantee at any time. Cancellation shall take place on the fourteenth day following the date the decision was notified in writing to the office of guarantee
3. Revocation or cancellation shall be without prejudice to any obligations incurred as a result of transit operations commenced prior to the date on which revocation or cancellation takes effect.
4. From the date on which such revocation or cancellation takes effect, any certificate issued prior to that date shall not be valid for placing goods under the ACTS procedure and the Principal must return any certificates in his possession to the office of guarantee without delay.

5. The relevant office of guarantee shall notify each Contracting Party of actions taken under paragraph 1 of this Article.

SECTION 4 AUTHORISED TRANSIT TRADERS

Article 15 General Criteria

1. To be eligible for Authorised Transit Trader status and the use of simplified procedures, the following general conditions must be fulfilled.
The applicant:
 - a) shall be established with a registered office, central headquarters or permanent business establishment in the territory of the Contracting Party where the application for authorisation is made; and
 - b) must regularly use the ACTS procedure or, in the case of a first application for authorisation, demonstrate an intention to do so.
2. To ensure proper management of the simplified procedures, authorisations may only be granted where the person concerned keeps records which enable the competent authorities to supervise the procedure and carry out effective controls.
3. In considering applications the competent authorities must take account of any convictions under Customs or tax legislation in the past five years.

Article 16 Applications and Decisions for Authorised Transit Traders

1. An application for Authorised Transit Trader status shall be made in writing in a format to be agreed by the Contracting Parties and be signed and dated. It shall specify all the simplified procedures for which the trader has applied.
2. A person applying for Authorised Transit Trader status and related simplified procedures shall be responsible for:
 - a) the accuracy of the information given; and
 - b) the authenticity of the accompanying documents.

Authorisations found to have been granted on the basis of false or misrepresented information shall be revoked with immediate effect.
3. Applications shall be lodged with the competent authorities of the Contracting Parties in which the applicant is established. Where an applicant is established in the territories of more than one Contracting Parties, nothing shall prevent him lodging applications in the territories of each of those Contracting Parties if he so wishes.
4. Authorisations shall be issued and applications shall be rejected in accordance with the current provisions of the Contracting Parties.
5. Decisions rejecting applications in total, or one or more of the simplified procedures applied for, shall be in writing and state the reasons for the rejection.
6. Decisions on applications, provided such applications contain sufficient information, shall be given within ninety days from the date of receipt by the competent authorities.

7. Decisions shall be communicated to the other Contracting Parties. Such decisions shall be subject to review by the other Contracting Parties, with comments to be received within a period not exceeding thirty days from the date of receipt of the communication, based on which the decisions may be modified or retained.

Article 17 **Authorisations**

1. Following an application from a Principal satisfying the criteria in Article 15 of this Appendix, the competent authorities may grant Authorised Transit Trader status with use of one or more of the following simplified procedures:
 - a) use of a multiple journey guarantee;
 - b) exemption from the requirement to present the goods and means of transport at the Customs office of departure;
 - c) use of approved special seals; and
 - d) use other simplified procedures as determined by the Contracting Parties.
2. Except where otherwise provided, authorisation granted to use the simplified procedures specified in subparagraph 1 (a) of this Article shall apply in the territories of all Contracting Parties. The simplified procedures in subparagraphs 1 (b) and 1 (c) of this Article shall apply only to transit operations beginning in the territory of the Contracting Party where the authorisation was granted.
3. The dated and signed original of an authorisation and one or more copies shall be given to the holder of the authorisation.
4. The authorisation shall be valid from the date of issue and specify the conditions relating to the use of any granted-simplified procedures.

Article 18 **Amendment, Surrender or Revocation of Authorisations**

1. The holder of an authorisation shall inform the competent authorities of any factor arising after the authorisation was granted which may influence its validity or content.
2. The competent authorities shall revoke or amend an authorisation where:
 - a) the holder indicates a wish to relinquish his authorisation;
 - b) one or more of the statements made at the time of issue were not, or are no longer, valid;
 - c) a factor arising after the authorisation was granted influences its continuation or content; or
 - d) the holder fails to fulfil his obligations as an Authorised Transit Trader.
3. Other than where it has been surrendered voluntarily, the holder shall be advised in writing of the reasons for any decision amending or revoking the authorisation.
4. The revocation or amendment of an authorisation shall take effect from the date indicated in the written notification.

SECTION 5 SIMPLIFIED PROCEDURES

Article 19

Exemption from Presentation of Goods at the Customs Office of Departure

1. A Principal who has been granted Authorised Transit Trader Status including the right to use a multiple journey guarantee may also be authorised to carry out transit operations without presenting the goods and the corresponding Customs transit declaration at the Customs office of departure. Such exemption shall apply inter alia to the means of transport for the goods concerned.
2. This facility shall only be granted where the Principal lodges transit declarations and communicates with the Customs office of departure using electronic data processing techniques.
3. The Customs transit declaration must be lodged with the Customs office of departure before release of the goods.
4. The authorisation shall include the time limit within which the Customs office of departure shall indicate an intention to carry out checks, after the expiry of which the goods shall be automatically released.
5. Such an authorisation shall specify:
 - a) the Customs office or offices of departure that will be responsible for forthcoming transit operations;
 - b) how and by when, the Principal is to inform the Customs office of departure in order that the office may carry out any necessary controls before the departure of the goods; and
 - c) the measures to be taken to ensure the goods can be readily identified including the use of any special seals to be affixed by the Principal.

Article 20

Use of Approved Special Seals

1. The competent authorities may authorise a Principal to use special types of seals on means of transport or packages provided the competent authorities approve the seals as complying with the features to be agreed by the Contracting Parties.
2. The Principal shall enter the seal number in the prescribed field in the Customs transit declaration.
3. The Principal shall affix seals no later than when the goods are released.

Article 21

Waiver of Written Signature

The Principal may be authorised to use an electronic signature or other means of authentication to validate Customs transit declarations which are made out by an integrated electronic or automatic processing system.

SECTION 6 TRANSIT OPERATIONS AND PROCEDURES

Article 22 Means of Transport and Declarations

1. Each Customs transit declaration shall include only the goods to be loaded on a single means of transport for carriage from one Customs office of departure to one Customs office of destination.
2. For the purposes of this Article, a single means of transport includes:
 - a) a road vehicle accompanied by its trailer(s) or semi-trailer(s); and
 - b) containers loaded on a single means of transport as defined in subparagraph 2(a) of this Article.
3. A single means of transport may be used for loading goods at more than one Customs office of departure and for unloading at more than one Customs office of destination.

Article 23 Customs Transit Declarations

1. A Customs transit declaration shall be lodged at the Customs office of departure by means of electronic data-processing techniques.
2. Customs transit declarations lodged electronically by the exchange of standard messages shall comply with the structure and particulars set out in a format to be agreed by the Contracting Parties.
3. In such cases the competent authorities shall ensure that the transit data is exchanged between the relevant Customs offices of departure, transit and destination using information and communication technology.
4. The Customs transit declaration shall be signed electronically or otherwise authenticated by the Principal or authorised representative who thereby renders himself responsible for:
 - a) the accuracy of the information given in the declaration;
 - b) the authenticity of any documents attached; and
 - c) compliance with all his obligations relating to use of the ACTS procedure.
5. The Customs office of departure shall accept and register the Customs transit declaration on condition that:
 - a) it contains all the necessary information;
 - b) it is accompanied by all the necessary documents; and
 - c) the goods to which it refers are presented to Customs if so required.
6. Where the Principal is authorised to commence transit operations without presentation of the goods at the Customs office of departure, he shall enter, not later than on consignment of the goods, in the designated fields of the Customs transit declaration, if so required, details of any prescribed itinerary, the period within which the goods must be presented at the Customs office of destination, the identification measures applied and the following phrase shall be printed on the Transit Accompanying Document:

In English - "Authorised Transit Trader - Presentation at Customs office of departure exemption".

7. Where the competent authorities of the country of departure check a consignment before its departure, they shall record the fact in the designated box of the Transit Accompanying Document and update the system accordingly.
8. The Principal may, with the approval of the competent authorities at the Customs office of departure, amend one or more particulars of the Customs transit declaration after it has been accepted. The amendment shall not affect the nature, type or official description of the goods.
9. No amendment shall be permitted where the request is made after the competent authorities at the Customs office of departure have:
 - a) informed the Principal that they intend to examine the goods;
 - b) established that the particulars in question are incorrect; and
 - c) released the goods.

Article 24 **Transit Accompanying Document**

1. Where a Customs transit declaration is processed at a Customs office of departure by a computerised system, that office shall retain the declaration and authorise release of the goods by issuing to the Principal a Transit Accompanying Document conforming to a format to be agreed by the Contracting Parties.
2. Where appropriate, the Transit Accompanying Document shall be supplemented by a list of items which shall form an integral part thereof and conform to a format to be agreed by the Contracting Parties.
3. The Transit Accompanying Document may be printed out from the Principal's own premise or other authorised computer system after the Customs transit declaration has been approved by the Customs office of departure.

Article 25 **Procedures at the Customs Office of Departure**

1. When so required by the competent authorities, the road vehicle, trailer and any container together with the goods and the Transit Accompanying Document shall be presented to the Customs office of departure. The Customs office of departure shall take such measures as are necessary for satisfying themselves as to the accuracy of the Customs transit declaration and for affixing the Customs seals or verifying the special seals.
2. Unless otherwise exempted, the release of goods to be placed under the ACTS procedure shall be refused if they cannot be sealed in accordance with Article 3 of this Appendix.
3. Seals shall not be broken without the authorisation of the competent authorities.
4. Where the Customs office of departure prescribes an itinerary, account shall be taken of what constitutes an economically justified route and any information supplied by the Principal. The Principal shall be notified of the prescribed itinerary, which shall be printed, as required, on the Transit Accompanying Document.

5. The Customs office of departure shall set a time limit for completion of the transit operation by the presentation of the goods at the Customs office of destination. This should take into account of the itinerary, any current transport legislation and, where appropriate, information provided by the Principal.
6. The time limit set by the Customs office of departure shall be binding on the competent authorities of the Contracting Parties whose territories are entered during a transit operation.
7. Where the goods are presented at the Customs office of destination after the expiry of the prescribed time limit but this failure is due to circumstances not attributable to the carrier or Principal, the latter shall be deemed to have complied with the time limit prescribed.

Article 26

Procedures During Transit Operation

1. At each Customs office of transit and at the Customs office of destination, the means of transport shall be presented for the purposes of control to the competent authorities with the goods and the Transit Accompanying Document together with any list of items relating thereto.
2. As a general rule, the Customs offices of transit of each of the Contracting Parties shall accept the Customs seals of other Contracting Parties or other approved special seals, provided they are intact. The seals thus accepted shall have in the territory of that Contracting Party the same legal protection as is accorded to their own Customs seals.
3. In exceptional circumstances, the competent authorities of the Contracting Party may require the means of transport to be escorted on their territory; any charges related to the cost of escort should be commensurate with the service rendered.
4. The competent authorities shall not require routine examination en route of the means of transport.
5. Notwithstanding the provisions paragraph 6 of Article 3 of Protocol 7, if control requirements make it essential for the competent authorities to carry out an examination of a means of transport and the goods contained therein in the course of a journey or at a Customs office of transit, they shall record in the designated box of the Transit Accompanying Document and update into the computerised system accordingly, particulars of the controls carried out and the number of the new seals affixed.

Article 27

Incidents During Transit Operation

1. In the cases set out below, the carrier shall make the necessary entries in the Transit Accompanying Document and present it with the consignment and any other related transit documents to the competent authorities of the Contracting Party in whose territory the means of transport is located:
 - a) if the itinerary prescribed by the competent authorities is changed;
 - b) if the seals are broken in the course of a transport operation for reasons beyond the carrier's control;

- c) if goods are transferred to another similar means of transport for reasons beyond the carrier's control;
 - d) in the event of imminent danger necessitating immediate partial or total unloading of the means of transport; and
 - e) in the event of any incident or accident capable of affecting the ability of the Principal or the carrier to comply with his obligations.
- 2. Where the competent authorities consider that the transit operation concerned may continue in the normal way, they shall endorse the designated box of the Transit Accompanying Document and update the computerized system accordingly.
- 3. Where, for justifiable reasons, goods are transported via a Customs office of transit other than that notified to the Customs office of departure and mentioned in the declaration, the said office shall notify electronically the Customs office of transit originally designated.

Article 28 **End of Transit Operation**

- 1. Presentation of the goods and related transit documents to the Customs office of destination shall be deemed to constitute the end of the transit operation.
- 2. The Customs office of destination shall register the presented documents and record on the Transit Accompanying Document the date of arrival and enter the details of controls carried out and update the computerized system accordingly.
- 3. The Customs office of destination shall notify the Customs office of departure and the Customs office(s) of transit that the transit operation has ended by sending an "Advice of Arrival" message.
- 4. A transit operation may end at an office within the country of destination other than the one entered in the Customs transit declaration. The said office, which shall then become the Customs office of destination, shall notify the original Customs office of destination and the Customs office of departure accordingly.

Article 29 **Receipt for End of Transit Operation**

- 1. At the request of the Principal or the carrier and for purposes of providing additional evidence that the transit operation has been correctly ended, the Customs office of destination shall endorse the Transit Accompanying Document appropriately.
- 2. The endorsed Transit Accompanying Document shall be kept by the carrier of the transit operation as documentary proof.

Article 30 **Termination of Transit Operation**

- 1. Control of the goods and related entries in the records of the Customs office of destination shall be deemed to constitute the termination of the transit operation.
- 2. The termination of a transit operation shall be certified by the Customs office of destination without delay. Termination may be with or without reservation. Where termination is certified with reservation this shall be on account of facts connected with the transit operation itself.

3. The Customs office of destination shall notify the Customs office of departure that the transit operation procedure has been terminated by sending a "Control Results" message.
4. In cases where the goods are placed under another Customs procedure or another system of Customs control, all irregularities that may be committed under that other Customs procedure or system of Customs control shall not be attributed to the liability of the guarantor of the transit operation.

Article 31 **Discharge of Transit Operation**

The Customs office of departure shall discharge the transit operation when it is in a position to establish on the basis of a comparison between the Customs transit declaration made to the Customs office of departure and information from the Customs office of destination that the procedure has been terminated correctly.

Article 32 **Fall-back Procedures**

1. The fall-back procedures set out in this Article refer to procedures based on the use of paper documents to allow the lodging and control of Customs transit declarations and the monitoring of transit operations when it is not possible to implement the standard electronic procedures in whole or part due to breakdown of the computerised systems.
2. Fall-back procedures shall apply:
 - a) where the computerised systems of the competent authorities are not functioning;
 - b) where the computerised systems of the Principal are not functioning; or
 - c) where the whole or part of the network between the Principal and the competent authorities is not functioning.
3. In the above-mentioned situations in paragraph 2 of this Article, goods may be placed under the ACTS procedure by means of a paper transit declaration made out in a form corresponding to a standard format to be agreed by the Contracting Parties and in accordance with procedures agreed between the Contracting Parties.
4. Where the computerised systems between the Customs office of departure and the Customs office of destination and/or one or more Customs offices of transit are not functioning, then one additional copy of the Transit Accompanying Document shall be produced for each such office.
5. The carrier must present the Transit Accompanying Document and one additional copy to each such office. The copy shall be retained by the processing Customs office. The original Transit Accompanying Document shall be stamped and returned to the carrier.
6. All manual records relating to transit operations must be input to the computerised systems as soon as reasonably practicable by the Principal and respective Customs offices of departure, transit and destination.

SECTION 7 POST TRANSIT PROCEDURES

Article 33

Enquiry Procedure to Establish Correct Termination of a Transit Operation

1. The Customs office of departure shall initiate an enquiry procedure forthwith each time they have not received the "Arrival Advice" message within two days of the time limit within which the goods must be presented at the Customs office of destination or the "Control Results" message within six days after having received the "Arrival Advice" message.
2. The enquiry procedure shall be initiated to obtain the information necessary to discharge the transit operation, or where this is not possible to:
 - a) establish whether a Customs debt has been incurred;
 - b) identify the debtor; and
 - c) determine the competent authorities responsible for recovery.
3. In cases where the Customs office of departure has received the "Arrival Advice" message, but not the "Control Results" message, it shall initiate an enquiry procedure by sending the Customs office of destination a reminder request for the "Control Results" message.
4. If the Customs office of departure has not received the "Arrival Advice" message, they shall initiate an enquiry procedure by sending the Customs office of destination a request to confirm that the goods have not been presented. The Customs office of destination shall reply to such requests within seven days.
5. Where the enquiry procedure referred to above does not produce satisfactory evidence that the transit operation was correctly terminated, the further procedures specified in Article 34 of this Appendix shall then apply.

Article 34

Informing the Principal and Alternative Proof of Termination

1. If the Customs office of departure, having initiated an electronic enquiry procedure under Article 33 of this Appendix, has not received confirmation of termination within the prescribed time-limits, it shall inform the Principal and ask him to furnish, within thirty days of receipt of the letter, proof that the procedure was correctly terminated.
2. The proof referred to in paragraph 1 of this Article may be in the form of a document certified by the competent authorities of the country of destination establishing that the goods have been presented at the Customs office of destination.
3. The transit operation shall also be considered to have been terminated where the Principal presents to the satisfaction of the competent authorities, evidence showing that the goods have entered subsequently into another Customs procedure in the country of destination.
4. Where the Principal provides satisfactory evidence that the transit operation was terminated correctly under Customs control, the Customs office of departure may discharge the transit operation notwithstanding that the goods were not presented to the original Customs office of destination. The original Customs office of destination shall be notified within six days.

5. Where enquiries conducted by the Customs office of departure independently establish that the transit operation was terminated correctly under Customs control, it shall inform the Principal and notify the original Customs office of destination accordingly.

Article 35 Customs Debt and Recovery

1. A Customs debt within the meaning paragraph (d) of Article 1 of Protocol 7 shall be incurred:
 - a) through the unlawful removal of goods from the ACTS procedure; or
 - b) where goods have not been unlawfully removed but there has been a failure to fulfil one of the obligations arising from use of the ACTS procedure or failure to comply with a condition governing the placing of goods under the ACTS procedure.
2. The right of a competent authority to claim a Customs debt shall be determined:
 - a) by the place where the irregularity giving rise to the Customs debt occurred; or
 - b) when it is not possible to establish in which territory an irregularity was committed, it shall be deemed to have been committed in the territory of the Contracting Party where it is detected.
3. The person primarily responsible for the Customs debt shall be the Principal. The guarantor shall be jointly and severally liable for the Customs debt.
4. The following persons shall also be liable for the Customs debt:
 - a) the person who unlawfully removed the goods from the ACTS procedure;
 - b) any persons who participated in such removal and who were aware or should reasonably have been aware that the goods were being unlawfully removed from the ACTS procedure; and
 - c) any persons who acquired or held the goods in question and who were aware or should reasonably have been aware at the time of acquiring or receiving the goods that they had been unlawfully removed from the ACTS procedure.

The fact that the persons above are responsible for the Customs debt does not relieve the Principal and the guarantor of their liability. Notwithstanding this, the payment of Customs debt by those persons responsible shall partially or completely discharge the liability of the Principal and/or the guarantor as the case may be.

5. No Customs debt in respect of goods placed under the ACTS procedure shall be incurred where the person concerned proves that a failure to fulfil the consequential obligations is due to the total destruction or irretrievable loss of those goods as a result of their actual nature, force majeure or the consequence of authorisation by the competent authorities. Goods are deemed to be irretrievably lost when they are certified unusable by the competent authorities with the right to claim.
6. Where the competent authorities deem that the goods have undergone a substantial change as a result of their actual nature, force majeure or the consequence of authorisation by the competent authorities, but a Customs debt remains, the competent authorities shall calculate this debt by considering the type, quality, quantity, weight and corresponding Customs value of such goods at the time the debt is due.

Article 36
Administrative Assistance - General Provisions

1. Contracting Parties shall afford each other mutual assistance with a view to determine the status of transit operations and for the recovery of claims arising from unresolved irregularities.
2. The extent of assistance to be given should be within the competence of the authority concerned and subject to its national laws and, in particular, without prejudice to national legislation on data protection or other legal restrictions on the transmission of information.
3. All information provided in relation to a transit operation enquiry may only be used for the purposes of resolving the status of the transit operation(s) concerned and pursuing claim(s) arising directly from any irregularity in the transit procedure.
4. The competent authorities of the Contracting Parties concerned shall furnish each other with any details necessary to identify those responsible for a transit operation including those of:
 - a) the Principal;
 - b) the Carrier (if different from the Principal);
 - c) the Consignor (if different from the Principal);
 - d) the Consignee;
 - e) the Guarantor; and
 - f) the Guarantor's National Agent(s).
5. All enquiries relating to specific transit operations shall quote:
 - a) the Customs transit declaration reference number;
 - b) other information required to identify the transit operation; and
 - c) the grounds for the enquiry.
6. In the event of suspected deliberate irregularities, requests for information may be extended to a given Principal's general use of the transit system.
7. Material made available to another Contracting Party may include, but shall not be restricted to, all relevant:
 - a) documents;
 - b) reports;
 - c) records of proceedings; and
 - d) information related to irregularities and infringements arising from use of the ACTS procedure.
8. Where, as a result of an enquiry, the Principal is deemed to have incurred a liability for Customs debt as provided for under Article 2 of this Appendix, the competent authority in the Contracting Party where he is established shall provide assistance to the claiming authority in notifying him of this liability.
9. Requests for information and assistance shall be made in a standard format to be agreed by the Contracting Parties.

10. Nothing in these Articles shall preclude the competent authorities in a transit country from initiating an enquiry procedure where it appears that an irregularity has occurred on its territory.
11. Nothing in these Articles shall preclude a competent authority from making a claim when it is established that an irregularity incurring a Customs debt occurred on its territory.
12. Irrespective of any maximum time limits specified, the competent authorities of the country of destination and, where appropriate, the Customs office(s) of transit called upon to act in connection with an enquiry, shall respond without delay.

Article 37
Administrative Assistance for the Recovery of Claims

1. This Article sets out the rules on mutual assistance for the recovery of claims in respect of a transit operation where these arise in the territory of a Contracting Party other than where the Principal is based.
2. The request for assistance in recovery of a claim shall indicate:
 - a) the name and address of the person concerned;
 - b) details of the transit operation concerned;
 - c) the grounds for the claim;
 - d) the amount to be claimed; and
 - e) any other relevant information as required by the requested authority.
3. The requested authority shall promptly and in any case within sixty days from receipt of the request, advise the applicant authority of actions taken to assist in recovering the claim and of any outcome.
4. Alternatively, the requested authority shall promptly inform the applicant authority of any grounds for refusing assistance.
5. The applicant authority may not make a request for recovery where the claim is being contested under its own national legislation.
6. The requested authority shall suspend any recovery action where the Principal provides satisfactory evidence that the claim is being contested in the country of the applicant authority. In such cases the requested authority shall promptly notify the applicant authority.
7. The applicant authority shall state the amount of the claim to be recovered both in the currency in which it is situated and also in the currency of the requested authority at the exchange rate prevailing on the date the request is made.
8. Under normal circumstances, the Principal or the guarantor, as the case may be, shall remit the recovered sum directly to the applicant authority.
9. Where the guarantee is in the form of a cash deposit, the requested authority shall arrange for the payment to be remitted to the applicant authority in its national currency.
10. Where the claim cannot be recovered from the Principal, the applicant authority shall be notified accordingly and thereupon enact recovery proceedings against the guarantor through his nominated national representative.

SECTION 8 MISCELLANEOUS PROVISIONS

Article 38

Vehicles and Containers for the Purposes of Transit Operation

1. Road transit transport vehicle, combination of road transit transport vehicle and trailer or container carrying goods shall not be required to be declared as goods under the ACTS procedure. No guarantee shall be required for the road vehicle, combination of road transit transport vehicle and trailer or container.
2. The provisions of paragraph 1 of this Article shall not prevent a Contracting Party from requiring the completion of formalities at the Customs offices of transit or destination to ensure that the road vehicle, combination of road vehicle and trailer or container will be re-exported.

Article 39

Minor Discrepancies

1. The Contracting Parties shall disregard minor discrepancies in the observance of time-limits or routes prescribed.
2. Minor discrepancies, such as those arising from a typographical error, between the particulars in the Transit Accompanying Document, or Customs transit declaration and the actual contents of the means of transport shall not, ipso facto, prevent the discharge of the transit operation.

Article 40

Exclusion

1. Each of the Contracting Parties shall have the right to exclude temporarily or permanently from the use of the ACTS procedure any person guilty of a serious offence against Customs or other relevant laws or regulations applicable to the international transport of goods which in the judgment of the competent authorities justifies such action.
2. This exclusion shall be notified within seven days to the competent authorities of all the other Contracting Parties and, where applicable, to the relevant guarantor.

Article 41

Authorisation to end an ACTS Procedure at a Trader's Premises

1. Traders may be authorised to take delivery of goods placed under a transit operation without the goods and the corresponding Transit Accompanying Document having to be presented at the Customs office of destination.
2. Such authorisation shall only be granted where the trader:
 - a) is a Principal who has been granted Authorised Transit Trader status; or
 - b) is not a Principal as defined in subparagraph 2(a) of this Article but can meet such criteria as determined by the Contracting Party in whose territory he is established.

3. The authorisation shall specify in particular:
 - a) the Customs office(s) of destination responsible for the goods received by the authorised consignee;
 - b) how and by when, the authorised consignee is to inform the Customs office of destination of the arrival of the goods in order that the office may carry out any necessary controls;
 - c) any goods to which the authorisation does not apply and which must be presented at the Customs office of destination; and
 - d) the arrangements for the trader to receive the "Anticipated Arrival Record" message from the Customs office of destination.
4. The competent authorities shall specify in the authorisation whether any action is required by the Customs office of destination before the trader may dispose of the goods.
5. When the goods arrive at his premises or at places specified in the authorisation, the trader shall:
 - a) immediately inform the Customs office of destination of any excess quantities, deficits, substitutions or other irregularities such as broken seals; and
 - b) immediately and before unloading, send the Customs office of destination an electronic "Arrival Advice" message.
6. The transit operation shall be deemed to have ended when the documents which accompanied the consignment, together with the intact goods, have been delivered within the prescribed time to the authorised trader's premises.
7. At the carrier's request, the consignee as authorised under paragraph 1 of this Article shall issue a receipt for each consignment delivered.
8. Upon receiving the "Arrival Advice" message, the Customs office of destination shall determine whether inspection is required and perform the termination of the transit operation in accordance with Article 30 of this Appendix.

Article 42 **Confidentiality**

1. Nothing in this Appendix shall be construed to require any Contracting Party to allow access to confidential information, the disclosure of which would:
 - a) be contrary to the public interest as determined by its legislation;
 - b) be contrary to any of its legislation, including but not limited to, legislation protecting personal privacy or the financial affairs and accounts of individual customers of financial institutions;
 - c) impede law enforcement; or
 - d) prejudice legitimate commercial interests, which may include the competitive position, of any particular enterprise, public or private.
2. Where a Contracting Party provides information to another Contracting Party in accordance with this Appendix and designates the information as confidential, the Party receiving the information shall maintain the confidentiality of the information, use it only for the purpose specified by the Party providing the information and not disclose it without the specific written permission of the Party providing the information.

Annex H Asean Framework Agreement on the Facilitation of Inter-State Transport (AFAFIST)



ASEAN FRAMEWORK AGREEMENT ON THE FACILITATION OF INTER-STATE TRANSPORT

PREAMBLE

The Members of the Association of Southeast Asian Nations (hereinafter referred to as **Contracting Parties**);

RECOGNISING the importance of facilitating inter-state transport of goods to support greater trade and bring about closer economic integration;

NOTING that nations in the region have taken steps bilaterally and multilaterally to facilitate inter-state transport;

RECALLING ASEAN Transport Action Plan 2005-2010 with a policy direction to operationalise the ASEAN Framework Agreements on the Facilitation of Goods in Transit, Inter-State Transport and Multimodal Transport in order to create an integrated and efficient logistics and multimodal transportation system for cargo movement between logistics bases and trade centres within and beyond ASEAN,

RECALLING also the ASEAN Framework Agreement on the Facilitation of Goods in Transit signed in Ha Noi on 16 December 1998 which, inter alia, provides for inter-state transport to be agreed upon by all Contracting Parties;

RECALLING further paragraph 3 of Article I of the Framework Agreement on Enhancing ASEAN Economic Cooperation signed on 28 January 1992 in Singapore, that in the implementation of economic arrangements, two or more Member Countries may proceed first if other Member Countries are not ready to implement these arrangements;

DESIRING to establish an effective, efficient, integrated and harmonised regional transport system that addresses all aspects of inter-state transport;

UNDERTAKING to encourage and facilitate inter-state traffic among the Contracting Parties;

HAVE AGREED AS FOLLOWS:

Article 1 Objectives

The objectives of this Agreement are:

- a) to facilitate inter-state transport of goods between and among the Contracting Parties, to support the implementation of the ASEAN Free Trade Area and to further integrate the region's economies;
- b) to simplify and harmonise transport, trade and customs regulations and requirements for the purpose of facilitation of inter-state transport of goods; and
- c) to work in concert towards establishing an effective, efficient, integrated and harmonised regional transport system that addresses all aspects of inter-state transport.

Article 2 Principles

The Contracting Parties shall be guided by the following principles under this Agreement:

- a) **Most Favoured Nation Treatment:** Contracting Parties shall accord to inter-state transport between the territories of any other Contracting Parties treatment no less favourable than the treatment accorded to inter-state transport between any other country;
- b) **Consistency:** Contracting Parties shall ensure the consistent application of the relevant laws and regulations, procedures and administration guidelines and other rulings within each Contracting Party;
- c) **Simplicity:** Contracting Parties shall endeavour to ensure the simplification of all inter-state transport procedures and requirements in ASEAN;
- d) **Transparency:** Contracting Parties shall make all laws, regulations, procedures and administrative notifications pertaining to the relevant authorities publicly available in a prompt, transparent and readily accessible manner;
- e) **Efficiency:** Contracting Parties shall ensure the efficient and effective administration of inter-state transport to facilitate the movement of goods into and/or from the Contracting Parties;
- f) **Appeals:** Contracting Parties shall ensure that an effective mechanism for the review of the decisions by the relevant authorities of Contracting Parties is made available and accessible to users and providers of inter- state transport within ASEAN; and
- g) **Mutual Assistance:** Contracting Parties shall endeavour their utmost cooperation and mutual assistance between the concerned agencies involved in the facilitation of inter-state transport in ASEAN.

PART I
GENERAL PROVISIONS
Article 3
Definitions

For the purposes of this Agreement:

- (a) "Cabotage" means the carriage of goods loaded in the territory of a Contracting Party for unloading at a place within the territory of the same Contracting Party;
- (b) "Competent National Body" means the body designated by each Member Country for the registration of inter-state transport operators;
- (c) "Dangerous goods" means those substances and articles which may affect the interest of environment, health, safety and national security;
- (d) "Host Contracting Party" means the Contracting Party where transport is performed;
- (e) "Inter-state transport" means transport of goods and the movement of means of transport into and/or from Contracting Parties;
- (f) "Means of transport" means road vehicles, including those on-board roll-on/roll-off vessels;
- (g) "Perishable goods" means goods that are easily damaged under the influence of time, temperature or transport movement if they are not carried in good condition. These may include fresh, chilled or frozen fish, crustacean, molluscs, fruits, vegetables, chilled or frozen meat or poultry, dairy and dairy products, eggs and egg products and swine and pork products;
- (h) "Secretary-General" means Secretary-General of the Association of Southeast Asian Nations and
- (i) "Transport Operator" means owners, drivers and/or agents of road transport vehicles who (i) have the appropriate national permit or license to operate inter- state transport services and who have a proven compliance record to the rules and procedures under said permit or license; and (ii) are duly registered as inter-state transport operators by the respective Competent National Body or the National Transit Transport Committee (NTTCC) among the Contracting Parties.

Article 4
Scope of Application

The provisions of this Agreement shall apply to inter-state transport. Cabotage is not covered by this Agreement.

Article 5
Grant of Rights

1. Subject to the provisions of this Agreement, each Contracting Party shall grant to other Contracting Parties the right to inter-state transport by:
 - a) allowing transport operators duly established in one Contracting Party to undertake transport of goods into and/or from the territories of other Contracting Parties; and

- b) granting the right to load and discharge goods destined for or coming from Contracting Parties.
- 2. The Contracting Parties shall endeavour to provide facilities for inter-state transport in accordance with the provisions of this Agreement.
- 3. Inter-state transport, provided that it complies with the relevant laws and rules of the host Contracting Party, shall not be subject to any unnecessary delays or restrictions.

PART II DESIGNATION OF INTER-STATE TRANSPORT ROUTES AND FRONTIER POSTS

Article 6 Inter-State Transport Routes and Facilities

1. The Contracting Parties agree that the list of transit transport routes as specified in the Annex of Protocol 1: Designation of Transit Transport Routes and Facilities, under the ASEAN Framework Agreement on Facilitation of Goods in Transit, signed at Bangkok on 8 February 2007, shall be the designated inter-state transport routes and facilities for the purpose of this Agreement.
2. The Contracting Parties may initiate proposals for the modifications and/or expansion of the designated inter-state transport routes from time to time. Any proposed modifications/changes by one Contracting Party shall be with the mutual agreement of the immediate neighbouring Contracting Party or Parties. Subsequent amendments shall be deposited with the Secretary-General of ASEAN.
3. For the benefit of safety, the Contracting Parties shall endeavour to provide in their territory's vehicle rest areas on these designated routes at appropriate intervals.

Article 7 Frontier Posts and Facilities

1. The Contracting Parties agree that the frontier posts as specified in Protocol 2: Designation of Frontier Posts, under the ASEAN Framework Agreement on Facilitation of Goods in Transit, shall be the designated frontier posts for the purpose of inter-state transport under this Agreement.
2. The Contracting Parties may initiate proposals for the modifications and/or expansion of the designated frontier posts from time to time. Any proposed modifications/ changes by one Contracting Party shall be with the mutual agreement of the immediate neighbouring Contracting Party or Parties. Subsequent amendments shall be deposited with the Secretary-General of ASEAN.
3. The Contracting Parties shall provide adequate facilities and related installations at frontier posts over the inter-state transport routes.
4. The Contracting Parties shall endeavour to:
 - (a) Provide, whenever possible and within their national jurisdiction, frontier posts which are physically adjacent to those of other Contracting Parties concerned with control areas with checking requirements in order to facilitate the clearance and examination of the means of transport and goods under this Agreement, so that repeated unloading and reloading of these goods may be avoided. Nothing shall

- prevent two or more Contracting Parties from conducting joint examination at the same place by officials of these Contracting Parties;
- (b) Ensure that adequate manpower resources are made available for the speedy completion and clearance of frontier formalities, such as immigration, customs, health and foreign exchange controls;
 - (c) Coordinate working hours of adjacent posts; and
 - (d) Provide, wherever possible, adequate parking space for containers and for vehicles awaiting goods clearance.
5. The Contracting Parties agree to be guided, wherever possible, by the provisions of the International Convention on Harmonization of Frontier Control of Goods, signed at Geneva on 21 October 1982, in their efforts to harmonise frontier facilities for goods transported under this Agreement.

PART III GENERAL CONDITIONS FOR ROAD TRANSPORT

Article 8 Traffic Regulations

The Contracting Parties shall endeavour to take appropriate measures to ensure the harmonisation of road traffic regulations in force in their territories conform in substance to the provisions of the Convention on Road Traffic, signed at Vienna on 8 November 1968 and the Convention on Road Sign and Signals, signed at Vienna on 8 November 1968.

Article 9 Inter-State Transport Services

- 1 Each Contracting Party shall allow the use of means of transport registered in other Contracting Parties to provide inter-state transport services on its territory in accordance with Article 5 of this Agreement.
2. The Contracting Parties agree that the number of inter- state transport vehicles allowed to be used for inter-state transport shall be no more than five hundred (500) vehicles per Contracting Party. Thereafter, the number of inter-state transport vehicles shall be discussed from time to time between the Contracting Parties.
3. Except for the provisions relating to the number of road transit transport vehicles as provided for in Article 4 of Protocol 3: Types and Quantity of Road Vehicles, under the ASEAN Framework Agreement on Facilitation of Goods in Transit, signed at Ha Noi on 15 September 1999, the principles as specified in the said Protocol shall apply to this Agreement.

Article 10 Road Transport Permits

The Contracting Parties undertake to harmonise road transport permit requirements in order to facilitate inter-state transport.

Article 11
Technical Requirements of Road Vehicles

Means of transport used in inter-state transport shall conform to the technical requirements regarding vehicle dimensions, maximum weights and loads, emission standards and related matters as specified in Protocol 4: Technical Requirements of Vehicles, under the ASEAN Framework Agreement on the Facilitation of Goods in Transit, signed at Ha Noi on 15 September 1999.

Article 12
Mutual Recognition of Inspection Certificates

- 1 The Contracting Parties undertake to institute periodic inspection of road vehicles registered in their respective territories and used for inter-state transport.
2. The Contracting Parties shall recognise periodic inspection certificates of road vehicles used for inter-state transport issued by the other Contracting Parties, in accordance with the Agreement on the Recognition of Commercial Vehicle Inspection Certificates for Goods Vehicles and Public Services Vehicles Issued by ASEAN Member Countries signed at Singapore on 10 September 1998.

Article 13
Mutual Recognition of Driving Licenses

The Contracting Parties shall recognise domestic driving licenses issued by all other Contracting Parties for the purpose of inter-state transport in accordance with the Agreement on the Recognition of Domestic Driving Licenses Issued by ASEAN Countries signed at Kuala Lumpur on 9 July 1985.

Article 14
ASEAN Scheme of Compulsory Motor Vehicle Insurance

1. Motor vehicles travelling to the territory of other Contracting Parties shall comply with the compulsory motor vehicle insurance required in the host Contracting Party.
2. The Contracting Parties agree to conform to the scheme of compulsory motor vehicle insurance as specified in Protocol 5: ASEAN Scheme of Compulsory Motor Vehicle Insurance, under the ASEAN Framework Agreement on the Facilitation of Goods in Transit, signed at Kuala Lumpur on 8 April 2001.

Article 15
Charges and Other Financial Obligations

The Contracting Parties shall endeavour to simplify, consolidate and harmonise charges and other financial obligations which are levied on the means of transport.

Article 16
Temporary Admission of Road Vehicles

For the purpose of this Agreement, the Contracting Parties shall grant temporary admission to road vehicles (and the fuel contained in its supply tanks, its lubricants, maintenance supplies and spare parts in reasonable quantities) registered in the territory of another Contracting Party, without payment of import duties and import taxes, without depositing a Customs' guarantee bond and free of import prohibitions and restrictions, subject to re- exportation and other related conditions.

PART IV
CUSTOMS CONTROL, SANITARY AND PHYTOSANITARY MEASURES

Article 17
Harmonisation and Simplification of Customs Procedures

1. The Contracting Parties shall simplify and whenever possible harmonise the customs control procedures of inter- state transport to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.
2. The Contracting Parties shall facilitate joint customs inspection, wherever possible, of inter- state transport at their designated frontier points.

Article 18
Establishment of Sanitary and Phytosanitary Measures

The Contracting Parties agree to establish sanitary and phytosanitary measures as specified in Protocol 8: Sanitary and Phytosanitary Measures, under the ASEAN Framework Agreement on the Facilitation of Goods in Transit, signed at Phnom Penh on 27 October 2000, to facilitate inter-state transport of goods into and/or from their territories and ensure compliance with the laws and regulations which the relevant authorities are responsible for enforcing.

PART V
MISCELLANEOUS PROVISIONS

Article 19
Special Provisions on Inter-State Transport of Dangerous Goods

The Inter-State Transport of Dangerous Goods shall not be permitted under this Agreement, unless there is a special permit of the Contracting Party in whose territory the transport is undertaken, as specified in Protocol 9: Dangerous Goods, under the ASEAN Framework Agreement on the Facilitation of Goods in Transit, signed at Jakarta on 20 September 2002.

Article 20
Special Provisions on
Transport of Prohibited and/or Restricted Goods

The Inter-State Transport of prohibited and/or restricted goods shall not be permitted under this Agreement.

Article 21
Special Provisions on
Inter-State Transport of Perishable Goods

Subject to the provisions of this Agreement, the Contracting Parties shall endeavour to facilitate inter-state transport of perishable goods.

Article 22
Provision of Greater Facilities

This Agreement does not entail in any way the withdrawal of facilities which are greater than those provided for in this Agreement as long as the terms and conditions are consistent with the principles embodied in this Agreement. This Agreement also does not preclude the granting of greater facilities which may be agreed between Contracting Parties in the future.

Article 23

Domestic Legislation

1. Unless otherwise provided for by this Agreement, the domestic laws and regulations of the Contracting Parties relating to transport of goods, shall apply equally and without discrimination to inter-state transport.
2. The Contracting Parties shall endeavour to harmonise and simplify their rules, regulations and administrative procedures relating to inter-state transport in accordance with the provisions of this Agreement.

Article 24

Compliance with National Laws

Except where otherwise provided in Agreements between the Contracting Parties, including this Agreement:

- (a) means of transport of one Contracting Party including persons and goods shall, when in the territory of the other Contracting Party, comply with national laws and regulations in force in that territory.
- (b) neither of the Parties shall impose on persons or goods of the other Contracting Party requirements which are more restrictive than those applied by its national laws and regulations on its own means of transport; and
- (c) the host Contracting Party may temporarily or permanently deny access to its territory to person, driver, transport operator, means of transport that has infringed national laws and regulations or this Agreement.

Article 25

Transparency

1. The Contracting Parties shall ensure transparency of their respective laws, regulations and administrative procedures which affect the facilitation of inter-state transport of goods under this Agreement and its Protocols.
2. For this purpose, all Contracting Parties shall deposit with the ASEAN Secretariat, not later than six months after this Agreement has entered into force, their aforementioned laws, regulations and administrative procedures.
3. If the aforementioned documents are not in the English language, their English translation shall also be deposited within one year after this Agreement has entered into force.

Article 26

Assistance for Traffic Accidents

Should the means of transport of one Contracting Party including persons and goods be involved in traffic accidents in the territory of another Contracting Party, the latter shall provide all possible assistance to the means of transport, including persons and goods and notify the appropriate authorities of the Contracting Party concerned as soon as possible.

PART VI INSTITUTIONAL ARRANGEMENTS

Article 27 Institutional Arrangements

1. The National Transit Transport Coordinating Committee, established under Article 29 of the ASEAN Framework Agreement on the Facilitation of Goods in Transit signed in Ha Noi on 16 December 1998, of each Contracting Party shall also be responsible for the coordination and implementation of this Agreement.
2. The Transit Transport Coordinating Board, established under Article 29 of the ASEAN Framework Agreement on the Facilitation of Goods in Transit signed in Ha Noi on 16 December 1998, shall also oversee the overall coordination and implementation of this Agreement. The Board is further authorized to invite and seek the assistance of other relevant ASEAN coordinating bodies, for all matters related to the implementation of this Agreement.
3. The Transit Transport Coordinating Board shall make periodic reports on the implementation of this Agreement and seek appropriate guidance on significant issues as necessary, from the relevant ASEAN Ministerial bodies.
4. The ASEAN Secretariat shall assist the Transit Transport Coordinating Board in its functions and responsibilities under this Agreement and in particular, in the monitoring and reporting of the progress of the implementation of this Agreement. The ASEAN Secretariat shall submit evaluation reports to the Transit Transport Coordinating Board, for further action.

PART VII FINAL CLAUSES

Article 28 Dispute Settlement

The provisions of the ASEAN Protocol on Enhanced Dispute Settlement Mechanism, done at Vientiane, Lao PDR on the 29th day of November 2004 and any amendment thereto, shall apply to disputes arising under this Agreement.

Article 29 Other Agreements in Force

This Agreement or any actions taken thereto shall not affect the rights and obligations of the Contracting Parties under any existing agreements or International Conventions to which they are also Contracting Parties.

Article 30 Implementation Arrangements

1. In the implementation of this Agreement, or more Contracting Parties who are ready can negotiate, conclude and sign implementing agreements/arrangements in line with the ASEAN-X Formula, on a plurilateral, multilateral or sub- regional basis. The other Contracting Parties can join in the implementation when they are ready.
2. The Protocols under the ASEAN Framework Agreement on Facilitation of Goods in Transit which are referred to under this Agreement and any amendments to such Protocols, shall

apply mutatis mutandis to inter-state transport under this Agreement. Such Protocols and any amendments thereto, shall be regarded as an integral part of this Agreement.

3. With respect to each Contracting Party, the effect of those Protocols for this Agreement shall be from the date of depositing the Instrument of Ratification or Acceptance of those Protocols or the date of depositing the Instrument of Ratification or Acceptance of this Agreement with the Secretary-General of ASEAN, whichever is later.

Article 31

Final Provisions

1. This Agreement is subject to ratification or acceptance by the Contracting Parties.
2. The Instrument of Ratification or Acceptance shall be deposited with the Secretary-General of ASEAN, who shall promptly inform each Contracting Party of such deposit.
3. This Agreement shall enter into force upon the thirtieth day after the deposit of the second Instrument of Ratification or Acceptance and shall be effective only among the Contracting Parties who have ratified or accepted it. For each Contracting Party ratifying or accepting this Agreement after the deposit of the second Instrument of Ratification or Acceptance, this Agreement shall enter into force on the thirtieth day after the deposit of such Contracting Party of its Instrument of Ratification or Acceptance.
4. No reservation may be made to this Agreement either at the time of signature, ratification or acceptance.
5. Any amendment to the provisions of this Agreement shall be effected by consent of all Contracting Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorised to sign by their respective Governments, have signed this ASEAN Framework Agreement on the Facilitation of Inter-State Transport.

DONE at Manila, Philippines, this 10th Day of December in the Year **Two Thousand and Nine** in a single original copy in the English Language.

For Brunei Darussalam:

PEHIN DATO ABU BAKAR APONG
Minister of Communications

For the Kingdom of Cambodia:

TAUCH CHANKOSAL
Secretary of State
Ministry of Public Works and Transport

For the Republic of Indonesia:

JUSMAN SYAFII DJAMAL
Minister for Transportation

For the Lao People's Democratic Republic:

SOMMAD PHOLSENA

Minister of Public Works and Transport

For Malaysia:

DATO' SRI ONG TEE KEAT

Minister of Transport

For the Union of Myanmar:

MAJOR GENERAL THEIN SWE

Minister for Transport

For the Republic of the Philippines:

LEAMBRO R. MENDOZA

Secretary of Transportation and Communications

For the Republic of Singapore:

RAYMOND LIM

Minister for Transport

For the Kingdom of Thailand:

SOPHON ZARAM

Minister of Transport

For the Socialist Republic of Viet Nam:

HO NGHIA DZUNG

Minister of Transport

Annex I Brunei Cross-Border Vehicle Entry Permit (VEP): Sistem Pengangkutan Darat (SPD)

Overview of SPD and Scope

The Sistem Pengangkutan Darat (SPD) is a web-based platform developed by Brunei's Land Transport Department (JPD) to manage end-to-end processing of vehicle-related applications, including cross-border permits for commercial vehicles. It supports online submission, monitoring and approval of applications, providing real-time status updates to both JPD and registered users.

This annex sets out the application process and procedures for obtaining a Brunei Cross-Border Vehicle Entry Permit (VEP) for Malaysian-registered trucks, based on the SPD Public User Manual (Internet User Guide, Version 2.0) and related JPD guidance.

Access to SPD services is via the official SPD homepage:

<https://www.pengangkutan-darat.gov.bn>

1. Software and System Requirements

To ensure the SPD functions correctly, the following software and configuration are required, reflecting the original technical specification of the SPD Internet User Guide:

- **Web Browser:** Internet Explorer 7 or higher
- **Java Runtime Environment (JRE):** 1.5.0.12
- **Adobe Reader:** Version 8.1.1 or higher
- **Java Web Start:** Version 1.0.1.0

Important: Internet Explorer must be configured to allow ActiveX controls as specified in the SPD technical guidelines.

2. SPD User Account Registration

- Download the **SPD User ID application form** from the SPD login page.
- Complete the form and submit it to the Land Transport Department (JPD) via email SPDAPPLICATION@land-transport.gov.bn.
- Upon approval, the applicant will receive a unique **User ID and password** by email. These credentials are required to access the SPD portal.

3. Log in to SPD Online Portal

- Navigate to the SPD homepage using Internet Explorer
- Log in using your assigned credentials.

- Select your user environment from the dropdown menu:
 - Business (for commercial operators)
 - Public (for individual applicants)
 - Portal (for general access)

4. Accessing the Cross Border Permit Application

From the SPD dashboard:

- Select “**Cross Border Permit**” from the main applications menu.
- Related functions (e.g. renewals, cancellations or status enquiry) are available under this same section.

5. Prepare and Submitting Documentation

a. Required Supporting Documents

Ensure the following documents are prepared (in PDF, JPEG or TIF format, not exceeding 1MB each file)

- Valid vehicle registration certificate
- Driver's valid driving licence
- Proof of vehicle insurance coverage
- Commercial transport licence or endorsement (if applicable)

b. Application Form

- Download the **Vehicle Entry Permit (VEP) application form** from the SPD portal or website.
- Complete all sections accurately, including:
 - Vehicle particulars (registration number, make, model, tonnage)
 - Owner and driver details
 - Purpose of journey (e.g. Inter-state transport, In-Transit Transport)
 - Intended entry / exit and route(s).
- Use the appropriate form: New Application, Renewal or Amendment.

c. Uploading Documents via SPD Upload Manager

- Launch the SPD Upload Manager from the provided SPD link.
- Configure host and port settings as instructed.
- Upload documents individually, using the built-in checklist to verify completeness.

Note: Prepare official supporting documents (such as registration certificates, insurance papers, operator details, transport licenses and any

additional documents mandated by Brunei LTD) in PDF, JPEG, or TIF format and each individual document file size must not exceed 1MB.

6. Submit and Track Application

a. Submission

- Submit the completed application and supporting documents:
 - Online via SPD (preferred), or
 - In person at the designated JPD service counter.
- Pay the applicable fee as directed (cash, card, or e-payment, per JPD instructions).

b. Processing

- The Land Transport Department (JPD) will verify the application.
- Additional information or documentation may be requested if discrepancies are identified.
- Processing times varies depending on submission completeness and current workload.

c. Status Tracking

- Monitor application progress in real time via SPD portal.
- Enquiries may be submitted through the “**Enquiry**” function at any stage.

7. Permit Approval and Issuance

a. Collection of Permit

- Upon approval, the **Vehicle Entry Permit (VEP)** will be issued either:
 - As a physical copy (collectable from JPD office), or
 - As a digital copy (sent via email or downloadable from SPD portal)
- For Inter-State or In-Transit operations, ensure the permit clearly specifies the permit activity and authorised route.

Important: The permit must be carried by the driver at all times and presented at border checkpoints.

b. Renewal or Amendment

- Submit renewal applications **before expiry**.
- Changes to vehicle, driver or route details may require a new application rather than an amendment. Refer to the SPD portal for applicable forms.

Key Notes

- The SPD portal supports application for new permits, renewal and cancellations.
- All foreign commercial vehicles (including Malaysian trucks) must comply with Brunei's regulatory requirements.
- For cross-border transport between Sarawak and Sabah via Brunei, ensure the permit application clearly states the transit purpose.
- For the latest updates or sector-specific rules (e.g. hazardous goods, oversized loads), consult official Brunei JPD notices or contact the department directly.

This streamlined procedure ensures regulatory compliance and facilitates efficient cross-border movement of goods between Malaysia and Brunei, including transit transportation between Sarawak and Sabah, via the SPD ecosystem.

Brunei Land Transport Department (JPD) Form for Application of Vehicle Entry Permit (VEP) for Malaysia-Registered Commercial Trucks, for purpose of Inter-State or Transit Transportation Activities in Brunei.

**BORANG LINTAS BATAS
[KENDERAAN LUAR NEGARA]**

**JABATAN PENGANGKUTAN DARAT
KEMENTERIAN PENGANGKUTAN DAN INFOKOMUNIKASI
NEGARA BRUNEI DARUSSALAM**

**BORANG PERMOHONAN UNTUK MENDAPATKAN
PERMIT KENDERAAN (VEHICLE PERMIT)**

Sila tanda ☒ jenis permohonan awda:

☐ Permohonan Permit Baru	☐ Membaharui Permit	☐ Transit	☐ Inter-State
---	--	----------------------------------	--------------------------------------

A. Keterangan Syarikat/Pesendirian

- 1) Nama Syarikat/Nama Pemohon : _____
- 2) No. Pendaftaran Syarikat/ No. Kad Pintar: _____
- 3) Alamat Persuratan: _____ Poskod: _____
- 4) Nombor Telefon Pejabat: _____ 5) Nombor Telefon Bimbit: _____
- 6) Emel: _____

B. Keterangan Kenderaan

- 1) Nombor Pendaftaran Kenderaan: _____ 2) Tarikh Mansuh LKM (RoadTax): _____
- 3) Jenis Kenderaan: _____ 4) Muatan Duduk Kenderaan: _____
- 5) No. Rangka / No. Chasis: _____

C. Keterangan Permit Kenderaan

- 1) Jenis Kelas Lesen: _____ 2) Rujukan Lesen: _____
- 2) Tarikh Sah Laku: _____ Hingga _____
- (Tarikh Mula) (Tarikh Mansuh)

D. Surat Sokongan (Bagi kenderaan dari Malaysia atau Indonesia sahaja)

- 1) Rujukan Lesen: _____
(Yang mana berkenaan: LKPP / JPJ / MOTAC / KARTU PENGAWASAN)
- 2) Tarikh Dibenarkan: _____ Hingga _____
- (Tarikh Mula) (Tarikh Mansuh)

E. Keterangan Perjalanan

- 1) Rujukan Vehicle Permit: _____
(Jika membaharui permit kenderaan)
- 2) Tarikh Perjalanan: _____ Hingga _____
- 3) Jenis Barangan/Muatan: _____
- 4) Butiran Perjalanan Dari: _____ Menuju Ke: _____
(Sila gunakan kertas tambahan jika ruangan tidak mencukupi)
- 5) Tarikh yang dipohonkan: _____ Hingga _____
- (Tarikh Mula) (Tarikh Mansuh)

F. Pengakuan Pemohon

Saya mengaku bahawasanya jawapan-jawapan dan keterangan-keterangan yang saya isi dan lengkapkan di dalam pengakuan ini adalah benar. Jika saya disahkan memberi jawapan dan keterangan palsu maka saya akan didakwa di bawah Bab 177 Kanun Hukuman Jenayah (Penggalt 22 Undang-Undang Negara Brunei Darussalam) dan boleh dihukum penjara bagi suatu tempoh tidak melebihi 6 bulan, denda tidak melebihi \$4,000.00 atau kedua-duanya sekali.

Tandatangan Pemohon
Nama: _____

Cop Syarikat: _____

Tarikh: _____

JPD/PPKPA/RTA 63(2)

Imbas sini bagi
panduan mengisi
borang



Annex J Brunei Vehicle Entry System (VES) Pass and Exit and Entry System (EES)

BRUNEI VEHICLE ENTRY SYSTEM (VES) PASS

The Brunei Vehicle Entry System (VES) Pass is an online vehicle registration and border control system introduced to streamline vehicle entry and exit procedures at Brunei's checkpoints. It replaces manual forms by providing a digital pass containing a QR code for each registered vehicle, expediting border clearance and enhancing efficiency.

Key Features

The VES Pass allows travellers to pre-register their vehicles online ahead of cross-border journeys, reducing paperwork and delays at checkpoints. Upon completion of the online registration:

- Each vehicle is issued a unique QR code, which may be stored digitally on a smartphone or printed.
- The QR code must be scanned at border checkpoints during both entry and exit Brunei.
- Email notifications provide confirmation and access to the digital pass at any time.
- Automated QR processing reduces waiting times and facilitates faster clearance at border control posts.
- The VES Pass is valid for three months from the date of vehicle registration, allowing multiple border crossings within the validity period.

Step-by-Step VES Pass Online Application Process

Before applying for a VES Pass through the Brunei Darussalam National Single Window (BDNSW) portal, ensure you have the following documents and information ready for a smooth application process:

VES Registration Checklist

- Valid Vehicle Registration Certificate (complete vehicle details included)
- Owner's identification document (Passport or NRIC)
- Vehicle insurance documentation (ensure coverage is valid for Brunei and cross-border travel)
- Valid vehicle road tax documentation
- Active email address (for receiving the QR code pass and notifications)
- Proof of ownership or authorisation letter (for company or leased vehicles)

- Contact details (phone number and alternate email, if available)
- Details of intended travel (dates, routes, checkpoint locations, as applicable)

Ensure all documents are clear, legible and preferably saved in PDF or image format and ready for upload and submission.

Application Steps

1. Visit the BDNSW Portal

- Access portal at www.bdnsw.gov.bn

2. Select the Vehicle Entry System (VES)

- Click the 'VES' icon displayed on the homepage (typically on the right).

3. Search Vehicle Registration

Enter your vehicle registration number.

- If your vehicle number appears, verify ownership details.
- If not, uncheck the owner box and enter your details (ID/passport number, name).

4. Register Vehicle (if not listed)

If the vehicle does not appear, look out for the red text (typically at the bottom).

- Click on the red text and complete the online vehicle registration.

5. Review and Submit

Check all details are accurate, especially on vehicle and owner details.

- Tick the confirmation box to accept the information, before submitting.

6. Choose Delivery Method

- Enter your email address and select 'Email Vehicle Pass' to receive the pass with QR code by email, or
- Click 'Print Vehicle Pass' to print it directly from the browser.

7. Download or Print the VES Pass

Retrieve the emailed VES Pass with the QR code and save the message in a proper folder.

- When printing the VES Pass the QR code will appear during the printing.

8. Border Crossing

Present the VES Pass with the QR code at checkpoints for scanning during both enter to and exit from Brunei. This is required for every journey across the checkpoint border posts.

Document Upload Specifications

When uploading documents to the BDNSW portal, adhere to the following file requirements to avoid rejection or system errors:

Accepted Formats

- PDF (.pdf) - recommended and commonly accepted for all official and scanned documents.
- Images may also be accepted in standard formats: JPEG (.jpg), PNG (.png).

Rejected or Unsupported Formats

- Executable files (.exe), scripts or system files.
- TIFF (.tif), BMP (.bmp), GIF (.gif) and other uncommon formats.
- Corrupted or password-protected files.
- Misnamed or disguised files (e.g. renamed extension such as .jpg saves as .pdf).
- Poor-quality mobile screenshots or incomplete log card captures.

File Size Limits

- Maximum of 5MB per document (PDF).
- For image files, keep them below 5MB each to avoid system rejection.
- Combine multiple documents into one PDF under 5MB when possible.

Recommendations

- Compress or resize files before uploading.
- Ensure files are legible, virus-free and not password-protected.
- Avoid renaming extensions with actual file conversion, as system verification is automated.

Additional Notes

- Ensure your registered email address is active for receiving notifications and updates.
- The VES Pass remains valid for three months from the date of registration and can be reused for multiple crossings within that period.
- For support, contact the Brunie Customs helpdesk at [info@customs.gov.bn] or refer to the official BDNSW user guide.

The Vehicle Entry System (VES) represent a major step in digitising Brunei's cross-border vehicle management process, providing greater convenience and efficiency for both private motorists and commercial vehicle operators.

EES PASS AND SERVICE CHARGE (CaP)

The Exit and Entry System (EES) Pass is Brunei's digital travel pass for all persons entering or leaving via official checkpoints - by land, air or sea. The EES replaces paper-based permits and delivers an efficient, streamlined experience for travellers and authorities alike.

System Overview

- The EES Pass is generated online from the central EES portal: [<https://login.bdns.gov.bn/ees>].
- Application requires personal and travel details. Account activation is completed via a One-Time Password (OTP) sent to your email address.
- Upon successful application and payment of any service charges (CaP), a unique QR code is issued as the travel pass.
- The EES Pass is mandatory for all border movements and supports integration with vehicle systems such as the VES. However, no scanned supporting documents are uploaded for standard applications - only details from these documents are required.
- This digital system enhances Brunei's immigration efficiency and strengthens travel document integrity.

EES Pass Application Checklist

- **Valid Passport:** Ensure your passport remains valid for the entire intended travel period; confirm the passport number and details are correct.
- **Travel Details:** Entry and exit dates as well as the names of border checkpoints to be used (land, air, or sea).
- **Personal Information:** Full name, date of birth, nationality, passport types, numbers and expiration date.
- **Vehicle Information (if applicable):** Registration card, engine and chassis numbers for vehicles.
- **Contact Information:** Active email address for registration, OTP receipt and QR code delivery.
- **Payment Method:** Online banking or card details for payment of the CaP.

There is no need to upload scanned documents for basic EES Pass applications. However, be sure to have the above details to hand for accurate entry.

Application Process: Step-by-Step

Step	Action	Notes
1	Access Portal	Login at [https://login.bdnsw.gov.bn/ees] Google Chrome or Internet Explorer recommended
2	Register Account	Click "Register Here", enter a valid email, complete details. Receive OTP by email.
3	Activate Account	Enter OTP to activate the account, then log in.
4	Begin Application	Click "New Pass Application", select travel mode, either by vehicle or pedestrian, fill in details.
5	Enter and Verify Info	For vehicles, provide registration, engine, chassis; for all, declare passengers and review application.
6	Review and Confirm	Accept and proceed for payment.
7	Payment of CaP	Pay BN\$3.00 per person per one-way crossing at land posts, using online options.
8	Receive QR Code	On successful payment, the system emails your QR code; download or print for use at checkpoint crossing posts.

Service Charge (CaP¹⁰) Details

Objective:

CaP standardises the service charge for land border crossings, replacing previous tolls such as those at Rasau and Sungai Teraban.

Rate:

- BN\$3.00 per person per one-way travel passing at each land control post.
- Crossing multiple posts or using round-trip journeys multiplies the total (e.g. Miri to Limbang via two posts = BN\$6.00 per person).

Who Pays:

- All nationalities, including Bruneians, at land control posts, whether by vehicle or as pedestrians.

Exemptions:

- Government, military, emergency and funeral vehicles in official use
- Public officers on duty
- Children aged 2 years or younger

¹⁰ CaP = Caj Perkhidmatan (Service Charge)

- Consular and diplomatic staff as per local regulations

Imposed at:

- Only at land control posts: Sungai Tujoh, Kuala Lurah, Ujong Jalan and Labu.
- Not imposed at Serasa Ferry Terminal, seaports or airports (existing air/sea charges remain in effect).

EES QR Code Rules

- A new QR code must be generated for each travel instance (one-way or return).
- QR codes are single use per registered trip and control post combination; their frequency of use is determined by the application settings (see table below).
- The QR code for EES is distinct from the VES system and replaces its border function for people movement.
- For those exempt from CaP, application and QR code generation remain mandatory.

Travel Type	Control Post(s) Chosen	Number of Times QR Code Can Be Used
One Way	Sungai Tujoh	1
One Way	Kuala Lurah, Ujong Jalan	2
Round Trip	Labu	2
Round Trip	Ujong Jalan, Labu	4

Additional travel or party changes require a new application and code.

Payments, Validity and Troubleshooting

- Payment is only accepted online or at designated BIBD bank counters (no cash at control posts).
- “Pay Later” option: Defer payment but generate QR code only after full payment is made and confirmed using your bill and registration references.
- Refunds are not available for overpayment due to data entry errors, only for genuine system faults (claim within one year, provide supporting documents).
- In system downtime, follow RCED notifications regarding alternative payment methods; always aim to complete applications and payments in advance.
- For assistance, use hotline numbers at each control post or visit RCED customer service counters.
- Dedicated kiosks are available at land posts for public support; email registration remains mandatory.

Document Validity and Updates

Pass Type	Validity Period	Document Retention
VES	Up to 3 months for foreign vehicles or tied to licence expiry for Brunei vehicles	Not retained beyond period; new application required upon expiry.
EES	Pass is valid only for the registered trip; no supporting files are retained for future use.	New details must be re-entered each time.

Always update details (passport, vehicle, insurance) promptly on the BDNSW portal to avoid complications.

If you are unable to edit, either submit a new application or contact [info@customs.gov.bn] for support.

Key Advisory Points

- Every person, including all vehicle occupants, must be listed and paid for in the travelling application - even if only one account holder is making the application.
- QR codes are specific to both people and control posts; plan itineraries and applications accordingly to prevent travel issues.
- For repeated journeys, plan in advance and make lump-sum payments when allowed to avoid border delays.
- Refunds for ordinary errors are not permitted, so always review entry details and payment numbers before submission.

This process supports Brunei's goals for secure, efficient and fully digitised border management, providing transparent service charge administration and enhanced traveller experience at all official crossings.

If a handout or presentation version with additional formatting, summary tables, or diagrams is needed, please specify your requirements.

Application Process: Step-by-Step

1. Access the EES Portal

- Go to [<https://login.bdns.gov.bn/ees>] using a recommended web browser like Google Chrome or Internet Explorer.

2. Register for a User Account

- Click "Register Here" to start the account registration.
- Enter a valid email address to create your user ID. You will receive a One-Time Password (OTP) via email for account activation.

3. Activate Your Account

- Use the OTP sent to your email to activate your EES account.
- Log back in using your credentials.

4. Begin the Pass Application

- After login, select “New Pass Application”.
- Choose your mode and type of travel: vehicle, public transport, pedestrian.
- Fill in required travel and personal details including applicant particulars, intended checkpoints for entry/exit and travel dates.

5. Enter and Verify Details

- If travelling by vehicle, enter registration number, engine and chassis numbers. The system may auto-populate data for locally registered vehicles.
- Declare passenger details if necessary and confirm all information is correct.

6. Review and Confirm Application

- Review the summary screen and tick “I Agree” to proceed.

7. Pay Service Charges (CaP)

- The system will generate a bill reference and EES registration number. Make payment for the service charge (CaP) online via your banking portal.

8. Generate and Receive QR Code

- After successful payment, the system will generate your EES Pass as a QR code and send it to your registered email.
- Download or print the QR code for presentation at border checkpoints.

Notes

- You do not need to upload supporting documents for the EES Pass; you only enter details from your documents (passport, vehicle registration, travel info).
- Retain the QR code and the payment confirmation for border clearance.
- This process ensures a fully digital and efficient application for safe travel in and out of Brunei.

Validity of VES and EES Pass

Submitted documents for VES and EES passes in Brunei are retained for a limited validity or registration period - typically up to three months for foreign-registered vehicles and until the vehicle license expiry date for Brunei-registered vehicles, whichever is shorter. For business records in Brunei, general law requires retention

for at least five years, but this does not usually apply for individual immigration or vehicle entry pass uploads.

1. Document Retention

- **VES:** Valid for up to three months for foreign vehicles, tied to vehicle license expiry for Brunei vehicles. Note that data are not retained beyond validity for repeat registration.
- **EES:** Only travel particulars are registered and the system does not retain scanned supporting files for future applications, therefore each registration is treated as new.
- Should any uploaded document submitted earlier has expired, the same renewal document must be resubmitted.

2. Updating Submitted Documents

- To update registration details or correct errors, log in to the BDNSW portal, select your application and use “Edit Record” or the update function.
- For vehicle records, ensure your details and email are up to date in both BDNSW and the Land Transport Department system for notifications.
- If documents or particulars (e.g. passport, insurance, vehicle ownership) change, submit a new application or update the relevant information so the QR code and records reflect the latest documentation.
- If you are unable to edit in the portal, re-submit your application or contact [info@customs.gov.bn] for assistance.

Always keep original documents and ensure all particulars in the BDNSW registration match current records. Updating promptly prevents border crossing issues or pass invalidation.

The CaP (Service Charge)

1. What is the main objective of the implementation of CaP?

The main objective of CaP is to coordinate the imposition of charges which are currently implemented to those who exit and enter Brunei by air and sea routes. The charges for Tol Rasau / Sungai Teraban will also be eliminated with the implementation of CaP.

2. How much is the charge rate?

The charge rate is BN\$3.00 per person for every one-way travel at each land control posts. For instance:

One-way Travel Charge Calculation Per Person				
Destination		1 st Control Post	2 nd Control Post	Total Charges
From	To			
<i>Miri</i>	<i>Limbang</i>	<i>Sungai Tujuh</i> (BND 3.00)	<i>Kuala Lurah</i> (BND 3.00)	BND 6.00

3. Who will be subjected to pay the charge?

The charge will be applied to every nationality, including Brunei citizens, passing through all land control posts either by using vehicle or as pedestrians.

4. Who will be exempted from paying the charge?

The charge waiver is granted to the following categories:

- a) Occupants of the following vehicle:
 - i. a vehicle which belongs to the Government of His Majesty or of another country used for official purpose
 - ii. a vehicle which belongs to the military forces raised and maintained under the Royal Armed Forces Act (Chapter 149)
 - iii. a vehicle when it is being used for firefighting, ambulance or police purposes
 - iv. a vehicle when it is being used for the purpose of a funeral.
- b) Public officers in the execution of their duties
- c) A child of the age of 2 years or below
- d) Consular officers and consular employees as defined in Article 1 in the First Schedule to the Consul and Relations Act (Chapter 118) and members of their families
- e) Diplomatic agent as defined in the Schedule to the Diplomatic Privileges (Vienna Convention) Act (Chapter 117)

5. Is this charge being imposed on all customs control posts?

The imposition of charge is specifically for land control posts, which are:

- Pos Kawalan Sungai Tujoh;
- Pos Kawalan Kuala Lurah;
- Kompleks Kawalan dan Pemeriksaan Ujong Jalan (KKPUJ); dan
- Pos Kawalan Labu.

6. Will this charge be being imposed at Serasa Ferry Terminal?

No. These charges will not be imposed at seaports and airports. However, the existing charges imposed to passengers who are traveling via sea and air are still applicable.

7. How to apply for exit from and entry into Brunei Darussalam via land control posts?

Application can be made through registration in the Exit and Entry System (EES) which can be accessed at [<https://login.bdnsw.gov.bn/ees>]. The best way to access this EES website is through google chrome web browser. The application is similar to the Vehicle Exit-Entry System (VES) with some new features which includes registration of EES account, application of person(s) who will be travelling and payment of CaP via online.

Annex K Brunei Land Cargo Transit (LCT) Declaration

Brunei Land Cargo Transit (LCT) Declaration System

Electronic Customs Transit for Land-based Cross-Border Movement

Overview

The **Land Cargo Transit (LCT) system** is a mandatory online Brunei Customs Declaration process for goods transiting through Brunei by land. It governs the movement of goods by road across Brunei without formal import/export clearance - i.e. bona fide transit cargo (Sarawak - Sabah links via Limbang/Lawas or Labuan - Limbang via Brunei checkpoints).

Purpose and Features

- **Digital Facilitation:** Enables secure, end-to-end declaration of land-transiting cargo, aligning with Brunei's national info-communications and technology advancement initiatives.
- **Enhanced oversight:** Empowers Royal Customs and Excise Department (RCED) to monitor land transit activity efficiently, strengthening border integrity and regulatory compliance.
- **Process efficiency:** Reduces reliance on paper-based submissions and accelerate clearance for transport operators, freight forwarders and forwarding agents using Brunei's land checkpoints.
- **Dual-track Flexibility:** Digital and manual paths ensure inclusivity for all operators during transit.
- **Note:** *Transit goods are exempt from customs duties and taxes, provided they remain under customs control and do not enter the domestic market. Service fees apply (see Fees section).*

Legal Basis

Instrument	Key Provision
Customs Order, 2006	Sections 138, 144: Obligation to declare & penalties
Customs (Customs Transit) Rules, 2006	Rule 5,7,15: Registration, validity (5 working days), Seal Control
Customs (Customs Transit) Amendment Rules, 2009	Updates on digital declarations and checkpoint procedures
Customs (Fees) Order, 2019	Schedule, Part III, Item 5: BND 3.00 (EES transit charge)
	Schedule, Part II, Item 6: BND 25.00

- **All goods in transit** (except prohibited items or dangerous goods without valid permits) **must be declared** via the LCT system prior to crossing Brunei's land borders.
- Declarations must be submitted by:
 - Licensed transport companies, or
 - Authorised customs agents (holding valid customs accreditation and, where required, written authority or security to act on behalf of the consignor / consignee).

LCT Declaration Process: Step-by-Step

1. Access EES Portal

- Go to: <https://login.bdnsw.gov.bn/ees/user/login>
- Use Google Chrome for optimal system performance and compatibility.
- Login in with registered credentials. (agent/transport licence required)

2. Navigate to LCT Module

- From the dashboard, select "Land Cargo Transit (LCT)" under the EES service menu. Then click "Create LCT Declaration" to launch the electronic transit form.

3. Complete Declaration Form

Provide accurate and full details for the following fields:

Category	Required Information
Transit Type	a) Entry into Brunei only, b) Exit from Brunei only, or c) Through Transit (entry + exit)
Vehicle Details	Registration number, engine number, chassis number • <i>for Brunei-registered vehicles: Details retrieved and validated against Land Transport Department records;</i> • <i>for foreign vehicles: Manually entered, ensure accuracy.</i>
Cargo Information	Commodity description, HS code (if applicable), quantity, gross/net weight, declared value, packing type
Parties Involved	Exporter, consignee and declarant details (must be registered entities)
Route & Checkpoints	Intended entry and/or exit points (e.g. Sungai Tujoh, Kuala Lurah, Labu, Ujong Jalan)
Personnel	Full name, ID/passport number and contact details for driver and any accompanying passengers

4. Upload Supporting Documents (PDF or JPEG format; max 5 MB each file)

Submit legible, complete copies of the following:

- Commercial Invoice
- Packing List or Cargo Manifest
- Bill of Lading (if multimodal transport involved)
- Delivery Order
- Valid Import/Export Permits (for restricted, controlled or sensitive goods)
- Authorisation Letter (if submitted by an agent on behalf of another party)
- Sectoral Licences (e.g. for dangerous goods, pharmaceuticals, wildlife products - as required by sectoral regulators)
- **Critical Reminder:** *All documents must clearly state: For Transit Only - Not for Sale in Brunei.*

5. Review, Validate & Submit

- Carefully check all entries. Resolve any warnings (e.g. missing fields, mismatched values).
- Confirm accuracy before clicking “Submit Declaration”.

6. Online Payment

- Service Charge (Caj Perkhidmatan / CaP): BND 3.00 per transit leg (which mean BND 3.00 for entry or exit; BDN 6.00 for through transit)
- Payment via integrated e-payment.
- Electronic receipt issued instantly.

7. Approval & QR Code Issuance

- Upon successful submission and payment, the system generates:
 - A unique LCT reference number and
 - Scannable QR code (for checkpoint verification).
- Approval is typically instantaneous during operational hours, though manual review may extend processing to within one working day.

8. Border Clearance & Transit

- Present the QR code or reference number, together with original supporting documents, to customs officers at the designated checkpoint.
- Physical inspection may be conducted, especially for high-risk or regulated cargo.
- Once verified, the vehicle is cleared for transit through territory.
- **Important:** *Retain a digital and printed copy of the approval notice and all submitted documents for the duration of transit.*

Essential Checklist for LCT Submission

Ensure the following are prepared before initiating the declaration:

Category	Required Information
Declarant Eligibility	Valid customs agent licence or transport operator registration
Cargo Documentation	Invoice, packing list, cargo manifest (all matching declared details)
Vehicle Particulars	Registration, engine, chassis numbers (cross-checked with physical vehicle)
Personnel Details	Driver/crew IDs and contact information
Permits & Authorisations	For restricted/dangerous goods (e.g. chemicals, pharmaceuticals, wildlife) and agent authorisation letters
Payment Readiness	Access to online payment method

Processing Timeline & Fees

Stage	Timeframe
Submission	Read time, 24 / 7 via EES Portal
System Validation	Immediate (automated checks)
Manual Review (if triggered)	Up to 1 working day (e.g. document discrepancies, high-risk cargo)
Approval & QR Code	Usually within minutes. Allow 24 hours during peak periods or weekends/holidays.

Penalties for Non-Compliance

Offence	Legal Provision	Penalties
Failed to declare	Rule 8, Customs Transit Rules Sec 138(1), Customs Order Sec 144(1), Excise Order	Fine: not more than BND 40,000 or duty-equivalent (whichever is higher) or imprisonment not exceeding 1 year or both.
Unauthorised Seal Removal	Rule 15, Customs (Customs Transit) Rules, 2006	Fine: not exceeding BND 16,000 or imprisonment not exceeding 8 months or both.
False/ Misleading Declaration	Sec 138 Customs Order Sec 144 Excise Order	Compound not exceeding BND 5,000 or fine equivalent of the amount of customs duty payable or imprisonment not exceeding 1 year.

Service Fee

- Transit Service Fee payable:
 - General Cargo: BND25.00
 - Controlled Goods: BND100.00
 - Rice, eggs, sugar, vegetable, fruits, fish, salt: BND10.00
 - Petroleum and LPG: BND50.00
- Paid in advance only via the EES portal - no other on-site payments accepted.
- Fee receipt is issued electronically upon successful payment.
- **Recommendation:** *Submit LCT declarations at least 24 hours before intended transit journey to accommodate potential queries or revisions.*

Controlled Goods:

- Petroleum products: Bitumen, premium petroleum, gas and related
- Poison, fertilisers, life animals including birds, life plants including flowering plants
- Motor vehicles (new or used)
- Pharmaceuticals, chemicals
- Animal meat (fresh, frozen or chilled)
- Communication devices: walkie talkie and telephone
- Transmission devices: Astro and Parabola
- **Restricted for Transit:** Cigarettes, liquor and pork

Approved Type of Vehicle for Transit:

- Containers and Boxed
- Caged fencing
- Locked truck or van

Approved Transit Time Limit:

- Sg Tujuh Post to Muara Port or reverse: Not exceed 5 hours
- Sg Tujuh Post to Kuala Lurah Post or reverse: Not exceed 4 hours
- Sg Tujuh Post to Brunei Intn'l Airport or reverse: Not exceed 3 hours
- Sg Tujuh Post to Serasa Ferry Terminal or reverse: Not exceed 5 hours
- Serass Ferry Terminal to Brunei Intn'l Airport or reverse: Not exceed 1 hour
- Serasa Ferry Terminal to Kuala Lurah Post or reverse: Not exceed 2 hours
- Muara Port to Brunei Intn'l Airport or reverse: Not exceed 1 hour
- Muara Port to Kuala Lurah Post or reverse: Not exceed 2 hours
- Labu Post to Ujong Jalan Post or reverse: Not exceed 1 hour

Best Practices for Smooth Transit

- ⇒ **Double-Check** vehicle identification details against physical plates and logbooks.
- ⇒ **Ensure cargo descriptions** match across all documents (invoice, cargo manifest, declaration).
- ⇒ **Declare all items** - even samples, spares or empty packing.
- ⇒ **Notify RCED in advance** for oversized, abnormal or escorted loads.
- ⇒ **Retain digital + printed copies** of approval, QR code and all documents through transit.
- ⇒ **Monitor email/SMS** for system alerts or requests for additional information.

The LCT Declaration System reflects Brunei's commitment to modern, transparent and ASEAN-aligned trade facilitation. By digitising transit formalities, it reduces delays, enhances security and supports seamless regional connectivity — all while upholding customs sovereignty and regulatory control.

For technical support or process queries, contact:

Royal Customs and Excise Department (RCED)

Email: customs@customs.gov.bn

Email: ees.support@customs.gov.bn (for EES technical issues)

RCED Helpdesk Tel: +673 238 0611 (Mon - Fri, 8:00 - 16:30)

Website: <https://www.customs.gov.bn>

Annex L Malaysia Customs e-Movement System

Malaysia Customs E-Movement System

The e-Movement System is an online platform developed by the Royal Malaysian Customs Department (RMCD) Sarawak to facilitate the electronic declaration and monitoring of goods and vehicles transiting from one region of Sarawak to another via Brunei. Due to Sarawak's geography, overland journeys between its eastern and western regions require a transit passage through Brunei. This creates unique customs and immigration challenges, as goods and vehicles temporarily exit Malaysia, enter a foreign country and subsequently re-enter Malaysia. The e-Movement System was therefore implemented to streamline, standardise and control the declaration process for such cross-border movements.

Primary Purpose: The e-Movement System replaces traditional paper-based customs declarations (such as Customs K3 form), making the process faster, more accurate, less prone to errors and harder to manipulate.

Core Function: It acts as a transit guarantee system by electronically linking the customs declaration at the point of departure with its arrival at the receiving checkpoint, thus preventing any illicit diversion of transit goods into Brunei.

The system is **mandatory** for:

- Transport companies and freight forwarders moving commercial goods.
- Individuals transporting quantities or types of goods subject to customs control in private vehicles.
- Drivers of any vehicles carrying goods for cross-border transit between regions.

Note: The e-Movement System is strictly for customs goods declaration. All immigration procedures for passengers are separate and remain under the jurisdiction of the Malaysian Immigration Department, such as passport verification at border checkpoints.

End-to-End Workflow: RMCD e-Movement System

Step 1: Pre-Registration (One-Time Setup)

- a. All businesses, transport companies, agents and eligible drivers must pre-register with RMCD Sarawak using the VMS portal: <https://vms.customs.gov.my>
- b. Registration includes submitting company details and supporting documents, along with relevant commercial vehicles licences issued by LPKP Sarawak or LPKP Sabah covering all prime movers and trailers.

Step 2: System Login and Data Entry (Per Shipment)

- a. Log in to the portal using registered credentials.
- b. Complete shipment details including:
 - Exporter/consignor and consignee information.
 - Precise description of goods (type, quantity, value).
 - Departure and destination customs checkpoints within Sarawak (e.g. Tedungan to Sungai Tujuh or Mengkalap to Pandaruan).
 - Vehicle and trailer registration numbers, plus driver particulars.

Step 3: Electronic Declaration Submission

- a. Complete and submit the declaration for goods movement in the portal.
- b. Attach all required documentation. For duty-paid goods, Customs Form K3 must be included.
- c. Confirm all vehicles and trailers involved are registered in the operator's portal profile.

Step 4: System Processing, Payment Calculation and Permit Generation

- a. The system automatically reviews submitted declaration and, if necessary, calculates transit fees or customs duty/taxes. Where applicable, a guarantee must be lodged at the Customs Station prior to the transit journey.
- b. Upon approval, the portal generates and print the official e-Movement Form, which includes a unique QR code.

Step 5: Departure Customs Checkpoint Procedures

- a. The driver presents both the vehicle and the printed e-Movement Form at the designated departure Malaysian customs checkpoint (e.g. Sg Tujuh [Miri] or Mengkalap [Lawas]) for clearance.
- b. The Customs officers:
 - Scan the QR code to retrieve records and verify the declaration in the e-Movement system.
 - Inspect both the vehicle and consignment against the transport documentation.
 - Update the system to confirm the vehicle and goods have "**Departed**". A customs seal will be affixed on the vehicle/container.

Step 6: Transit Through Brunei

- a. Vehicles must independently comply with all Brunei transit, immigration and customs requirements (such as proper insurance and valid entry documentation for drivers and crew).
- b. While the e-Movement Form is a Malaysian document, Brunei authorities (JPD and RCED) frequently request to see it for their own verification purposes.

Step 7: Sarawak Entry Customs Checkpoint Procedures

- a. Upon returning to Sarawak (e.g. Tendungan [Limbang] or Mengkalap [Lawas]), the driver proceeds directly to the customs checkpoint. The e-Movement Form may also be inspected in intermediate steps before proceeding.
- b. The driver presents the printed e-Movement Form once more.
- c. The Customs officers:
 - Scan the QR code to verify the declaration.
 - Inspect the cargo and customs seal for evidence of tampering or diversion.
 - Update the system to mark the shipment as “**Arrived**” and finalise the end-to-end journey.

Step 8: Duty Payment and Settlement (If Applicable)

For consignments with unpaid customs duties, payment must be completed at the designated customs station (e.g. Limbang or Lawas) before release of goods.

Step 9: Recordkeeping and Completion

- a. All transit records are stored electronically within the system for audit, compliance monitoring and post-clearance verification.
- b. Operators are responsible for keeping all vehicle, trailer and driver registrations current within their portal accounts.

Key Benefits of the e-Movement System

1. **Efficiency and Speed:** Drastically reduces processing time at border checkpoints compared to manual or paper-based systems.
2. **Transparency and Tracking:** RMCD officers have real-time oversight of transit movements, enabling proactive enforcement and response.
3. **Fraud Reduction:** The digital link between entry and exit declarations, plus QR verification, helps prevent document forgery and misdescription of goods.
4. **Data Integrity:** Electronic records are more accurate, accessible and easier to audit than physical paperwork.
5. **Convenience:** The system operates online and can be accessed 24/7 from any location with internet connectivity.

Important Considerations and Challenges

1. **Internet Dependency:** A reliable internet connection is critical for both system users and Customs officers.
2. **User Familiarity:** Smaller operators may require orientation or training to become proficient with the online system.
3. **Brunei's Regulatory Autonomy:** The e-Movement System confers no special privileges for crossing Brunei. All drivers and transporters must comply fully with Brunei's immigration requirements (valid passport, vehicle insurance, etc.) and are subject to checks by Bruneian authorities.
4. **System Updates:** The RMCD regularly updates the system and regulations. Users are advised to monitor for new requirements through official channels.

Key Control Points and Best Practices

1. Always ensure that all trailer and prime mover details registered in the system are current and match the physical convoy.
2. Customs sealing and GPS tracking may be enforced for "security purposes" to ensure traceability and regulatory compliance.
3. All regulatory updates are communicated via the VMS portal and RMCD Sarawak channels - users must ensure continued compliance.

Official Sources and Support Channels

For the latest policies, requirements and access to registration:

- RMCD Sarawak Official Website and VMS Portal: <https://vms.customs.gov.my>
- Strategic Communication Unit, RMCD Sarawak.
- Local Customs Checkpoints offices (e.g. Tedungan, Sungai Tujuh)
- Regional freight forwarder associations in Sarawak and Sabah, who can provide practical guidance can updated procedural information.

The e-Movement System is critical infrastructure for Sarawak's trade connectivity, ensuring secure, efficient and compliance movement of goods between regions via Brunei and supporting the economic integration of Brunei's logistics corridor.

Annex M Malaysia Commercial Vehicle Licensing System (iSPKP)

1. Overview of the iSPKP System

The iSPKP, Sistem Pelesenan Kenderaan Perdagangan (Commercial Vehicle Licensing System), is a centralised digital platform developed by the Ministry of Transport Malaysia for APAD, LPKP Sarawak and LPKP Sabah.

Purpose: The system streamlines and manages the entire lifecycle of commercial licenses for public land transport operators in Malaysia.

Governing Agencies: The iSPKP system is administered by three primary agencies:

1. **APAD** (Agensi Pengangkutan Awam Darat) - For Peninsular Malaysia.
2. **LPKP Sabah** (Lembaga Pelesenan Kenderaan Perdagangan Sabah)
- For Sabah.
3. **LPKP Sarawak** (Lembaga Pelesenan Kenderaan Perdagangan Sarawak)
- For Sarawak.

Scope: iSPKP covers a wide range of licenses categories for commercial vehicles, including buses, taxis, express vans, tourist vehicles and goods vehicles.

2. Key Policies & Regulations

The operation of the iSPKP system is governed by a comprehensive legal and regulatory framework.

Primary Legislation:

- **Land Public Transport Act 2010 (Act 715):** The principal legislation governing all land-based public transport services, including licensing requirements, operator obligations and standards of service.
- **Road Transport Act 1987 (Act 333):** Regulates vehicle registration and technical specifications.
- **Personal Data Protection Act 2010:** Ensures user data security, privacy and lawful data processing within the system.

User Accountability:

Users are legally responsible for the accuracy of all submitted information. Providing false declarations may result in fines of not less than RM 1,000 and not exceeding RM 10,000 or imprisonment of up to one year.

Document Requirements:

All supporting documents must be submitted in **PDF format** with a maximum file size of **3MB** per file.

System Security:

To protect data integrity, the system automatically logs out users after **5 minutes of inactivity**.

3. User Roles and Access

The iSPKP system defines user access levels according to specific organisational roles:

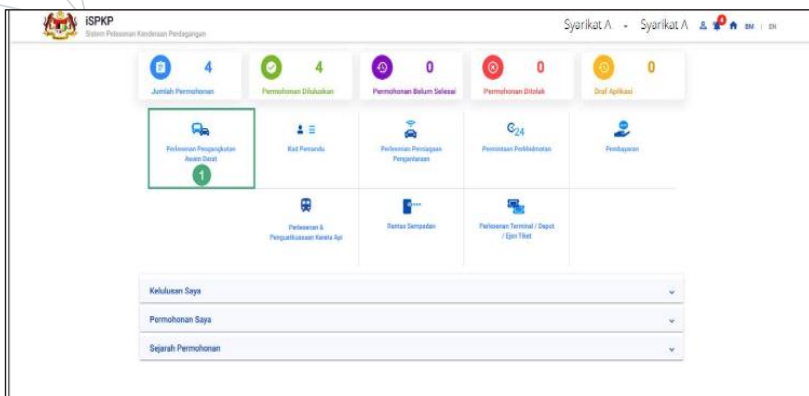
User Type	Description
Company Director	Holds full authority and can perform all licensing functions.
Authorised Company Officer	A nominated company representative who can perform most tasks on behalf of the company.
Registered Company Agent	An external agent authorised to manage licensing applications for the company.

4. Application Process (General Workflow):

The following steps outline the typical workflow for a standard application, such as New Licence Application.

Step 1: Login and Navigation

- Access the appropriate iSPKP portal based on your region:
 - Peninsular Malaysia (APAD): <https://ispkp.apad.gov.my/apad/#/>
 - Sarawak (LPKP Sarawak): <https://ispkp.lpkpsarawak.gov.my/sarawak/#/>
 - Sabah (LPKP Sabah): <https://ispkp.lpkpsabah.gov.my/sabah/#/>
- Log in with your User ID and Password.
- From the landing page, select **"Pengurusan Pelesenan Pengangkutan Awam Darat"** (Public Land Transport Licensing Management), then choose the appropriate sub-module (e.g. **"Permohonan Baru"** (New Application)).



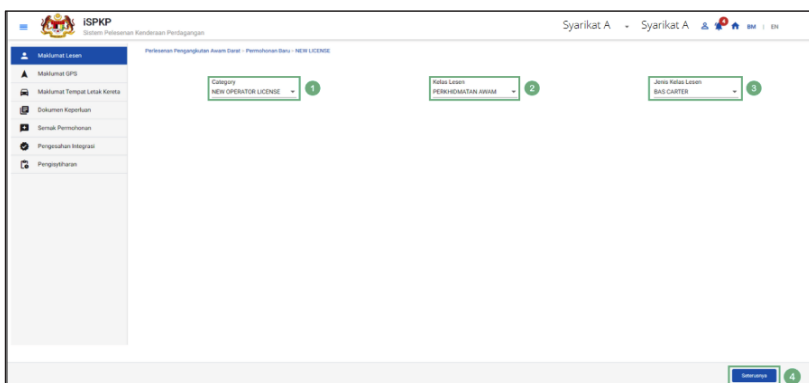
iSPKP Landing Page

Step 2: Application Panel

Applications are completed by progressing through sequential panels from left to right.

1. Licence Information:

- Select the relevant Category (e.g. New Operator License, New Vehicle Permit).
- Select the Service Type (e.g. Public Service, Goods Vehicle).
- Select the Licence Class Type (e.g. Express Bus, School Bus, Taxi).
- Add vehicle details, operational areas and routes.



New Application: Licence Information

2. **GPS and Parking Information:**

- Typically, automatic **filled-up** by the system based on the company's registered depot address.

3. **Supporting Documents:**

- Upload all required documents in PDF format, including:
 - Latest Audited Financial Report
 - Appointment Letter of Company Representative (less than 30 days old)
 - Copy of Representative's Identity Card
 - Vehicle Registration Card (VOC)
 - PUSPAKOM inspection report (where applicable)
 - Bank Statements for the last 3 months

4. **Application Review:**

- Review all entered information before submission.

5. **Integration Verification:**

- The system performs **real-time verification** with the external agency databases:
 - **Registrar of Companies (SSM):** Verifies company directorship and shareholder details.
 - **Road Transport Department (JPJ):** Checks vehicle data and outstanding summons.
- If discrepancies are found (e.g. shareholder info doesn't match SSM), the user may be prompted to complete a "Variation Application" to update the records before proceeding.

6. **Declaration:**

- The user **must tick a checkbox** to declare that all information provided is true and accurate and that they understand the terms, conditions and penalties for non-compliance.

Declaration Page

Step 3: Submission and Payment

- Users may choose one of the following options upon submission;
 - **Submit & Pay Now:** Proceed to immediate online payment via FPX or Credit/Debit Card.
 - **Submit & Pay Later:** Submit the application and make the payment within **three working days** at a counter via Bank Draft, Money Order, Postal Order or Cash (Sabah & Sarawak only).
- The initial payment is typically covering the **Processing Fee**.

Step 4: Post-Submission Process

- After submission, the application undergoes internal processing by the agency and where necessary, committee evaluation.
- Once approval, the applicant receives a notification via system or email to make the **Approval Fee** payment.
- Upon successful payment, the digital license (e.g. Operator License, Vehicle License) can be downloaded under the **Profile section** in the system.

5. Summary of Main Application Modules

The iSPKP system uses a modular framework to facilitate different licensing tasks:

Module	Primary Function
New Application	Apply for a new Operator or Vehicle License.
Renewal / Re-application	Renew existing license (3-6 months before expiry) or re-apply for an expired license expired within 2 years.
License Variation	Amend existing license details, including Change of Company Shareholders, Change of Operator License Class, Change of Vehicle Classification, Change of Vehicle, Transfer of License (Ownership).
Temporary Change of Licensing	Apply for a temporary change (e.g. using a school bus as an express bus during festive seasons). Valid for up to 3 months
Short-Term License Application	Apply for a provisional license (up to 1 year) while waiting for new application's approval or if new application is rejected.
License Issuance	Formally generate and download the digital license after receiving Approval Offer Letter (Surat Tawaran Kelulusan - STK) or Approval Letter (Surat Kelulusan - SK).
License Cancellation	Cancel an existing Operator License, Vehicle Licence, Vehicle Registration Number or an Approval Letter (STK/SK).

<COMPANY_NAME>
<

COMPANY_ADDRESS

>

Tuan,

SURAT TAWARAN KELULUSAN LESEN KENDERAAN PERDAGANGAN

Adalah dengan hormatnya dimaklumkan bahawa permohonan tuan, no rujukan permohonan <APPLICATION_NO> bertarikh <DATE> telah **DILULUSKAN** oleh Jawatankuasa Perlesenan pada <DATE> seperti berikut:

- | | | |
|-------|-------------------|------------------------|
| i. | Kelas Lesen : | <LICENSE CLASS> |
| ii. | No. Set : | <SET NUMBER> |
| iii. | Jenis Kenderaan : | <VEHICLE CLASS> |
| iv. | BDM : | <BDM> |
| v. | Kawasan Operasi : | <OPERATION AREA> |
| vi. | Barang Dibawa : | <GOODS CARRIED> |
| vii. | Syarat-syarat : | <SPECIAL REQUIREMENTS> |
| | Khas | |
| viii. | Alamat Depot : | <DEPOT ADDRESS> |
| ix. | Tarikh Tamat : | <END DATE> |
| x. | Catatan : | <NOTES> |

<PERINGATAN : PERLU MEMASTIKAN SEMUA KENDERAAN MEMATUHI ICOP KESELAMATAN>

2. Jika kenderaan tidak dilesenkan sebelum atau pada tarikh tamat di Agensi Pengangkutan Awam Darat, tawaran ini akan terbatal dengan sendirinya.

Sekian, terima kasih.

"BERKHIDMAT UNTUK NEGARA"

Saya yang menjalankan amanah,


Digitally signed
by Name
Date: 2018.10.30
12:11:25 +08'00'

KETUA PENGARAH
Bertarikh : <Approval_Date>

Approval Offer Letter (STK)

This structured digital system underscores the Malaysian government's commitment to modernise and standardising commercial vehicle licensing process. By integrating multiple agencies under a unified digital platform, iSPKP enhances transparency, efficiency and compliance across Malaysia's land transport sector.

Annex N Brunei Customs Transit Rules

CUSTOM ORDER, 2006

(S39/06)

CUSTOMS (CUSTOMS TRANSIT) RULES, 2006

ARRANGEMENT OF RULES

Rule

PART 1

PRELIMINARY

1. Citation.
2. Application.
3. Interpretation.

PART II

ADMINISTRATION AND PROCEDURE.

4. Transportation of goods under customs transit.
5. Exemption of duty.
6. Permission to act as agents of authorised consigner or authorised consignee and other related matters.
7. Other persons authorised to act on behalf of employer.
8. Goods declaration and obligations of declarant.
9. Failure to declare an interference.
10. Commercial vehicles.
11. Requirement of seal.
12. General provision.
13. Security.
14. Seal.
15. Removal and breaking of seals.
16. Activities outside office hours.

PART III

FORMALITIES EN-ROUTE.

17. Changes in office of destination.
18. Accident.
19. Investigation of goods lost in transit.

PART IV

TERMINATION OF CUSTOMS TRANSIT OPERATION

20. Termination of customs transit operation.

CUSTOM ORDER, 2006
CUSTOMS (CUSTOMS TRANSIT) RULES, 2006

In exercise of the power conferred by paragraphs (zc) and (ze) of subsection 2 of section 152 of the Customs Order, 2006 the Minister of Finance, with the approval of His Majesty the Sultan and Yang Di-Pertuan, hereby makes the following Rules-

PART I
PRELIMINARY

Citation.

1. These Rules may be cited as the Customs (Customs Transit) Rules, 2006.

Application.

2. These Rules shall apply to goods subjected to customs transit by the authority of the Royal Customs and Excise Department within Brunei Darussalam.

Interpretation.

3. In these Rules, unless the context otherwise requires -
 - “authorised consignee” means a person authorised by a proper officer of customs to receive goods directly at his premises without having to present them at the office of destination;
 - “authorised consignor” means a person authorised by a proper officer of customs to send goods directly from his premises without having to present them at the office of departure;
 - “customs transit” means the customs procedure under which goods in transit are transported under customs control from one customs office to another within Brunei Darussalam;
 - “dangerous goods” means those substances and articles which may affect the interest of health, safety and national security;
 - “office of departure” means any customs office where a customs transit operation commences;
 - “office of destination” means any customs office where a customs transit operation terminates;
 - “sealable transport unit” means a transport unit that is constructed and equipped such that -
 - a) Customs seal can be easily and effectively affixed to it;
 - b) No goods can be removed from or introduced into the transport unit without leaving visible traces of tampering or without breaking the customs seal;
 - c) It contains no concealed space where goods may be hidden; and
 - d) All spaces capable of holding goods are readily accessible for customs inspection;

“transport unit” includes -

- a) Containers having an internal volume of one cubic metre or more, including demountable bodies of such containers;
- b) Road vehicles, including trailers and semi-trailers;
- c) Railway coaches or wagons;
- d) Lighters, barges and other vessels; and
- e) Aircrafts.

PART II

ADMINISTRATION AND PROCEDURE

Transportation of goods under customs transit.

4. (1) The Controller shall allow goods, other than prohibited and dangerous goods, to be transported under customs transit in Brunei Darussalam -
- a) From an office of departure to an office of destination;
 - b) From an office of departure to an inland clearance depot;
 - c) From an inland clearance depot to an office of destination;
 - d) From one inland clearance depot to another inland clearance depot.
- (2) In relation to prohibited and dangerous goods and any other goods subject to specific control under any written law, sub-rule (1) shall only apply where a permit has been issued thereto by the relevant competent authority.

Exemption of duty.

5. Goods transported under customs transit shall not be subjected to the payment of customs duties, taxes and other charges, except those charges levied for specific services rendered in relation to such activity.

Permission to act as agents of authorised consignor or authorised consignee and other related matters.

6. (1) No person shall act as an agent for transacting any business relating to customs transit operations, except with the permission of a senior officer of customs.
- (2) Where a person applies to a senior officer of customs for permission to act as an agent on behalf of the authorised consignor or authorised consignee, the applicant may be required to produce a written authority from such consignor or consignee on whose behalf he is to act and failure to produce such authority may result in a refusal to grant the permission applied for.
- (3) Permission granted under sub-rule (1) may require the agent to provide such security as considered adequate by a senior officer of customs for ensuring the proper and lawful conduct of the agent and his employees in matters related to the provisions of these Rules and any other written law.

(4) Permission granted under sub-rule (1) may be suspended or cancelled by a senior officer of customs if the authorised consignor or authorised consignee, or their respective agent or the agent's employee -

- a) Commits a breach of any of the provisions of these Rules or any other written law; or
- b) Fails to comply with any directions given by a proper officer of customs with regard to the customs transit operation made by such consignor or consignee, or their agent or the agent's employee.

(5) Where a person is aggrieved by the decision of a senior officer of customs, other than the Controller, in respect of the following -

- a) A refusal to grant permission under sub-rule (1);
- b) The nature or amount of security requested for under sub-rule (3); or
- c) The suspension or cancellation of the permission under sub-rule (4),

he may, within one month from the date of notification of the decision in writing to him, appeal to the Controller whose decision shall be final.

Other persons authorised to act on behalf of employer.

7. (1) For the purposes of these Rules, a person, being the employee, may be allowed by a senior officer of customs to transact any business relating to customs transit operations generally at any office of departure or office of destination on behalf of his employer subject to the production and deposit of a signed authority to do so to the senior officer of customs.

(2) The signed authority required under sub-rule (1) must identify specifically the employee concerned to the satisfaction of the senior officer of customs.

Goods declaration and obligations of declarant.

8. (1) Where an authorised consignor or authorised consignee, or agent, is involved in transacting business in relation to a customs transit operation, such person shall submit a declaration in such form and manner as the Controller may determine in respect of the goods involved in the operation.

(2) The declarant, together with any other persons having control over the goods, shall be responsible for the compliance with the obligations incurred under customs transit, in particular for ensuring that the goods are produced intact to the office of destination in accordance with the conditions imposed by the customs authority.

Failure to declare an interference.

9. (1) Notwithstanding anything declared in rule 8, the customs authority shall take all necessary actions to enable the officer of customs on duty at the office of destination to identify the goods in transit and to detect any unauthorised interference.

- (2) Where any unauthorised interference is detected, the person responsible for the interference and the person responsible for the commission of such interference shall be guilty of an offence and liable on conviction to a fine not exceeding \$16,000, imprisonment for a term not exceeding 8 months or both.

Commercial vehicles.

- 10.(1) With regard to a commercial vehicle, the proper officer of customs shall allow a transport unit that has a valid permit issued by the Director of Land Transport for the purpose of customs transit.
- (2) For the purpose of sub-rule (1), the driver of the transport unit shall have a valid driving license by a competent authority of the respective country.

Requirement of seal.

11. Goods transported under customs transit shall, as far as possible, be conveyed in a sealable transport unit -
- (a) and where goods customs transit is conveyed in sealable transport unit, the customs authority may allow the original shipper seal to be used as a means of securing the sealable transport unit;
- (b) and where goods in customs transit are not conveyed in a sealable transport unit, the officer of customs at the office of departure shall affix relevant markings or seals on individual packages for the purpose of identification of the goods by the goods by the customs authority at the office of destination.

General provision.

- 12.(1) If it is considered that such measure is indispensable, the Controller may determine -
- (a) itinerary routes, where goods are required to be transported by following a prescribed itinerary;
- (b) whether customs escort is required during the transportation of goods in transit; and
- (c) time limits which are sufficient for the purposes of customs transit operations.
- (2) In circumstances where escorts of the relevant authorities are required or considered necessary, the relevant authorities may impose prescribed charges for such services.

Security.

13. Where security is required to ensure that obligations arising from the customs transit operation will be fulfilled, the security shall be provided in such form and manner as the Controller may determine.

Seal.

- 14.(1) A proper officer of customs may allow customs seals and identification marks affixed by the original shipper or foreign customs authority for the purposes of identification.
- (2) Subject to sub-rule (1), original shipper or foreign customs seals shall be deemed national seals and fastening and shall be treated accordingly in respect of any legal provisions applicable to them.

Removal and breaking of seals.

15. Any person who removes or causes any breaking of seals or fastening except by a proper officer of customs is guilty of an offence and shall be liable on conviction to a fine not exceeding \$16,000, imprisonment for a term not exceeding 8 months or both.

Activities outside office hours.

- 16.(1) At the request of the person concerned and for the reasons deemed valid by a senior officer of customs, the senior officer of customs may, insofar as administrative circumstances permit, perform the functions laid down for the purposes of customs transit outside normal office hours, provided that it is conducted within a customs control post and any decision made in respect of the request shall be recorded.
- (2) Any expenses incurred upon the request made under sub-rule (1) shall be borne by the person requesting such functions to be performed.

PART III FORMALITIES EN-ROUTE.

Changes in office of destination.

17. A proper officer of customs shall allow a change in the office of destination without prior notification, except where such officer has specified that prior approval is necessary.

Accident.

18. (1) Where an accident or any other unforeseen event directly affecting a customs transit operation occurs involving any transport unit or goods, being part of the subject of a customs transit operation, the person concerned shall immediately make a report of a such accident or event to the nearest police station and take reasonable steps to inform customs authority of the same.
- (2) If the transport unit is rendered unserviceable due to an accident or any other unforeseen event, the customs authority shall allow the goods to be loaded onto another transport unit, subject to supervision by customs or other competent authorities.

- (3) The supervising authority in sub-rule (2) shall forthwith submit such report of the transfer of goods from one transport unit to another for the purpose of confirmation of such transfer to the Controller.

Investigation of goods lost in transit.

- 19.(1) In the event of an accident or any other unforeseen event affecting the customs transit operation, the customs authority shall have the power to continue a complete investigation to determine whether any of the goods in transit are lost during such customs transit operation.
- (2) The investigation shall be carried out in accordance with the powers of the customs authority under the Customs Order, 2006 or any regulations made thereunder and shall be subject to administrative notices with the Contracting Parties.
- (3) The power to investigate shall not derogate the obligation of the Contracting Parties under Article 28 Protocol 7 of the ASEAN Framework Agreement on the Facilitation of Goods in Transit.

PART IV

TERMINATION OF CUSTOMS TRANSIT OPERATION

Termination of customs transit operation.

- 20.(1) For the purpose of terminating a customs transit operation, the person concerned shall present the goods and the relevant declaration for such goods to a proper officer of customs at the office of destination within any time limit fixed, without the goods having undergone any change and without having been used and with the customs seals or fastening marks intact.
- (2) When goods under customs transit are placed under another customs procedure with the approval of the relevant customs authority, the proceeding customs transit operations will be deemed terminated thereon.

Made this 8th day of Safar 1427 Hijriah corresponding to the 8th day of March 2006.

(signed)
Permanent Secretary,
Ministry of Finance.

Annex O National Reference: CVLB Act

i) Commercial Vehicles Licensing Board Act 1987 (Act 334)



LAWS OF MALAYSIA

ONLINE VERSION OF UPDATED TEXT OF REPRINT

Act 334

COMMERCIAL VEHICLES LICENSING BOARD ACT 1987

As at 1 August 2018

COMMERCIAL VEHICLES LICENSING BOARD ACT 1987

Date of Royal Assent ... 30 August 1987

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LAWS OF MALAYSIA

Act 334

COMMERCIAL VEHICLES LICENSING BOARD ACT 1987

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LAWS OF MALAYSIA

Act 334

COMMERCIAL VEHICLES LICENSING BOARD ACT 1987

An Act to provide for the licensing and regulating of commercial vehicles and for matters connected therewith.

[1 January 1988, P.U. (B) 585/1987]

BE IT ENACTED by the Seri Paduka Baginda Yang di-Pertuan Agong with the advice and consent of the Dewan Negara and Dewan Rakyat in Parliament assembled, and by the authority of the same, as follows:

PART I-PRELIMINARY

Short title and commencement

1. (1) This Act may be cited as the Commercial Vehicles Licensing Board Act 1987.
(2) This Act shall come into force on such date as the Minister may, by notification in the *Gazette*, appoint.

Application

- 1A. (1) This Act shall apply only to Sabah, Sarawak and the Federal Territory of Labuan.
(2) This Act shall not apply to any commercial vehicles which are subject to any law relating to tourism or tourism industry in Sabah, Sarawak and the Federal Territory of Labuan.

Interpretation

2. In this Act, unless the context otherwise requires -

“airport taxi cab” means a motor vehicle having a seating capacity of not more than seven persons used exclusively for the carriage of persons to and from the airport in consideration of a payment and operated from a fixed base or in an authorized area;

“authorized vehicle”, in relation to any licence issued under this Act, means a vehicle specified in such licence and authorized to be used thereunder;

“bankruptcy” includes insolvency as a result of which a wage earner’s administration order has been made under the laws relating to bankruptcy;

“base”, -

- (a) in relation to an application for a licence, means the address, premises or place specified in the application as the permanent base or centre from which it is intended that the motor vehicle, the subject of such application, will be normally used; and
- (b) in relation to a licence, means the address, premises or place specified in the licence as the permanent base or centre from which the authorized vehicle shall be used or operated when so used or operated for the purposes authorized by such licence;

“Board” means the Commercial Vehicles Licensing Board Sabah or the Commercial Vehicles Licensing Board Sarawak, as the case may be;

“Board Officer” means an officer appointed under section 8A;

“Board Secretary” means the Secretary to the Commercial Vehicles Licensing Board appointed under section 5 or 6, as the case may be;

“bus” means a public service vehicle having a seating capacity of not less than eight persons (including the driver);

“carriage of goods” includes the haulage of goods; **“Chairman”** means the Chairman of the Board;

“charter bus” means a bus which is hired as a whole for a single journey for which payment is made to the owner by the person hiring the bus;

“Chief Police Officer” includes any police officer not below the rank of Inspector authorized in writing by a Chief Police Officer to exercise the powers vested by this Act in a Chief Police Officer;

“commercial vehicles” includes public service vehicles and goods vehicles;

“company” includes any company as defined in the Companies Act 1965 ¹¹ [Act 125], any company formed under any law, any corporation incorporated by law, and any firm or partnership;

“conductor” means a person licensed under the Road Transport Act 1987 [Act 333] to act as a conductor of a public service vehicle;

“Deputy Chairman” means the Deputy Chairman of the Board appointed under section 5 or 6, as the case may be;

“Director General” means the Director General for Road Transport appointed under section 3 of the Road Transport Act 1987 and includes a Deputy Director General, a Director or a Deputy Director;

“driver” means the person for the time being driving a motor vehicle;

“employees bus” means a bus used for the conveyance of workers in any industry to and from their work place and otherwise;

“excursion bus” means a bus used exclusively for the conveyance of tourist on a single journey and in consideration of a single payment which has no fare stages;

“express bus” means a bus plying along the route approved by the Board, with a timetable and fare table, for the carriage of passengers at separate fares on a service which contains no fare stages of less than thirty-two kilometers;

“e-hailing vehicle” means a motor vehicle having a seating capacity of four persons and not more than eleven persons (including the driver) used for the carriage of persons on any journey in consideration of a single or separate fares for each of them, in which the arrangement, booking or transaction, and the fare for such journey are facilitated through an electronic mobile application provided by an intermediation business;

“fare stage”, in relation to a route authorized in a public service vehicle licence, means any division of such route for the purpose of arranging a schedule of fares;

“feeder bus” means a bus which has no fare stages used for the carriage of passengers on a round trip at separate fares from a fixed base for a distance within a radius of not more than seven kilometres;

“goods” means any thing, including livestock, carried on or in a motor vehicle for the purpose of any trade or business but does not include -

(a) equipment ordinarily used with the vehicle;

¹¹ **NOTE** -The Companies Act 1965 [Act 125] has been repealed by the Companies Act 2016 [Act 777] w.e.f. 31 January 2017 - see subsection 620(1) of Act 777.

- (b) articles of merchandise carried by a person on or in the vehicle solely for the purpose of exhibition as samples;
- (c) articles carried by a person on or in the vehicle for use in the exercise of his trade, business or profession and not for sale;

“goods vehicle” means -

- (a) any motor vehicle constructed or adapted for use for the carriage of goods;
or
- (b) any motor vehicle not so constructed or adapted when used for the carriage of goods solely or in addition to passengers,

but does not include a private motor car drawing a trailer for purposes unconnected with trade or business;

“Government” means the Federal Government or any State Government;

“hire and drive car” means a motor vehicle let on hire for the purpose of being driven by the hirer or his nominee;

“hire car” means a motor vehicle having a seating capacity of not more than six persons or, in areas approved by the Board, twelve persons (in all cases including the driver) used for carrying persons on one journey in consideration of separate payments made by them;

“intermediation business” means the business of facilitating arrangements, bookings or transactions of an e-hailing vehicle whether for any valuable consideration or money's worth or otherwise;

“intermediation business licence” means a licence issued under Part IVA;

“licence” means a licence issued under this Act and includes a short-term licence issued under section 18 except an intermediation business licence issued under Part IVA;

“limousine taxi cab” means a motor vehicle having a seating capacity of not more than seven persons (including the driver) and operating from a fixed base or in an authorized area in consideration of a single payment;

“local authority” shall have the same meaning as that assigned to it under the Local Government Act 1976 [Act 171];

“Malay” shall have the same meaning as assigned to it in Article 160 of the Federal Constitution;

“maximum permissible laden weight” means such weight as the Director General may specify as a suitable laden weight for an authorized vehicle;

“mini bus” means a bus having a seating capacity of not more than twenty-six persons (including the driver) used for the carriage of passengers at separate fares;

“Minister” means the Minister charged with the responsibility for matters relating to the licensing of commercial vehicles in Sabah, Sarawak and the Federal Territory of Labuan;

“motor vehicle” means a vehicle of any description, propelled by means of a mechanism contained within itself and constructed or adapted so as to be capable of being used on roads, and includes a trailer;

“native” shall have the same meaning as assigned to it in Article 161A of the Federal Constitution;

“owner”, -

- (a) in relation to a motor vehicle registered or deemed to be registered under the Road Transport Act 1987, means the registered owner of such vehicle; and
- (b) in relation to any other motor vehicle, means the person in possession of or using or having the use of the motor vehicle;

“passenger”, -

- (a) in relation to a person carried on a public service vehicle, does not include the driver or conductor or any ticket inspector in pursuance of his duties; and
- (b) in relation to persons carried on a goods vehicle, does not include the driver or any attendant required by law to be carried on the vehicle;

“police officer” includes an extra police officer, a volunteer reserve police officer and an auxiliary police officer;

“public service vehicle” means a motor vehicle used for carrying passengers for hire or reward or for any other valuable consideration;

“registered owner” means the person registered as the owner of a motor vehicle under the Road Transport Act 1987;

“road” shall have the same meaning as assigned to it in section 2 of the Road Transport Act 1987;

“Road Transport Department” means the Department administered by the Director General;

“road transport officer” means any person appointed to be a road transport officer under section 3 of the Road Transport Act 1987;

“school bus” means a bus used exclusively for the conveyance of pupils or staff of schools or other educational institutions;

“stage bus” means a bus plying along a road approved by the Board for the carriage of passengers on a service which contains fare stages, with a separate fare, time-table and schedule of fare for each fare stage;

“taxi cab” means a motor vehicle having a seating capacity of not more than six persons (including the driver) used for carrying persons on any journey in consideration of a single fare;

“this Act” includes any subsidiary legislation made under this Act; “trailer” shall have the same meaning as assigned to it in section 2 of the Road Transport Act 1987;

“unladen weight” means the weight of a vehicle inclusive of the body and all parts (the heavier being taken where alternative bodies or parts are used) which are necessary to or ordinarily used with the vehicle when working on a road but exclusive of loose tools;

“use” means use on any road;

“vehicle” means a motorized structure capable of moving or being moved or used for the conveyance of any person or thing and which maintains contact with the ground when in motion.

PART II - COMMERCIAL VEHICLES LICENSING BOARDS

Establishment of commercial vehicles licensing boards

3. (1) There shall be established respectively for Sabah and Sarawak a commercial vehicles licensing board to be known as the “Commercial Vehicles Licensing Board Sabah” and the “Commercial Vehicles Licensing Board Sarawak”.

(2) For the purposes of this Act, the commercial vehicles licensing board for the Federal Territory of Labuan shall be the Commercial Vehicles Licensing Board Sabah.

4. *(Deleted by Act A1376)* ¹²

Membership of the Commercial Vehicles Licensing Board Sabah

5. The Commercial Vehicles Licensing Board Sabah shall consist of the following members to be appointed by the Minister:
- (a) a Chairman;
 - (aa) a Deputy Chairman;
 - (b) a representative of the State Ministry charged with the responsibility for transport;

¹² **NOTE** - see sections 9 to 12 of *Commercial Vehicles Licensing Board (Amendment) Act 2010 [Act A1376]*.

- (c) a representative of the Road Transport Department;
- (d) a representative of the Federal Ministry charged with the responsibility for matters relating to the licensing of commercial vehicles, who shall be the Board Secretary; and
- (e) not more than six persons who in the opinion of the Minister have had wide experience or special knowledge in matters relating to transport.

Membership of the Commercial Vehicles Licensing Board Sarawak

6. The Commercial Vehicles Licensing Board Sarawak shall consist of the following members to be appointed by the Minister:

- (a) a Chairman;
- (aa) a Deputy Chairman;
- (b) a representative of the State Ministry charged with the responsibility for transport;
- (c) a representative of the Road Transport Department;
- (d) a representative of the Federal Ministry charged with the responsibility for matters relating to the licensing of commercial vehicles, who shall be the Board Secretary; and
- (e) not more than six persons who in the opinion of the Minister have had wide experience or special knowledge in matters relating to transport.

Temporary exercise of functions of Chairman

7. The Minister may appoint any member of the Board or any other person as he thinks fit to exercise the functions of the Chairman during the period in which the Chairman is for any reason unable to exercise his functions or during the period of any vacancy in the office of the Chairman, and such member or other person shall, during the period in which he is exercising the functions of the Chairman under this section, be deemed to be the Chairman.

Committees

8. (1) The Board may appoint any committee of two or more persons to assist it in discharging its functions under this Act.

(2) The procedure and functions of any committee appointed under subsection (1) shall be determined by the Board:

Provided that such committee shall keep minutes of its proceedings and copies of such minutes shall forthwith be tabled before the Board.

Appointment of Board Officer

8A. The Minister may, by notification in the *Gazette*, appoint any officer from the Federal Ministry charged with the responsibility for matters relating to the licensing of commercial vehicles to be a Board Officer as he thinks fit.

Provisions relating to members of the Board and committee

- 9.** (1) No person shall be appointed as a member of the Board or as a member of any committee unless before such appointment such person makes a statutory declaration whether he has any and if so what financial interest in any undertaking involving commercial vehicles.
- (2) If any member of the Board or a committee acquires any financial interest in any undertaking involving commercial vehicles he shall, within four weeks after so doing, give notice in writing to the Minister specifying the interest so acquired, and the Minister, after taking the matter into consideration may, if he thinks fit, declare that the member has vacated his office.
- (3) The Chairman and members of the Board appointed under sections 5 and 6 shall hold office for such term not exceeding three years as the Minister may determine at the time of their appointment and shall be eligible for re-appointment.
- (4) The Minister may appoint an alternate member in respect of each member of the Board (excluding the Chairman) to attend a meeting of the Board whenever such member is unable to attend such meeting due to illness, incapacity or any other reason.
- (5) The Board may appoint an alternate member in respect of each member of a committee to attend a meeting of the committee whenever such member is unable to attend such meeting due to illness, incapacity or any other reason.
- (6) The Chairman shall be paid such remuneration and allowances as the Minister may determine after consultation with the Minister of Finance.
- (7) Every member of the Board and of every committee appointed under section 8 may be paid allowances at such rates as the Minister may determine after consultation with the Minister of Finance.
- (8) Every member of the Board and of every committee appointed under section 8 shall be deemed to be public servants within the meaning of the Penal Code [Act 574].

Procedure of the Board and Minister's general directives

10. (1) The Minister may make rules to fix the quorum for any meeting of the Board and to prescribe the procedure which shall be followed by the Board for the purpose of determining applications for the issue of a licence or an intermediation business licence or of exercising any other functions conferred on the Board under this Act.

(2) Subject to this Act, the Minister may in writing give such general directives on the policy to be followed by the Board in determining applications as he may think desirable in the public interest and the Board shall comply with such general directives.

Delegation by the Board

11. The Board may in writing delegate to the Chairman, a Board Officer, a road transport officer after consultation with the Director General or any public officer as the Board deems fit, any of its functions other than those which the Minister may by rules expressly require to be discharged by the Board.

Annual reports

12. (1) The Board shall submit to the Minister, not later than the 30th day of June, an annual report of its proceedings for the previous year containing particulars with respect to such matters as the Minister may direct.

(2) The Minister shall cause every such annual report to be laid before both Houses of Parliament.

Information to be given to the Board

13. All registers and records and other documents kept by any person or authority relating to the grant or refusal, before the coming into force of this Act, of licences to transport goods or passengers, shall be made available by such person or authority to the Board on its request and such person or authority shall furnish the Board with such other information relating to the matters aforesaid as the Board may require for the purpose of carrying out its functions under this Act.

PART IIII - CLASSIFICATION AND LICENSING OF COMMERCIAL VEHICLES

Classes and categories of commercial vehicles

14. (1) Public service vehicles shall be divided into and licensed under the following classes:

- (a) stage buses;
- (b) charter buses;
- (c) express buses;

- (d) mini buses;
- (e) employees buses;
- (f) feeder buses;
- (g) school buses;
- (h) hire cars;
- (i) hire and drive cars;
- (k) taxi cabs;
- (l) airport taxi cabs; and
- (m) limousine taxi cabs.

(1A) Notwithstanding subsection (1) the Minister may make rules for the purpose of prescribing any other classes of public service vehicles as he thinks fit.

(1B) For the purpose of this Act, an e-hailing vehicle shall be a public service vehicle and subject to an intermediation business license issued under Part IVA.

(2) (a) Goods vehicles shall be divided into and licensed under the following classes:

- (i) carrier's licence 'A'; and
- (ii) carrier's licence 'C'.

(b) Goods vehicles of either class may be of different types in respect of their functions.

(3) A carrier's licence 'A' shall entitle the holder thereof to use the authorized vehicle for the carriage of goods for hire or reward for or in connection with any trade or business carried on by him as a carrier of goods.

(4) A carrier's licence 'C' shall entitle the holder thereof to use the authorized vehicle for the carriage of his own goods for or in connection with any trade or business carried on by him, but it shall be a condition of the licence that no vehicle which is for the time being an authorized vehicle shall be used for the carriage of goods for hire or reward other than goods sold and delivered by the holder under a contract of sale where a charge is made for the delivery of the goods.

(5) A motor vehicle specified in a carrier's licence shall not, while it remains so specified, be specified in any other carrier's licence.

(6) Where at any time goods are carried in a motor vehicle, being a vehicle which has been let on hire by a person who, at the time of the carriage of the goods, is within the meaning of this Act the user of the vehicle, the goods shall be deemed to be carried by that person for hire or reward:

Provided that -

- (a) the collection or delivery by a person of goods bought, sold, used or let on hire purchase in the course of a trade or business carried on by him;
- (b) the collection or delivery by a person of goods which have been or are to be subjected to a process or treatment in the course of a trade or business carried on by him;
- (c) the carriage of goods in a motor vehicle by a manufacturer, agent or dealer whilst the vehicle is being used by him for demonstration purposes; or
- (d) the carriage of goods in a motor vehicle which is being used under and in accordance with the rules applicable to a motor trade licence taken out by a manufacturer, repairer or dealer under the Road Transport Act 1987,

shall not be deemed to constitute carrying of the goods for hire or reward for the purposes of this Act.

PART IV - GENERAL PROVISIONS AS TO LICENCES

Application for licence

15. (1) An application for a licence under this Part shall be made to the Board on the prescribed form in the prescribed manner.
- (2) In addition to any other information which may be required to be given under this Act, the applicant shall give to the Board the following information which is required for the discharge of its functions in relation to the application:
- (a) complete information on the details of the route which is related to the application;
 - (b) a letter of approval from the relevant local authority regarding the usage of stops or terminal facilities in the area of administration of the local authority where the route is located;
 - (c) a justification report for the route; and
 - (d) any other information as may be determined by the Board.
- (3) The Board may refuse to register, proceed with or hear or determine an application, and may require that the application be appropriately amended or completed and resubmitted or that a fresh application be submitted in its place if -
- (a) the application form as prescribed is not duly completed by reason of any omission or misdescription;
 - (b) the application form contains any error or alteration; or
 - (c) the application does not comply with any other prescribed requirement.

Powers of the Board

16. (1) Subject to this Act, the Board on an application for a licence under this Act shall have full power in its discretion -

- (a) to grant the application in full or in part;
- (b) to grant a licence in respect of motor vehicles other than those involved in the application;
- (c) to grant a licence of a different class or for a different maximum permissible laden weight, passenger capacity or type of goods to be carried from that specified in the application;
- (d) to grant a licence in which the area or time of operation is different from that specified in the application; or
- (e) to refuse the application.

(2) A person may be the holder of two or more licences, whether of the same class or of different classes.

Duration of licences

17. (1) (a) A licence issued under this Act shall, unless replaced or revoked, continue in force for such period as may be determined by the Board at the time the licence is granted.

(b) The period that may be determined by the Board under paragraph (a) shall not exceed seven years.

(c) When a licence is granted under this Act, the Board shall specify the date on which the licence is to come into force and the date of its expiry, and such dates shall be inserted in the licence when it is issued.

(2) If on the date of the expiration of a licence (other than a short term licence) granted under section 16, proceedings are pending before the Board on an application by the holder of the licence for the renewal of such licence under section 21, such licence shall remain in force until the application is disposed of, but without prejudice to the exercise in the meantime of the powers of suspension or revocation conferred by this Act.

Short term licences

18. (1) Where an application has been made for a licence to be granted under this Act, the Board may, if for administrative reasons or on the ground of the urgency of the matter it thinks it desirable so to do pending the determination of the application, grant to the applicant a short term licence for such period and subject to such conditions as it thinks fit.

(2) A short-term licence shall cease to have effect from the date on which the Board gives its decision on the application and in no case shall have effect for more than twelve months.

Conditions which may be attached to licence

19. (1) Subject to this Act, the Board may attach to any licence granted under this Act such conditions as it may think fit and in particular -

- (a) in relation to a specified class of public service vehicles licence -
 - (i) that specified fares shall be charged;
 - (ii) that where desirable in the public interest, the fares shall be so fixed as to prevent wasteful competition with alternative means of transport, if any, along the route or any part thereof or in proximity thereto;
 - (iii) that the service shall be operated within the specified areas or routes and in accordance with a specified time-table or in accordance with specified hours of operation and specified frequency;
 - (iv) that copies of the timetable and fare-table and in the case of excursion buses also the itinerary shall be carried and displayed in vehicles used on the service and shall be liable for inspection;
 - (v) that passengers shall not be taken up or set down except at points specified in the licence or shall not be taken up or set down between specified points;
 - (vi) that passengers in excess of a specified number shall not be carried;
 - (vii) that the holder of the licence or certain specified persons only shall drive or operate the vehicle;
 - (viii) that the authorized vehicle is installed with a ticket machine or equipment of the latest technology as may be determined by the Board;
- (b) in relation to a goods vehicle licence -
 - (i) that the authorized vehicle shall or shall not be used in specified areas or between specified places or during specified times;
 - (ii) that the authorized vehicle shall or shall not be operated in areas other than the areas for which the licence was issued;
 - (iii) that certain classes or description of goods only shall or shall not be carried;

- (iv) that goods shall or shall not be carried for specified persons;
 - (v) that the charge or the maximum or minimum charges to be made for the carriage of goods, the labour charges for the loading and unloading of vehicles and the charges for the demurrage of vehicles shall be as determined by the Board;
 - (vi) that the laden weight of any authorized vehicle shall not exceed a specified maximum;
 - (vii) that explosive, inflammable, poisonous or dangerous goods or goods which give off an offensive smell shall be carried in a specified manner and that specified precautions shall be taken in relation to the carriage of such goods;
 - (c) in relation to a carrier's licence 'A' which has no restriction on the type of goods to be carried, that the carriage of goods shall not be refused without reasonable excuse;
 - (d) *(Deleted by Act A1024);*
 - (e) in relation to all licences -
 - (i) that the wages, conditions and hours of employment of persons employed in connection with the authorized vehicle or authorized service shall conform to certain specified requirements;
 - (ii) that documents relating to the goods or passengers shall be carried on the authorized vehicle;
 - (iii) that the issue and control of tickets for passengers and consignment notes for goods and the numbering or marking of such goods in such manner as to enable them to be readily identified shall conform to the requirements of the Board;
 - (iv) that the holder of the licence shall keep and produce on demand for inspection and verification specified accounts, documents and records;
 - (v) that the safety and convenience of passengers on vehicles and persons on roads shall be promoted;
 - (vi) that the authorized vehicle is kept in a designated place.
- (2) The Board may, at any time and from time to time in its discretion, add, cancel or vary any of the conditions attached to a licence under this section.

(3) The holder of the licence or any person using, causing or permitting the use of a vehicle in respect of which a licence has been issued under this Act who fails to comply with any of the conditions attached to the licence under this section shall be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both.

(4) In the case of a vehicle used for the transportation of goods and in respect of which a licence under this Act has been issued, the holder of the licence or any other person who causes or permits the vehicle to be used by any person shall, if the person who uses the vehicle fails to comply with any of the conditions attached to the licence under this section, be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both.

Statutory conditions of licence

20. (1) It shall be a condition of every licence granted under this Act -

- (a) that the authorized vehicle is maintained in a fit and serviceable condition as determined by the Director General;
- (b) that any provision contained in any written law with respect to limits of speed, weight laden and unladen and the loading of vehicles is complied with in relation to the authorized vehicle;
- (c) that section 40 is complied with.

(2) The holder of the licence or any person using, causing or permitting the use of a vehicle in respect of which a licence has been issued under this Act who fails to comply with any of the conditions under this section, shall be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both.

(3) Where a court has found the holder of the licence or any person using, causing or permitting the use of a vehicle guilty of failing to comply with any of the conditions specified in paragraph (1)(a) or (b), the court shall send notice of such finding of guilt to the Board and, where applicable, in respect of such person found guilty of using, causing or permitting such use, to the Director General by whom the vocational licence was granted.

Application for approval to participate in business or agreement

20A. (1) If the holder of a licence that is a company or a partnership or a firm intends to participate in any business or agreement that would cause -

- (a) any change in the equity structure; or
- (b) any change in the members of the Board of Directors,

of the company, partnership or firm, as the case may be, the holder of the licence shall obtain the approval of the Board before participating in the business or agreement.

(2) The Board may, upon receipt of the application under subsection (1), approve or reject the application and, if the Board approves the application, it may impose any condition as it thinks fit.

(3) The holder of a licence who fails to comply with this section shall be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both.

Application for renewal of licence

21. (1) Subject to subsections (2) and (3), any person who is a holder of a licence under this Act, who satisfies the Board that since the date the licence is granted, he has lawfully and continuously carried on, in a satisfactory and efficient manner, a transport service in accordance with the terms and conditions of the licence, shall on application to the Board for renewal of the licence, be given preference over all other applications for a licence to carry on a transport service substantially the same as that which the licence holder has been providing.

(2) An application for renewal of a licence under subsection (1) shall be made before the date of the expiration of the existing licence.

(3) If the applicant fails to comply with subsection (2) and offers no reason which the Board thinks as reasonable, the Board may refuse to proceed with, hear or determine such application.

Documents required for renewal of licence

21A. (1) In addition to any other document which may be required under this Act, an application for a renewal of a licence shall be accompanied with the following documents:

- (a) an audited financial statement of the applicant; and
- (b) a performance report of the previous year relating to—
 - (i) the total number of passengers carried;

- (ii) the total number of operation and revenue mileage;
 - (iii) the total actual number of trips operated and scheduled; and
 - (iv) the estimated number of vehicles that are required to provide efficient service for a particular route.
- (2) Notwithstanding subsection (1) the Board may require any additional documents to be submitted by the applicant for the renewal of licence.

Application for variation

22. Subject to this Act, on an application by the holder of a licence for a variation of the licence or the conditions thereof, the Board shall have full power in its discretion -
- (a) to grant the application in full or in part;
 - (b) to refuse the application; or
 - (c) to order any variation of the licence or the conditions thereof other than the variation specified in the application.

Temporary change of use of a public service vehicle

23. Notwithstanding anything contained in this Act, the Board may, on an application, authorize for a period not exceeding three months and subject to such conditions as it thinks fit to impose, the holder of a public service vehicle licence of a particular class to use the authorized vehicle as a public service vehicle of any other class.

Temporary use of 'C' vehicle as 'A' vehicle

24. Notwithstanding anything contained in this Act, the Board may in exceptional cases, on an application, authorize for a period not exceeding three months and subject to such conditions as it thinks fit to impose, the holder of a carrier's licence 'C' to use the authorized vehicle for the carriage of goods for hire or reward.

Power to revoke or suspend licence

25. (1) The Board may revoke or suspend any licence granted under this Act -
- (a) on the ground that any of the provisions of this Act or any other written law or that any of the conditions of the licence has not been complied with;
 - (b) on the ground that the grant of the licence was induced by a false representation of fact by or on behalf of the holder; or
 - (c) where it is satisfied that the motor vehicle has been or is intended to be used for an unlawful purpose or that the original purpose for which the licence was issued no longer exists:

Provided that the Board shall not revoke or suspend the licence on the ground of the breach of any of the conditions unless it is satisfied, after giving the holder of the licence an opportunity of making any representation in writing he may wish to make, that owing to the frequency of the breach, or to the breach having been committed wilfully or to the danger to the public involved in the breach, the licence should be revoked or suspended.

(2) For the purposes of subsection (1), a breach of any of the conditions specified in paragraph 20(1)(a) or (b) shall be deemed to be a breach which constitutes danger to the public.

(3) Where a licence has been revoked or suspended, it shall have no effect from the date of revocation or during the period of suspension, as the case may be.

Prohibition in relation to suspended licence

25A. (1) The holder of a licence whose licence has been suspended under section 25 shall not, during the period of suspension, use, cause or permit the use of a vehicle to which the licence relates.

(2) Any holder of a licence using, causing or permitting the use of a vehicle when the licence in respect of the vehicle is suspended under section 25 shall be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both.

Power of the Board to replace licence

25B. (1) The Board shall, in the exercise of its discretion, have the power to replace a licence with a licence of a different class or for a different maximum permissible laden weight or seating capacity or type if the Board is satisfied that there is a need for the carriage of goods that is different from the class of licence granted under this Act for the purpose of -

(a) reorganizing or consolidating the services provided by the holder of licences of different classes; or

(b) reorganizing or consolidating the services provided by the holder of the licences of the same class.

(2) Before replacing a licence under subsection (1) the Board shall issue a written notice not less than one year before the proposed date of replacement to the holder of the licence stating the intention of the Board to replace the licence.

(3) A licence replacing any licence under subsection (1) shall be effective from the date of replacement.

- (4) Upon the coming into effect of the replacement licence, the licence which is replaced under subsection (1) shall be void and shall be surrendered to the Board.

Protection of public interest

26. Save as otherwise expressly provided, nothing in this Act shall be deemed to confer on the holder of a licence or holder of an intermediation business licence under this Act, any right to the continuance of any benefits arising from the provisions of this Act, or from any licence or intermediation business licence granted or deemed to be granted thereunder or from any conditions attached to any such licence or intermediation business licence.

PART IVA - LICENSING OF INTERMEDIATION BUSINESS

Licensing of intermediation business

- 26A. (1) No person shall operate or provide an intermediation business unless he holds an intermediation business licence issued under this section.
- (2) An application for an intermediation business licence under this section shall be made to the Board in the form and manner as determined by the Board and shall be accompanied by the prescribed application fee and such information and documents as may be specified by the Board.
- (3) The applicant shall provide to the Board complete information of his financial standing to prove his ability to maintain and operate the intermediation business.
- (4) Subject to this Act, the Board may, on an application for an intermediation business licence under this section -
- (a) grant the application in full or in part or with such modifications as the Board thinks fit, and, upon payment of the prescribed fee, issue an intermediation business licence to the applicant; or
 - (b) refuse the application.
- (5) Every intermediation business licence issued under this section shall set out the duration of the licence and the Board may attach to the intermediation business licence conditions that include -
- (a) the type and extent of intermediation business to be operated or provided by the holder of an intermediation business licence;
 - (b) the general level of service to be provided to persons using services provided by the holder of an intermediation business licence;
 - (c) the measures to safeguard the safety and security of persons using services provided by the intermediation business; and

(d) the standards of performance to be complied with by the holder of an intermediation business licence in the operation of the intermediation business.

(6) The Board may, at any time, add, cancel or vary any of the conditions attached to an intermediation business licence issued under this section.

(7) The issuance of an intermediation business licence by the Board under subsection (4) shall not impose any liability on the Board for any loss or damage occasioned by any act, omission or default of the holder of an intermediation business licence.

(8) A person who contravenes subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding five hundred thousand ringgit or to imprisonment for a term not exceeding three years or to both.

(9) A holder of an intermediation business licence who fails to comply with any of the conditions attached to the licence under subsection (5) commits an offence and shall, on conviction, be liable to a fine of not less than one thousand ringgit but not more than two hundred thousand ringgit or to imprisonment for a term not exceeding two years or to both.

Renewal of licence

26B. (1) Subject to subsections (2) and (3), the Board may, on an application by the holder of an intermediation business licence, renew the intermediation business licence on such conditions as the Board thinks fit or refuse the application.

(2) An application for the renewal of an intermediation business licence under subsection (1) shall be made at least ninety days before the date of expiry of the intermediation business licence and shall be accompanied by the prescribed renewal fee and such documents as may be specified by the Board.

(3) If the holder of an intermediation business licence fails to comply with subsection (2) and offers no reason which the Board thinks reasonable, the Board may refuse to proceed with, hear or determine such application.

(4) Where no application for renewal of an intermediation business licence has been submitted, the holder of an intermediation business licence shall, within fourteen days from the date of expiry of the intermediation business licence, return the intermediation business licence to the Board.

Application for variation

26C. On an application by a holder of an intermediation business licence for a variation of the intermediation business licence or the conditions of the intermediation business licence, the Board shall have full power in its discretion -

- (a) to grant the application in full or in part;
- (b) to refuse the application; or
- (c) to order any variation of the intermediation business licence or the conditions of the intermediation business licence other than the variation specified in the application.

Revocation or suspension of the intermediation business licence

26D. (1) The Board may, by written notice to the holder of an intermediation business licence and without any compensation, revoke or suspend any intermediation business licence issued under section 26A -

- (a) if any of the provisions of this Act or any of the conditions of the intermediation business licence has not been complied with;
- (b) if the issuance of the intermediation business licence was induced by a false representation of fact by or on behalf of the holder of an intermediation business licence; or
- (c) in the event of the death, incapacity, bankruptcy or, in the case of a company, liquidation of the holder of an intermediation business licence or, where a receiver or manager is appointed in relation to the business of providing intermediation business by the holder of an intermediation business licence:

Provided that the Board -

- (A) in the case of paragraph (a), may in lieu of revocation or suspension of the intermediation business licence appoint a third party to rectify the non-compliance and recover the costs of such rectification from the holder of an intermediation business licence;
- (B) in the case of a breach of any of the conditions of the intermediation business licence under paragraph (a), shall not revoke or suspend the intermediation business licence unless it is satisfied, after giving the holder of an intermediation business licence an opportunity of making any representation in writing he may wish to make, that owing to the frequency of the breach, or to the breach having been committed wilfully or the danger to the public involved in the breach, the intermediation business licence should be revoked or suspended; or
- (C) in the case of a breach of any of the provisions of this Act under paragraph (a), or paragraph (b) or (c), shall not revoke or suspend the intermediation business licence unless it is satisfied that, after giving the holder of an intermediation business licence an opportunity of making any representation

in writing he may wish to make, the intermediation business licence should be revoked or suspended.

- (2) Where an intermediation business licence -
- (a) has been revoked, it shall have no effect from the date of revocation, and the holder of an intermediation business licence shall within fourteen days from the date of revocation of the intermediation business licence return the intermediation business licence to the Board; or
 - (b) has been suspended, the holder of an intermediation business licence who continues to operate or provide an intermediation business during the period of suspension, shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both.

Transfer of licence prohibited

- 26E. (1) Subject to subsection (3), an intermediation business licence issued under section 26A shall be personal to the holder of an intermediation business licence thereof and shall not be transferred or assigned.
- (2) A holder of an intermediation business licence who contravenes subsection (1) commits an offence and shall, on conviction, be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both.
- (3) Notwithstanding paragraph 26D(1)(c), the Board may, in the event of the death, incapacity, bankruptcy or, in the case of a company, liquidation of the holder of an intermediation business licence or, where a receiver or manager is appointed in relation to the business of providing intermediation business of such holder of an intermediation business licence or, where for any reason the Board is satisfied that it would be unjust not to do so, authorize the transfer of such intermediation business licence.

Duty of the holder of an intermediation business licence to keep records, etc.

- 26F. (1) It shall be the duty of the holder of an intermediation business licence to keep such accounts and records as required by the Board under section 40 in relation to the intermediation business licence issued to him.
- (2) A holder of an intermediation business licence who fails to comply with subsection (1) commits an offence and shall, on conviction, be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both.

Duty of the holder of an intermediation business licence to inform Board

26G. (1) It shall be the duty of every holder of an intermediation business licence, at all times, to inform the Board immediately of the following matters:

- (a) any proceedings or claims instituted or made against the holder of an intermediation business licence which might have an adverse effect on his financial condition or on his ability to perform any condition under the intermediation business licence;
- (b) any reprimands or fines imposed on the holder of an intermediation business licence by the Government; and
- (c) any change in the control of the holder of an intermediation business licence.

(2) For the purposes of this section, “control”, in relation to a holder of an intermediation business licence, means having the power, directly or indirectly, to direct the management and policy of the holder of an intermediation business licence.

(3) A holder of an intermediation business licence who fails to comply with subsection (1) commits an offence and shall, on conviction, be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both.

PART V - APPEALS

Appeal to the Minister

27. Subject to this Act, any person who -

- (a) being an applicant for the grant or renewal of a licence or an intermediation business licence under this Act, is aggrieved by the decision of the Board on the application or by any condition imposed by the Board for a licence or an intermediation business licence granted by it; or
- (b) being the holder of a licence or an intermediation business licence granted under this Act, is aggrieved by the revocation of such licence or intermediation business licence,

may, within ninety days from the date of service of the letter of decision of the Board or for such longer period as the Minister may prescribe, appeal in writing to the Minister against such decision setting out the grounds of appeal.

Minister's power to appoint appeal committee

28. (1) The Minister may, where he deems it fit to do so, appoint a committee of two or more persons to consider an appeal under section 27 and to make to the Minister its recommendation with regard to the appeal.
- (2) The Minister shall give such consideration as he thinks fit to the recommendations of the committee in arriving at his decision on the appeal.

Order on appeal to be binding

29. (1) Subject to this Act, in giving his decision on an appeal under section 27, the Minister may confirm, reverse or vary the decision of the Board after considering the written grounds of the decision as submitted by the Board to him.
- (2) The decision of the Minister on the appeal shall be arrived at on the basis of the documents relating to the appeal and there shall be no oral hearing of the appeal.
- (3) The decision of the Minister under this section shall be binding and shall be final and conclusive.

Instances where there is no right of appeal

30. There shall be no right of appeal by any person where an application under this Act is refused under subsection 15(3), section 22 or 26C.

Validity of licence extended in successful appeal

31. Notwithstanding sections 17 and 26A, where the Minister allows in full an appeal against an order revoking a licence or an intermediation business licence granted under this Act, the validity of the licence or intermediation business licence shall thereupon be extended by a period corresponding to that during which the licence or intermediation business licence was of no effect and such extended period shall accordingly be inserted in the licence or intermediation business licence.

Prohibition of similar application when earlier application still pending appeal

32. (1) Where an application is made under this Act and such an application is rejected or only granted in part and the applicant thereafter appeals against such a decision, he shall not subsequently make a similar application under this Act in respect of the same class and type of vehicle, irrespective of the number of vehicles so applied, until such appeal has been determined or disposed of by the Minister.
- (2) In the event that any licence is granted either as a result of such appeal or subsequent application, or both, the licence so granted shall be deemed void.

PART VI - OFFENCES AND PENALTIES

Prohibition of use of unlicensed public service vehicle

- 33.** (1) Subject to this Act, no person shall use a motor vehicle or cause or permit a motor vehicle to be used as a public service vehicle unless there is in force in respect of such vehicle a licence granted under this Act authorizing such use, or otherwise than in accordance with such licence and any conditions attached thereto; and if he does so, he shall be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both:

Provided that a person shall not be convicted of an offence against this section if he proves to the satisfaction of the court that he used the motor vehicle, the subject of the charge, as a taxi cab or hire car in an emergency for the purpose of conveying a sick or injured person to hospital or to bring medical aid to such person or for the purpose of making a police report to a police station and that he made all reasonable efforts to hire a taxi cab or hire car for the purpose of the journey.

- (2) For the purpose of this Act, subsection (1) shall not apply to an e-hailing vehicle.

Prohibition of use of unlicensed goods vehicle

- 34.** (1) Subject to this Act, no person shall use a goods vehicle or cause or permit a goods vehicle to be used for the carriage of goods unless there is in force a carrier's licence granted under this Act authorizing such use, or otherwise than in accordance with such licence and any conditions attached thereto, and if he does so he shall be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both.

- (2) This section shall not apply -

- (a) to the use of a public service vehicle in pursuance of a licence granted under this Act when used by the licence holder in accordance with such licence and any conditions attached thereto;
- (b) to the use of a motor vehicle for the purpose of funerals;
- (c) to the use of a motor vehicle for police, fire brigade or ambulance purposes;
- (d) to the use of a motor vehicle for towing a disabled motor vehicle from a road to a place of safety or for removing goods from a disabled motor vehicle and removing such goods to a place of safety;

- (e) to the use of a motor vehicle for any specified purpose or the use of a motor vehicle of any class or description, when rules made by the Minister under this Act provide that such use shall not be subject to this section;
- (f) to the use of a motor vehicle for the purpose of the Government or local authority when such vehicle is owned by the Government or local authority; and
- (g) to the use of a motor vehicle in respect of which all the following conditions are satisfied:
 - (i) the vehicle is a goods vehicle;
 - (ii) the maximum permissible laden weight of the vehicle does not exceed such weight as the Board may specify from time to time;
 - (iii) the vehicle is registered as a goods vehicle;
 - (iv) the prescribed motor vehicle licence fee payable in respect of the vehicle as a goods vehicle has been paid and a motor vehicle licence issued in consequence of such payment is in force; and
 - (v) the vehicle is used by its owner solely for the carriage of goods for or in connection with any trade or business carried on by such owner, provided that he does not use such vehicle for the carriage of goods for hire or reward other than goods sold and delivered by him in cases where, under the contract of sale, a charge is made for the delivery of the goods.

Use of goods vehicle for carriage of passengers to be licensed

35. Subject to this Act, no person shall use a goods vehicle or cause or permit a goods vehicle to be used for the carriage of passengers unless there is in force a carrier's licence granted under this Act authorizing such use, or otherwise than in accordance with such licence and any conditions attached thereto, and if he does so he shall be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both.

Other transport interests to be disclosed by applicant

36. (1) Without prejudice to section 15 and subsection 26A(1), any person who applies for a licence or an intermediation business licence or for a variation of a licence or an intermediation business licence or any of the conditions thereof shall disclose or furnish in the application form as prescribed -

- (a) any other licence or intermediation business licence that has been issued to him under this Act;

- (b) any financial interest whatsoever which he has in the business of any other person or company which provides facilities for the transport of passengers or goods within Malaysia;
- (c) any such interest or right which any other person has in his business and in the case of an applicant being a company, any right which that other person has to nominate any director of the company.

(2) If the applicant fails to disclose the information required under subsection (1) or supplies such information which to his knowledge is false or incorrect in whole or in part, he shall be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding six months or to both.

Information requested by the Board from licence holder or intermediation business licence holder

37. (1) It shall be the duty of every person who holds any licence or intermediation business licence under this Act to supply when so requested by the Board, within a period of time as shall be determined by the Board, particulars—

- (a) of any agreement or arrangement affecting in any material respect the provision of facilities for the transport of passengers or goods for hire or reward made by him with any other person by whom such facilities are provided, whether within or without Malaysia;
- (b) of any financial interest whatsoever which any other person has in the business of the holder of a licence or the holder of an intermediation business licence, and in the case of the holder of a licence or the holder of an intermediation business licence being a company, of any right which that other person has to nominate any director of the company;
- (c) of any interest or rights which the holder of a licence or the holder of an intermediation business licence has in the business of any other person who provides facilities for the transport of passengers or goods for hire or reward within Malaysia.

(2) If any person refuses or fails to supply, within the prescribed time, any information which he is required to supply under this section or supplies any information which to his knowledge is false or incorrect in any respect, he shall be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding six months or to both.

Alteration of authorized vehicle

- 38.** (1) The holder of a licence shall not make any alteration, other than by way of replacement of parts, to the structure or fixed equipment of an authorized vehicle without the approval of the Director General.
- (2) If any person fails to comply with or contravenes this section, he shall be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding six months or to both.

Transfer of licence prohibited

- 39.** (1) Subject to subsection (4), a licence granted under this Act shall be personal to the holder thereof and shall not be transferred or assigned.
- (2) Except with the previous consent of the Board, the holder of such licence shall not appoint an agent or attorney for the purpose of exercising any of the rights conferred on him and shall not cause or permit any such agent or attorney to exercise any such right.
- (3) The holder of a licence granted under this Act who purports to transfer or assign the licence or causes or permits any other person to use an authorized vehicle or to provide the service authorized in the licence shall be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both.
- (4) The Board may, in the event of the death, incapacity, bankruptcy or, in the case of a company, liquidation, of the holder of such licence or, where a receiver or manager is appointed in relation to the business of the holder of such licence or, where for any reason the Board is satisfied that it would be unjust not to do so, authorize the transfer of such licence.

Records and returns

- 40.** (1) It shall be the duty of the holder of a licence granted under this Act to keep such accounts and records in relation thereto as may be prescribed and to furnish to the Board such records, accounts, financial and statistical returns or other documents for such period and in such manner as may be prescribed, together with such other particulars as may be required by the Board.
- (2) It shall be the duty of the holder of such licence to keep such records in relation to the use of the authorized vehicle as may be prescribed.

(3) The Board or the Director General may, by notice in writing, require the holder of such licence to produce all or any such records, accounts, financial and statistical returns or other documents at such time and place as may be specified in such notice, and to vouch the same, and to afford the Board, Director General, a Board Officer or a road transport officer reasonable facilities for checking and examining such records, accounts, financial and statistical returns or other documents and satisfying himself as to the completeness and accuracy thereof.

(4) If any person fails to comply with or contravenes this section, he shall be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding six months or to both.

Abetment of offences

41. Whoever abets the commission of an offence against this Act shall be punishable with the punishment provided for the offence.

False statements

42. (1) If any person -

- (a) for the purpose of obtaining under the provisions of this Act the grant of any type or description of licence or intermediation business licence to himself or to any other person or the variation of any such licence or intermediation business licence, or for the purpose of preventing the grant or variation of any such licence or intermediation business licence or of procuring the imposition of any condition or limitation in relation to any such licence or intermediation business licence, makes any statement or declaration which to his knowledge is false or incorrect, either in whole or in part, or in any material respect misleading;
- (b) furnishes any particulars in relation to an application for the grant of a licence or intermediation business licence under this Act which to his knowledge are false or in any material respect misleading;
- (c) makes any entry in a record, register or other document required to be issued, kept, maintained or furnished under this Act which is false or in any material respect misleading,

he shall be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both.

(2) In any prosecution under this section, when it has been proved that any application, particulars, returns, accounts, document or written statement is false or incorrect in whole or in part or misleading in any material particular, it shall be presumed until the contrary is proved, that such application, particulars, returns, accounts, document or written statement was false or incorrect or misleading in a material particular, as the case may be, to the knowledge of the person signing, delivering or supplying the same.

(3) If any person -

- (a) forges, alters, tampers with, defaces, mutilates, uses or lends to or allows to be used by any other person any mark, plate or document which is required by this Act to be carried or exhibited on a motor vehicle or licence or intermediation business licence;
- (b) makes or has in his possession any mark, plate or document so closely resembling any such mark, plate or document as aforesaid as to be calculated to deceive;
- (c) alters any entry made in a register, licence, intermediation business licence or other document issued or kept under this Act;
- (d) exhibits on any motor vehicle any licence or intermediation business licence or identification mark, plate or document which has been altered, tampered with, defaced, mutilated or added to, or any imitation of a licence or an intermediation business licence, mark, plate or document which is required under this Act to be carried or exhibited on a motor vehicle;
- (e) exhibits on any motor vehicle any licence or intermediation business licence or identification mark, plate or document which does not belong to such vehicle;
- (f) prepares or maintains or authorizes the preparation or maintenance of false records that are required to be maintained under this Act; or
- (g) falsifies or authorizes the falsification of records that are required to be furnished under this Act,

he shall be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit but not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both:

Provided that in the case of paragraph (d), he shall not be found guilty of an offence if he proves that he had acted in good faith and had no reasonable grounds for supposing that such licence or intermediation business licence or identification mark, plate or document had been altered, tampered with, defaced, mutilated or added to, or that such licence or intermediation business licence, mark, plate or document was an imitation.

(4) If any police officer or road transport officer has reasonable cause to believe that a document carried on a motor vehicle or any licence or intermediation business licence or record or other document produced to him in pursuance of this Act by the driver or person in charge of a motor vehicle is a document in relation to which an offence under this section has been committed, he may seize the document, licence or intermediation business licence or record.

(5) For the purpose of this section, the expression "document" includes a badge and the expression "seize" includes power to detach from the motor vehicle.

Liability of registered owner and others

43. (1) For the purpose of any prosecution or proceedings under this Act, the registered owner of a motor vehicle shall be deemed to be the owner of that motor vehicle.

(2) Except where otherwise provided by this Act, any act or omission by the servant, agent or partner of the registered owner shall, for the purpose of any prosecution or proceedings under this Act, be deemed to be the act or omission of the registered owner, unless he satisfies the court that he has taken all reasonable steps and precautions to prevent such an act or omission.

(3) In the event of any act or omission by a servant, agent or partner of the registered owner which would have been an offence against this Act if committed by the registered owner, that servant, agent or partner shall also be guilty of that offence.

(4) Where the registered owner is a body corporate, any person who at the time of the commission of such offence was a director, general manager, manager, secretary or other similar officer of the body corporate, or who was purporting to act in any such capacity, shall be deemed to be guilty of the offence unless he proves that the offence was committed without his consent or connivance, and that he has exercised due diligence to prevent the commission of the offence as he ought to have exercised having regard to the nature of his functions and to all the circumstances.

Offences by body corporate

43A. (1) If a body corporate commits an offence under this Act, any person who at the time of the commission of the offence was a director, chief executive officer, chief operating officer, manager, secretary or other similar officer of the body corporate or was purporting to act in any such capacity or was in any manner or to any extent responsible for the management of any of the affairs of the body corporate or was assisting in such management -

- (a) may be charged severally or jointly in the same proceedings with the body corporate; and
- (b) if the body corporate is found to have committed the offence, shall be deemed to have committed that offence unless, having regard to the nature of his functions in that capacity and to all circumstances, he proves -
 - (i) that the offence was committed without his knowledge, consent or connivance; and
 - (ii) that he had taken all reasonable precautions and exercised due diligence to prevent the commission of the offence.

(2) If any person would be liable under this Act to any punishment or penalty for his act, omission, neglect or default, he shall be liable to the same punishment or penalty for every such act, omission, neglect or default of any employee or agent of his, or of the employee of the agent, if the act, omission, neglect or default was committed -

- (a) by that person's employee in the course of his employment;
- (b) by the agent when acting on behalf of that person; or
- (c) by the employee of the agent in the course of his employment by the agent or otherwise on behalf of the agent acting on behalf of that person.

Powers of the police in investigation

44. Every police officer making an investigation under this Act may exercise any or all of the special powers in relation to police investigation in seizable cases conferred on such police officer by Chapter XIII of the Criminal Procedure Code [Act 593], and the provisions of sections 112 to 114 of that Code shall apply to statements made by persons examined in the course of such investigation.

Powers of road transport officers in investigation

44A. (1) Every road transport officer making an investigation under this Act shall have the power to require information, whether orally or in writing, from any person supposed to be acquainted with the facts and circumstances of the case under investigation.

(2) Whoever, on being required by a road transport officer to give information under this section, refuses to comply with such request by the officer or furnishes as true, information which he knows or has reason to believe to be false, shall be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit ¹³ but not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both.

(3) When any such information is proved to be untrue or incorrect in whole or in part, it shall be no defence to allege that such information or any part thereof was misinterpreted or furnished inadvertently or without criminal or fraudulent intent.

Power of Board Officer to investigate, etc.

44B. A Board Officer shall have the power to investigate or to require any information, whether orally or in writing, from any person supposed to be acquainted with the facts and circumstances in relation to the commission of an offence under this Act or any other written law or breach of conditions attached to a license or an intermediation business licence.

Power to seize document, etc.

44C. (1) If any police officer or road transport officer or Board Officer has reasonable cause to believe that a document carried on a vehicle, or any licence, record or other document produced to him pursuant to this Act by the driver or person in charge of a vehicle is a document, licence or record in relation to which an offence under this Act has been committed, he may seize or detach the document, licence or record from the vehicle.

(2) If the licence seized under subsection (1) is a licence which has been suspended under section 25, the licence shall be returned to the holder of the licence upon the expiry of the period of suspension.

¹³ NOTE - Previously “not exceeding five thousand ringgit” - see The Commercial Vehicles Licensing Board (Amendment) Act 1998 [Act A1024].

Who may prosecute

45. Proceedings for an offence under this Act shall not be instituted or conducted except by or on behalf of the Public Prosecutor, by a police officer or a road transport officer.

Power to order appearance in court

- 45A. (1) Where a police officer or a road transport officer has reasonable grounds for believing that any person committed an offence against this Act, he may, in lieu of applying to the court for a summons forthwith serve upon that person a notice in the prescribed form ordering that person to appear before the nearest court of a Magistrate having jurisdiction to try the offence, at a time and date to be stated in such notice.

(2) If any person who is served with a notice as provided by subsection (1) fails to appear in person or by counsel, then, unless it appears that it was not reasonably possible for that person so to appear, the court may, if satisfied that the notice was served, issue a warrant for the arrest of that person unless in the case of a compoundable offence, that person has within the period specified in the notice been permitted to compound the offence.

Provisions as to evidence

46. (1) A copy of a licence or an intermediation business licence granted under this Act, certified by the Chairman or any officer delegated by the Board to be a true copy of such licence or intermediation business licence, shall be admissible as evidence for all purposes for which the original of such copy would have been admissible had such original been produced and admitted as evidence, without proof of the signature or authority of the person signing the said licence or intermediation business licence or the copy thereof.

(2) When in any proceedings for an offence under this Act it is necessary to prove that any person was, or was not, the holder of a licence or an intermediation business licence granted under this Act, a certificate purporting to be signed by the Chairman and certifying as to the matters aforesaid, shall be admissible as evidence and shall constitute *prima facie* proof of the facts certified in such certificate, without proof of the signature of the Chairman to such certificate.

Presumptions

47. In any proceedings for an offence under this Act, in so far as it may be necessary to establish the offence charged, it shall be presumed until the contrary is proved -
- (a) that any conveyance of persons or goods in a motor vehicle was for hire or reward;

- (b) that the passengers carried in a motor vehicle were being carried in consideration of separate payments made by them;
- (c) that a vehicle is not an authorized vehicle;
- (d) that any person is not the holder of a licence or an intermediation business licence issued under this Act in respect of a motor vehicle;
- (e) that any person is not the holder of a licence or an intermediation business licence authorizing him to provide any particular service;
- (f) that any person is not the holder of a licence or an intermediation business licence issued under section 18;
- (g) that any person is the owner of a motor vehicle; or
- (h) that any person is the holder of a licence or an intermediation business licence under this Act.

Service and signature of notification or document

48. (1) Any notification or document required to be given or served under this Act may, unless some other form of service is prescribed, be sent by registered post to the person affected thereby.

(2) Where a notification or document is served by registered post, it shall be deemed to have been served on the day succeeding the day on which the notification or document would have been received in the ordinary course of post, if the notification or document is addressed -

- (a) in the case of a company incorporated in Malaysia, to the registered office of the company;
- (b) in the case of a company incorporated outside Malaysia, either to the individual authorized to accept service of process under the Companies Act 1965, at the address filed with the Registrar of Companies or to the registered office of the company, wherever it may be situated;
- (c) in the case of an individual or a body of persons, to the last known business or private address of such individual or body of persons.

(3) Where the person to whom there has been addressed a registered letter containing any notice which may be given under the provisions of this Act is informed of the fact that there is a registered letter awaiting him at a post office, and such person refuses or neglects to take delivery of such registered letter, such notice shall be deemed to have been served upon him on the date on which he was informed.

General offences and penalties

48A. (1) Any person who -

- (a) without reasonable excuse, proof of which shall lie on him, refuses or fails to do anything that he is required to do under this Act;
- (b) without reasonable excuse, proof of which shall lie on him, fails to comply with the requirements of any notice served on him under this Act; or
- (c) without reasonable excuse, proof of which shall lie on him, contravenes or fails to comply with any provision of this Act,

shall be guilty of an offence.

(2) Any person who is guilty of an offence under this Act shall, where no special penalty is provided, be liable in the case of a first conviction to a fine not exceeding one thousand ringgit or to imprisonment for a term not exceeding three months and, in the case of a second or subsequent conviction, to a fine not exceeding one thousand ringgit or to imprisonment for a term not exceeding six months or to both.

Power to compound

49. (1) Any of the following officers, that is to say -

- (a) a Chief Police Officer or any police officer not below the rank of Inspector specially authorized in writing by name or by office in that behalf by the Minister charged with the responsibility for the police;
- (b) the Director General or any road transport officer specially authorized in writing by name or by office in that behalf by the Director General,

may, in his discretion, compound any such offence against this Act as may be prescribed as an offence which may be compounded by such officer by collecting from the person reasonably suspected of having committed the same a sum of money not exceeding three hundred ringgit.

(2) The Minister may make rules to prescribe the offences which may be compounded and the method and procedure therefor.

Officers not in uniform to produce identification cards

50. (1) Every police officer and every road transport officer, if not in uniform when acting against any person under this Act, shall on demand, declare his office and produce to the person against whom he is acting such document establishing his identity as the Chief Police Officer may direct in the case of a police officer or as the Director General may direct in the case of a road transport officer, to be carried by a police officer and road transport officer respectively.

(2) It shall not be an offence for any person to refuse to comply with any request, demand or order made by any police officer or by a road transport officer not in uniform if such police officer or road transport officer refuses to declare his office and produce his identification document on demand being made by such person.

PART VII - MISCELLANEOUS

Seizure

51. (1) Any motor vehicle in respect of which there has been or there is reasonable cause to suspect that there has been committed any offence against subsection 19(3), paragraph 20(1)(b), section 33 or 34 may be seized by any road transport officer or any police officer not below the rank of Inspector at any place.

(2) When any motor vehicle has been seized under subsection (1), a road transport officer or a police officer not below the rank of Inspector may, at his discretion, temporarily return such vehicle to the owner of the same, on security being furnished to the satisfaction of such officer that the vehicle shall be surrendered to him on demand.

(3) An order for the forfeiture or for the release of any motor vehicle seized under subsection (1) shall be made by the court before which the prosecution with regard thereto has been held, and an order for the forfeiture of such vehicle shall be made if it is proved to the satisfaction of the court that an offence against subsection 19(3), paragraph 20(1)(b), section 33 or 34 has been committed and that the vehicle was the subject matter of the offence, notwithstanding that no person may have been convicted of such an offence.

(4) If there is no prosecution with regard to any motor vehicle seized under subsection (1), such vehicle shall be released at the expiration of one calendar month from the date of seizure unless it has sooner been released.

Detention of vehicles

51A. (1) If any police officer in uniform or road transport officer in uniform or Board Officer has reasonable cause to believe that the provisions of this Act have not been complied with in respect of any motor vehicle, he may require such vehicle to be stopped and may require the driver of such vehicle to drive it to some other place, and the vehicle may, if necessary, be detained by any police officer not below the rank of sergeant or any police officer in charge of a police station for the purpose of inspection by a police officer or a road transport officer or a Board Officer to ascertain whether the provisions of this Act have been complied with.

(2) No motor vehicle shall be detained under this section for a period exceeding forty-eight hours.

Determination of vehicle's weight

51B. (1) It shall be lawful for any police officer authorized in writing in that behalf by the Chief Police Officer, or any road transport officer authorized in writing in that behalf by the Director General or any Board Officer to require the person in charge of any motor vehicle to allow the motor vehicle to be weighed by such officer, either laden or unladen, and for the weight transmitted to the road by any part of the motor vehicle in contact with the road to be tested, and for that purpose may forthwith weigh the motor vehicle.

(2) Upon request by the person in charge of the motor vehicle, the authorized officer shall, after the completion of the weighing of such vehicle, issue a duplicate or copy of a certificate in respect of the weighing to the person.

(3) Any person in charge of any motor vehicle who refuses or fails to comply with the requirement under subsection (1) or removes its load or any part of it before the motor vehicle is duly weighed, shall be guilty of an offence.

(4) It shall not be lawful for any authorized officer to require the person in charge of the motor vehicle to unload the motor vehicle for the purpose of having it weighed unladen.

Reservation of licences or intermediation business licences

52. (1) Notwithstanding anything contained in this Act, the Yang di-Pertuan Agong may from time to time by order, give directions to the Board as may be required for the reservation of licences or intermediation business licences for Malays and natives in such proportion of the licences or intermediation business licences to be granted under this Act as the Yang di-Pertuan Agong may deem reasonable and the Board shall comply with such directions.

(2) A licence or an intermediation business licence granted to a Malay or to a native by the Board in pursuance of directions given by the Yang di-Pertuan Agong under subsection (1), shall bear an endorsement as follows:

“Granted in pursuance of directions given under subsection 52(1) of the Commercial Vehicles Licensing Board Act 1987”.

Such endorsement shall be conclusive evidence that such licence or an intermediation business licence was granted in pursuance of such directions.

(3) The Board may, in respect of any licence or intermediation business licence granted in pursuance of directions given under subsection (1), attach to such licence or intermediation business licence such conditions as it thinks fit in addition to the conditions referred to in section 19 or subsection 26A (5).

(4) For the purposes of this section, the expression “Malays” or “natives” shall include a company, an association or a body of persons whether corporate or unincorporate, a majority part of whose capital is owned by and the management and employees are made up of Malays or natives.

Limitation on number of specified classes of vehicles

53. The Minister shall, from time to time as appears to him necessary or desirable and after consultation with the Minister charged with the responsibility for transport and the State Government or the Minister charged with the responsibility for the Federal Territory, as the case may be, fix the number of any class of public service vehicles which he considers should be authorized to be used to meet the reasonable needs of persons requiring the use of such vehicles.

Classification and numbering of bus routes

54. The Board may classify and number, in such manner as may be convenient, the routes in respect of which express, mini and stage bus licences are granted, and may publish a list of the routes so classified and numbered.

Avoidance of contracts

55. Any contract for the conveyance of a passenger in a public service vehicle shall, so far as it purports to negative or to restrict the liability of any person in respect of any claim which might otherwise be lawfully made against that person in respect of the death of or bodily injury to the passenger while being carried in, entering or alighting from the authorized vehicle or purports to impose any condition with respect to the enforcement of any such liability, be void.

Rules

56. (1) The Minister may make rules for any purpose for which rules may be made under this Act and for prescribing anything which may be prescribed under this Act, and generally for the purpose of carrying this Act into effect, and in particular, but without prejudice to the generality of the foregoing provisions, may make rules with respect to any of the following matters:

- (a) the forms to be used and the information to be furnished for any of the purposes of this Act;
- (b) the procedure on applications and the determination of questions in connection with the grant, variation, surrender, suspension and revocation of licences or intermediation business licences and conditions attached to licences or intermediation business licences and in connection with appeals;

- (c) the grant of licences or intermediation business licences and the issue of copies of licences or intermediation business licences in the case of licences or intermediation business licences lost or destroyed;
- (d) the fees to be paid under this Act, the manner of payment and the persons liable to pay the same, the exemption of such fees to any person or classes of persons or company or the reduction of such fees;
- (e) the custody of licences or intermediation business licences, the production, return, surrender and cancellation of licences or intermediation business licences on the expiration, suspension, revocation or variation of the conditions thereof and the custody, production, return and obliteration of documents;
- (f) the form of register and other records to be kept and maintained by the Board, provisions for the opening, maintenance and closure thereof, provisions for the inspection and taking extracts therefrom and the supply of copies thereof and the fees to be paid for such inspection, extracts and copies respectively;
- (g) the notification to the Director General or Chairman, of motor vehicles which have ceased to be used under a licence or an intermediation business licence granted under this Act;
- (h) the records to be kept by licence holders or intermediation business licence holders and by drivers of authorized vehicles and the returns to be made;
- (i) prescribing penalties (not exceeding those specified by section 119 of the Road Transport Act 1987) for any breach or failure to comply with any such rules;
- (j) the means by which commercial vehicles are to be identified as authorized vehicles whether by plates, marks and otherwise and providing for distinguishing words, letters, numbers, colours or marks being or not being affixed to authorized vehicles;
- (k) the safe custody or disposal of any property accidentally left in a public service vehicle and the fixing of charges made in respect thereof;
- (l) regulating any arrangement or agreement between a holder of a licence that is a company, a partnership or a firm and the driver of a public service vehicle;
- (m) regulating any arrangement or agreement regarding advertisement on an authorized vehicle,

and different rules may be made as respects different classes or descriptions of authorized vehicles and as respects the same class and description of authorized vehicles in different circumstances.

(2) Any rules made by the Minister under this Act shall be published in the *Gazette*.

Repeal, transitional and saving

57. (1) The Road Traffic Ordinance 1958 [*Ord. 49 of 1958*] and the Modification of Laws (Road Traffic Ordinance) (Extension and Modification) Order 1984 [*P.U. (A) 136/1984*]¹⁴ in so far as they relate to the licensing of commercial vehicles are hereby repealed:

Provided that all subsidiary legislations relating to the licensing of commercial vehicles made under the repealed Ordinance shall be deemed to have been made under this Act and shall continue to remain in force until amended, suspended or revoked thereunder:

Provided further that any licence, permit or any other document in respect of an authorized vehicle or any reduction of fees or any exemption issued or granted under the repealed Ordinance and in force immediately before the commencement of this Act shall, in so far as its issue or grant is not inconsistent with this Act, be deemed to have been issued or granted under this Act and shall continue in force until it expires, or is varied, amended, suspended or revoked thereunder.

(2) Where an application for the grant of a licence in respect of a commercial vehicle has been made before the commencement of this Act and is pending immediately before such commencement the decision of any authority as is referred to in subsection (3), proceedings in respect of the said application shall be continued under the repealed Ordinance subject to such modifications to the application being made so as to bring it into accord with the provisions of this Act, and subject to such directions as the said authority may give with regard to the continuation of proceedings on such an application.

(3) Any authority established under the repealed Ordinance, having power to grant licences in respect of commercial vehicles and existing immediately before the date of commencement of this Act, shall continue to remain in existence and shall exercise all such functions as are conferred on a Road Transport Licensing Board constituted under the repealed Ordinance until there is

¹⁴ **NOTE** - The amendment in subsection 36(2) of the Road Transport (Amendment) Act 1994 [Act A878] shall be deemed to have been an integral part of section 57 of the Commercial Vehicle Licensing Board Act 1987 as from 1 January 1988 and any act done or proceedings instituted in respect of the licensing of commercial vehicles during the period between the said date and the commencement of this Act and its continuation thereafter, if any, is hereby declared lawful and valid, and shall be deemed to be and to have always and at all times been lawful and valid.

established a Commercial Vehicles Licensing Board under section 3 to replace such authority.

(4) Where any appeal in respect of a decision made under the repealed Ordinance is pending before any right to appeal in respect of such decision has accrued, the proceedings in respect of the appeal or in respect of any appeal under the accrued right to appeal, shall be continued or had, as the case may be, under this Act as if in respect of a decision under this Act, subject to all such directions as the authority or the court, as the case may be, may deem fit or expedient to give in the matter.

Power of Minister to make additional provisions, etc.

58. The Minister may, by rules, make such provisions as he considers necessary or expedient for the purpose of removing any difficulties occasioned by the coming into force of this Act, any such rule may be made so as to have effect as from the commencement of this Act.

Annex P National Reference: Road Transport Act

ii) Road Transport Act 1987 (Act 333)



LAWS OF MALAYSIA

ONLINE VERSION OF UPDATED TEXT OF REPRINT

Act 333 ROAD TRANSPORT ACT 1987

As at 1 February 201

ROAD TRANSPORT ACT 1987

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LAWS OF MALAYSIA

Act 333

ROAD TRANSPORT ACT 1987

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LAWS OF MALAYSIA

Act 333

ROAD TRANSPORT ACT 1987

An Act to make provision for the regulation of motor vehicles and of traffic on roads and other matters with respect to roads and vehicles thereon; to make provision for the protection of third parties against risks arising out of the use of motor vehicles; to make provision for the co-ordination and control of means of and facilities for transport; to make provision for the co-ordination and control of means of and facilities for construction and adaptation of motor vehicles; and to make provision for connected purposes.

[1 January 1988; P.U. (B) 694/1987]

BE IT ENACTED by the Seri Paduka Baginda Yang di-Pertuan Agong with the advice and consent of the Dewan Negara and Dewan Rakyat in Parliament assembled, and by the authority of the same, as follows:

PART I - PRELIMINARY

Short title, application and commencement

1. (1) This Act may be cited as the Road Transport Act 1987 and shall come into force on such date as the Minister may, by notification in the *Gazette*, appoint.
(2) The Minister may appoint different dates for the coming into force of different Parts and provisions of this Act.
(3) This Act shall apply throughout Malaysia.

Interpretation

2. In this Act, unless the context otherwise requires -
“accident” means an accident or occurrence whereby damage or injury is caused to any person, property, vehicle, structure or animal;
“airport” has the same meaning assigned to it by the Civil Aviation Act 1969 [Act 3];

“animal” means any horse, pony, mule, ass, buffalo, cattle, sheep, pig, goat or dog;

“appointed day” means the day appointed by the Minister under section 1 for the coming into force of any Part or provision of this Act;

“bankruptcy” includes insolvency as a result of which a wage earner’s administration order has been made under the laws relating to bankruptcy;

“camera-recorded offence” means an offence prescribed under the Second Schedule;

“carriage of goods” includes the haulage of goods;

“certificate of insurance” includes a cover note;

“Chief Police Officer” means any police officer vested by the Inspector General of Police with the control of the Royal Malaysia Police in respect of any area or state under section 6 of the Police Act 1967 [Act 344] and designated as such by the Inspector General of Police;

“commercial vehicle” shall have the same meaning as assigned to that expression in the Commercial Vehicles Licensing Board Act 1987 [Act 334];

“Commissioner of Police” means a Commissioner appointed under section 5 of the Police Act 1967 [Act 344];

“company” includes any company as defined in the Companies Act 1965 [Act 125], any company formed under any law, any corporation incorporated by law, and any firm or partnership;

“conductor” means a person licensed under section 56 to act as a conductor of a public service vehicle;

“Dato Bandar” means the Dato Bandar Kuala Lumpur appointed under section 3 of the Federal Capital Act 1960 [Act 190] read with section 4 of the City of Kuala Lumpur Act 1971 [Act 59] and includes any officer in the service of the City of Kuala Lumpur authorized in writing by the Dato Bandar to exercise powers conferred or to perform duties imposed by this Act on the Dato Bandar;

“Deputy Director” means a Deputy Director for Road Transport appointed under section 3;

“Deputy Director General” means the Deputy Director General for Road Transport appointed under section 3;

“Director” means a Director for Road Transport appointed under section 3;

“Director General” means the Director General for Road Transport appointed

under section 3;

“driver” means the person for the time being driving a motor vehicle and, in the case of a stationary motor vehicle, includes the person for the time being responsible for the driving of the motor vehicle;

“driving licence” means a licence to drive a motor vehicle granted or deemed to be granted under Part II and includes a learner’s driving licence and a probationary driving licence granted under section 29;

“electric bicycle” means cycles with pedal assistance which are equipped with an auxiliary electric motor having a maximum continuous rated power of 0.25 kW, of which the output is progressively reduced and finally cut off as the vehicle reaches a speed of 25 km/h or sooner if the cyclist stops pedalling;

“electric motor vehicle” means any motor vehicle that is propelled by electrical means and does not include an electric bicycle;

“goods” means anything, including livestock, carried on or in a motor vehicle for the purposes of any trade or business but does not include -

- (a) equipment ordinarily used with the vehicle;
- (b) articles of merchandise carried by a person on or in the vehicle solely for the purpose of exhibition as samples;
- (c) articles carried by a person on or in the vehicle for use in the exercise of his trade, business or profession and not for sale;

“goods vehicle” shall have the same meaning as is assigned to that expression in the Commercial Vehicles Licensing Board Act 1987 and the Land Public Transport Act 2010 [Act 715];

“Government” means the Federal Government or any State Government;

“Highway Authority” means the body corporate established under section 3 of the Highway Authority Malaysia (Incorporation) Act 1980 [Act 231];

“land implement” means any implement or machinery used with a land tractor in connection with the purposes for which a land tractor may be used under this Act;

“land tractor” means a motor tractor designed and used primarily for work on the land in connection with agriculture, planting or forestry, land levelling, draining, dredging or similar operations, which is driven on a road only when proceeding to and from the site of such work and when so driven hauls nothing other than land implements;

“learner’s driving licence” means a driving licence which is granted to any person

to learn theoretical and practical driving and thereafter to be tested on the prescribed tests of competence;

“maximum permissible laden weight” means such weight as the Director General shall specify as a laden weight which is suitable for a specific vehicle using a road;

“member of the Forces” means -

- (a) a member of the Armed Forces;
- (b) a police officer;
- (c) a member of a visiting force within the meaning of any law for the time being in force regulating visiting forces lawfully present in Malaysia;

“Minister” means the Minister charged with responsibility for transport;

“motor vehicle” means a vehicle of any description, propelled by means of mechanism contained within itself and constructed or adapted so as to be capable of being used on roads, and includes a trailer;

“scheduled offence” means an offence prescribed under the First Schedule;

“owner” -

- (a) in relation to a motor vehicle registered or deemed to be registered under this Act, means the registered owner of such vehicle; and
- (b) in relation to any other motor vehicle, means the person in possession of or using or having the use of the motor vehicle;

“parking” means the bringing of a motor vehicle to a stationary position and causing it to wait for any purpose other than that of immediately taking up or setting down persons, goods or luggage;

“parking place” means a place set apart as a place at which motor vehicles or any specified class or description of motor vehicles may be parked;

“passenger”-

- (a) in relation to a person carried on a public service vehicle, does not include the driver or conductor or any ticket inspector on the vehicle in pursuance of his duties;
- (b) in relation to persons carried on a goods vehicle, does not include the driver or any attendant required by law to be carried on such vehicle; and
- (c) in relation to a private car, does not include the driver;

“Perbadanan Putrajaya” means the Perbadanan Putrajaya established under section 3 of the Perbadanan Putrajaya Act 1995;

“police officer” includes an extra police officer, a volunteer reserve police officer or an auxiliary police officer appointed under the Police Act 1967;

“President” means the President of the Perbadanan Putrajaya appointed under section 5 of the Perbadanan Putrajaya Act 1995 [Act 536];

“probationary driving licence” means a licence for a probationary period of two years which is granted to any person who has passed the prescribed tests of competence;

“public body” means a body declared by the Minister to be a public body;

“public service vehicle” shall have the same meaning as assigned to that expression in the Commercial Vehicles Licensing Board Act 1987 and the Land Public Transport Act 2010;

“recorded image” means any visual (whether still or moving) images recorded, expressed, described or howsoever represented, including any information stated therein;

“registered owner” means the person registered as the owner of a motor vehicle under paragraph 11(1)(b);

“registered medical practitioner” means a medical practitioner registered under the Medical Act 1971 [Act 50];

“registration certificate” includes registration book;

“road” means -

- (a) any public road and any other road to which the public has access and includes bridges, tunnels, lay-bys, ferry facilities, interchanges, roundabouts, traffic islands, road dividers, all traffic lanes, acceleration lanes, deceleration lanes, side-tables, median strips, overpasses, underpasses, approaches, entrance and exit ramps, toll plazas, service areas, and other structures and fixtures to fully effect its use;
- (b) for the purposes of sections 70 and 85, also includes a road under construction; and
- (c) for the purpose of sections 41, 42, 43, 44, 45 and 45A, also includes a parking place;

“Road Transport Department” means the Department administered by the Director General;

“road transport officer” means any person appointed to be a road transport officer under section 3;

“Suruhanjaya Pengangkutan Awam Darat” means the Suruhanjaya Pengangkutan Awam Darat established under section 2 of the Suruhanjaya Pengangkutan Awam Darat Act 2010 [Act 714];

“this Act” includes any subsidiary legislation made under this Act;

“tracked”, in relation to a vehicle, means that the vehicle is so designed and constructed that the weight of it is transmitted to the road surface either by means of continuous tracks, or by a combination of wheels and continuous tracks;

“traffic” includes bicycles, electric bicycles, tricycles, motor vehicles, tram cars, vehicles of every description, pedestrians, processions, bodies of police or troops and all animals being ridden, driven or led;

“traffic signs” includes all signals, warning sign posts, direction posts, signs, marks or devices erected or provided on or near a road for the information, guidance or direction of persons using the road;

“traffic warden” means any person appointed to be a traffic warden by the Dato Bandar or the Perbadanan Putrajaya under section 3;

“trailer” shall have the same meaning as assigned to it in subsection 5(1);

“unladen weight” means the weight of a vehicle inclusive of the body and all parts (the heavier being taken where alternative bodies or parts are used) which are necessary to, or ordinarily used with, the vehicle when working on a road but exclusive of loose tools;

“use” means use on any road;

“vehicle” means a structure capable of moving or being moved or used for the conveyance of any person or thing and which maintains contact with the ground when in motion;

“vocational licence” means a licence to drive or act as a conductor of a public service vehicle or goods vehicle;

“weighing machine” includes a portable weighing machine, a static weighing machine and a computerized or electronic weigh in-motion system;

“wheeled”, in relation to a motor vehicle or trailer, means that the whole weight of the vehicle is transmitted to the road by means of wheels.

Appointment

3. (1) There shall be appointed a Director General for Road Transport and such number of Deputy Directors General for Road Transport, Directors for Road Transport, Deputy Directors for Road Transport and other road transport officers as may be considered necessary or expedient for the purposes of this Act.
(2) The Director General shall have the general supervision and direction of all matters relating to road transport throughout Malaysia.
(3) The Director General may prescribe uniforms for road transport officers.
(4) The Dato Bandar may appoint such number of persons in the service of the City of Kuala Lumpur as he considers necessary or expedient for the purposes of this Act to be traffic wardens and may, after consultation with the Inspector General of Police, prescribe uniforms for such officers.
(4A) The Perbadanan Putrajaya may appoint such number of persons in the service of the Perbadanan Putrajaya as it considers necessary or expedient for the purposes of this Act to be traffic wardens and may, after consultation with the Inspector General of Police, prescribe uniforms for such officers.
(5) The Director General shall perform the duties and exercise the rights and powers imposed and conferred upon him by this Act.
(6) The Director General, all road transport officers and all traffic wardens appointed under this section shall be deemed to be public servants for the purposes of Chapter X of the Penal Code [Act 574].
(7) The Director General shall assign a Director to each registration area or each division of the Road Transport Department.
(8) A notification in the *Gazette* of the appointment of a road transport officer or a traffic warden shall be conclusive evidence that such person was so appointed.

(9) Any officer appointed under any Ordinance repealed by this Act and holding office on the date immediately preceding the appointed day, shall continue in office and shall be deemed to be a road transport officer or a traffic warden, as the case may be, appointed under this section.

Authorization to Mayor and officers of City Council

3A. (1) The Minister may, by order published in the *Gazette*, upon application being made by the Mayor of a City Council, authorize the Mayor and the officers or persons in the service of the City Council to exercise the powers conferred and to perform the duties imposed by this Act on the Dato Bandar or traffic warden, as the case may be.

(2) An order made under subsection (1) may limit the powers to be conferred on and the duties to be performed by the Mayor and the officers or persons in the service of the City Council.

(3) Upon authorization being made under subsection (1), the Mayor and officers or persons in the service of the City Council may exercise the powers conferred and perform the duties imposed by this Act on the Dato Bandar or traffic warden, as the case may be, as if -

- (a) references to “Dato Bandar” were references to the Mayor of the City Council;
- (b) references to “officer in the service of the City of Kuala Lumpur” and “persons in the service of the City of Kuala Lumpur” were references to officers or persons in the service of the City Council respectively;
- (c) references to the “Federal Territory of Kuala Lumpur” were references to that City.

(4) For the purposes of this section -

“City Council” includes a Council of a City and a City;

“Mayor of a City Council” includes Commissioner of a City and “Mayor” shall be construed accordingly.

Powers of Dato Bandar and traffic wardens

4. The powers of the Dato Bandar or the Perbadanan Putrajaya and traffic wardens under this Act shall not be exercised outside or in respect of offences committed outside the Federal Territory of Kuala Lumpur or the Federal Territory of Putrajaya.

Powers of police officer and road transport officer

- 4A.** Notwithstanding anything contained in any written law, any police officer or road transport officer shall exercise the powers conferred by this Act in respect of offences committed under this Act on any road.

Powers of Minister to appoint other officers

- 4B.** The Minister may appoint any officer of the Suruhanjaya Pengangkutan Awam Darat as he considers necessary or expedient for the purposes of this Act to exercise the powers of a road transport officer.

PART II - CLASSIFICATION, REGISTRATION AND LICENSING OF MOTOR VEHICLES AND DRIVERS

Classification of motor vehicles

- 5.** (1) For the purposes of this Act, motor vehicles shall be divided into the following classes:
- (a) invalid carriages; that is to say, motor vehicles, the unladen weight of which does not exceed three thousand five hundred kilogrammes, which are specially designed and constructed or adapted for the use of a person suffering from some physical defect or disability and used solely by such a person; motor cycles; that is to say, motor vehicles with less than four wheels, and the unladen weight of which does not exceed four hundred and fifty kilogrammes;
 - (b) tractors heavy; that is to say, motor vehicles not constructed to carry any load (other than water, fuel, accumulators and other equipment and materials used for the purposes of propulsion, loose tools and loose equipment), the unladen weight of which exceeds five thousand kilogrammes;
 - (c) tractors light; that is to say, motor vehicles, the unladen weight of which does not exceed five thousand kilogrammes, and which otherwise fall within the definition of “tractors heavy”;
 - (d) motor cars heavy; that is to say, motor vehicles which are constructed to carry a load or passengers and the unladen weight of which does not exceed three thousand five hundred kilogrammes;
 - (e) motor cars; that is to say, motor vehicles (not falling within the definition of “motorcycles”), which are constructed to carry a load or passengers and the unladen weight of which does not exceed does not exceed three thousand five hundred kilogrammes;

- (f) mobile machinery heavy; that is to say, motor vehicles which are designed as self-contained machines, propelled by means of mechanism contained within themselves and the unladen weight of which exceeds five thousand kilogrammes and are capable of being used on roads;
 - (g) mobile machinery light; that is to say, motor vehicles, the unladen weight of which does not exceed five thousand kilogrammes, and which otherwise fall within the definition of “mobile machinery heavy”;
 - (h) pedestrian controlled vehicles; that is to say, motor vehicles constructed for the purpose of carrying a load or passengers and controlled by a person not seated or mounted on such a vehicle;
 - (i) trolley vehicles; that is to say, vehicles deriving their power from overhead cables or rails and making connection with such source of power by means of a pulley or other device;
 - (j) trailers; that is to say, vehicles other than land implements drawn by a motor vehicle, whether or not part of the trailer is superimposed on the drawing vehicle.
- (2) The Minister may make rules for subdividing any such class as specified in subsection (1) whether according to weight, construction, nature of tyres, use or otherwise and making different provisions with respect to each subdivision and varying in respect of any class the maximum or minimum weight fixed by this section.
- (3) Any reference in this Part to a class of motor vehicles shall include a reference to any subdivision of such a class.
- (4) For the purposes of this Part, a sidecar attached to a motorcycle shall, if it complies with the prescribed conditions, be regarded as forming part of the vehicle to which it is attached and not as being a trailer.

Prohibition of motor vehicles not complying with rules

6. (1) It shall not be lawful to use a motor vehicle which does not comply with the rules as to construction, weight, equipment, use and age applicable to the class or description of motor vehicle to which such motor vehicle belongs:

Provided that the Minister may, by notification in the *Gazette*, authorize (subject to such restrictions and conditions as may be specified in the notification) the use of special motor vehicles, or special types of motor vehicles, which are constructed either for special purposes or for tests or trials and of new or improved types of motor vehicles, whether wheeled or wheelless.

(2) The Minister may revoke, vary or amend any notification made under this section.

(3) Subject to this section, it shall not be lawful to sell or supply or to offer to sell or supply, a motor vehicle for delivery in such a condition that the use thereof in that condition would be unlawful by virtue of this section.

(4) Subject to this section, it shall not be lawful to alter a motor vehicle so as to render its condition such that the use thereof in that condition would be unlawful by virtue of this section.

(5) If a motor vehicle is used, sold or supplied or offered for sale or altered in contravention of this section, any person who so uses the motor vehicle or causes or permits it to be so used and any person who so sells or supplies or offers for sale or alters such motor vehicle or causes or permits it to be sold, supplied for sale or altered shall be guilty of an offence:

Provided that the person shall not be convicted of an offence under this subsection in respect of the sale, supply, offer for sale or alteration of a motor vehicle if he proves that it was sold, supplied, offered for sale or altered, as the case may be, for export from Malaysia or that he had reasonable cause to believe that the motor vehicle would not be used in Malaysia or would not be so used until it had been put into a condition in which it might lawfully be so used and it was a condition of such sale, supply, offer for sale or alteration that such motor vehicle would not be so used until it had been put into a condition in which it might lawfully be used under this section.

Registration of motor vehicles and owners

7. (1) No person shall possess or use a motor vehicle unless that vehicle is registered in accordance with this Part.

(2) Subsection (1) shall not apply in the case of -

- (a) an unregistered motor vehicle which is owned by and in the possession of a dealer for the purpose of sale;
- (b) a motor vehicle which is lawfully used under the authority of a motor vehicle trade licence granted to a manufacturer or repairer or dealer in motor vehicles under section 22;
- (c) a motor vehicle which is being driven to or from any place specified by a road transport officer for inspection or testing, or while it is being tested by a road transport officer, or while it is being driven to or from any place specified by a road transport officer for the purpose of registration, and

while being so driven or tested is carrying a means of identification in accordance with this Act;

- (d) a motor vehicle lawfully brought into Malaysia in accordance with section 21 or with rules made under section 25;
- (e) a motor vehicle registered in any foreign country, which by virtue of any international agreement is authorized to operate in Malaysia under a licence issued under the Commercial Vehicles Licensing Board Act 1987 and the Land Public Transport Act 2010.

(3) Any person who contravenes subsection (1) shall be guilty of an offence and shall on conviction be liable to a fine of not less than two thousand ringgit and not more than ten thousand.

Keeping of register

8. Every Director shall keep and maintain a register of all motor vehicles registered under this Act in the registration area for which he is Director. Such register shall be in such form and contain such information, details and particulars as the Director General may from time to time direct.

Keeping of accounts by licensed registrar

9. Every Director assigned to a registration area shall keep such accounts and make such returns in relation to the sums payable to him under this Act, and such financial and statistical returns in such form and at such times as the Director General may direct.

Applications for registration

10. (1) Every application for the registration of a motor vehicle shall be made in the prescribed form to the Director of a registration area and shall be signed by the person for the time being entitled to the possession of the motor vehicle.
- (2) Notwithstanding anything in subsection (1), any person who satisfies the Director that he has been authorized in writing for that purpose by a person who is absent from Malaysia, may make application on behalf of that person for the registration of a motor vehicle, and in any such case the application shall be deemed to have been signed and made by that person.
- (3) No motor vehicle shall be registered unless -
- (a) such vehicle bears a clear, distinct and untampered engine and chassis number; and
 - (b) the prescribed fee has been paid:

Provided that paragraph (a) shall not apply to any electric motor vehicle which has no engine number.

(4) No motor vehicle shall be registered which does not comply with this Act as to construction, weight, equipment, use and age unless such motor vehicle has been exempted from such compliance under powers conferred by this Act.

(5) An application for the registration of a motor vehicle which is the property of the Government or of a public body shall designate, by reference to his office, an officer in the service of the Government or public body, as the case may be, in whose charge such motor vehicle will be and such person for the time being holding such office shall, for the purpose of any offence, be deemed to be the registered owner of such motor vehicle.

(6) No officer shall be deemed by reason only of subsection (5) to be guilty of an offence committed before the date on which he assumed such office.

Registration numbers

11. (1) Upon the registration of a motor vehicle, the Director shall -

(a) assign to the motor vehicle the prescribed index mark indicating the registration area in which the vehicle is registered or the status of the owner of the motor vehicle and a separate number (in this Act such mark and number are referred to collectively as “the registration number”), and such registration number shall continue to be the registration number of such motor vehicle until it is broken up, destroyed or sent permanently out of Malaysia, and such registration number shall not be assigned to any other motor vehicle:

Provided always that a person who is registered as the owner of a motor vehicle may, subject to any terms and conditions which may be prescribed, and on payment of the prescribed fee, have the number assigned to such motor vehicle assigned to another motor vehicle of which he applies to be registered as owner and which has not previously been registered, and the Director shall thereupon assign a new registration number to the first mentioned motor vehicle and make all necessary and consequential amendments to the register and registration certificate;

(b) register the person by whom the application for registration was made as the owner of the motor vehicle; and

(d) issue to that person a registration certificate in the prescribed form.

(1A) Notwithstanding paragraph (1)(a), the Director may, subject to any terms and conditions as may be prescribed by the Director General, and on payment of the prescribed fee, re-assign to the registered owner the registration number of any motor vehicle which has been reported to be lost, stolen, broken up, destroyed, or sent permanently out of Malaysia:

Provided that the registration number shall be re-assigned to a motor vehicle which has not been previously registered.

(2) Notwithstanding paragraph (1)(a), the Director may change the registration number of any registered motor vehicle in respect of which fees under this Act are not payable (excluding motor vehicles belonging to the Government) and may assign the registration number of such motor vehicle to any other motor vehicle.

(3) Where two or more persons have or claim possession and use of a motor vehicle, the Director shall register as the owner of the motor vehicle -

(a) such one of those persons as may be nominated by them in the prescribed manner for the purpose of such registration; or

(b) in the event of any dispute between those persons, such one of them as may be selected for the purpose by the Director, after such inquiry as he may consider necessary.

(4) In any case referred to in paragraph (3)(a), the Director may also enter in the register and in the registration certificate the names of the other claimants to the ownership of the motor vehicle, but no such entry of the name of any claimant shall be deemed to affect any liability which the person registered as owner may incur under this Act, or to vest in such claimant any of the rights or powers conferred by this Act on the registered owner of a motor vehicle.

(5) The decision of the Director under paragraph (3)(b) shall be final and conclusive for the purposes of this Act, but shall not be deemed to prejudice or to affect in any way the right of any other claimant to the ownership of the motor vehicle to cause his rights to be determined by a court, and the Director shall amend the register in accordance with any final order made by such court.

Inspection of motor vehicles and information to Director General

12. (1) The Director General or a Director may at any time before registration of a motor vehicle require the motor vehicle to be brought to any convenient place specified by him and to be inspected and, if necessary, to be weighed and measured and after registration may at any time require a motor vehicle to be brought as aforesaid if he has reason to believe-

- (a) that the motor vehicle does not comply with the requirements of this Act;
- (b) that any information furnished to him in respect of the motor vehicle is false, incorrect or misleading;
- (c) that the motor vehicle is not in a serviceable condition; or
- (d) that the weight, dimensions, character, construction, colour, identifying particulars or seating accommodation have been altered after the registration thereof.

(2) The registered owner of a motor vehicle shall forthwith inform the Director of a registration area in writing of any circumstance or event which affects the accuracy of any entry in the register relating to the motor vehicle and shall at the same time forward or deliver to the Director the registration certificate relating to such motor vehicle.

(2A) The registered owner shall, in the case of a change of chassis of a motor vehicle, obtain the prior approval of the Director General before such change.

(3) The registered owner of a motor vehicle shall, whenever required by a Director so to do -

- (a) forthwith furnish to the Director all such information as he may require for the purpose of verifying the entries relating to such motor vehicle in the register; and
- (b) forthwith forward or deliver to the Director the registration certificate relating to such motor vehicle.

(4) After a motor vehicle has been inspected, weighed or measured under subsection (1), or upon receipt of any information or proof furnished in respect of a motor vehicle under subsection (2) or (3), the Director may make such amendments in the register and in the registration certificate relating to such motor vehicle as he may consider necessary, and shall return the registration certificate to the registered owner.

(5) Any person who without reasonable excuse fails to comply with any requirement of the Director General or a Director under subsection (1) or with subsection (2) or (3) shall be guilty of an offence.

Procedure on change of possession of motor vehicles

13. (1) On any change of possession of a motor vehicle upon a voluntary transfer made by the registered owner -

- (a) the registered owner shall, within seven days after such change of possession, forward to the Director of a registration area a statement in the prescribed form, and shall deliver to the new possessor or the new owner the registration certificate relating to the motor vehicle and, unless he is surrendering the licence under section 19, the licence;
- (b) the new possessor or new owner shall, within seven days after such change of possession, forward to such Director a statement in the prescribed form together with the registration certificate and the prescribed fee; and
- (c) the motor vehicle shall not be used for more than seven days after such change of possession unless the new possessor or the new owner is registered as the owner thereof and, if the licence has been surrendered by the registered owner, it shall not be used until the new owner or new possessor has taken out a new licence:

Provided that this subsection shall not apply in any case where the change of possession is consequent on a contract of hiring and the period of hiring does not exceed one month.

(2) On any change of possession of a motor vehicle otherwise than on a voluntary transfer made by the registered owner -

- (a) the registered owner of the motor vehicle shall, within seven days after the change of possession, deliver the registration certificate relating to the motor vehicle to the person into whose possession the vehicle has passed, and shall, in writing, inform the Director of a registration area of the change of possession;
- (b) where the registration certificate is so delivered, the person into whose possession the motor vehicle has passed shall, within seven days after the change of possession, forward to the Director the registration certificate relating to the motor vehicle, and shall apply to such Director to be registered as the new owner in place of the registered owner;
- (c) where a Director is satisfied that the registration certificate relating to the motor vehicle has not been delivered under paragraph (a) to the person into whose possession the motor vehicle has passed, and that such person is entitled to the possession of the motor vehicle, the Director may, upon application made by such person and on payment of the prescribed fee, issue to such person a duplicate of the registration certificate; and

(d) the person into whose possession a motor vehicle has passed shall, upon making the prescribed application and upon payment of the prescribed fee and upon production to the Director of the registration certificate or a duplicate thereof, be entitled to be registered as the new owner of such motor vehicle.

(3) Upon the registration of a new owner of a motor vehicle, the Director shall make the necessary alterations in the register and in the registration certificate relating to such motor vehicle, and shall deliver the altered registration certificate to the new owner:

Provided that the Director may, if he considers it expedient so to do, issue in lieu of the altered registration certificate a new registration certificate

Display of registration number

14. (1) The registration number assigned to a motor vehicle upon registration or a new registration number assigned under section 11 shall be displayed and illuminated on the number plate in the manner prescribed by rules made under this Act.

(2) *(Deleted by Act A1391).*

(3) Where a trailer is being drawn on a road by a motor vehicle, in addition to the registration number assigned to such trailer on the registration thereof, there shall be displayed in the manner referred to in subsection (1) the registration number of the motor vehicle by which such trailer is drawn, and this section shall apply in relation to the display of such registration number on a trailer as they apply in relation to the display on such motor vehicle.

(4) If a registration number is not displayed in accordance with this section, the driver or person in charge of the vehicle while it is being used shall be guilty of an offence and shall on conviction be liable to a fine of not less than three hundred ringgit and not more than three thousand ringgit.

Licensing of Motor Vehicles

Motor vehicle licences

15. (1) No person shall use or cause or permit to be used a motor vehicle in respect of which there is not in force a motor vehicle licence granted under this Act: Provided that a motor vehicle lawfully brought into Malaysia in accordance with section 21 or 25 or in accordance with any rules made thereunder, shall be deemed to be a motor vehicle in respect of which a licence granted under this Act is in force.

(2) Subsection (1) shall not apply to a motor vehicle which has been laid up:

Provided that a declaration has been made to the Director, in the prescribed form, that such vehicle has been laid up.

(3) Where a motor vehicle referred to in subsection (2) is subsequently found to be used or caused or permitted to be used, such vehicle shall not, for the purposes of this section, be deemed to have been laid up.

(4) Any person who uses or causes or permits to be used a motor vehicle after declaring that it has been laid up shall be guilty of an offence and shall on conviction be liable to a fine of not less than three hundred ringgit and not more than five thousand ringgit.

(5) For the purposes of this section, - laid up means to put away and to cease to use on the road.

Requirements for application

16. (1) A motor vehicle licence shall be granted, for such period as may be prescribed, on application being made to a Director of any registration area.

(2) Every applicant for a motor vehicle licence shall furnish such particulars and produce such evidence as may be prescribed and in particular that either -

(a) during the period of validity of the licence applied for there will be in force such policy of insurance or such security, relating to the motor vehicle for which such licence is required, as complies with the requirements of Part IV; or

(b) such motor vehicle is a vehicle to which, by reason of subsection 90(5), section 90 does not apply.

(3) Notwithstanding anything in this section to the contrary, any person who satisfies the Director that he has been authorized in writing for the purpose by a registered owner of a motor vehicle who is absent from Malaysia may make application on behalf of such registered owner for a licence for such motor vehicle, and in any such case the application shall be deemed to have been made and signed by such registered owner.

Director may refuse to issue motor vehicle licences in certain cases

17. (1) A Director shall not be required to grant any motor vehicle licence for which application is made unless -

(a) the registration certificate relating to the motor vehicle specified in such application is produced and the particulars contained in such application

are identical with the corresponding particulars contained in such registration certificate;

- (b) the identifying particulars of the motor vehicle, including the engine and chassis number, remain clear, distinct and untampered and are identical with the corresponding particulars contained in such registration certificate;
- (bb) in the case of an application through electronic means, the relevant details in the registration certificate of the motor vehicle are duly submitted online;
- (bc) in relation to a class or category of motor vehicles required to undergo periodic inspection under Part IIA, the inspection certificate issued under section 66C is produced;
- (c) the prescribed fee has been paid; and
- (d) he is satisfied that the applicant has no outstanding matter or case with the Road Transport Department or the Police relating to any contravention of or offence against this Act or the Commercial Vehicles Licensing Board Act 1987:

Provided that paragraph (b) shall not apply to any electric motor vehicle which has no engine number.

(e) *(Deleted by Act A891).*

(f) *(Deleted by Act A891).*

(1A) *(Deleted by Act A891)*

(2) A Director may refuse to grant a motor vehicle licence or a motor trade licence or may cancel or suspend for a period not exceeding six months a motor vehicle licence or a motor trade licence already granted if, after giving the owner an opportunity of making any representation he may wish to make, such Director has reason to believe that the motor vehicle referred to in such licence or in respect of which the application is made has been or is intended to be used for an unlawful purpose or in an unlawful manner, and on so doing shall endorse the registration certificate of such motor vehicle accordingly.

(3) For the purposes of subsection (2), the use of any motor vehicle resulting in the breach of any of the conditions attached to such licence under the Commercial Vehicles Licensing Board Act 1987, the Land Public Transport Act 2010 or of any of the statutory conditions specified therein shall be deemed to be a use of such vehicle in an unlawful manner.

(4) Except where the period of suspension of such licence does not exceed one month, any person being the holder of a motor vehicle licence or a motor vehicle trade licence, who is aggrieved by the suspension of such licence by the Director under subsection (2) may, within fourteen days of the suspension by the Director, appeal to the Director General and on such appeal the Director General, after such inquiry, if any, as he considers fit, may make such order as he considers just, and any order so made shall be binding on the Director and on the appellant.

(5) Where the Director has refused to grant a licence or has cancelled a licence under subsection (2), he forthwith shall notify the Director General of such refusal or cancellation and state his grounds therefor; and the Director General shall, within fourteen days of the date of such cancellation or refusal, inform the registered owner of the motor vehicle that he confirms or revokes, as the case may be, such cancellation or refusal.

(6) Any person, being an applicant for or holder of a motor vehicle licence, who is aggrieved by the decision of the Director General to refuse to grant or to cancel such licence may, within twenty-one days of the date of confirmation by the Director General under subsection (5), appeal to the Minister, and on such appeal the Minister after such inquiry, if any, as he thinks necessary may make such order as he considers fit, and any order so made shall be binding on the Director General and on the appellant.

(7) Subsection (6) shall not apply to any person who acquires a motor vehicle after the registration certificate of such vehicle has been endorsed in accordance with subsection (2).

(8) Where a licence in respect of any motor vehicle has been refused or cancelled under subsection (2), the Director may refuse to grant a further licence in respect of such vehicle for any period not exceeding six months from the date of such cancellation, and subsections (5) and (6) shall not apply in the case of such refusal.

Effect on licence of altering vehicle

18. When any motor vehicle in respect of which a motor vehicle licence has been granted is altered, after such licence has been granted, in such a manner as to cause the motor vehicle to become a motor vehicle in respect of which a licence at a higher fee or a licence of a different class is required, the licence shall before the altered vehicle is used become void, but the holder of the licence, on surrendering the same and furnishing the prescribed particulars, shall be entitled to receive a new licence in respect of the motor vehicle, to have effect for the

period for which the surrendered licence would, if it had not been surrendered, have remained in force on payment of such amount, if any, as represents the difference between the amount payable on the new licence and the amount of refund, if any, payable under section 19 on the surrendered licence.

Surrender of motor vehicle licence

19. (1) The holder of a motor vehicle licence may at any time surrender such licence to the Director of a registration area and shall, unless otherwise provided, be entitled to be paid by the Director by way of rebate such amount as may be prescribed: Provided that no refund shall be payable in respect of a licence which has been cancelled or suspended by a Director under section 17.

(2) No person shall take proceedings with a view to securing a rebate under this section or a refund in respect of any overpayment of any fee payable for a motor vehicle licence granted under section 16, unless proceedings are brought before the expiration of one year from the date of expiry of such licence.

Display of motor vehicle licence

20. (1) Every motor vehicle licence granted under section 16, other than a motor vehicle licence granted in respect of a motorcycle or an invalid carriage, shall be fixed to and exhibited on the vehicle in respect of which it is issued, in the manner and subject to such conditions as may be prescribed.

(2) No person shall (either by writing, drawing or in any other manner) alter, deface, mutilate or add anything to any motor vehicle licence, nor shall any person exhibit on any motor vehicle any vehicle licence which has already been altered, defaced, mutilated or added to as aforesaid, or upon which the figures or particulars have been illegible or of which the colour has become altered, by fading or otherwise, nor shall any person exhibit any colourable imitation of any such licence.

(3) Any person who contravenes this section shall be guilty of an offence.

Visitors' licence

21. (1) A Director may, subject to any rules which may be made by the Minister under section 66, grant a visitor's licence in respect of any motor vehicle brought into Malaysia from a place outside Malaysia, if the Director is satisfied that such motor vehicle will be exported from Malaysia within a period of ninety days from the date of arrival of such motor vehicle in Malaysia.

(2) A visitor's licence shall -

- (a) be expressed to expire not later than ninety days from the date of arrival of such vehicle in Malaysia and shall not be renewable;
 - (b) not be granted in respect of a tractor heavy, goods vehicle or public service vehicle;
 - (c) not be granted unless the Director is satisfied that there exists in relation to the use of such motor vehicle such certificate, policy of insurance or certificate of security as complies with the requirements of Part IV;
 - (d) not be granted in respect of a motor vehicle to which section 25 applies.
- (3) A visitor's licence granted under the corresponding provisions of any law in force in the Republic of Singapore shall, so long as such licence remains in force in that country, be deemed to be a visitor's licence granted under this section.
- (4) The fee for a licence granted under this section shall be as prescribed.
- (5) Any person who drives a motor vehicle into Malaysia without a valid visitor's licence shall be guilty of an offence.

Motor vehicle trade licences

- 22.** (1) If any person, being a manufacturer or repairer or dealer in motor vehicles, makes an application in the prescribed manner to the Director of the registration area in which his business premises are situated that he may be entitled, in lieu of taking out a licence under this Part in respect of each motor vehicle used by him, to take out a general licence in respect of all motor vehicles used by him, the Director may, subject to any conditions which may be prescribed, grant to such person a licence (in this Act referred to as a "motor trade licence") on payment of the prescribed fee.
- (2) The holder of a motor trade licence granted under this section shall not be entitled by virtue of such licence -
- (a) to use more than one motor vehicle at any one time, except in the case of a motor vehicle drawing a trailer and used for the prescribed purposes; or
 - (b) to use any motor vehicle for any purpose other than such purposes as may be prescribed.
- (3) Nothing in this section shall operate to prevent a person entitled to take out a motor trade licence from holding two or more such licence.
- (4) A motor trade licence shall not be granted until the applicant has produced evidence, to the satisfaction of the Director, that during the period of validity of such licence there will be in force such policy of insurance or such security as

complies with the requirements of Part IV in respect of the use of motor vehicles in accordance with such licence.

(5) A motor trade licence shall not be assigned or transferred.

(6) Subsections 17(2) and (5) shall apply to a motor trade licence as they apply in respect of a motor vehicle licence.

(7) The holder of a motor trade licence may at any time surrender such licence to the Director of a registration area and shall on such surrender be entitled to repayment by way of rebate of such amount as may be prescribed:

Provided that proceedings to secure such rebate or the repayment of any excess payment for such a licence shall be brought before the expiration of one year from the expiry date of such licence.

(8) Any person who contravenes this section shall be guilty of an offence and shall on conviction be liable to a fine of not less than three thousand ringgit and not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both.

Other offences in connection with registration and licensing of motor vehicles

23. (1) If any person uses a motor vehicle while there is not in force in respect thereof a motor vehicle licence granted under this Act, or causes or permits a motor vehicle to be so used or, being the holder of a motor trade licence granted under section 22, uses at any time a greater number of motor vehicles than he is authorized to use by virtue of such licence, he shall be guilty of an offence and shall on conviction be liable to a fine not exceeding two thousand ringgit.

(2) Where a licence has been granted in respect of a motor vehicle to be used for a certain purpose, and such motor vehicle is at any time during the period for which the licence is in force used for another purpose, the person so using such motor vehicle or causing or permitting the use thereof shall be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit and not more than ten thousand ringgit or to imprisonment for a term not exceeding two years or to both.

(3) Any court before which the holder of a motor vehicle licence or a motor trade licence issued under this Part has been convicted of an offence under this Part may suspend such licence for the period of its validity or for any lesser period and such licence, together with, in the case of a motor trade licence, the plates issued in relation thereto, shall be delivered to the court by the holder, and the court shall send such licence and motor trade plates, if any, to the Director who issued

such licence, with a copy of the order made by the court.

(4) No rebate shall be paid by a Director in respect of any period for which a motor vehicle licence or a motor trade licence has been so suspended.

(5) No court shall take cognizance of any proceedings under this section unless such proceedings be commenced within a period of twelve months from the date of the commission of the offence.

Miscellaneous

Recovery of fees

24. (1) If any fee payable under this Part remains unpaid after one month from the date on which such fee should have been paid, or if the fee which has been paid is less than the appropriate amount, the Director shall issue a notice requiring the defaulter to pay the amount due within fourteen days from the date of such notice.

(2) Any person who fails to comply with the requirement of such notice shall be guilty of an offence and shall on conviction be liable to a fine not exceeding two thousand ringgit and the court before which such person is convicted may, in addition to such fine, order such person to pay the amount of any fees due and remaining unpaid at the time of conviction, and any such amount so ordered to be paid may be recovered in accordance with the law relating to the recovery of fines; and any amount so recovered shall be remitted by the court to the appropriate Director.

(3) In any prosecution under this section, a certificate purporting to be signed by a Director stating that -

(a) on a date stated in the certificate a notice requiring the accused to pay such amount of fees due from him as stated in the certificate was duly issued in accordance with subsection (1); and

(b) the accused had failed to comply with such requirement,

shall be sufficient evidence of the facts stated therein.

International certificates

25. When any international agreement for facilitating the international circulation of motor vehicles or for relieving them from taxation has been applied to Malaysia, the Minister for the purpose of giving effect to any such agreement may make rules -

(a) for the grant and authentication of any travelling passes, certificates, driving licences or other authorities which may be of use to persons residing in

Malaysia when temporarily taking their motor vehicles abroad, or to drivers proceeding abroad and desiring to drive motor vehicles;

- (b) for modifying the provisions of this Act relating to the registration and licensing of motor vehicles in the case of motor vehicles brought temporarily into Malaysia by persons resident abroad and intending to make only a temporary stay in Malaysia, and to the licensing of drivers entering Malaysia for the purpose of driving any such vehicles;
- (c) for providing that any provisions of this Act shall, in relation to motor vehicles brought into Malaysia by persons making only a temporary stay therein, have effect subject to such modifications and adaptations as may be prescribed;
- (d) for providing for the total or partial exemption, for a limited period, from any import duty payable in respect of the import of a motor vehicle, or from any registration or other fee imposed in respect of any specified class or description of motor vehicle brought into Malaysia by persons making only a temporary stay therein; and
- (e) generally, for giving effect to any such agreement.

Licensing of Motor Drivers

Driving licences

26. (1) Except as otherwise provided in this Act, no person shall drive a motor vehicle of any class or description, on a road unless he is the holder of a driving licence authorizing him to drive a motor vehicle of that class or description, and no person shall employ or permit another person to drive a motor vehicle on the road unless the person so employed or permitted to drive is the holder of such a driving licence.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall on conviction be liable to a fine of not less than three hundred ringgit and not more than two thousand ringgit or to imprisonment for a term not exceeding three months or to both.

(3) For the purposes of this section, the expression - holder of a driving licence includes a person in possession of and driving a motor vehicle in accordance with a licence duly issued by or on behalf of the proper authority authorizing such person in the course of his duties as a member of the Forces to drive a motor vehicle of the class or description specified in such licence and being a vehicle which is the property of the Government or of any Government whose forces are

lawfully in Malaysia under the provisions of any law for the time being in force regulating visiting forces lawfully present in Malaysia.

Application for driving licence

27. (1) An application for a driving licence shall be made in the prescribed form and manner to the Director of a registration area.

(2) Subject to this Part as to tests of competence to drive and as to the physical fitness of applicants for driving licences, the Director shall, except in the case of an applicant who is disqualified by reason of age or otherwise as hereinafter mentioned, on payment of the prescribed fee, grant a driving licence to any person who applies for it in accordance with this Act.

(3) A driving licence may authorize the holder thereof to drive such class or classes, or such type or types within any class or classes of motor vehicle, as the Director General or Director may specify therein.

(4) Where under this Part the applicant is subject to any restriction with respect to the driving of any class of motor vehicle, the extent of the restriction shall be specified in the prescribed manner on the driving licence.

(5) Subject to this Act with respect to learners' driving licences, a driving licence shall, unless previously revoked or surrendered, remain in force for such period of not less than twelve months from the date on which it is granted.

(6) A person shall, subject to any rules under this Act, be disqualified from obtaining a driving licence -

- (a) while another driving licence granted to him in Malaysia or the Republic of Singapore is in force, whether such licence is suspended or not;
- (b) if he is, by conviction under this Part or by an order of a court in Malaysia or the Republic of Singapore, disqualified from holding or obtaining a driving licence;
- (c) for a period of twelve months from the date of revocation of the driving licence under section 35, 35A, 41, 42, 43, 44, 45, 45A, 45B or 45C.

(7) In any proceedings, the fact that a driving licence has been granted to a person shall be evidence that that person for the purpose of obtaining that driving licence made a declaration that he was not disqualified from holding or obtaining the driving licence.

(8) If any person is aggrieved by the refusal of a Director to grant a driving licence, or by the revocation of a driving licence under subsection 30(4) he may,

after giving the Director fourteen days' notice of his intention so to do, appeal to the Minister, and on any such appeal the Minister may make such order as he thinks fit and any order so made shall be binding on the Director.

Register of holders of driving licence

27A. (1) Every Director shall keep and maintain a register of holders of driving licences granted under this Act.

(2) The register shall be in such form and contain such information, details and particulars as the Director General may direct.

Recognition of driving licences of other countries

28. A driving licence issued under the corresponding provisions of any law in force in any country which is a party to a treaty to which Malaysia is also a party and which purports to recognize domestic driving licences issued by the contracting countries shall, so long as such licence remains in force in that country, be deemed to be a driving licence granted under this Part.

Tests of competence to drive

29. (1) A driving licence shall not be granted to any applicant unless he satisfies the Director that he has -

- (a) held a probationary driving licence for a period of two years and makes the application within one year after the expiry of that period;
- (b) within three years before the date on which he makes the application held a licence issued by a competent authority in Malaysia or the Republic of Singapore authorizing him to drive motor vehicles of the class or description which he would be authorized, by the driving licence for which he is applying, to drive; or
- (c) within three years before the date on which he makes the application held a licence issued by a competent authority in any other country authorizing him to drive motor vehicles of the class or description which he would be authorized, by the driving licence for which he is applying, to drive, and that tests of competence to drive comparable with the tests as prescribed under this Act are in force in that country;

Provided that paragraph (a), (b) or (c) shall not apply to any Malaysian member of the Forces, who is in possession of a valid driving licence duly issued by or on behalf of the proper authority authorizing him in the course of his duties to drive motor vehicles of the class or description which he would be authorized to drive; and such person shall be entitled to a driving licence for that class or description

of vehicle on application and upon payment of the prescribed fee.

(1A) Notwithstanding the provision of this section, no driving licence shall be granted to any applicant unless he satisfies the Director that on the date on which he makes the application he has no outstanding matter or case with the Road Transport Department or the Police relating to any contravention of or offence against this Act or the Commercial Vehicle Licensing Board Act 1987.

(2) For the purpose of enabling a person to learn to drive a motor vehicle with a view to passing a test under this section, the Director may, subject to section 27, grant him a learner's driving licence.

(3) A learner's driving licence shall be in the prescribed form, shall be granted subject to the prescribed conditions and shall be valid for such period as may be prescribed.

(4) If any person to whom a learner's driving licence is granted fails to comply with any of the conditions subject to which it is granted, he shall be guilty of an offence.

(4A) Where the person who is holding a learner's driving licence passes the prescribed tests of competence, the Director shall grant him a probationary driving licence and such licence shall be in the prescribed form and subject to the prescribed conditions and shall be valid for two years.

(4B) Subsection (4A) shall not apply to a person who is a holder of a driving licence, other than a learner's driving licence, of another class or description.

(4C) If any person to whom a probationary driving licence is granted fails to comply with any of the conditions subject to which it is granted, he shall be guilty of an offence.

(5) The court before which a person is convicted of any offence under section 42 or 43 may, whether he has previously passed the prescribed test of competence or not, and whether or not the court makes an order disqualifying him from holding or obtaining a licence to drive a motor vehicle, order him to be disqualified from holding or obtaining a driving licence, other than a learner's driving licence, until he has, since the date of the order, passed a test of competence to drive.

(6) The provisions of this Act which have effect where an order disqualifying a person from holding or obtaining a driving licence is made shall have effect in relation to a disqualification by virtue of an order under this section subject to the following modifications:

- (a) notwithstanding subsection 27(6) or subsection 32(3), the person disqualified shall (unless he is disqualified from holding or obtaining a driving licence otherwise than by virtue of an order under this section) be entitled to obtain and to hold a learner's driving licence to be granted (where the person disqualified is the holder of a driving licence, by the Director by whom that driving licence was granted) under subsection (2), and to drive a motor vehicle in accordance with the conditions subject to which the learner's driving licence is granted;
- (b) the disqualification shall be deemed to have expired on the Director being satisfied that the person has, since the order was made, passed the prescribed test;
- (c) on return to the person disqualified of any driving licence held by him, or on the grant to him of such a licence, there shall be added to the endorsed particulars a statement that the person disqualified has, since the order was made, passed the prescribed test.

Provisions as to physical fitness of applicants for and holders of driving licence

30. (1) On an application for the grant of a driving licence by an applicant mentioned in subsection 27(1), the applicant shall make a declaration in the prescribed form as to whether or not he is suffering from any such disease or physical disability as may be specified in the form, or any other disease or physical disability which would be likely to cause the driving by him of a motor vehicle, being a motor vehicle of such a class or description as he would be authorized by the driving licence to drive, to be a source of danger to the public.

(2) If from the declaration it appears that the applicant is suffering from any such disease or disability as aforesaid, the Director shall refuse to grant him the driving licence:

Provided that -

- (a) a driving licence limited to the driving of an invalid carriage may be granted to the applicant if the Director is satisfied that he is fit to drive such a carriage;
- (b) the applicant may, except in the case of such diseases and disabilities as may be prescribed, on payment of the prescribed fee, claim to be subjected to a test by a registered medical practitioner as to his fitness or ability to drive a motor vehicle of any such class or description as he would be authorized by the driving licence to drive, and if he passes the prescribed test and is not otherwise disqualified, the driving licence shall not be

refused by reason only of the provisions of this subsection, provided that if the test proves his fitness to drive only motor vehicles of a particular construction or design or in particular circumstances the driving licence shall be limited to the driving of such vehicles or to the driving of motor vehicles of such construction and design or in such circumstances.

(3) If the holder of a driving licence, subsequent to the issue thereof and during the currency thereof, to his knowledge suffers from a disease or disability as may be prescribed or if he to his knowledge suffers from any disease or physical disability as is likely to cause the driving by him of a motor vehicle, being a vehicle of any such class or description as he is authorized by the driving licence to drive, to be a source of danger to the public, such holder shall forthwith surrender his driving licence to the Director for cancellation.

(4) If it appears to a Director that there is reason to believe that any holder of a driving licence is suffering from a disease or physical disability likely to cause the driving by him of a motor vehicle, being a vehicle of any such class or description as he is authorized by the driving licence to drive, to be a source of danger to the public and, after making such enquiry as he considers necessary, the Director is satisfied that the licence holder is suffering from such a disease or disability as aforesaid then, whether or not the licence holder so suffering as aforesaid has previously passed a test under this section, the Director may, after giving to the licence holder notice of his intention so to do, revoke the driving licence, and the licence holder shall, on receipt of such notice, deliver the driving licence to the Director for cancellation:

Provided that the licence holder may, except in the case of such diseases and disabilities as may be prescribed, claim to be subjected to a test as to his fitness or disability to drive a motor vehicle, and if he passes such test the driving licence shall not be revoked or, if it has already been revoked, shall be returned to the licence holder and the revocation thereof shall be rescinded.

Disqualification for offences

31. (1) Any court before which a person is convicted of any criminal offence in connection with the driving of a motor vehicle -

(a) may in any case, except where otherwise expressly provided by this Part, and shall where so required by this Part, order him to be disqualified from holding or obtaining a driving licence for life or for such period as the court thinks fit; and

(b) may in any case, and shall where a person is by virtue of a conviction

disqualified from holding or obtaining a driving licence or where an order so disqualifying a person is made, or where so required by this Part, order that particulars of the conviction and of any disqualification to which the convicted person has become subject shall be endorsed on any driving licence held by the offender:

Provided that, if the court thinks fit, any disqualification imposed under this section may be limited to the driving of a motor vehicle of the same class or description as the motor vehicle in respect of which the offence was committed.

(2) A person who by virtue of an order of a court under this Part is disqualified from holding or obtaining a driving licence may appeal against the order in the same manner as against a conviction, and the court may, if it thinks fit, pending the appeal, suspend the operation of the order.

Suspension of driving licence upon disqualification

32. (1) Where a person who is disqualified by virtue of a conviction or order is the holder of a driving licence, such driving licence shall be suspended as long as the disqualification continues in force.

(2) A driving licence suspended by virtue of this Part shall during the time of suspension be of no effect.

(3) If any person who under this Part is disqualified from holding or obtaining a driving licence applies for or obtains a driving licence while he is so disqualified, or if any such person while he is so disqualified drives a motor vehicle or, if the disqualification is limited to the driving of a motor vehicle of a particular class or description, drives a motor vehicle of that class or description, that person shall be guilty of an offence and shall on conviction be liable—

(a) to imprisonment for a term not exceeding one year; or

(b) to a fine not exceeding five thousand ringgit if the court thinks that having regard to the special circumstances of the case it is not necessary to impose a sentence of imprisonment for the offence.

(4) A driving licence obtained by such person disqualified as aforesaid shall be of no effect.

(5) For the purposes of this section, reference to a conviction or order shall include a reference to a conviction or order under this Part and to any conviction or order under the provisions of any corresponding written law in the Republic of Singapore.

Application to remove disqualification

- 33.** (1) Any person who by virtue of a conviction or order under this Part is disqualified from holding or obtaining a licence may, at any time after the expiration of one year from the date of the conviction or order or, if there has been an appeal from the said conviction or order, from the date of the decision of such appeal, and from time to time (not less than three months from the date of his last application made under this section) apply to the court before which he was convicted or by which the order was made to remove the disqualification.
- (2) On an application being made, the court may, having regard to the character of the applicant, his conduct subsequent to the conviction or order, the nature of the offence and any other circumstances, either by order remove the disqualification from such date as the court may specify in the order or reject the application.

Endorsements on driving licence

- 34.** (1) An order that the particulars of any conviction or of any disqualification to which the convicted person has become subject are to be endorsed on any driving licence held by the offender shall, whether the offender is at the time the holder of a driving licence or not, operate as an order that any driving licence he may then hold or may subsequently obtain shall be so endorsed until he becomes entitled under this section to have a driving licence issued to him free from endorsement.
- (2) Where a court orders the particulars of any conviction or of any disqualification to which the convicted person has become subject to be endorsed -
- (a) in the case of the convicted person being at the particular time the holder of a driving licence, the endorsement shall be deemed to have been made if the particulars required to be endorsed in the driving licence have been entered into the database maintained by or on behalf of the Director General of the driving licences granted under this Act and holders of such driving licences; and
 - (b) in the case of the convicted person not being then the holder of a driving licence, the Director General shall endorse the disqualification to obtain a driving licence under section 38.
- (3) *(Deleted by Act A1391).*
- (4) *(Deleted by Act A1391).*

(5) Where an order has been made in respect of any person under this Part requiring the endorsement of any driving licence held by him, such person shall be entitled, either on applying for the grant of a driving licence under this Part or, subject to the payment of the prescribed fee, on application at any time, to have issued to him a new driving licence free from endorsements -

- (a) if he has, during a continuous period of three years or upwards since the order was made, had no such further order made against him, or no such order other than an order made more than one year before the date of his application and by reason only of a conviction for the offence of driving a motor vehicle at a speed exceeding a speed limit; or
- (b) where the order was made by reason only of such conviction as aforesaid and, immediately before the order was made he was the holder of, or was entitled to have issued to him, a driving licence free from any endorsements except of particulars in relation to such a conviction as aforesaid, and if he has, during a continuous period of one year or upwards since the order was made, had no order requiring endorsement made against him:

Provided that in reckoning the said continuous periods of three years and one year, respectively, any period during which the applicant was by virtue of the order disqualified from holding or obtaining a licence shall be excluded.

(6) *(Deleted by Act A1391).*

(7) *(Deleted by Act A1391).*

(8) Where on an appeal against any such order the appeal is allowed or where any such conviction is quashed, the court by which the appeal is allowed or the conviction is quashed shall send notice to the Director who granted the licence, and the Director or other officer of the court shall, as may be necessary, cancel or amend any endorsement on the driving licence concerned.

Endorsement where driving licence is incorporated in a multipurpose electronic card or device

34A. (1) Notwithstanding section 34, where a court orders the particulars of any conviction or of any disqualification to which the convicted person has become subject to be endorsed on any driving licence held by that person and such driving licence is incorporated in a multipurpose electronic card or device, such endorsement shall be deemed to have been effected if the particulars to be endorsed on the licence are included in the database maintained by or on behalf of the Director General of driving licences granted under this Act and holders of

such driving licences.

(2) Notwithstanding subsection (1), the Director may direct the convicted person referred to in subsection (1) to surrender, within such period as the Director may specify, the multipurpose electronic card or device in which the driving licence is incorporated to the Director, or to a road transport officer authorized in writing in that behalf by the Director General, for the inclusion in the data stored in the card or device of the particulars of the conviction or disqualification of that person and the Director or such authorized officer shall, after such inclusion, immediately return the card or device to the person.

Power of Director General to suspend or revoke a driving licence

35. (1) Notwithstanding anything contained in this Act, the Director General shall suspend every driving licence of a person for a period not exceeding twelve months or revoke a driving licence of a person if such person's record, as kept by the Director General, as a driver of a motor vehicle, or his conduct or habits as such driver, establishes that it would not be in the interests of public safety for him to hold a valid driving licence or that such person is not competent to drive a motor vehicle.

(2) For the purpose of establishing that it would not be in the interests of public safety for a person to hold a driving licence or that such person is not competent to drive a motor vehicle, the Minister may make rules establishing a system of awarding points against a person for the commission of an offence under this Act: Provided that such rules may make provision, where points have been awarded against any person, for a scheme for such points to be reduced on the ground of the good conduct and habits over a specified period of that person as a driver of a motor vehicle and for requiring any such person to undergo such course as the Director General may prescribe.

(3) The rules made under subsection (2) shall specify the maximum number of points to be awarded against a person before it may be established that it would not be in the interests of public safety for him to hold a driving licence or that such person is not competent to drive a motor vehicle.

(4) The power conferred upon the Director General by this section to suspend the driving licence of a person shall be exercised at such time after the maximum number of points referred to in subsection (3) has been awarded against such person as the Director General considers fit.

(4A) The powers conferred upon the Director General to revoke the driving licence of a person under this section shall be exercised at such time after the

driving licence of such person has been suspended under subsection (4) for the third time in a period of five years.

(5) *(Deleted by Act A973).*

(6) Where the person is disqualified by an order of a court from holding or obtaining a driving licence for such period of time as may be specified in such order, every point awarded against him under the rules made under subsection (2) shall thereupon be cancelled.

(7) *(Deleted by Act A973).*

(8) For the purpose of this section, a person shall be deemed to have committed an offence under this Act if he fails to settle the penalty prescribed for that offence within three months from the issuance of the notice under section 53, 53A, 115A or 119, as the case may be, unless criminal proceedings have been instituted for that offence.

(8A) Nothing in this section shall affect the liability of the person who is deemed to have committed an offence if the penalty prescribed for the offence has been settled within the period of three months from the issuance of the notice mentioned under subsection (8).

(9) For the purposes of this section, “driving licence” shall not include a probationary driving licence.

Power of Director General to revoke a probationary driving licence

35A. (1) Notwithstanding anything contained in this Act, the Director General shall revoke a probationary driving licence of a person if within a period of twenty-four months from the date of the grant of the probationary driving licence such person’s record, as kept by the Director General, as a driver of a motor vehicle, or his conduct or habits as such driver, establishes that it would not be in the interests of public safety for him to hold a valid driving licence or that such person is not competent to drive a motor vehicle.

(2) For the purpose of establishing that it would not be in the interests of public safety for a person to hold a driving licence or that such person is not competent to drive a motor vehicle, the Minister may make rules establishing a system of awarding points against a person for the commission of an offence under this Act or any rules made thereunder:

Provided that such rules may make provision for requiring any such person to undergo such course as the Director General may prescribe.

(3) The rules made under subsection (2) shall specify the maximum number of points to be awarded against a person before it may be established that it would not be in the interests of public safety for him to hold a driving licence or that such person is not competent to drive a motor vehicle.

(4) The power conferred upon the Director General by this section to revoke the driving licence of a person shall be exercised at such time after the maximum number of points referred to in subsection (3) has been awarded against such person as the Director General considers fit.

(5) Where the person whose probationary driving licence has been revoked is disqualified by an order of a court from holding or obtaining a driving licence for such period of time as may be specified in such order, every point awarded against him under the rules made under subsection (2) shall thereupon be cancelled.

(6) For the purpose of this section, a person shall be deemed to have committed an offence under this Act if he fails to settle the penalty prescribed for that offence within three months from the issuance of the notice under section 53, 53A, 115A or 119, as the case may be, unless criminal proceedings have been instituted for that offence.

(7) Nothing in this section shall affect the liability of the person who is deemed to have committed an offence if the penalty prescribed for the offence has been settled within the period of three months from the issuance of the notice mentioned under subsection (6).

Power to suspend driving licence of drug dependant

36. (1) Notwithstanding anything contained in this Act or any other written law, the Director General may suspend the driving licence of a person for a period of not less than two years if he has reason to believe that such person is a drug dependant.

(2) Where the Director General has reason to believe that a person whose licence has at any time been suspended under subsection (1) continues or has not ceased to be a drug dependant at any time after the period of suspension, the Director General shall disqualify such person from holding or obtaining a driving licence.

(3) For the purposes of this section, a police officer, road transport officer or Rehabilitation Officer shall, upon the arrest or voluntary surrender of any person suspected to be a drug dependant, detain any driving licence belonging to such person until such person is certified as a drug dependant.

(4) Upon a government medical practitioner certifying that such person is a drug

dependant, the police officer, road transport officer or Rehabilitation Officer shall, within a period of two weeks, so notify and deliver the driving licence to the Director General who shall inform the drug dependant in writing of the intention to suspend or disqualify.

(4A) Subsection (3) and the provisions of subsection (4) in relation to the delivery of a driving licence detained under subsection (3) shall not apply to a driving licence incorporated in a multipurpose electronic card or device.

(5) The suspension or disqualification shall take effect on the date such person is certified as a drug dependant.

(6) If a person satisfies the Director General that he is no longer a drug dependant, the Director General shall remove the suspension or disqualification, as the case may be, and return to such person any driving licence detained under this section.

(7) In this section, “drug dependant” and “Rehabilitation Officer” shall have the same meaning as in the Drug Dependents (Treatment and Rehabilitation) Act 1983 [Act 283].

Licensee may show cause why driving licence should not be suspended or revoked

37. (1) The Director General shall, before suspending or revoking a driving licence of a person under section 35 or 35A, give the person concerned notice in writing of his intention so to do, specifying a date, not less than fourteen days after the date of the notice, upon which such suspension or revocation shall be made and calling upon the person to show cause to the Director General why such driving licence should not be suspended or revoked.

(2) Upon the person failing to show cause within the period referred to in subsection (1) and if the Director General decides to suspend or revoke the driving licence of such person pursuant to section 35 or 35A, the Director General shall forthwith inform the person by notice in writing of such suspension or revocation.

(3) *(Deleted by Act A1391).*

(4) *(Deleted by Act A1391).*

(5) *(Deleted by Act A1391).*

Endorsement of suspension, revocation or disqualification

38. (1) The Director General shall, upon suspending or revoking a driving licence or disqualifying any person from holding or obtaining a driving licence under this Act,

order that the particulars relating to such suspension, revocation or disqualification be entered into the database maintained by or on behalf of the Director General.

(2) The Director General shall, upon the expiry of the period of suspension, revocation or disqualification, immediately remove the information on the suspension, revocation or disqualification from the database.

(3) Any person whose driving licence has been suspended or revoked or who has been disqualified from holding or obtaining a driving licence shall not, during the period of suspension or upon the revocation or disqualification, drive a motor vehicle on a road under any other driving licence issued by any authority or obtain a driving licence.

(4) Any person who drives a motor vehicle on a road in contravention of subsection (3) shall be guilty of an offence and shall on conviction be liable to a fine of not less than three thousand ringgit and not more than ten thousand ringgit or to imprisonment for a term not exceeding three years.

Driving and Offences in Connection Therewith

Restriction on driving by young persons

39. (1) No person under sixteen years of age shall drive a motor vehicle on a road.

(2) No person under seventeen years of age shall drive a motor vehicle other than a motorcycle or an invalid carriage on a road.

(3) No person under twenty-one years of age shall drive a tractor heavy, tractor light, mobile machinery heavy, mobile machinery light, motor car heavy or public service vehicle on a road:

Provided that where a tractor is used solely as a prime mover for machinery or implements used in the cultivation of land, a person over eighteen years of age, who is licensed to drive motor cars, may drive such tractor on a road for the purpose of moving it from one cultivation area to another.

(4) A person prohibited by this section by reason of his age from driving a motor vehicle or a motor vehicle of any class shall for the purposes of this Part be disqualified from holding or obtaining any driving licence other than a licence to drive such motor vehicle, if any, as he is not by this section forbidden to drive.

(5) Any person who drives, or causes or permits any person to drive, a motor vehicle in contravention of this section shall be guilty of an offence and shall on conviction be liable to a fine not exceeding two thousand ringgit or to imprisonment for a term not exceeding six months or to both.

Exceeding speed limit

40. (1) If any person drives a motor vehicle at a speed exceeding any speed limit imposed for such motor vehicle under the powers conferred by this Act, he shall be guilty of an offence and shall on conviction be liable to a fine of not less than three hundred ringgit and not more than two thousand ringgit.

(2) The court shall, unless for any special reasons it thinks fit to order otherwise, order particulars of any finding of guilt under this section to be endorsed on any driving licence held by the person convicted.

(3) A first or second conviction for an offence under this section shall not render the offender liable to be disqualified from holding or obtaining a driving licence for a longer period than in the first conviction, one month or, in the case of a second conviction, six months.

Causing death by reckless or dangerous driving

41. (1) Any person who, by the driving of a motor vehicle on a road recklessly or at a speed or in a manner which having regard to all the circumstances (including the nature, condition and size of the road, and the amount of traffic which is or might be expected to be on the road) is dangerous to the public, causes the death of any person shall be guilty of an offence and shall on conviction be punished with imprisonment for a term of ¹⁵ not less than two years and not more than ten years and to a fine not less than five thousand ringgit and not more than twenty thousand ringgit.

(2) The court shall order particulars of any conviction under this section to be endorsed on any driving licence held by the person convicted.

(3) A person convicted under this section shall be disqualified from holding or obtaining a driving license for a period of ¹⁶ not less than three years from the date of the conviction and, in the case of a second or subsequent conviction, be disqualified for a period of ten years from the date of conviction.

(3A) Notwithstanding subsection (1), where a person who is a holder of a probationary driving licence is convicted under this section, the court shall revoke his driving licence.

(4) The court may upon the trial of a person for an offence under this section

¹⁵ **NOTE** - previously – “liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding five years or to both” - see Act A1065

¹⁶ **NOTE** - previously – “twelve months” - see Act A1065

convict such person of an offence under section 42 or 43.

(5) Notwithstanding anything in any written law for the time being in force, the court before which a person is charged with an offence under this section shall order the immediate confiscation of the driving licence of that person and shall order the suspension of the license commencing from the date the charge is first read to that person and such suspension shall have effect -

(a) until the court makes a final decision on the charge; and

(b) as if the suspension is the suspension referred to in section 32.

(5A) If the driving licence of the person referred to in subsection (5) is incorporated in a multipurpose electronic card or device, the order of the court under that subsection shall be deemed to have been complied with if the particulars of the order are included in the database maintained by or on behalf of the Director General of driving licences granted under this Act and holders of such driving licences.

(5B) Notwithstanding subsection (5A), the Director may direct the person referred to in subsection (5) to surrender, within such period as the Director may specify, the multipurpose electronic card or device in which the driving licence is incorporated to him, or to a road transport officer authorized in writing in that behalf by the Director General, for the inclusion in the data stored in the card or device the particulars of the order of the court made under subsection (5) and the Director or such authorized officer shall, after such inclusion, immediately return the card or device to the person.

Reckless and dangerous driving

42. (1) Any person who drives a motor vehicle on a road recklessly or at a speed or in a manner which having regard to all the circumstances (including the nature, condition and size of the road and the amount of traffic which is or might be expected to be on the road) is dangerous to the public shall be guilty of an offence and shall on conviction be punished with imprisonment for a term ¹⁷not exceeding five years and to a fine of not less than five thousand ringgit and not more than fifteen thousand ringgit and, in the case of a second or subsequent conviction, to imprisonment for a term not exceeding ten years and to a fine of not

¹⁷ **NOTE** - previously - liable to a fine not exceeding six thousand ringgit or to imprisonment for a term not exceeding three years or to both and, in the case of a second or subsequent conviction, to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding five years or to both—see Act A1065

The page features four decorative geometric shapes, each resembling a stylized three-dimensional corner or a triangular prism, positioned in the corners. They are drawn with thin, light gray lines. The top-left and bottom-right shapes are partially cut off by the page edges. The top-right and bottom-left shapes are also partially cut off. The central text is positioned in the upper left area of the page.

less than ten thousand ringgit and not more than twenty thousand ringgit.

(2) The court shall order particulars of any conviction under this section to be endorsed on any driving licence held by the person convicted.

(3) A person convicted under this section shall be disqualified from holding or obtaining a driving licence for a period of not less than ¹⁸ two years from the date of the conviction and, in the case of a second or subsequent conviction, be disqualified for a period of ten years from the date of the conviction.

(4) Notwithstanding subsection (1), where a person who is a holder of a probationary driving licence is convicted under this section, the court shall revoke his driving licence.

Careless and inconsiderate driving

43. (1) A person who drives a motor vehicle on a road without due care and attention or without reasonable consideration for another person's using the road shall be guilty of an offence and ¹⁹ shall on conviction be punished with a fine of not less than four thousand ringgit and not more than ten thousand ringgit and shall also be liable to imprisonment for a term not exceeding twelve months.

(2) The court shall, (unless for any special reason it thinks fit to order otherwise), order particulars of any conviction under this section to be endorsed on any driving licence held by the person convicted.

(3) On a second or subsequent conviction under this section, the court shall exercise the power conferred by this Part ordering that the offender shall be disqualified from holding or obtaining a driving licence unless the court having regard to the lapse of time since the date of the previous or last previous conviction or for any other reason (which reason shall be stated in the order), thinks fit to order otherwise, but this provision shall not be construed as affecting the right of the court to exercise the power aforesaid on a first conviction.

(4) Notwithstanding subsection (1), where a person who is a holder of a probationary driving licence is convicted under this section, the court shall revoke his driving licence.

Driving while under the influence of intoxicating liquor or drugs

44. (1) Any person who, when driving a motor vehicle on a road or other public place -

¹⁸ **NOTE** - previously - twelve months|| - see Act A1065

¹⁹ **NOTE** - previously - liable to a fine not exceeding two thousand ringgit or to imprisonment for a term not exceeding six months|| - see Act A1065

- (a) is under the influence of intoxicating liquor or drug, to such an extent as to be incapable of having proper control of the vehicle; or
- (b) has so much alcohol in his body that the proportion of it in his breath, blood or urine exceeds the prescribed limit, and causes the death of or injury to any person shall be guilty of an offence and ²⁰ shall, on conviction, be punished with imprisonment for a term of not less than three years and not more than ten years and to a fine of not less than eight thousand ringgit and not more than twenty thousand ringgit.
- (2) The court shall order particulars of any conviction under this section to be endorsed on any driving licence held by the person convicted.
- (3) A person convicted under this section shall be disqualified from holding or obtaining a driving licence for a period of ²¹ not less than five years from the date of the conviction and, in the case of a second or subsequent conviction, be disqualified for a period of ten years from the date of the conviction.
- (4) Notwithstanding subsection (1), where a person who is a holder of a probationary driving licence is convicted under this section, the court shall revoke his driving licence.
- (5) Notwithstanding anything in any written law for the time being in force, the court before which a person is charged with an offence under this section shall order the immediate confiscation of the driving licence of that person and shall order the suspension of the licence commencing from the date the charge is first read to that person and such suspension shall have effect -
- (a) until the court makes a final decision on the charge; and
- (b) as if the suspension is the suspension referred to in section 32.
- (5A) If the driving licence of the person referred to in subsection (5) is incorporated in a multipurpose electronic card or device, the order of the court under that subsection shall be deemed to have been complied with if the particulars of the order are included in the database maintained by or on behalf of the Director General of driving licences granted under this Act and holders of such driving licences.

²⁰ **NOTE** - previously - liable to a fine not exceeding two thousand ringgit or to imprisonment for a term not exceeding six months and, in the case of a second or subsequent conviction, to a fine not exceeding four thousand ringgit or to imprisonment for a term not exceeding one year or to both - see Act A1065

²¹ **NOTE** - previously - not less than twelve months - see Act A106

(5B) Notwithstanding subsection (5A), the Director may direct the person referred to in subsection (5) to surrender, within such period as the Director may specify, the multipurpose electronic card or device in which the driving licence is incorporated to him, or to a road transport officer authorized in writing in that behalf by the Director General, for the inclusion in the data stored in the card or device the particulars of the order of the court made under subsection (5) and the Director or such authorized officer shall, after such inclusion, immediately return the card or device to the person.

Being in charge of motor vehicles when under the influence of intoxicating liquor or drugs

45. (1) Any person who when in charge of a motor vehicle which is on a road or other public place, but not driving the vehicle, is unfit to drive in that he is under the influence of intoxicating liquor or of a drug to such an extent as to be incapable of having proper control of a motor vehicle, shall be guilty of an offence and shall on conviction be punished with a fine not exceeding ²² one thousand ringgit and shall also be liable to imprisonment for a term not exceeding three months and, in the case of a second or subsequent conviction, a fine of not less than two thousand ringgit and not more than six thousand ringgit and shall also be liable to imprisonment for a term not exceeding twelve months:

Provided that a person shall be deemed for the purpose of this section not to have been in charge of a motor vehicle if he proves -

- (a) that at the material time the circumstances were such that there was no likelihood of his driving the vehicle so long as he remained so unfit to drive; and
- (b) that between his becoming so unfit to drive and the material time he had not driven the vehicle on a road or other public place.

(2) On a second or subsequent conviction of an offence under this section, the offender shall, unless the court for special reasons thinks fit to order otherwise and without prejudice to the power of the court to order a longer period of disqualification, be disqualified for a period of twelve months from the date of

²² **NOTE** - previously - "liable to a fine not exceeding five hundred ringgit or to imprisonment for a term not exceeding one month, and in the case of a second or subsequent conviction, to a fine not exceeding one thousand ringgit or to imprisonment for a term not exceeding three months or to both" - see Act A1065



conviction from holding or obtaining a driving licence.

(3) Where a person convicted of an offence under this section has been previously convicted of an offence under section 44, he shall be treated for the purpose of this section as having been previously convicted under this section.

(4) Notwithstanding subsection (1), where a person who is a holder of a probationary driving licence is convicted under this section, the court shall thereupon revoke his driving licence.

Driving or being in charge of a motor vehicle with alcohol concentration above prescribed limit

45A. (1) Any person who, when driving or attempting to drive a motor vehicle or when in charge of a motor vehicle on a road or other public place, has so much alcohol in his body that the proportion of it in his breath, blood or urine exceeds the prescribed limit, shall be guilty of an offence and shall on conviction be punished with a fine of ²³ not less than one thousand ringgit and not more than six thousand ringgit and shall also be liable to imprisonment for a term not exceeding twelve months and, in the case of a second or subsequent conviction, a fine of not less than two thousand ringgit and not more than ten thousand ringgit and shall also be liable to imprisonment for a term not exceeding two years.

(2) It is a defence for a person charged with an offence under subsection (1) to prove that at the material time the circumstances were such that there was no likelihood of his driving the vehicle whilst the proportion of alcohol in his breath, blood or urine remained likely to exceed the prescribed limit.

(3) On a second or subsequent conviction of an offence under this section, the offender shall, unless the court for special reasons thinks fit to order otherwise and without prejudice to the power of the court to order a longer period of disqualification, be disqualified for a period of not less than twelve months from the date of conviction from holding or obtaining a driving licence.

(4) Notwithstanding subsection (1), where a person who is a holder of a probationary driving licence is convicted under this section, the court shall thereupon revoke his driving licence.

Breath test

45B. (1) Where a police officer in uniform has reasonable cause to suspect -

²³ **NOTE** - previously – “liable to a fine not exceeding two thousand ringgit or to imprisonment for a term not exceeding six months or to both and in the case of a second or subsequent conviction, to a fine not exceeding four thousand ringgit or to imprisonment for a term not exceeding one year or to both” - see Act A106

- (a) that a person has committed an offence under section 44 or 45 involving intoxicating liquor or under section 45A; or
 - (b) that a person was the driver of or attempted to drive or was in charge of a motor vehicle in an accident involving one or more vehicles on a road or other public place, he may, subject to section 45D, require that person to provide a specimen of breath for a breath test.
- (2) A person may be required under subsection (1) to provide a specimen either at or near the place where the requirement is made or, if the requirement is made under paragraph (1)(b) and the police officer making the requirement thinks fit, at a police station specified by the police officer.
- (3) A breath test required under subsection (1) shall be conducted by the police officer making the requirement or any other police officer.
- (4) A person who, without reasonable excuse, fails to provide a specimen of breath when required to do so in pursuance of this section shall be guilty of an offence and shall on conviction be
- punished with a fine of ²⁴ not less than one thousand ringgit and not more than six thousand ringgit and shall also be liable to imprisonment for a term not exceeding twelve months and, in the case of a second or subsequent conviction, a fine of not less than two thousand ringgit and not more than ten thousand ringgit and shall also be liable to imprisonment for a term not exceeding two years.
- (4A) On a second or subsequent conviction of an offence under this section, the offender shall, unless the court for special reasons thinks fit to order otherwise and without prejudice to the power of the court to order a longer period of disqualification, be disqualified for a period of not less than twelve months from the date of conviction from holding or obtaining a driving licence.
- (4B) Notwithstanding subsections (4) and (4A), where a person who is a holder of a probationary driving licence is convicted under this section, the court shall revoke his driving licence.
- (5) A police officer in uniform may arrest a person without warrant if -

²⁴ **NOTE** : previously – “liable to a fine not exceeding two thousand ringgit or to imprisonment for a term not exceeding six months or to both and, in the case of a second or subsequent conviction offence, to a fine not exceeding four thousand ringgit or to imprisonment for a term not exceeding one year or to both” - see Act A106

- (a) as a result of a breath test he has reasonable cause to suspect that the proportion of alcohol in that person's breath, blood or urine exceeds the prescribed limit; or
- (b) that person has failed to provide a specimen of breath for a breath test when required to do so in pursuance of this section and the police officer has reasonable cause to suspect that he has alcohol in his body, but a person shall not be arrested by virtue of this subsection when he is at a hospital as a patient.

Provision of specimen for analysis

45C. (1) In the course of an investigation whether a person has committed an offence under section 44 or 45 involving intoxicating liquor or under section 45A a police officer may, subject to the provisions of this section and to section 45D, require him -

- (a) to provide two specimens of breath for analysis by means of a prescribed breath analyser; or
- (b) to provide a specimen of blood or urine for a laboratory test, notwithstanding that he has been required to provide a specimen of breath for a breath test under subsection 45B (1).

(2) A requirement under this section to provide a specimen of breath can only be made at a police station.

(3) A breath test under this section shall only be conducted by a police officer not below the rank of sergeant or by an officer in charge of a police station and shall only be conducted at a police station.

(4) A requirement under this section to provide a specimen of blood or urine can only be made at a police station or at a hospital, but it cannot be made at a police station unless -

- (a) the police officer making the requirement has reasonable cause to believe that for medical reasons a specimen of breath cannot be provided or should not be required;
- (b) at the time the requirement is made, the prescribed breath analyser is not available at the police station, or it is for any other reason not practicable to use the breath analyser and may be made notwithstanding that the person required to provide the specimen has already provided or been required to provide two specimens of breath.

(5) Where a specimen other than a specimen of breath is required, the police officer making the requirement shall, subject to medical advice, decide whether it is to be a specimen of blood or urine.

(6) A person who, without reasonable excuse, fails to provide a specimen when required to do so in pursuance of this section shall be guilty of an offence and shall on conviction be punished with a fine of ²⁵not less than one thousand ringgit and not more than six thousand ringgit and shall also be liable to imprisonment for a term not exceeding twelve months and, in the case of a second or subsequent conviction, a fine of not less than two thousand ringgit and not more than ten thousand ringgit and shall also be liable to imprisonment for a term not exceeding two years.

(6A) On a second or subsequent conviction of an offence under this section, the offender shall, unless the court for special reasons thinks fit to order otherwise and without prejudice to the power of the court to order a longer period of disqualification, be disqualified for a period of not less than twelve months from the date of conviction from holding or obtaining a driving licence.

(6B) Notwithstanding subsections (6) and (6A), where a person who is a holder of a probationary driving licence is convicted under this section, the court shall revoke his driving licence.

Protection of hospital patient

44D. (1) A person who is at a hospital as a patient shall not be required to provide a specimen for a breath test or to provide a specimen of blood or urine for a laboratory test unless the registered medical practitioner in immediate charge of his case authorizes it and the specimen is to be provided at the hospital.

(2) The registered medical practitioner referred to in subsection (1) shall not authorize a specimen to be taken where it would be prejudicial to the proper care and treatment of the patient.

Detention

45E. (1) A person required to provide a specimen of breath, blood or urine may be detained at a police station until it appears to a police officer that were that person then driving or attempting to drive a motor vehicle on a road, he would not be

²⁵ **NOTE:** previously – “liable to a fine not exceeding two thousand ringgit or to imprisonment for a term not exceeding six months or to both and, in the case of a second or subsequent offence, to a fine not exceeding four thousand ringgit or to imprisonment for a term not exceeding one year or to both” –see Act A106

committing an offence under section 44 or 45 involving intoxicating liquor or under section 45A, but such period of detention shall not exceed twenty-four hours.

(2) A person shall not be detained in pursuance of this section if it appears to a police officer that by reason of his condition there is no likelihood of his driving or attempting to drive a motor vehicle.

Evidence in proceedings for an offence under sections 44 and 45 involving intoxicating liquor and section 45A

45F. (1) In proceedings for an offence under section 44 or 45 involving intoxicating liquor or in proceedings for an offence under section 45A, evidence of the proportion of alcohol in a specimen of breath, blood or urine provided by the accused shall be taken into account and it shall be assumed that the proportion of alcohol in the accused's breath, blood or urine at the time of the alleged offence was not less than in the specimen; but the assumption shall not be made if the accused proves -

- (a) that he consumed alcohol after he had ceased to drive, attempt to drive or be in charge of a motor vehicle on a road or other public place and before he provided the specimen; and
- (b) that had he not done so the proportion of alcohol in his breath, blood or urine would not have exceeded the prescribed limit and, if the proceedings are for an offence under section 44 or 45 involving intoxicating liquor, would not have been such as to make him incapable of having proper control of the vehicle.

(2) Evidence of the proportion of alcohol in a specimen of breath, blood or urine may, subject to subsections (4) and (5), be given by the production of a document or documents purporting to be either -

- (a) a statement automatically produced by a prescribed breath analyser and a certificate signed by a police officer (which may but need not be contained in the same document as the statement) that the statement relates to a specimen provided by the accused at the date and time shown in the statement; or
- (b) a certificate signed by a government medical practitioner or government chemist as to the proportion of alcohol found in a specimen of blood or urine identified in the certificate.

(3) A specimen of blood shall be disregarded unless it was taken from the accused by a government medical officer; and evidence that a specimen of blood

was so taken may be given by the production of a document purporting to certify that fact and signed by a government medical officer.

(4) A document purporting to be such a statement or such a certificate, or both, as is mentioned in subsection (2) is admissible in evidence on behalf of the prosecution in pursuance of this section only if a copy of it either has been handed to the accused when the document was produced or has been served on him not later than seven days before the hearing, and any other document is so admissible only if a copy of it has been served on the accused not later than seven days before the hearing; but a document purporting to be a certificate (or so much of a document as purports to be a certificate) is not so admissible if the accused, not later than three days before the hearing or within such further time as the court may in special circumstances allow, has served notice on the prosecution requiring the attendance at the hearing of the person by whom the document purports to be signed.

(5) Where, at the time a specimen of blood or urine was provided by the accused, he asked to be supplied with such a specimen, evidence of the proportion of alcohol in the specimen is not admissible on behalf of the prosecution unless -

- (a) the specimen in which the alcohol was found is one of two parts into which the specimen provided by the accused was divided at the time it was provided; and
- (b) the other part was supplied to the accused.

(6) A copy of a certificate required by this section to be served on the accused or a notice required by this section to be served on the prosecution may be served personally or sent by registered post.

Interpretation of sections 44 and 45B to 45F

45G. (1) For the purposes of sections 44 and 45B to 45F -

“breath test” includes a preliminary test for the purpose of obtaining, by means of a prescribed breathanalyser, an indication whether the proportion of alcohol in a person’s breath, blood or urine equals or exceeds the prescribed limit; “fail” includes refuse;

“police station” includes any place or conveyance authorized or appointed by the Inspector General of Police to be used as a police station;

“prescribed limit” means -

- (a) 35 microgrammes of alcohol in 100 millilitres of breath;

- (b) 80 milligrammes of alcohol in 100 millilitres of blood; or
- (c) 107 milligrammes of alcohol in 100 millilitres of urine.

(2) A person does not provide a specimen of breath for a breath test or for analysis unless the specimen is sufficient to enable the test or the analysis to be carried out and provided in such a way as to enable the objective of the test or analysis to be satisfactorily achieved.

Driving when suffering from disease or disability

46. If any person drives a motor vehicle when he is to his knowledge suffering from any disease or disability calculated to cause his driving of such motor vehicle to be a source of danger to the public, he shall be guilty of an offence and shall on conviction be liable to a fine not exceeding one thousand ringgit or to imprisonment for a term not exceeding three months or to both.

Riding on running boards and obstruction of driver

47. If any person driving or in charge of a motor vehicle causes or permits any person to be carried on the running board, or otherwise than within the body of the vehicle, or causes or permits any person to stand or to sit, or anything to be placed or to be carried, in a motor vehicle in such a manner or in such a position as to hamper the driver in his control of the vehicle, or as to cause danger to other persons using the road, he shall be guilty of an offence.

Obstruction by vehicle on road

48. (1) If any driver of a motor vehicle causes or permits such motor vehicle to remain at rest on any road in such a position or in such a condition or in such circumstances as to be likely to cause danger, obstruction or undue inconvenience to other users of the road or to traffic, he shall be guilty of an offence and shall on conviction be liable to a fine of not less than one thousand ringgit and not more than five thousand ringgit or to imprisonment for a term of not less than one year or to both.
- (2) If any driver of a motor vehicle causes or permits such motor vehicle to remain at rest on any road in such a position or in such a condition or in such circumstances as to be likely to cause danger, obstruction or undue inconvenience to other users of the road or to traffic, a police officer, road transport officer or any appropriate authority may clamp the wheel of the motor vehicle or remove or cause to be removed the motor vehicle to any other road or some other location or place as may be stated in a notice and remain there at the risk of the owner.

(3) Where the wheel of a motor vehicle has been clamped under subsection (2), the relevant officer shall immediately give notice in writing to the owner of the motor vehicle informing him of the clamping of the wheel and requiring him or any person who may have a claim over the motor vehicle, within four hours from the time of the notice, to appear and request for the release of the vehicle, and if no claim is received within such period, the motor vehicle may be removed to an appropriate location.

(4) Where any motor vehicle is removed under subsection (2) or (3), the relevant officer shall within twenty-four hours, give notice in writing to the owner of the vehicle informing him of the removal and requiring him or any person who may have a claim over it, within a period of one month from the date of the notice, to appear and claim the vehicle.

(5) Upon receipt of a claim under subsection (3) or (4), the motor vehicle may be released upon payment of a fee for the clamping, removal and detention as may be prescribed by the Minister under this Act.

(6) If within twelve months from the date of removal the motor vehicle is not claimed, the motor vehicle shall be forfeited, and the ownership of the motor vehicle shall be vested in the Director General.

(7) A police officer, road transport officer, any appropriate authority or any other person acting under his or its directions, as the case may be, shall not incur any liability in respect of any loss or damage caused to any motor vehicle or the fittings or contents thereof in the course of it being clamped or removed or while it is being detained, unless such damage was caused negligently or wilfully.

(8) For the purpose of this section, “appropriate authority” has the meaning assigned to it in section 67.

Pillion riding

49. (1) It shall not be lawful for more than one person in addition to the driver to be carried on any two wheeled motorcycle nor shall it be lawful for any such one person to be so carried otherwise than sitting astride the motorcycle behind the driver on a properly designed seat securely fixed to the motorcycle.

(2) If any person uses a motorcycle in contravention of this section, he and any person so carried on the motorcycle shall be guilty of an offence.

Unlawful interference and importuning

- 50.** (1) If any person, otherwise than with lawful authority or reasonable cause, takes or retains hold of, or gets into a motor vehicle while it is in motion on any road, for the purpose of being drawn or carried, he shall be guilty of an offence.
- (2) If, while a motor vehicle is on a road or in a parking place, any person otherwise than with lawful authority or reasonable cause gets onto or moves the motor vehicle, or releases or tampers with any brake or other part of its mechanism, he shall be guilty of an offence.
- (3) If any person, otherwise than with lawful authority, remains on any road or at any parking place for the purpose of importuning any other person in respect of the watching or cleaning of a motor vehicle, or for the purpose of directing any driver of a motor vehicle in respect of parking on such road or at such place, he shall be guilty of an offence.

Taking motor vehicle without consent of registered owner

- 51.** (1) Any person who takes and drives away any motor vehicle without having either the consent of the owner or other lawful authority shall be guilty of an offence and shall on conviction be liable to a fine not exceeding two thousand ringgit or to imprisonment for a term not exceeding six months or to both:
- Provided that no person shall be convicted under this section if he satisfies the court either that he acted in the reasonable belief that he had lawful authority or that the owner would in the circumstances of the case have given his consent if he had been asked.
- (2) If, on the trial of any person for the theft of a motor vehicle, the court is of the opinion that the accused was not guilty of such offence but was guilty of an offence under this section, the court may convict the accused under this section.

Duty to stop in case of accidents

- 52.** (1) If in any case, owing to the presence of a motor vehicle on a road, an accident occurs, the driver of the motor vehicle shall stop and, if required so to do by any person having reasonable grounds for so requiring, give his name and address and also the name and address of the owner and the registration number of the motor vehicle.
- (2) In the case of any such accident as aforesaid the driver of such motor vehicle and, if there is more than one motor vehicle, the driver of each such motor vehicle, shall report the accident at the nearest police station as soon as reasonably practicable and in any case within twenty-four hours of such occurrence, and shall

produce to the officer in charge of such police station his driving licence and if so required, the certificate of insurance issued under section 90 of this Act.

(3) In the case of any such accident as aforesaid the driver of any such motor vehicle shall render such assistance as may be reasonably required by any police officer or traffic warden or, in the absence of any police officer or traffic warden, such assistance as it may reasonably be in the power of such driver to render.

(4) Where a police officer or traffic warden has reasonable cause to believe that any person -

- (a) was the driver of a motor vehicle at a time when an accident occurred owing to the presence of such motor vehicle on a road;
- (b) has committed an offence in relation to the use of a motor vehicle on a road; or
- (c) was accompanying the holder of a learner's driving licence granted under this Act whilst such holder was driving a motor vehicle and that an accident occurred whereby damage or injury was caused to any person, property or animal owing to the presence of such motor vehicle on a road, such police officer or traffic warden may require such person to produce for examination his driving licence and the certificate of insurance relating to the user of such vehicle at such time.

(5) If any person fails to comply with this section, he shall be guilty of an offence:

Provided that a person shall not be convicted of an offence against subsection (2) or (4) by reason only of the failure to produce his driving licence or certificate of insurance if within five days after the accident or the requirement under subsection (4), he produces such licence or certificate in person at such police office or police station in Malaysia as may be specified by him at the time the accident was reported or the requirement under subsection (4) was made.

Power to order appearance in court

53. (1) Where a police officer, a traffic warden or a road transport officer has reasonable grounds for believing that any person committed an offence against this Act, he may, in lieu of applying to the court for a summons, forthwith serve upon that person a notice in the prescribed form ordering that person to appear before the nearest court of a Magistrate having jurisdiction to try the offence, at a time and date to be stated in such notice.

(1A) If a person who has been served a notice under subsection (1) refuses to accept or denies receipt of the notice, the notice shall be considered to have been served to that person on the date of service of the notice.

(2) If any person who is served with a notice as provided by subsection (1) fails to appear in person or by counsel, then, unless it appears that it was not reasonably possible for that person so to appear, the court may, if satisfied that the notice was served, issue a warrant for the arrest of that person unless in the case of a compoundable offence, that person has within the period specified in the notice, been permitted to compound the offence.

Notice of camera-recorded offences

53A. (1) Notwithstanding anything contained in this Act, where a registered owner of a motor vehicle is alleged or is suspected to be guilty of a camera-recorded offence, a police officer or road transport officer shall in lieu of applying to the court for a summons, as soon as reasonably practicable serve a notice upon the registered owner of the motor vehicle ordering him to appear before the nearest Magistrate court having jurisdiction to try the offence, at a time and date to be stated in such notice.

(2) If a registered owner of a motor vehicle who is served with a notice under subsection (1) fails to appear in person or by counsel, then, unless it appears that it was not reasonably possible for that register owner so to appear, the court may, if satisfied that the notice was served, issue a warrant for the arrest of the registered owner unless in the case of a compoundable offence, the registered owner has within the period specified in the notice, been permitted to compound the offence.

(3) The notice issued under subsection (1) shall -

(a) contain the following particulars:

- (i) the date, time and location of the offence;
- (ii) the offence committed;
- (iii) a recorded image of the motor vehicle's registration number plate;
- (iv) a recorded image of the motor vehicle; and
- (v) an offer to compound or a request to appear in court; and

(b) be digitally signed by the issuing authority.

(4) The Minister may make rules for giving full effect to this section and such rules may include rules -

- (a) to regulate the procedures relating to the implementation of this section;
- (b) to prescribe the type of equipment and system to be used, and the repair, maintenance, calibration and testing of apparatus or equipment thereof; and
- (c) to prescribe the types of signage and their locations.

Duty to produce name and address of driver

53B. (1) A registered owner of a motor vehicle who -

- (a) is served with a notice under section 53A in respect of a camera-recorded offence; and
- (b) was not a driver of the vehicle to which the camera-recorded offence relates at the time the offence was committed,

shall, within thirty days from the date of the service of the notice, supported by letter to the authority issuing the notice, produce the name and address of the driver of the motor vehicle at the time the offence was committed.

(2) A registered owner of a motor vehicle who is served with a notice in respect of a camera-recorded offence shall be deemed to be not guilty if -

- (a) that registered owner complies with subsection (1) relating to the offence; and
- (b) the authority issuing the notice is satisfied that the registered owner did not know and could not with reasonable diligence have ascertained the name and address of the person who was a driver of the vehicle at the time the offence was committed.

(3) Any registered owner of a motor vehicle who falsely nominates another person as a driver of the motor vehicle at the time the camera-recorded offence occurred, shall be guilty of an offence and shall on conviction be liable to a fine of not less than three thousand ringgit and not more than ten thousand ringgit or to imprisonment for a term not exceeding three years or to both.

Duty not to give, publish or disclose information on camera-recorded offence

53C. (1) Any person who, for any reason, has by any means access to any information on camera-recorded offence shall not give, publish or otherwise disclose to any other person such information unless the disclosure is required or authorized -

- (a) under this Act or rules made under this Act;
- (b) under any other written law;

(c) by any court; or

(d) for the performance of his functions or the exercise of his powers under this Act or rules made under this Act.

(2) For the purpose of this section, “information on camera-recorded offence” means any recorded image, data, record, correspondence or any document whatsoever or material or information relating to a camera-recorded offence.

(3) Any person who contravenes subsection (1) shall be guilty of an offence and shall on conviction be liable to a fine not more than fifty thousand ringgit or to imprisonment for a term not exceeding five years or to both.

Application to pedal and electric bicycle cyclists of provisions relating to certain driving offences

54. (1) Subsections 42(1), 43(1), 44(1), 45A(1), 45B(4), 45B(5) and 45C(6) with the omission of the reference to attempting to drive shall, subject to this section, apply to persons riding bicycles, electric bicycles and tricycles not being motor vehicles, as they apply to drivers of motor vehicles, and references in those provisions to motor vehicles, drivers and driving shall be construed accordingly.

(2) The maximum penalties which may be imposed on a conviction by virtue of this section shall be as follows:

(a) in the case of a conviction under section 42, 44, 45A, 45B or 45C, a fine of three hundred ringgit or, if the conviction is a second or subsequent conviction, a fine of one thousand ringgit or imprisonment for a term of three months;

(b) in the case of a conviction under section 43, a fine of three hundred ringgit or, if the conviction is a second or subsequent conviction, a fine of one thousand ringgit.

(3) In determining whether a conviction under section 42, 43, 44 or 45A is a second or subsequent conviction—

(a) where it is a conviction in connection with the driving of a motor vehicle, any previous conviction by virtue of this section shall be disregarded;

(b) where it is a conviction by virtue of this section, any previous conviction in connection with the driving of a motor vehicle shall be disregarded.

Duty to stop vehicles on demand

55. Any person driving a motor vehicle on a road shall stop the motor vehicle on being so required by a police officer in uniform, a traffic warden in uniform or a road transport officer in uniform, and if he fails so to do, he shall be guilty of an offence.

Licensing of Drivers and Conductors of Public Service Vehicles, Employees Vehicles and Goods Vehicles

Vocational licences

56. (1) No person shall drive or act as a conductor of a public service vehicle on a road unless he holds a vocational licence granted under this Part for those purposes, and no registered owner of a public service vehicle or other person shall employ or permit any person who is not licensed to drive or act as a conductor of a public service vehicle while it is being used for the carriage of passengers for hire or reward on a road.

(2) The Director shall not issue a vocational licence unless he is satisfied that the applicant for such licence is in the case of a licence to drive, over the age of twenty-one and, in the case of a licence to act as a conductor, over the age of eighteen, and fulfils such other conditions as may be prescribed.

(2A) A vocational licence issued under this Part shall be valid for the period specified in the vocational licence unless it is sooner revoked under subsection (4) or (4A).

(3) A licence to drive a public service vehicle may be limited to such type or types of vehicles as may be specified in the licence.

(4) A vocational licence may, at any time, be suspended or revoked by the Director if -

(a) due to any disease, conduct as may be prescribed or physical disability -

- (i) the holder of the vocational licence is incapable of holding; or
- (ii) it is not suitable for the holder of the vocational licence to hold, such licence; or

(b) the holder of the vocational licence has any outstanding matter or case with the Road Transport Department or the police relating to any contravention of this Act.

(4A) Without prejudice to subsection (4), a vocational licence issued under this Part shall -

- (a) be suspended if the driving licence issued under section 27 is suspended under section 32, 35 or 36;
 - (b) be revoked if the driving licence issued under section 27 is revoked under section 35.
- (5) If the Director suspends or revokes the vocational licence under paragraph (4) (a), the holder of the vocational licence may appeal to the Director General and based on the appeal, the Director General may, after investigation, if any, make any order as he deems fair and any such order shall bind the Director and appellant.
- (6) If any person acts in contravention of subsection (1), he shall be guilty of an offence and shall on conviction be liable to a fine not exceeding two thousand ringgit or to imprisonment for a term not exceeding six months or to both.
- (7) A vocational licence granted under any law repealed by this Act and in force on the appointed day shall be deemed to be granted under this Act.
- (8) Any reference in this Part to a licence granted under this Part shall not be deemed to include a reference to a vocational licence issued under this section.
- (9) Notwithstanding anything to the contrary in this section, a Director may limit the validity period of a vocational licence to a period not exceeding three months if he is satisfied that the holder of the vocational licence has any outstanding matter or case regarding any scheduled offence or any other contravention of this Act.

Vocational licence of goods vehicles and employees' vehicles

57. Section 56 shall apply to such goods vehicles or employees vehicles as the Minister may prescribe, as they apply to public service vehicles; and for that purpose references in that section to - public service vehicle shall be construed as references to the said goods vehicles or employees vehicles and there shall also be disregarded the words - for the carriage of passengers for hire or reward appearing in subsection (1) of that section.

Miscellaneous

Duty to produce driving licence and certificate of insurance

58. (1) Any person in charge of a motor vehicle on a road shall, on being so required by any police officer, any traffic warden or any road transport officer, produce the certificate of insurance issued in respect of the vehicle under section 90:

Provided that no person shall be convicted of an offence against this section by reason only of his failure to produce the certificate of insurance if, within five days

after being so required, he produces it at such police station as may be specified by him at the time of such requirement.

(2) Any person in charge of a motor vehicle on a road shall, on being so required by any police officer, any traffic warden or any road transport officer, produce his driving licence for inspection by such officer:

Provided that no person shall be convicted of an offence against this section by reason of his failure to produce his driving licence which is incorporated in a multipurpose electronic card or device due to its retention by any person authorized to retain it under any written law.

(3) If any person fails to comply with this section, he shall be guilty of an offence.

Change of address

58A. (1) Every registered owner of a motor vehicle or holder of a driving licence who changes his address in Malaysia shall, within two months of such change, serve on the Director a written notice of the change of address.

(2) If the registered owner of a motor vehicle or holder of a driving licence fails to serve the notice of a change of address within the period as required under subsection (1), he shall be deemed to have not informed the Director of the said change of address.

(3) A notice of the change of address under subsection (1) shall be deemed to have been served and received by the Director if -

- (a) served personally, by an acknowledgement of receipt of the notice;
- (b) sent through prepaid registered post, by a written acknowledgement of receipt given under the Post Office Rules 1947 [MUGN 8436/1947]; and
- (c) sent by facsimile, by an acknowledgement of receipt stating that the notice has been sent entirely to the receiver's facsimile number.

(4) The Director shall, upon receipt of a notice under subsection (1), update the register of motor vehicles under section 8 and the register of driving licence holders under section 27A.

(5) Any person who contravenes subsection (1) or provides an incomplete or inaccurate address shall be guilty of an offence.

Power to test and prohibit use of vehicles

59. (1) Any road transport officer, authorized by the Director General in writing in that behalf, may enter and inspect any motor vehicle in use and for that purpose may require any motor vehicle to be stopped, and may detain any motor vehicle during such time as is required for the inspection, and may require the driver of such motor vehicle to drive it to another place for the purpose of such inspection and may carry out or cause to be carried out, at the expense of the owner, all such tests and examinations as he considers desirable or necessary to ensure that the requirements as to construction, equipment and use prescribed by this Act have been complied with in respect of the motor vehicle:

Provided that no motor vehicle shall be detained under this section for a period exceeding forty-eight hours or such longer period as the Director General may by writing authorize in any particular case.

- (2) If, on such inspection, it appears to such road transport officer that, by reason of any defects, being defects which are prescribed by rules as serious defects, such motor vehicle is or is likely to become unfit for use, or its use is or is likely to become dangerous unless the defects are remedied, he may prohibit the use of such motor vehicle:

Provided that where in the opinion of such road transport officer the defects are such as can be remedied within any period not exceeding ten days and are not defects which involve immediate risk to persons using the motor vehicle or to persons using a road, the prohibition shall not operate before the expiration of that period.

- (3) Where, under subsection (2), such road transport officer prohibits the use of a motor vehicle as aforesaid, he shall give written notice of such prohibition to the registered owner of the motor vehicle, to the person in charge and to the Director of the registration area in which the motor vehicle is registered.

- (4) In the case of a prohibition on the grounds of such defects as are specified in the proviso to subsection (2), the notice given under subsection (3) shall specify the period within which the defects can in the opinion of such officer be remedied.

- (5) A prohibition order made under subsection (2) which has become effective may be removed by any road transport officer authorized by the Director General in writing in that behalf if he is satisfied that the motor vehicle is fit for use and for this purpose, he may require an inspection to be carried out.

(6) Where an officer withdraws or removes a prohibition, he shall give notice of that withdrawal or removal to the registered owner of the motor vehicle and to the Director of the registration area in which the motor vehicle is registered.

(7) Where a prohibition order made under subsection (2) has become effective, any such officer making such order may cause to be detached and removed from the motor vehicle to which the prohibition order relates the registration number plates and any other identifying plate or any licence issued under this Act and retain the same. On the withdrawal or removal of the prohibition such number plates and licence shall be returned to the holder of the licence or to the person in charge of the vehicle.

(8) Any person aggrieved by the refusal of any road transport officer to withdraw or remove a prohibition order made under subsection (2), may appeal to the Director General, who shall consider such appeal and, if so required, hear the appellant in relation thereto, or, at the discretion of the Director General, any other person, authorized by the appellant to represent him. The Director General may make such order on such appeal as he thinks fit.

(9) If any person contravenes or fails to comply with subsection (1), or uses or permits to be used a motor vehicle at any time, whilst a prohibition order under subsection (2) is in force in relation to such motor vehicle, he shall be guilty of an offence and shall on conviction be liable to a fine not exceeding of not less than three hundred ringgit and not more than two thousand ringgit or to imprisonment for a term not exceeding six months or to both and, on a second or subsequent conviction, to a fine not exceeding five thousand ringgit or to imprisonment for a term not exceeding one year or to both.

Power to detain vehicles for inspection

60. (1) If any police officer in uniform has reason to believe that the provisions as to construction, equipment and use prescribed by this Act have not been complied with in respect of any motor vehicle, he may require such vehicle to be stopped and may require the driver of such vehicle to drive it to some other place, and the vehicle may, if necessary, be detained by any police officer not below the rank of sergeant or any police officer in charge of a police station for the purpose of inspection by a police officer or a road transport officer or a person licensed to carry out inspection under this Act for the purpose of ensuring that such provisions have been complied with:

Provided that no motor vehicle shall be detained under this section for a period exceeding five working days.

(2) If, on such inspection, it appears to a road transport officer that, by reason of any defects, being defects which are prescribed by rules as serious defects, such motor vehicle is or is likely to become unfit for use, or its use is or is likely to become dangerous unless the defects are remedied, he may prohibit the use of such motor vehicle:

Provided that where in the opinion of such road transport officer the defects are such as can be remedied within any period not exceeding ten days and are not defects which involve immediate risk to persons using the motor vehicle or to persons using a road, the prohibition shall not operate before the expiration of that period.

(3) Subsections 59(3) to (9) shall apply to this section in the case where a prohibition order has been issued under subsection (2).

Power to order production of motor vehicle and licence

61. (1) A Chief Police Officer or a road transport officer authorized in that behalf by the Director General, may by notice in writing, require the registered owner of a motor vehicle to produce for inspection, at the expense of the registered owner, at such convenient time and place as may be specified in such notice, such motor vehicle and the licence and registration certificate relating thereto, and such registered owner shall produce such vehicle, licence and registration certificate in accordance with the terms of such notice.

(2) Such notice may be served upon the registered owner or to his servant or agent or may be sent by registered post to the address contained in the register of motor vehicles kept under this Part.

(3) If any registered owner who is required under this section to produce any motor vehicle or licence or registration certificate fails so to do, he shall be guilty of an offence, unless he proves that, owing to a mechanical breakdown of such vehicle or other sufficient reason, the motor vehicle or licence or registration certificate could not be produced.

Power to enter and search premises

62. (1) Any police officer not below the rank of sergeant or any officer in charge of a police station or any road transport officer authorized in writing by the Director General may, for the purpose of examining such motor vehicle, at any time enter any place in which he suspects that a motor vehicle is kept in respect of which he has reason to believe that an offence against this Act has been committed.

(2) Any police officer not below the rank of sergeant or any officer in charge of a police station may, in conducting an investigation into any accident or occurrence whereby death or grievous hurt is caused to any person, in connection with which a motor vehicle is suspected to be concerned, enter any place to search for and examine such motor vehicle.

(3) In this section, "grievous hurt" shall have the same meaning as assigned to it in section 320 of the Penal Code.

Weighing of vehicles

63. (1) It shall be lawful for any police officer authorized in writing in that behalf by a Chief Police Officer or a Commissioner of Police, any traffic warden authorized in writing in that behalf by the Dato Bandar or the Perbadanan Putrajaya, any road transport officer authorized in writing in that behalf by the Director General, any officer of the Public Works Department authorized in writing in that behalf by the Director General of Public Works or the State Director of Public Works, or any officer of the Highway Authority Malaysia authorized in writing in that behalf by the Director General of Highway Authority Malaysia, to require the person in charge of any motor vehicle to allow the motor vehicle to be weighed by such officer or any other person authorized to conduct weighing, either laden or unladen, and the weight transmitted to the road by any part of the motor vehicle in contact with the road to be tested and, for that purpose, to proceed to a weighing machine, and if any person in charge of any motor vehicle refuses or neglects to comply with any such requirement, or removes its load or any part thereof before such motor vehicle is duly weighed, he shall be guilty of an offence and shall on conviction be liable to a fine of not less than two thousand ringgit and not more than ten thousand ringgit or to imprisonment for a term not exceeding one year or to both.

(2) If so required by the person in charge of the motor vehicle, the authorized officer or person shall, upon the completion of the weighing of such vehicle, issue to that person a duplicate or copy of the weight certificate in respect of such weighing:

Provided that it shall not be lawful for any such officer or person to require the person in charge of the motor vehicle to unload the motor vehicle for the purpose of being weighed unladen.

Power to seize motor vehicle

64. (1) When any person is found or is reasonably believed to be using a motor vehicle in contravention of this Act or any order or prohibition made, or in contravention of the terms of the licence for such motor vehicle, any police officer, any road

transport officer authorized in writing in that behalf by the Director General, or the Dato Bandar may, whenever it appears that such motor vehicle or its driver cannot be sufficiently identified or that such action is necessary to cause a discontinuance of the offence, take or cause to be taken or require the person in charge of a motor vehicle to take such motor vehicle to a place of safety, thereto be kept until released by order of a Magistrate, Chief Police Officer, a Director or the Dato Bandar, provided and subject to subsection (3), such motor vehicle shall not be detained longer than is necessary to ascertain the identity of the driver or to secure the discontinuance of the offence, and if any person refuses or neglects to comply with any such requirement, he shall be guilty of an offence.

(2) Any unauthorized person removing or causing to be removed such motor vehicle from the place of safety shall be guilty of an offence.

(3) Any vehicle which has been removed in accordance with subsection (1), may be detained in some suitable place and there to remain at the risk of the owner until any fees as may be prescribed under this Act for such removal and detention are paid.

(4) When any motor vehicle is detained under this section, the police officer or road transport officer detaining the same shall as soon as reasonably practicable, give notice in writing of such detention to the owner of the motor vehicle if the name and address of such owner is known to him and if within three months from the date of its detention the motor vehicle is not claimed by its owner, that officer shall refer the matter to a Magistrate, who shall make such order as he thinks fit in respect of the forfeiture or disposal of the motor vehicle and its load (if any).

(5) If a motor vehicle detained has perishable loads and the storage of such loads pending final forfeiture or disposal order under subsection (4) involves unreasonable expense and inconvenience, the Director may direct that such loads be sold or disposed of at any time and the proceeds of sale held to abide by the result of any prosecution or claim under this section.

Removal of broken down and abandoned vehicles

65. (1) A police officer, a road transport officer, the Dato Bandar, the Perbadanan Putrajaya or the Director General of Highway Authority Malaysia or the concession company duly authorized in writing by the Director General of Highway Authority Malaysia may require the owner, driver or other person in control or in charge of any motor vehicle which has, as a result of an accident or any other cause, broken down or has been permitted to remain at rest on a road in such position or in such condition as is likely to cause obstruction, danger or inconvenience to other

persons using the road, to move or cause to be moved such motor vehicle from such road to any other road or any such position or place as may be specified.

(2) Any person who fails to comply when required to move such motor vehicle under this section shall be guilty of an offence.

(3) Where any vehicle which has, as a result of an accident or any other cause, broken down or has been permitted to remain at rest on a road in such position or in such condition as is likely to cause obstruction, danger or inconvenience to other persons using the road, a police officer, a road transport officer, the Dato Bandar, the Perbadanan Putrajaya or the Director General of Highway Authority Malaysia or the concession company duly authorized in writing by the Director General of Highway Authority Malaysia may cause the said motor vehicle to be removed to some suitable place and thereto remain at the risk of the owner, and may detain the same until any fees as may be prescribed under this Act for such removal and detention are paid.

(4) The fees under subsection (3) shall be paid to -

- (a) the Chief Police Officer, if the motor vehicle was caused to be removed by a police officer;
- (aa) a road transport officer, if the motor vehicle was caused to be removed by a road transport officer;
- (b) the Dato Bandar, if the motor vehicle was caused to be removed by a traffic warden or any officer in the service of the City of Kuala Lumpur authorized in writing by the Dato Bandar;
- (c) the Perbadanan Putrajaya if the motor vehicle was caused to be removed by a traffic warden or any officer in the service of the Perbadanan Putrajaya;
- (d) the Director General of Highway Authority Malaysia, if the motor vehicle was caused to be removed by an officer of the Highway Authority Malaysia authorized in writing by the Director General of Highway Authority Malaysia;
or
- (e) the concession company, if the motor vehicle was caused to be removed by an officer of the concession company authorized in writing by the Director General of Highway Authority Malaysia.

(5) A police officer, a road transport officer, the Dato Bandar, the Director General of Highway Authority Malaysia, the Perbadanan Putrajaya or any other person acting under his or its directions, as the case may be, shall not incur any liability in respect of any loss or damage caused to any motor vehicle or the fittings or

contents thereof in the course of its removal or while it is being detained, unless such damage was caused negligently or wilfully.

(6) When any motor vehicle is detained under this section, the officer detaining the same shall with all reasonable despatch give notice in writing of such detention to the owner of the motor vehicle if the name and address of such owner is known to him, and if such motor vehicle is not claimed by its owner within three months of the date of its detention, that officer may, after giving one month's notice in the *Gazette* of his intention so to do, sell by public auction or otherwise dispose of such motor vehicle and its load (if any);

Provided that no such notice need be given in the case of any load of a perishable nature. The proceeds, if any, from such sale or disposal shall be applied in payment of any fees imposed under this Act and the surplus, if any, shall be paid to the owner of the motor vehicle or if not claimed by such person within twelve months after the date of such sale or disposal, shall be forfeited to the Federal Government, the Dato Bandar or the Perbadanan Putrajaya, or the Director General of Highway Authority Malaysia, as the case may be.

(7) Without prejudice to the powers of the Minister under paragraph 66(1)(f), the Dato Bandar or the Perbadanan Putrajaya, or the Director General of Highway Authority Malaysia may, after consultation with the Minister, by rules impose fees for the removal of any vehicle from any road within the Federal Territory of Kuala Lumpur or the Federal Territory of Putrajaya, and the detention thereof in pursuance of this section.

(8) For the purposes of this section, —concession companyll means any company that is authorized to demand, collect and retain tolls under an order made under section 2 of the Federal Roads (Private Management) Act 1984 [Act 306].

Rules

66. (1) The Minister may make rules for any purpose for which rules may be made under this Part and for prescribing anything which may be prescribed under this Part and generally as to the construction, maintenance, use, age and equipment of motor vehicles and the conditions under which they may be used, and otherwise for the purpose of carrying this Part into effect and in particular, but without prejudice to the generality of the foregoing provisions, may make rules -

(a) to regulate the width, height, wheelbase, length, overhang and axle weight of motor vehicles and the load carried; the diameter of wheels and their

width; the nature and conditions of tyres; and to prohibit the use of any wheels, tracks or tyres likely to cause damage to roads;

- (b) to control, in connection with the use of motor vehicles, the emission of smoke, oily substance, ashes, water, steam, visible vapour, noxious fumes, sparks, cinders, gas or grit;
- (c) to prohibit excessive noise due to the design or condition of motor vehicles, or to the use or loading thereof;
- (d) to regulate the maximum unladen weight of tractors heavy and motor cars heavy, and the maximum laden weight of motor vehicles and the maximum weight to be transmitted to the road or any specified road or any specified area of a road by a motor vehicle of any class or description, or by any part of such a vehicle in contact with the road, and the conditions under which the weights may be required to be tested;
- (e) to prescribe the particulars to be marked on motor vehicles;
- (f) *(Deleted by Act A1391)*;
- (g) to specify the number and nature of springs and brakes with which motor vehicles shall be equipped, and to ensure that springs, brakes, silencers and steering gear shall be efficient and kept in proper working order;
- (h) to regulate the appliances to be fitted for signalling the approach of motor vehicles or enabling the drivers of vehicles to become aware of the approach of other vehicles from the rear, or for intimating any intended change of speed or direction of motor vehicle, to regulate or to prohibit the use of any such appliances and to secure that they shall be efficient and kept in proper working order;
- (i) to prohibit, in connection with the use of motor vehicles, the use of any appliances, accessories or machines, or the commission of any acts, which are likely to cause annoyance or danger;
- (j) to regulate the lights to be carried by motor vehicle whether in respect of the nature of such lights, the positions in which they shall be fixed, and the periods during which they shall be lighted, or otherwise;
- (k) to regulate the number of trailers which may be attached in train to any motor vehicle, the manner of attachment, the manner in which the same shall be kept under control and the maximum weight thereof;
- (l) to prescribe the number of persons to be employed in driving or attending motor vehicles, and to regulate the duties and conduct of such persons;

(m) *(Deleted by Act A1391)*;

(n) to prescribe a maximum speed for motor vehicles of any class or description and to provide for exemptions in special cases;

(o) to regulate the registration and licensing of motor vehicles, to prescribe registration areas and to assign identification marks to each such area, to prescribe the forms of application and declaration for, and the contents of, motor vehicles and motor trade licences, to prescribe the fees to be charged thereof and the manner of payment thereof, and to provide special facilities for the licensing of motor vehicles brought into Malaysia;

(p) to provide for the supply of registration particulars and the fees to be paid for such particulars;

(q) to provide for the surrender of licences that become void otherwise than by the effluxion of time;

(r) to provide for the issue of a registration certificate in respect of the registration of any motor vehicle and for the

surrender, transfer, production and inspection by the prescribed persons of any registration certificate so issued, and for the issue of new registration certificates and new motor vehicle licences in the place of any such registration certificates or licences which may be lost, defaced or destroyed, and for the fee to be paid on the issue thereof;

(s) to prescribe the size, shape and character of the registration number and signs to be displayed on any motor vehicle and the manner in which those registration numbers or signs are to be fixed, displayed, illuminated and rendered easily distinguishable, whether by night or day, and to provide for a distinctive registration number or other sign to be carried by public service vehicles or goods vehicles, or by public service vehicles or goods vehicles licensed for a particular purpose;

(t) to require any person to whom any motor vehicle is sold or disposed of to furnish the prescribed particulars in the prescribed manner;

(u) to prescribe the form of, and the particulars to be included in, an application for a motor trade licence and the identification marks to be carried by any motor vehicle used under such licence and to define the purposes for which the holder of a motor trade licence may use a motor vehicle under such licence;

- (v) to extend any provisions as to registration, and provisions incidental to any such provisions, to any motor vehicles in respect of which fees under this Act are not payable (including motor vehicles belonging to the Government), and to provide for the identification of any such motor vehicles;
- (w) to require Directors to make the prescribed returns with respect to motor vehicles registered with them, and to make any particulars contained in the register available for use by the prescribed persons;
- (x) to exempt with or without conditions any person or class of persons or any motor vehicle or type of motor vehicle from the operation of all or any of the provisions of this Part or from the fees payable thereunder, or to reduce such fees;
- (y) to regulate the grant of driving licences, to prescribe the form of application for, and the form and contents of, such licences, to prescribe the conditions to be attached thereto, to prescribe the fees to be charged therefor and the manner of payment thereof;
- (z) with respect to -
 - (i) the nature of tests of competence to drive;
 - (ii) the evidence of the results of such tests;
 - (iii) the diseases and disabilities in the case of which an applicant for a driving licence shall not be entitled to claim to be subjected to a test as to his fitness and ability to drive;
 - (iv) the fee to be charged for such tests and the manner of payment thereof;
- (aa) to require a person submitting himself for a test of competence to drive to provide a motor vehicle for the purposes thereof;
- (bb) to ensure that the person submitting himself for a test of competence to drive and failing to pass that test shall not be eligible to submit himself for another test before the expiration of such period as may be prescribed, except under an order made by the court by virtue of the powers conferred by subsection 29(5);
- (cc) to provide special facilities for granting driving licences to persons who are not permanently resident in Malaysia or
in the Republic of Singapore and to dispense in the case of any such persons with the requirements of section 29;

- (dd) to provide for the communication by Directors to one another, and to Directors or persons exercising similar functions in the Republic of Singapore of particulars of driving licences; to provide that at any time particulars in respect of any persons who are disqualified from holding or obtaining licences or whose licences are suspended or endorsed are available for use by the police, to prevent a person holding more than one driving licence, to facilitate the identification of holders of driving licences, to provide for the grant of a new licence in place of a licence lost or defaced and to provide for payment of such fees as may be prescribed and generally in connection with driving licences;
- (ee) to provide for the control of schools or establishments for the instruction of drivers of motor vehicles;
- (ff) to require safety seatbelts to be fitted to such class or description of motor vehicles as may be specified, to prescribe the minimum standards of quality of material and construction with respect to road safety seatbelts and the position in which such safety seatbelts shall be fixed, to require the use of such safety seatbelts and to prohibit the sale or supply of such safety seatbelts;
- (gg) without prejudice to this Act, to introduce a system whereby any specified offences under this Act, committed (including offences which are compounded) by any person holding any class of driving licence be recorded by endorsement in his driving licence or otherwise and to provide for the suspension of such person from driving any or all classes of motor vehicle thereof for any period;
- (hh) to impose charges for the removal of a motor vehicle from any road and for the detention of such motor vehicles;
- (ii) to prescribe the number of persons to be carried on any motor vehicle (other than commercial vehicles);
- (jj) to prescribe the procedures relating to tender of registration numbers;
- (kk) to regulate the use of any type of fuel used for the purpose of propelling motor vehicles;
- (ll) to prescribe the procedures relating to the weighing of motor vehicles and the type of weighing machines to be used after consultation with the Chief Inspector of Weights and Measures;
- (mm) to prescribe the procedures relating to the use and testing of breath

- analyzers and the procedures relating to the blood and urine tests of drivers of motor vehicles and the types of breath analyzers to be used;
- (nn) to regulate the deregistration of motor vehicles that are not worthy of repair due to serious accidents, old age or other causes or where the chassis number thereof has been tampered with;
 - (oo) to regulate the alterations and modifications of registered motor vehicles;
 - (pp) to prescribe the type approval of any new model of motor vehicle that is introduced and to regulate the quality of manufacturing or assembling of motor vehicles and the recall mechanism;
 - (qq) to regulate the exercise of any functions of the Director by any person authorized to do so under this Act;
 - (rr) to provide for the use of wheel clamps or other equipment in respect of certain parking offences, the types of wheel clamps or other equipment to be used, the manner of use thereof and the fees to be charged in respect of the detention of a motor vehicle pursuant to the use of wheel clamps;
 - (ss) to prescribe any substance as a drug within the meaning and for the purposes of this Act.
- (2) (a) The Minister in prescribing the fees to be charged for the licensing of motor vehicles under paragraph (1)(o) may prescribe -
- (i) different rates of fees for different classes of vehicles;
 - (ii) that the payment of the aforesaid fees in respect of motor vehicles other than stage buses, express buses and charter buses may be related to the engine capacity of such vehicles; and
 - (iii) that the payment of the aforesaid fees in respect of stage buses, express buses and charter buses may be related firstly to the engine capacity of such buses and secondly to the seating capacity of such buses or the gross collection of receipts during a prescribed period in connection with fares charged on passengers of such buses.
- (b) The fees prescribed under subparagraph (a)(iii) of this subsection which are related to gross collection of receipts shall be due and payable within a period to be prescribed and shall for the purposes of paragraph 17(1)(c) not to be treated as prescribed fee.

(3) (a) For the purpose of ascertaining the fees payable in accordance with subparagraph (2)(a)(iii), which are related to gross collection of receipts, the Director may accept the records of the holder of a licence that are required to be maintained and furnished under the Commercial Vehicles Licensing Board Act 1987 as sufficient proof of the matters contained therein and the fees payable may be assessed by the Director accordingly.

(b) If it is subsequently found that the records hereinbefore referred to in paragraph (a) of this subsection contain any incorrect information in relation to any matter affecting the whole or any part of the fees payable by the holder of a licence in accordance with subparagraph (2)(a)(iii), it shall be lawful for the Director where the whole or any part of such fees has been underpaid to require that such holder shall pay the deficiency without prejudice to any other remedy for the recovery of the fees payable.

(c) It shall be lawful for the Director if it is proved to his satisfaction that any fee payable in accordance with subparagraph (2)(a)(iii) has been overpaid, to refund the fees so overpaid:

Provided that no such refund shall be allowed unless a claim in respect thereof is made within two years after such payments are made.

(d) Without prejudice to any other remedy, any fee payable in accordance with subparagraph (2)(a)(iii) may be recovered by the Minister as a debt due to the Federal Government.

PART IIA

PERIODIC INSPECTION OF MOTOR VEHICLES

Inspection certificates required for certain motor vehicles

66A. (1) No person shall use or cause or permit to be used a motor vehicle belonging to the class or category of motor vehicles required to undergo periodic inspection under this Part unless there is in force an inspection certificate issued under this Part in respect of the motor vehicle.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall on conviction be liable to a fine of not less than three hundred ringgit and not more than five thousand ringgit or to imprisonment for a term not exceeding five years or to both.

Vehicles required to undergo periodic inspection

66B. (1) The Minister may by rules specify the class or category of vehicles which is required to undergo periodic inspection under this Part for the purpose of determining that the vehicles comply with the requirements as to construction, equipment and use and the frequency of such inspection in respect of a particular class or category of vehicles.

(2) This section shall not apply to a motor vehicle which has been laid up under section 15.

Issuance and refusal of inspection certificate

66C. (1) If, upon inspection, a motor vehicle is found to comply with the requirements as to construction, equipment and use of a motor vehicle, the person licensed to carry out inspection under this Act shall issue an inspection certificate in respect of that motor vehicle specifying that the motor vehicle has passed the inspection on the date of the inspection.

(2) Where an inspection certificate is refused, the person licensed to carry out inspection under this Act shall specify the grounds for the refusal.

(3) A person aggrieved by the refusal may appeal to the Director General, and on such appeal, the Director General shall cause a reinspection to be carried out at the expense of the aggrieved person and thereafter may cause to be issued or refuse to issue an inspection certificate.

(4) The decision of the Director General under subsection (3) shall be final.

Display of inspection certificate

66D. (1) Every inspection certificate issued under section 66C shall be fixed to and exhibited on the motor vehicle in respect of which it is issued in such manner and subject to such conditions as may be prescribed.

(2) No person shall (either by writing, drawing or in any other manner) alter, deface, mutilate or add anything to any inspection certificate, nor shall any person exhibit on any motor vehicle any inspection certificate which has already been altered, defaced, mutilated or added to as aforesaid, or upon which the figures or particulars have been illegible or of which the colour has become altered, by fading or otherwise, nor shall any person exhibit any colourable imitation of any such certificate.

(3) Any person who contravenes this section shall be guilty of an offence.

Recognition of inspection certificates of other countries

66DA. An inspection certificate issued under the corresponding provisions of any law in force in any country which is a party to a treaty to which Malaysia is also a party and which purports to recognize domestic inspection certificates issued by the contracting countries shall, so long as such certificate remains in force in that country, be deemed to be an inspection certificate granted under this Part.

Only person licensed may inspect

66E. (1) No person other than a person licensed to carry out inspection under this Act may inspect a motor vehicle.

(2) Any person who contravenes this section shall be guilty of an offence and shall on conviction be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding two years or to both.

Employment of examiners

66F. (1) A person licensed to carry out inspection under this Act shall employ persons with the necessary qualification and competency as prescribed in rules as examiners to carry out inspection and to issue inspection certificates.

(2) Any person who contravenes this section shall be guilty of an offence and shall on conviction be liable to a fine not exceeding five thousand ringgit or to imprisonment for a term not exceeding one year or to both.

Rules

66G. The Minister may make rules for any purpose for which rules may be made under this Part and for prescribing anything which may be prescribed under this Part, and generally for the purpose of carrying this Part into effect, and in particular, but without prejudice to the generality of the foregoing provisions, may make rules with respect to any of the following matters:

- (a) to prescribe the nature of and procedure for inspection of motor vehicles;
- (b) to prescribe the type of equipment and system to be used for inspection, and the repair, maintenance, calibration and testing of apparatus or equipment for inspection;
- (c) to prescribe the form of inspection certificates and to regulate the manner of issuance thereof;
- (d) to prescribe the manner in which motor vehicles are to be submitted for inspection;

- (e) to regulate the use of a vehicle inspection centre and the apparatus and equipment therein by a road transport officer authorized by the Director General to conduct random checking of the inspection carried out at the centre;
- (f) to prescribe the types of signboards at vehicle inspection centres; and
- (g) to prescribe the manner in which appeals may be made by any person and the procedure therefor.

PART IIB

FOREIGN MOTOR VEHICLES

Foreign motor vehicle entry permit

66H. (1) Any person who drives a foreign motor vehicle into Malaysia through any route, landing place, check point, or point of entry, other than an authorized point of entry, shall apply to the Director General for a foreign motor vehicle entry permit in such manner as the Director General may determine.

(2) Any person who drives a foreign motor vehicle through an authorized point of entry shall produce, upon demand by any road transport officer, any registration certificate, licence, permit or any other similar document issued in respect of such motor vehicle by the proper authority in the country in which it is registered.

(3) If the road transport officer is satisfied that the person who drives a foreign motor vehicle is only making a temporary stay in Malaysia, the officer may, upon payment by the driver of the foreign motor vehicle of a fee as the Director General may determine, grant a foreign motor vehicle entry permit in respect of that vehicle for such period as the Director General may determine.

(4) Upon issuing the foreign motor vehicle entry permit, the road traffic officer shall cause to be recorded -

- (a) the driver's particulars such as name and driving licence number;
- (b) the registration number of the foreign motor vehicle;
- (c) the type of the foreign motor vehicle;
- (d) the date, time and place of arrival of the foreign motor vehicle;
- (e) the period of validity and other conditions of the foreign motor vehicle entry permit; and
- (f) such other information as the Director General may determine.

(5) The Director shall keep and maintain records of motor vehicles and drivers in

respect of which vehicle entry permits have been issued in such form as the Director General may direct.

(6) The Director General or a road transport officer may refuse to grant a foreign motor vehicle entry permit or cancel a foreign motor vehicle entry permit already granted if -

- (a) a foreign motor vehicle contravenes or fails to comply with any provision of this Act or rules made under this Act; or
- (b) the Director General or the road transport officer has reason to believe that the foreign motor vehicle to which the application or permit relates has been or is intended to be used for any unlawful purpose.

(7) Any person who drives a foreign motor vehicle without an entry permit issued under this section shall be guilty of an offence.

Exemption

66I. The Minister may, by order published in the *Gazette*, exempt any motor vehicle or types or classes of motor vehicles from any of the provisions of section 66H, subject to such conditions as he deems fit.

Outstanding matters relating to foreign motor vehicle

66J. The Director General or any road transport officer may prohibit the entry or exit from Malaysia of any foreign motor vehicle where in respect of that vehicle there is any outstanding matter relating to any contravention of or offence against this Act, the Commercial Vehicles Licensing Board Act 1987 or the Land Public Transport Act 2010.

Interpretation of sections 66H, 66I and 66J

66K. For the purposes of sections 66H, 66I and 66J -

“authorized point of entry” means a point of entry declared as an authorized point of entry under subsection 5(1) of the Immigration Act 1959/63 [Act 155];

“foreign driving licence” means a driving licence issued by the proper authority of a foreign country;

“foreign motor vehicle” means a motor vehicle which is registered by the proper authority of a foreign country.

PART III

ROADS

Interpretation

67. For the purposes of this Part, unless the context otherwise requires -
“appropriate authority” -

- (a) in relation to any road other than a Federal road situated within the area of any local authority, means a local authority declared for the said purpose to be an appropriate authority by the Minister charged with the responsibility for local government after consultation with the appropriate State Government and the Minister charged with the responsibility for works;
- (b) in relation to any road, other than a designated Federal Territory road, situated within the Federal Territory of Kuala Lumpur, means the Dato Bandar, and in relation to any other road, other than a designated Federal Territory road, situated within any other Federal Territory, means the President of the Municipality of the Federal Territory;
- (c) in relation to any road other than a Federal road situated in a State but not in any area described in paragraph (a) or (b), means the Government of the State;
- (d) in relation to any road under the jurisdiction of the Highway Authority Malaysia, means the Director General of Highway Authority;
- (e) in relation to any road situated within the Federal Territory of Putrajaya, means the Perbadanan Putrajaya;

“designated Federal Territory road” means a road in a Federal Territory declared to be a designated Federal Territory road by the Minister charged with the responsibility for works after consultation with the Dato Bandar where the road is in the Federal Territory of Kuala Lumpur, or the President of the Municipality of any other Federal Territory where the road is in such other Federal Territory;

“Federal road” means a designated Federal Territory road and a road declared to be Federal under Federal law.

Highway code

68. (1) The Minister shall prepare a code (in this Act referred to as the “highway code”) comprising such directions as appear to him to be proper for the guidance of persons using roads and may from time to time revise the code by

revoking, varying, amending, or adding to the provisions in such manner as he thinks fit.

(2) The highway code and any alterations proposed to be made in the provisions of the code on any revision thereof shall, as soon as prepared by the Minister, be published in the *Gazette*.

(3) Failure on the part of any person to observe any provisions of the highway code shall not of itself render that person liable to criminal proceedings of any kind, but any such failure may in any proceedings, whether civil or criminal, be relied on by any party to the proceedings as tending to establish or to negative any liability which is in question in those proceedings.

Speed limits

69. (1) The Minister may, by order published in the *Gazette*, prescribe a national speed limit for all roads in Malaysia.

(1A) Notwithstanding subsection (1), the Minister charged with the responsibility for works may, by order published in the *Gazette*, prescribe for any highways or any part thereof a speed limit which is lower, or with the concurrence of the Minister, higher than the national speed limit.

(1B) Any person who fails to observe the national speed limit prescribed under subsection (1) or the speed limit prescribed in subsection (1A) shall be guilty of an offence.

(2) Notwithstanding subsection (1), the Minister charged with the responsibility for works in relation to a Federal road, including highways, and the appropriate authority in relation to a road other than a Federal road, within the area of such authority, may by order published in the *Gazette*, prohibit the driving of motor vehicles, or of any specified class or description of motor vehicles, at a speed greater than the speed specified in such order, over any road or part thereof specified in the order, and either generally or at a specified time or times:

Provided that the speed specified in such order shall not exceed that of the national speed limit or in relation to highways or part thereof, the speed limit prescribed under subsection (1A) for that highway or part thereof.

(3) The following persons shall erect and maintain in such positions in any place as shall give adequate notice of the speed limit prescribed under subsections (1) and (1A) and the prohibition under subsection (2), such traffic signs as shall be prescribed, indicating the nature of the prohibition:

- (a) in relation to a Federal road which is also a highway, the Director General of Highway Authority or any person with proper authority from the Director General of Highway Authority, who is a person authorized under the Federal Roads (Private Management) Act 1984 [Act 306];
 - (b) in relation to a Federal road which is not a highway, the Director General of Public Works; and
 - (c) in relation to any other road within the area of any local authority, the relevant local authority.
- (4) In this section, “highway” means -
- (a) a Federal road where the traffic for both directions is separated by median and where its intersections are connected to public roads by interchanges without any direct connection to any private roads; or
 - (b) a Federal road declared to be a highway by the Minister charged with the responsibility for works by an order published in the *Gazette*, which is a road where the traffic for both directions is separated by median and where its intersections are connected to public or private roads.

Power to restrict use of vehicles on specified roads

70. (1) The Minister charged with the responsibility for works in relation to a Federal road, and the appropriate authority after consultation with the Director General in relation to a road other than a Federal road, within the area of such authority, may by order published in the *Gazette*, prohibit or restrict, the driving or use of vehicles or of any specified class or description of vehicles on any road or any part specified in the order, in any case in which it appears to such Minister or the appropriate authority, as the case may be, that such vehicles cannot be used, or cannot without restriction be used on that road without endangering the safety of the vehicles, or of the persons therein, or of other persons or vehicles using the road, or that the road is unsuitable for use, or for unrestricted use, by any such vehicles, or is a road on which the prohibition or restriction is necessary or desirable to facilitate repair or reconstruction of such road.

(1A) An order made under subsection (1) may provide that certain types or categories of motor vehicles identified therein may be exempted from complying with the order by any person specified therein.

(2) Subject to any rules made by the Minister under section 75, or otherwise in relation to the regulation of traffic, an order may be made under this section for any or all of the following purposes:

- (a) the specification of the routes to be followed by vehicles;
- (b) the prohibition or restriction of the use of specified roads by vehicles of any specified class or description either generally or during particular hours;
- (c) the prohibition of the driving of vehicles on any specified road otherwise than in a specified direction:

Provided that -

- (aa) no order shall be made under this subsection with respect to any road, which would have the effect of preventing such access as may reasonably be required for vehicles of any class or description to any premises situated on or adjacent to that road, or to which access is gained from that road;
 - (bb) no such order shall be made unless notice, in the prescribed form, of the intention to make the same shall be published in the *Gazette* at least fourteen days before the date on which it is intended to make such order, and before making such order there shall be taken into consideration -
 - (i) any objections which may have been made to the making thereof;
 - (ii) the existence of alternative routes suitable for the traffic which would or might be affected by the order.
- (3) An appropriate authority, or an engineer of the Public Works Department in relation to a Federal road, on being satisfied that owing to the state of a road or the execution of works or repairs on a road, it is necessary in order to avoid serious danger to the public or serious damage to that road to restrict or prohibit temporarily the use of that road by vehicles or by vehicles of any particular class or description, may by notice displayed by him on that road restrict or prohibit the use of the same:

Provided that -

- (a) such restriction or prohibition shall not be effective for more than thirty days from the date on which it was imposed;
- (b) so long as such restriction or prohibition remains in force, a notice stating the effect of such restriction or prohibition and describing the alternative routes available for traffic shall be kept posted in a conspicuous manner at each end of the part of the road to which the notice relates, and at the points at which it will be necessary for traffic to diverge from such road; and

(c) notice of such restriction or prohibition shall be given at the nearest police station, to the Chief Police Officer and to the Director General as soon as reasonably practicable, and in any case, within twenty-four hours of the imposition thereof.

(4) Any person who uses a vehicle or causes or permits a vehicle to be used in contravention of any restriction or prohibition made or imposed under this section shall be guilty of an offence and shall on conviction be liable to a fine not exceeding one thousand ringgit or to imprisonment for a term not exceeding three months or to both.

Power to restrict vehicles

71. (1) Without prejudice to section 70, any appropriate authority approved by the Minister may, by order published in the *Gazette*, prohibit or restrict the driving or use of any class or description of vehicles or vehicles with such number of passengers as may be specified along any road or along roads within the area of the authority.

(2) The prohibition or restriction under subsection (1) may be subject to the payment of fees and in such a case the order shall specify the fees payable and the manner of collection therefor.

(3) This section shall not apply to any congestion pricing scheme or the subject matter of any order which may be made under section 13 of the Land Public Transport Act 2010.

Provision of parking places and stands

72. (1) Any appropriate authority or public body may, by order published in the *Gazette*, provide suitable parking places for vehicles or stands for public service vehicles or goods vehicles in accordance with this Act, and for that purpose may

-

(a) utilize any lands which may lawfully be acquired or appropriated for the purpose; or

(b) by such order authorize the use as a parking place or stands for public service vehicles or goods vehicles of any part of a road:

Provided that -

(aa) no such order shall authorize the use of any part of a road so as to unreasonably prevent access to any premises adjoining the road, or the use of the road by any person entitled to the use thereof, or so as to be a nuisance;

(bb) an order under this section relating to a Federal road or affecting public service vehicles or goods vehicles shall not be made without the concurrence of the Minister.

(2) The appropriate authority or public body may take all such steps as may be necessary to adapt for use as a parking place or stands for public service vehicles or goods vehicles any land not being part of a road which may be conveniently utilised for that purpose.

(3) An order under subsection (1) may prescribe -

(a) the vehicles or class of vehicles which may use such parking place or stand and the period during which and the conditions subject to which such parking place or stand may be used; and

(b) the charge, if any, to be made for the use of such parking place.

(4) Where any charge for the use of such parking place is to be made or intended to be made pursuant to any order under this section, such order shall specify -

(a) the parking place designated for the leaving of vehicles; and

(b) the times (whether at all times or between such hours) during which vehicles may be parked in a parking place,

and may further make provision in a parking place for any of the following matters:

(aa) the number and dimension of the spaces to be provided;

(bb) the positions in which such vehicles shall be driven in or taken out;

(cc) the manner in which such vehicles shall be driven in or taken out;

(dd) the prohibition or restriction of waiting therein, whether in the positions aforesaid or elsewhere, of other vehicles;

(ee) the positions in which other vehicles permitted by the order to wait or for any purpose specified in the order shall wait;

(ff) the charges to be levied in respect of the use and the manner of its collection;

(gg) the removal therefrom and the safe custody of any vehicle in respect of which there has been a contravention of or non-compliance with the provisions of the order or any rules made under this Act;

(hh) the erection and installation of any apparatus of a type or design, either generally or specially approved by the Minister (which shall be described

as a “parking meter”);

- (ii) the prohibition or restriction therein of the carrying on of trades or other activities or the doing of any other thing;
- (jj) the indication of such parking place by means of traffic signs in accordance with section 77:

Provided that nothing in this subsection shall be construed as requiring spaces of sufficient size to be provided in any parking place to accommodate any particular vehicle.

(5) A notice stating the substance of the order and the charge prescribed thereby shall be erected and maintained by the appropriate authority at or near such parking place or stand.

(6) It shall not be lawful for the driver of any vehicle or any person employed in connection therewith to ply for hire or accept passengers for hire or reward while any vehicle is within a parking place which has not also been *gazetted* as a stand for public service vehicles and any person who acts in contravention of this subsection shall be guilty of an offence.

(7) If any person, without lawful excuse, contravenes or fails to comply with an order made under this section, he shall be guilty of an offence and shall on conviction be liable to a fine not exceeding three hundred ringgit.

(8) The appropriate authority or public body shall not incur any liability in respect of any loss or damage to any vehicle or the fittings or contents of any vehicle parked in any parking place authorized or designated under this section.

Reservation of parking place for Diplomatic Missions

73. (1) The Minister in relation to a Federal road, and the appropriate authority in relation to a road other than a Federal road, within the area of such authority, may by order, reserve to any accredited Diplomatic Mission any part of any road as a parking place for the vehicle or vehicles of the said Mission.

(2) Subsection 72(7) shall apply to an order made under this section as they apply to an order made under subsection 72(1).

Parking place for disabled persons

74. The Minister in relation to a Federal road, and the appropriate authority in relation to a road other than a Federal road, within the area of such authority, may by order, reserve any part of any road as a parking place for the vehicles of disabled persons.

Pedestrian crossings

75. (1) Crossings for pedestrians (in this section hereinafter referred to as —crossingll) may be established on roads in accordance with this section, and not otherwise.

(2) The Minister, with the concurrence of the Minister charged with the responsibility for works, may make rules with respect to the precedence of vehicles and pedestrians respectively, and generally with respect to the movement of traffic (including pedestrians) at and in the vicinity of a crossing (including rules prohibiting pedestrians on the carriageway within one hundred metres of a crossing), and with respect to the indication of the limits of a crossing by marks on the roadway or otherwise, and to the erection of traffic signs in connection therewith.

(3) Different rules may be made under this section in relation to different traffic conditions and in particular, but without prejudice to the generality of the foregoing, different rules may be made in relation to crossings in the vicinity of, and at a distance from, a junction of roads, and to traffic which is controlled by the police, by traffic warden and by traffic signals and by different kinds of traffic signals and to traffic which is not so controlled.

(4) An appropriate authority may, with the approval of the Minister charged with the responsibility for works in relation to a Federal road, and in any case after consultation with the Chief Police Officer, establish such crossings as it thinks fit, and shall execute any works (including the placing, erection and maintenance of marks and traffic signs) required in connection with such crossings, or with the indication in accordance with the rules made under this section.

(5) If any person contravenes any rule having effect in relation to a crossing he shall be guilty of an offence and shall on conviction be liable to a fine not exceeding five hundred ringgit.

Duty of pedestrians to comply with traffic directions

76. Where a police officer in uniform or a traffic warden in uniform is for the time being engaged in regulating vehicular traffic on a road, any pedestrian who proceeds across or along the carriageway in contravention of a direction to stop given by the officer in the execution of his duty, either to pedestrians or to pedestrians and other traffic, shall be guilty of an offence and shall on conviction be liable to a fine not exceeding five hundred ringgit.

Authorized left turns

76A. (1) Notwithstanding a red signal or other traffic sign indicating a place where traffic must stop at any traffic junction, any person driving a motor vehicle on a road may turn left at the traffic junction in accordance with any traffic sign authorizing such left turn that has been lawfully sited on such road after stopping before the marked stop line on the road to ascertain that it is safe to do so.

(2) For the purpose of subsection (1), the Minister may, after consultation with the Minister charged with the responsibility for works, make rules relating to the movement of motor vehicles and pedestrians and the erection of traffic signs at such authorized left turn traffic junctions.

(3) An appropriate authority may, with the approval of the Minister charged with the responsibility for works in relation to a Federal road and designated Federal Territory road, and in any case after consultation with the Chief Police Officer, establish such traffic signs as it considers appropriate, and shall execute any works (including the placing, erection and maintenance of traffic signs) required in connection with such authorized left turn traffic junctions.

(4) Any person who contravenes this section or any rules made under this section in relation to an authorized left turn shall be guilty of an offence and shall on conviction be liable to a fine of not less than three hundred ringgit and not more than two thousand ringgit.

Erection of traffic signs

77. (1) The Minister charged with the responsibility for works (in this section hereinafter referred to as the "Minister") in relation to any Federal road, and the appropriate authority in relation to any other road, within the area of such authority, may cause or permit traffic signs to be placed on or near such road and may from time to time repair, alter, change or remove the same.

(2) Any police officer or other public officer acting in the course of his duty may cause or permit to be placed and maintained on or near any road any traffic sign which may be necessary or expedient to give effect to any regulations or orders lawfully given or made under any powers conferred upon any police officer or other person by any written law relating to the prohibition, restriction, regulation or control of traffic or the search of vehicles or persons on such road or which may be necessary or expedient to prevent or mitigate congestion or obstruction of traffic or danger to or from traffic in consequence of extraordinary circumstances:

Provided that no such sign shall be maintained for any period longer than may be necessary for such purpose.

(3) Any person or public authority authorized under any written law to do or cause to be done any work on a road shall place and maintain or cause to be placed and maintained on or near any road such traffic signs as are necessary or expedient to prevent or mitigate danger to persons so working on such road or to or from traffic whilst such work is being carried out.

(4) The owners or workers of any railway, light railway or tramway undertaking or any dock or harbour undertaking may place and maintain or cause to be placed and maintained on or near any road any traffic sign in pursuance of, or which is necessary or

expedient for the exercise of, any powers conferred upon them by any written law.

(5) After the appointed day no traffic sign other than a traffic sign lawfully placed in pursuance of this Part shall be placed on or near any road.

(6) For the purposes of this Act, any traffic sign existing on the appointed day which was lawfully placed on or near a road before the appointed day, and which complies as to size, colour and type with this section or with the provisions of any written law repealed by this Act, shall be deemed to have been lawfully placed in pursuance of this Part.

(7) Traffic signs other than notices in respect of the use of a bridge or traffic signs placed on or near any road in exercise of any powers conferred by subsection (2) or (3) shall be of the prescribed size, colour and type and shall if so, prescribed be illuminated by lighting or by the use of reflectors or reflecting material in such manner as is prescribed:

Provided that a traffic sign shall not be deemed to be unlawfully placed on or near a road by reason only of a failure to comply with this subsection if in the opinion of a court the deviation from the prescribed size, colour, type or illumination is of a trivial character.

(8) The Minister in relation to a Federal road, and the appropriate authority in relation to any other road, within the area of such authority, may by notice in writing, require the owner or occupier of any land on which there is any traffic sign or any object which so closely resembles a traffic sign that it might reasonably be taken to be such a sign or any advertisement or other structure which is so placed as to obscure any traffic sign from view or to distract the attention of drivers, to remove it or to cut down any tree or vegetation which is growing on such land in such a manner as to obscure any such sign, and if any person fails or neglects to comply with such notice, may effect such removal or cutting down doing as little

damage as may be and may recover as civil debt from the person in default the expense incurred in so doing:

Provided that this subsection shall not apply to any traffic sign placed on such land by the Minister or the appropriate authority or any public officer or authority acting in pursuance of any powers conferred by any written law.

(9) The Minister or the appropriate authority or any person acting under his or its authority may enter any land and exercise such other powers as may be necessary for the purpose of the exercise and performance of his or its powers and duties under this section:

Provided that unless with the consent of the occupier, no such entry shall be made into any dwelling house in actual occupation without twenty-four hours previous notice to such occupier or after sunset and before sunrise.

(10) In this Act, any reference to the placing of traffic signs shall include a reference to the display in any manner whether or not involving fixing or placing.

(11) Any person wilfully damaging, defacing, altering, removing or tampering with any traffic sign which is lawfully placed in pursuance of this Part shall be guilty of an offence and shall on conviction be liable to a fine not exceeding five hundred ringgit.

(12) Any person other than a person authorized under the provisions of this Part who places on or near any road any traffic sign or object which so closely resembles a traffic sign that it might reasonably be taken to be such a sign, or who places on or near any road any sign or advertisement in such manner as to obscure from view any traffic sign lawfully placed in pursuance of this Part shall be guilty of an offence and shall on conviction be liable to a fine not exceeding five hundred ringgit.

Power to set up roadblocks

78. (1) Notwithstanding anything contained in any other law, any police officer in uniform authorized in writing by a senior police officer of the rank of Inspector and above, including a probationary Inspector, or any road transport officer in uniform authorized in writing by the Director, may, if he considers it necessary so to do for the enforcement of this Act, erect or place or cause to be erected or placed any barrier as prescribed on or across any road in such manner as he may think fit; and any such officer may take all reasonable measures to prevent any vehicle from being driven past any such barrier, including any measure to pursue and stop any such vehicle where, having regard to the attendant circumstances at a given moment of time, it is apparent that if such measure is not taken the escape

of such vehicle to avoid detection or otherwise is likely to be imminent.

(2) Any person who fails to comply with any reasonable signal of a police officer in uniform or a road transport officer in uniform requiring such person or vehicle to stop before reaching any such barrier or attempts to cross or knock any such barrier, shall be guilty of an offence and shall on conviction be liable to a fine not exceeding two thousand ringgit or to imprisonment for a term not exceeding six months or to both.

(3) No officer shall be liable for any loss, injury or damage caused to any person or property consequent upon his taking the steps mentioned in subsection (1).

Penalties for neglect of traffic directions and signs

79. (1) Where a police officer in uniform, a road transport officer in uniform or a traffic warden in uniform, is for the time being engaged in regulating traffic on a road, notwithstanding that any traffic sign has been lawfully placed on or near that road, any person driving or propelling any vehicle who fails or neglects to stop the vehicle or to make it proceed in or keep to a particular line of traffic when directed so to do by such police officer, road transport officer or traffic warden, shall be guilty of an offence and shall on conviction be liable to a fine of not less than three hundred ringgit and not more than two thousand ringgit.

(2) Subject to subsection (1) and section 76A, where any traffic sign has been lawfully placed on or near any road, any pedestrian or any person driving or propelling any vehicle, who fails or neglects to

conform to the indication given by the sign, shall be guilty of an offence and shall on conviction be liable to a fine of not less than three hundred ringgit and not more than two thousand ringgit.

(3) In any proceedings for an offence against this section, in so far as it is necessary in order to establish the offence charged, it shall be presumed until the contrary is proved that such sign was lawfully placed under the provisions of section 77.

Ropes, etc., across road

80. Any person who for any purpose places or causes to be placed any road hump or any rope, wire, chain, tackle or similar apparatus across a road or any part thereof in such a manner as to be likely to cause danger to persons or damage to vehicles using the road shall, unless he proves that he had a lawful right so to do and that he had taken all necessary means to give adequate warning of the danger, be guilty of an offence and shall on conviction be liable to a fine not exceeding two

thousand ringgit or to imprisonment for a term not exceeding six months or to both.

Restriction on competitions and speed trials

81. (1) No competition or trial of speed involving the use of vehicles shall take place on a road without the previous written authority of the Minister in relation to a Federal road, or the appropriate authority in relation to a road other than a Federal road, within the area of such authority.

(2) Any person who promotes, advertises or assists in the management or supervision of any competition or trial of speed which has not been so approved, shall be guilty of an offence and shall on conviction be liable to a fine not exceeding two thousand ringgit or to imprisonment for a term not exceeding six months or to both.

(3) Any person who takes part in, or any driver or person in charge of any vehicle used in any competition or trial of speed which has not been so approved, shall be guilty of an offence, and shall -

(a) in the case of a first conviction, be liable to a fine not exceeding two thousand ringgit or to imprisonment for a term not exceeding six months or to both and if the court thinks fit to order, shall be disqualified from holding or obtaining a driving licence for a period of time not exceeding one year;

(b) in the case of a second or subsequent conviction, be liable to a fine not exceeding five thousand ringgit or to imprisonment for a term not exceeding one year or to both, and if the court thinks fit to order, shall be disqualified from holding or obtaining a driving licence for a period of time not exceeding three years.

(4) Any police officer may arrest without warrant any person committing an offence under subsection (3) and may seize and detain for the purposes of proceedings under this Act, any vehicle used in any competition or trial of speed which has not been so approved.

Forfeiture of vehicles used in competitions and speed trials

82. (1) Where a motor vehicle has been seized by the police under subsection 81(4), and it is proved to the satisfaction of a court that such vehicle has been used in the commission of a second or subsequent offence under subsection 81(3), the court may, on the written application of the Public Prosecutor, make an order for the forfeiture of the vehicle, notwithstanding that no person has been convicted of that offence:

Provided that a copy of the written application of the Public Prosecutor shall be served on the registered owner or any other claimant whose name is endorsed in the registration certificate of such motor vehicle.

(2) An order for the forfeiture or for the release of a vehicle liable to forfeiture under this section, may be made by the court before which the prosecution in respect of a second or subsequent offence under subsection 81(3), has been or will be held.

(3) If there is no prosecution in respect of a second or subsequent offence under subsection 81(3), a notice in writing shall be given to the owner of the vehicle seized under subsection 81(4), if known, that he or his agent authorized in writing may, within one month from the date of the notice, establish his claim to the vehicle and if no claim is made within that period, the vehicle seized shall be forfeited.

(4) Where the owner of the vehicle seized under subsection 81(4) is not known, a notice in the *Gazette* shall be given specifying that such vehicle has been seized and calling upon any person who may have a claim thereto, within one month from the date of such notice, to appear and establish his claim and that if the vehicle is not claimed within the specified period, the vehicle shall be forfeited.

(5) Upon receipt of a claim under subsection (3) or (4) the Chief Police Officer may direct that such vehicle be released.

(6) Any person aggrieved by the decision of a Chief Police Officer under subsection (5) may appeal to the Minister whose decision shall be final.

(7) No person shall in any proceedings in any court, in respect of the seizure of any vehicle under subsection 81(4), be entitled to the costs of such proceedings or to any damages or other relief, other than an order for the return of such vehicle, unless such seizure was made without reasonable or probable cause.

Power to erect refuges, subways and footbridges

83. The appropriate authority, with the approval of the Minister charged with the responsibility for works, in relation to a Federal road, may -

- (a) for the purposes of protecting traffic along a road from danger, or of making the crossing of any road less dangerous to pedestrians, erect, light, maintain, alter and remove places of refuge in the road, construct, maintain, alter and remove road humps on the road and construct, light, maintain, alter, remove and temporarily close subways under the road or footbridges for the use of pedestrians;

- (b) whenever it considers necessary or desirable for the safety or accommodation of pedestrians, provide proper and sufficient footpaths by the side of roads under its control; and
- (c) whenever it considers necessary or desirable for the safety or accommodation of ridden horses and driven livestock, provide adequate grass or other margins by the side of the roads under its control.

Power to remove structures from roads

84. (1) Where any structure has been erected or set up on or over a road or on or over a road reserve otherwise than under any written law, the Minister charged with the responsibility for works (in this section hereinafter referred to as “Minister”) in relation to a Federal road or of any road reserve bordering on a Federal road, and the appropriate authority in relation to any other road or road reserve, within the area of such authority, may by notice in writing, require the person having control or possession of the structure to remove it within such period as may be specified in the notice or within such extended period as the Minister or appropriate authority, as the case may be, issuing the notice may allow.

(2) If any structure in respect of which a notice has been served under this section is not removed within the time specified in the notice, the Minister or the appropriate authority may remove the structure:

Provided that the power of the Minister or the appropriate authority under this subsection shall not be exercised until the expiration of one month after the date of the service of the notice.

(3) Notwithstanding subsections (1) and (2), where there is a likelihood of immediate danger to traffic arising from any structure referred to in subsection (1), the Minister or the appropriate authority, as the case may be, may take such action as is necessary to remove such structure without giving notice to any person.

(4) Where any structure has been removed by the Minister or the appropriate authority under this section, and the expenses of the removal and detention of the structure have not been paid within one week after the date of such removal, the Minister or the appropriate authority may, after giving one month's notice in writing to the person having control or possession of the structure immediately before such removal, sell by public auction or otherwise dispose of such structure; and any proceeds from such sale or disposal shall be applied in payment of the expenses of such removal and detention and any surplus shall be paid to the person having the control or possession of the structure immediately before such removal or shall, if not claimed by such person within three months after the date

of the sale or disposal, be forfeited to the revenue of the Federal Government or the appropriate authority, as the case may be.

(5) Nothing in subsection (4) shall prohibit -

- (a) the disposal as the Minister or the appropriate authority may think fit of any fish, meat, fruit, vegetable or other perishable goods, if any, removed together with the structure, and any proceeds from such disposal shall be applied in the same manner as hereinbefore provided in respect of proceeds from the sale or disposal of the structure; or
- (b) the recovery as a civil debt of the whole or part of the expenses of removal or detention from the person having the control or possession of the structure immediately before such removal.

(6) Notice under subsection (1) may be served either personally or by post or by affixing it to the structure to which the notice relates.

(7) In this section, the expression "structure" includes any machines, pumps, posts and such other objects as are capable of causing obstruction or of endangering traffic.

Construction of access and drains and laying of public utility installations to existing roads

85. (1) No person shall -

- (a) construct any access road (including paths, driveways or other means of access, whether public or private) to join any road;
- (b) construct a drain to join a drain constructed alongside a road;
- (c) carry out any works of any description in, upon, over or under any road,

unless plans containing details of the layout (including such particulars as may be prescribed) have been submitted to and approved by the Minister charged with the responsibility for works in relation to a Federal road, or the appropriate authority in relation to a road other than a Federal road, and the Minister or the appropriate authority, as the case may be, may refuse such application or allow it on such conditions as he or it may impose.

(2) Where in the opinion of the Minister or the appropriate authority there is -

- (a) a likelihood of danger to traffic;
- (b) any flooding, interference or obstruction; or

(c) any failure to comply with any conditions imposed under subsection (1), in the course of, or arising from any works referred to in subsection (1), the Minister or the appropriate authority may, by notice in writing, require the person to whom approval was granted or the occupier of the premises or land, as the case may be, to take such appropriate action as is necessary to remove the danger or to remove any interference, obstruction or to stop up any drain or to comply with the conditions imposed within the time specified in the notice, failing which the Minister or the appropriate authority may take such actions as are necessary to discontinue the danger or flooding, interference or obstruction or to ensure compliance with the conditions imposed.

(3) Subject to subsection (6), it shall be lawful for the Minister or the appropriate authority, as the case may be, by notice in the *Gazette*, to require the closure or diversion of or alterations to be made to any access road (whether constructed before or after the commencement of this Act).

(4) Where any action has been taken by the Minister or the appropriate authority under subsection (2) or (3), the expenses incurred and certified in writing by the Minister or the appropriate authority in taking such action shall be a debt due to the Government, or the appropriate authority, as the case may be, by the person to whom approval was granted or the occupier of the premises or land and may be deducted from such security deposit paid to the Minister or the appropriate authority as a condition for carrying out the works referred to in subsection (1).

(5) Where any works under subsection (1) has been executed and it is found that the works were executed for the purpose of making any direct connection of any public utility to any premises or for joining a drain to one constructed alongside a road for the purpose of drainage of the land on which the first mentioned drain was constructed the occupier of the premises or land shall be deemed to be the person carrying out such works for the purpose of this section.

(6) Where as a result of a notice issued by the Minister or the appropriate authority under subsection (3) an access road existing at the time of the issuance of the notice will be totally closed and there will be no alternative access road, the Minister or the appropriate

authority, as the case may be, shall, prior to the closure, provide an alternative access road:

Provided that where an alternative access road cannot be provided or cannot be provided without incurring unreasonable amount of expenditure, the land so

affected shall be acquired in accordance with any existing law relating to compulsory acquisition and such acquisition shall be deemed to be for a public purpose.

(7) Any person who contravenes subsection (1) or fails to comply with such conditions as may be imposed in a permit issued under that subsection shall be guilty of an offence and shall on conviction be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding one year:

Provided that any punishment imposed under this subsection shall not affect any civil liability of the person to whom approval was granted or the occupier of the premises or land.

(8) The Minister or the appropriate authority, as the case may be, may make rules to regulate and control the carrying out or construction of any of the works referred to in subsection (1).

Construction of structures for advertisement, etc.

85A. (1) The Minister charged with the responsibility for works (in this section hereinafter referred to as “Minister”) in relation to any road reserve bordering on a Federal road or the appropriate authority in relation to any other road reserve, within the area of such authority, may, subject to subsection (2), if the road reserve is for the time being not being used for the purpose for which it is reserved, grant a right of occupation of the whole or any part of the road reserve to any person for the purpose of erecting structures for advertisement or other public announcement for such duration and on such terms and conditions, including occupancy charges, as the Minister or the appropriate authority may determine.

(2) No such right of occupation may be granted unless plans containing details of the layout of the structure (including such particulars as may be prescribed) have been submitted to and approved by the Minister or the appropriate authority, as the case may be, who may require the payment of security deposit and the purchase of public liability insurance, of such sum as the Minister or the appropriate authority thinks fit, by the applicant as part of the condition for the approval.

(3) The Minister or the appropriate authority, as the case may be, may make rules to regulate and control the construction of the structures.

Restriction of vehicles on bridges

86. (1) Where the Minister charged with the responsibility for works in relation to a bridge on a Federal road, or the appropriate authority in relation to any other bridge, within the area of such authority, is satisfied that the bridge is insufficient -

- (a) to carry a vehicle the weight of which exceeds a certain maximum weight;
- (b) to carry a vehicle the axle weight of which exceeds a certain maximum axle weight; or
- (c) to carry a vehicle the weight or the axle weight respectively of which exceeds a certain maximum weight when traveling at more than a certain maximum speed, he or it may, by a conspicuous notice placed in a proper position at each end of the bridge, prohibit the use of the bridge, as the case may be, by a vehicle weighing more than the weight specified in such notice, or by a vehicle the axle weights of which are more than the axle weight specified in such notice when travelling at more than a speed specified in the notice.

(2) For the purposes of this section -

- (a) “axle weight” means the weight transmitted to any strip of the surface upon which the vehicle rests contained between any two parallel lines drawn 0.6 metre apart on that surface at right angles to the longitudinal axis of the vehicle;
- (b) “placed in a proper position” means placed in such a position either at or near the bridge or on or near the road leading to the bridge so as to be visible at a reasonable distance to the drivers of vehicles approaching the bridges;
- (c) “weight” means the actual weight of the vehicle at the time, including the weight of every person and thing carried on it or by it, and for the purposes of this paragraph, a vehicle and any trailer drawn thereby shall be deemed to be a single vehicle.

(3) If a vehicle is driven on or across a bridge in contravention of this section, any person who so drives it, or causes or permits it to be so driven shall, without prejudice to any civil liability incurred by him in the case of damage being caused to the bridge or otherwise, be guilty of an offence and shall on conviction be liable to a fine not exceeding two thousand ringgit or to imprisonment for a term not exceeding six months or to both.

(4) If in any proceedings under this section the prosecutor satisfies the court that there are reasonable grounds for believing that the weight of the vehicle exceeded the maximum weight specified in the notice, or that any axle weight of the vehicle exceeded the maximum axle weight so specified, the burden shall lie on the defendant to prove that the weight of the vehicle, or every axle weight of the vehicle, as the case may be, did not exceed such maximum weight or maximum axle weight.

(5) Where the maximum permissible laden weight of any vehicle is indicated by marks placed thereon in accordance with any written law for the time being in force, the weight of that vehicle shall be taken to be not less than the weight so indicated, unless the person charged with an offence under this section proves, to the satisfaction of the court, that at the time of passing over the bridge the weight of that vehicle was some lesser weight.

Provisions as to extraordinary traffic

87. Whereas respects any road it appears that, having regard to the average expense of repairing that road or other similar roads in the neighbourhood, extraordinary expenses have been incurred in repairing that road by reason of the damage caused by excessive weight passing along that road or by other extraordinary traffic thereon, the Government or the appropriate authority which has incurred such expenses may recover from any person by or in consequence of whose order or act the traffic has been carried on or conducted, or from the owner of the vehicles constituting the traffic, the amount of such expenses as may be proved to the satisfaction of the court having cognizance of the case to have been incurred by reason of damage arising from such extraordinary weight or traffic.

Rules

88. (1) The Minister may make rules for any purpose for which rules may be made under this Part and for prescribing anything which may be prescribed under this Part, and generally for the purpose of carrying this Part into effect and for regulating traffic on roads and relieving congestion and facilitating the providing for the safety of road users and, without prejudice to the generality of the foregoing provisions, may make rules -

- (a) for regulating the number and nature of brakes, including skid pans and locking chains in the case of vehicles drawn by horses or cattle, of any class or description of vehicles when used on roads and for securing that such brakes shall be efficient and kept in proper working order and for empowering persons authorized under the rules to test and inspect any

such brakes, whether on a road or elsewhere;

- (b) to prohibit the use on roads or on any particular class of roads or on any particular road of any wheels, tracks or tyres of a kind likely to cause damage to such roads;
- (c) to prohibit any class or description of vehicles, or any pedestrians to be on or to travel along any part of any road;
- (d) for prescribing the appliances to be fitted to bicycles, electric bicycles, tricycles or trishaws (not being motor vehicles) for signalling their presence when used on roads, and for securing that the riders of such vehicles shall by means of such appliances give sufficient warning of their presence;
- (e) for prescribing the conditions subject to which, and the times at which, articles of exceptionally heavy weight or exceptionally large dimensions may be carried on roads;
- (f) for prescribing the manner in which vehicles used on roads shall be loaded and the precautions to be taken for ensuring the safety of the public in connection therewith;
- (g) for prescribing the conditions subject to which, and the times at which, goods may be loaded onto or unloaded from vehicles or vehicles of any particular class or description on roads;
- (h) for prescribing rules as to the precedence to be observed as between traffic proceeding in the same direction, or in opposite directions, or when crossing;
- (i) for prescribing the conditions subject to which, and the times at which, animals may be led or driven on roads;
- (j) for prohibiting or prescribing the conditions subject to which vehicles, or vehicles of any particular class or description, may remain stationary or left unattended on any road, any particular class of roads or on any particular road;
- (k) for prohibiting animals from being on or being left unattended or not under due control on roads or any particular class of roads or on any particular road;
- (l) for restricting the use of vehicles, animals and persons on public roads for the purpose of advertisement of such a nature, or in such a manner, as to be likely to be a source of danger or to cause obstruction to traffic;

- (m) for restricting and regulating the use on roads of vehicles engaged in the erection, placing, removal, alteration or repair of lamps, overhead cables and road or street works;
- (n) for restricting or prohibiting the washing of vehicles and animals on roads;
- (o) for prescribing the lights and reflectors to be carried on vehicles, or on vehicles of any particular class or description when such vehicles are being used on roads, and prescribing the nature of such lights and reflectors, the position in which, and the colour of the background on which, they shall be fixed and the period during which any lights so carried shall be lit;
- (p) for prescribing the number of persons who may be carried upon pedal bicycles, electric bicycles, pedal tricycles or trishaws on roads and the manner in which they may be carried;
- (q) for prescribing the size, colour and type of traffic signs to be placed on or near roads;
- (r) for requiring drivers and persons in charge of motor vehicles and vehicles to drive and use such vehicles, and persons using roads to use such roads, in accordance with rules made under this Part, and to comply with all directions given to them by any police officer or traffic warden for the time being engaged in the regulation of traffic;
- (s) to require persons driving or being carried on motorcycles to wear protective helmets, and to specify the class or description of such motorcycles; to prescribe such protective helmets with reference to shape, construction, labelling, marking or any other quality, and to prohibit the sale, offer for sale, letting on hire, offer to let on hire or supply of helmets when they are not so prescribed:

Provided that no rules shall be made in respect of the matter specified in paragraphs (b), (c), (e), (i), (j), (k), (m), (n) and (q) without the consultation of the Minister charged with the responsibility for works.

Provided further that no rules shall be made in respect of the matter specified in paragraphs (e), (g) and (h) in relation to operators of public service vehicles service, tourism vehicles services and goods vehicles service licensed under the Land Public Transport Act 2010.

(2) The Minister charged with the responsibility for works in relation to a Federal road, may make rules to prohibit any person from using a road in such a manner as to be likely to affect its cleanliness.

(3) Rules under this section may provide for the revocation of any rules or by-laws dealing with the same subject matter as the rules and for suspending, whilst the rules remain in force, any power of making any such rules or by-laws.

(4) Rules under this section may exempt or may confer upon any officer or authority, including any local authority, power to exempt from the provision of any rule made under this section any person or class or description of persons or any vehicles or class or description of vehicles.

PART IV

PROVISIONS AGAINST THIRD PARTY RISKS ARISING OUT OF THE USE OF MOTOR VEHICLES

Interpretation

89. In this Part, unless the context otherwise requires -

“authorized insurer” means a person lawfully carrying on motor vehicle insurance business in Malaysia who is a member of the Motor Insurers’ Bureau;

“Motor Insurers” Bureau means the Motor Insurers’ Bureau which has executed an agreement with the Minister of Transport to secure compensation to third party victims of road accidents in cases where such victims are denied compensation by the absence of insurance or of effective insurance;

“policy of insurance” includes a cover note.

Motor vehicle users to be insured against third party risks

90. (1) Subject to this Part, it shall not be lawful for any person to use or to cause or permit any other person to use, a motor vehicle unless there is in force in relation to the user of the motor vehicle by that person or that other person, as the case may be, such a policy of insurance or such a security in respect of third party risks as complies with the requirements of this Part.

(2) If a person acts in contravention of this section he shall be guilty of an offence and shall on conviction be liable to a fine not exceeding one thousand ringgit or to imprisonment for a term not exceeding three months or to both and a person convicted of an offence under this section shall, unless the court for special reasons to be specified in the order thinks fit to order otherwise and without prejudice to the power of the court to order a longer period of disqualification, be disqualified from holding or obtaining a driving licence under Part II for a period of twelve months from the date of the conviction.

(3) A person disqualified by virtue of a conviction under this section or of an order made thereunder from holding or obtaining a driving licence shall, for the purposes of Part II, be deemed to be disqualified by virtue of a conviction under the provisions of that Part:

Provided that a person shall not be convicted of an offence against this section if he proves-

- (a) that the vehicle did not belong to him and was not in his possession under a contract of hiring or loan;
 - (b) that he was using such vehicle in the course of his employment; and
 - (c) that he neither knew, nor had reason to believe, that there was not in force in relation to such user a policy of insurance or such security as complies with the provisions of this Part.
- (4) Notwithstanding any written law prescribing a time within which proceedings may be brought before a court, proceedings for an offence under this section may be brought -

- (a) within a period of six months from the date of the commission of the alleged offence; or
- (b) within a period, which exceeds neither three months from the date on which it came to the knowledge of the prosecutor that the offence had been committed nor one year from the date of the commission of the offence, whichever period is the longer.

(5) This section shall not apply -

- (a) to a vehicle owned by -
 - (i) any Government in Malaysia;
 - (ii) the Government of the Republic of Singapore;
 - (iii) a Municipality or other local authority approved by the Minister charged with the responsibility for local government except to a public service vehicle, other than an employee's vehicle; or
 - (iv) a public body,

whilst the vehicle is being used for the purpose of any such Government, Municipality or other local authority or public body owning the same;

- (b) to any motor vehicle at any time when it is being driven for police purposes by or under the direction of a police officer; or on a journey to or from

any place undertaken for salvage purposes pursuant to Part X of the Merchant Shipping Ordinance 1952 [*Ord. No. 70 of 1952*];

(c) to any motor vehicle at any time when it is being driven by or under the direction of a road transport officer for the purpose of examining or testing the mechanism of the motor vehicle or of testing the ability of a person to control or to drive a motor vehicle in connection with an application for a licence to drive a motor vehicle; or

(d) to a motor vehicle in respect of which the registered owner has deposited with the Accountant General the sum of one hundred and twenty-five thousand ringgit at any time when such motor vehicle is being driven by the registered owner or by his servant in the course of his employment, or is otherwise subject to the control of the registered owner.

Requirements in respect of policies

91. (1) In order to comply with the requirements of this Part, a policy of insurance must be a policy which -

- (a) is issued by a person who is an authorized insurer within the meaning of this Part; and
- (b) insures such person, or class of persons as may be specified in the policy in respect of any liability which may be incurred by him or them in respect of the death of or bodily injury to any person caused by or arising out of the use of the motor vehicle or land implement drawn thereby on a road:

Provided that such policy shall not be required to cover -

- (aa) liability in respect of the death arising out of and in the course of his employment of a person in the employment of a person insured by the policy or of bodily injury sustained by such a person arising out of and in the course of his employment; or
- (bb) except in the case of a motor vehicle in which passengers are carried for hire or reward or by reason of or in pursuance of a contract of employment, liability in respect of the death of or bodily injury to persons being carried in or upon or entering or getting onto or alighting from the motor vehicle at the time of the occurrence of the event out of which the claims arise; or
- (cc) any contractual liability.

(2) (a) Where any payment is made (whether or not with any admission of liability) by -

- (i) an authorized insurer under or in consequence of a policy issued under this Act;
- (ii) the owner of a motor vehicle in relation to the user of which a security under section 93 is in force; or
- (iii) the owner of a motor vehicle who has made a deposit under paragraph 90(5)(d),

in respect of the death of or bodily injury to any person arising out of the use of a motor vehicle on a road, and the person who has so died or been bodily injured has to the knowledge of the authorized insurer or such owner, as the case may be, received treatment at a hospital, whether as an inpatient or as an outpatient, in respect of the injury so arising, there shall also be paid by the authorized insurer or such owner to such hospital the expenses reasonably incurred by the hospital in affording such treatment, after deducting from such expenses any moneys actually received by the hospital in payment of a specific charge for such treatment:

Provided that the amount to be paid by the authorized insurer or such owner shall not exceed four hundred ringgit for each person so treated as an inpatient or forty ringgit for each person so treated as an outpatient.

(b) For the purposes of this subsection, the expression “hospital” means an institution (not being an institution carried on for profit) which provides medical or surgical treatment for inpatients and the expression “expenses reasonably incurred: means -

- (i) in relation to a person who receives treatment at a hospital as an inpatient, an amount for each day such person is maintained in such hospital representing the average daily cost for each inpatient of the maintenance of the hospital and the staff thereof and the maintenance and treatment of the inpatients; provided that in respect of a Government hospital which admits paying patients, “expenses reasonably incurred” means the amount chargeable to a member of the general public, in a ward of the class occupied by the person who received treatment, in accordance with the scale of fees from time to time in force at such hospital; and
- (ii) in relation to a person who receives treatment at a hospital as an outpatient, reasonable expenses actually incurred.

(3) Notwithstanding anything in any written law, a person issuing a policy of insurance under this section shall be liable to indemnify the person or class of persons specified in the policy in respect of any liability which the policy purports to cover in the case of that person or class of persons.

(4) A policy shall be of no effect for the purposes of this Part unless and until there is delivered by the insurer to the person by whom the policy is effected a certificate (in this Act referred to as a "certificate of insurance") in the prescribed form and containing such particulars of any conditions subject to which the policy is issued and of any other matters as may be prescribed, and different forms and different particulars may be prescribed in relation to different cases or circumstances.

Furnishing of returns and information by insurers

92. The Minister may require any authorized insurer to furnish such returns and information relating to the motor vehicle insurance business carried on by the insurer as the Minister may require.

Requirements in respect of securities

93. (1) In order to comply with the requirements of this Part, a security must -

- (a) be given either by an authorized insurer or by some body of persons approved by the Minister after consultation with the Minister of Finance, which carries on in Malaysia the business of giving securities of a like kind; and
- (b) consist of an undertaking by the giver of the security to make good, subject to any conditions specified therein and up to an amount, in the case of an undertaking relating to the use of public service vehicles, of not less than two hundred and twenty-five thousand ringgit, and in any other case, of not less than forty thousand ringgit, any failure by the owner of the vehicle or such other person or class of persons as may be specified in the security to discharge any such liability as is required to be covered by a policy of insurance under section 91 which may be incurred by him or by them.

(2) A security shall be of no effect for the purpose of this Part unless there is issued by the person giving the security to the person to whom it is given a certificate (in this Act referred to as a "certificate of security") in the prescribed form and containing such particulars of any conditions subject to which the security is issued and of any other matters as may be prescribed, and different forms and different particulars may be prescribed in relation to different cases or circumstances.

Certain conditions in policies or securities to be of no effect

- 94.** Any condition in a policy or security issued or given for the purposes of this Part providing that no liability shall arise under the policy or security or that any liability so arising shall cease in the event of some specified thing being done or omitted to be done after the happening of the event giving rise to a claim under the policy or security shall be of no effect in connection with such claims as are mentioned in paragraph 91(1)(b):

Provided that nothing in this section shall be taken to render void any provision in a policy or security requiring the person insured or secured to repay to the insurer or the giver of the security any sums which the latter may have become liable to pay under the policy or security and which have been applied to the satisfaction of the claims of third parties.

Avoidance of restrictions on scope of third party risks policies

- 95.** Where a certificate of insurance has been delivered under subsection 91(4) to the person by whom a policy has been effected, so much of the policy as purports to restrict the insurance of the persons insured by reference to any of the following matters:

- (a) the age or physical or mental condition of persons driving the motor vehicle;
- (b) the condition of the motor vehicle;
- (c) the number of persons that the motor vehicle carries;
- (d) the weight or physical characteristics of the goods that the motor vehicle carries;
- (e) the times at which or the areas within which the motor vehicle is used;
- (f) the horsepower or value of the motor vehicle;
- (g) the carriage on the motor vehicle of any particular apparatus;
- (h) the carriage on the motor vehicle of any particular means of identification other than any means of identification required to be carried under Part II;
- (i) the driver of the motor vehicle at the time of the accident being under the influence of intoxicating liquor or of a drug;
- (j) the driver of the motor vehicle at the time of the accident not holding a licence to drive or not holding a licence to drive the particular motor vehicle;

- (k) the motor vehicle being used for a purpose other than the purpose stated in the policy, shall, as respects such liabilities as are required to be covered by a policy under paragraph 91(1)(b), be of no effect:

Provided that nothing in this section shall require an insurer to pay any sum in respect of the liability of any person otherwise than in or towards the discharge of that liability, and any sum paid by an insurer in or towards the discharge of any liability of any person which is covered by the policy by virtue only of this section shall be recoverable by the insurer from that person.

Duty of insurers to satisfy judgements against persons insured in respect of third-party risks

96. (1) If, after a certificate of insurance has been delivered under subsection 91(4) to the person by whom a policy has been effected, judgement in respect of any such liability as is required to be covered by a policy under paragraph 91(1)(b) (being a liability covered by the terms of the policy) is given against any person insured by the policy, then notwithstanding that the insurer may be entitled to avoid or cancel, or may have avoided or cancelled the policy, the insurer shall, subject to this section, pay to the persons entitled to the benefit of the judgement any sum payable in respect of the liability, including any amount payable in respect of costs and any sum payable in respect of interest on that sum by virtue of any written law relating to interest on judgements.

(2) No sum shall be payable by an insurer under subsection (1) -

- (a) in respect of any judgement, unless before or within seven days after the commencement of the proceedings in which the judgement was given, the insurer had notice of the proceedings;
- (b) in respect of any judgement, so long as execution is stayed pending an appeal; or
- (c) in connection with any liability, if before the happening of the event which was the cause of the death or bodily injury giving rise to the liability the policy was cancelled by mutual consent or by virtue of any provision contained therein and either -
 - (i) before the happening of the said event the certificate was surrendered to the insurer or the person to whom the certificate was delivered made a statutory declaration stating that the certificate had been lost or destroyed;

- (ii) after the happening of the said event, but before the expiration of a period of fourteen days from the taking effect of the cancellation of the policy, the certificate was surrendered to the insurer or the person to whom the certificate was delivered made such a statutory declaration as aforesaid; or
- (iii) either before or after the happening of the said event, but within the said period of fourteen days, the insurer has commenced proceedings under this Part in respect of the failure to surrender the certificate.

(3) No sum shall be payable by an insurer under subsection (1) if before the date the liability was incurred, the insurer had obtained a declaration from a court that the insurance was void or unenforceable:

Provided that an insurer who has obtained such a declaration as aforesaid in an action shall not become entitled to the benefit of this subsection as respects any judgement obtained in proceedings commenced before the commencement of that action unless, before or within seven days after the commencement of that action, he has given notice to the person who is the plaintiff in the said proceedings specifying the grounds on which he proposes to rely, and any person to whom notice of such an action is so given shall be entitled if he thinks fit to be made a party thereto.

(4) If the amount which an insurer becomes liable under this section to pay in respect of a liability of a person insured by a policy exceeds the amount for which he would, apart from this section, be liable under the policy in respect of that liability, he shall be entitled to recover the excess from that person.

(5) In this section, the expression “material” means of such a nature as to influence the judgement of a prudent insurer in determining whether he will take the risks, and if so at what premium and on what conditions, and the expression —liability covered by the terms of the policyll means a liability but for the fact that the insurer is entitled to avoid or cancel or has avoided or cancelled the policy.

(6) In this Part, reference to a certificate of insurance in any provision relating to the surrender or the loss or destruction of a certificate of insurance shall, in relation to policies under which more than one certificate is issued, be construed as references to all the certificates and shall, where any copy has been issued of any certificate, be construed as including a reference to that copy.

Rights of third parties against insurers

97. (1) Where under any policy issued for the purposes of this Part, a person (hereinafter referred to as “the insured”) is insured against liabilities to third parties which he may incur then -

- (a) in the event of the insured becoming bankrupt or making a composition or arrangement with his creditors; or
- (b) in the case of the insured being a company, in the event of a winding-up order being made or a resolution for a voluntary winding-up being passed with respect to the company or of a receiver or manager of the company’s business or undertaking being appointed or of possession being taken by or on behalf of the holders of any debentures secured by a floating charge on any property comprised in or subject to the charge,

if either before or after that event any such liability as aforesaid is incurred by the insured, his rights against the insurer under the policy in respect of the liability shall, notwithstanding anything in any written law to the contrary, be transferred to and vest in the third party to whom the liability was so incurred.

(2) Where an order is made under any written law relating to bankruptcy for the administration in bankruptcy of the estate of a deceased debtor then if any debt provable in bankruptcy is owing by the deceased in respect of a liability against which he was insured under a policy issued for the purposes of this Part as being a liability to a third party, the deceased debtor’s rights against the insurer under the policy in respect of that liability shall, notwithstanding anything in any such law expressed, be transferred to and vest in the person to whom the debt is owing.

(3) Any condition in a policy issued for the purposes of this Part purporting directly or indirectly to avoid the policy or to alter the rights of the party thereunder upon the happening to the insured of any of the events specified in paragraph (1)(a) or (b) or upon the making of an order under any written law relating to bankruptcy in respect of his estate, shall be of no effect.

(4) Upon a transfer of rights under subsection (1) or (2), the insurer shall, subject to the provisions of section 99, be under the same liability to the third party as he would have been under to the insured but -

- (a) if the liability of the insurer to the insured exceeds the liability of the insured to the third party, nothing in this Act shall affect the rights of the insured against the insurer in respect of the excess; and

(b) if the liability of the insurer to the insured is less than the liability of the insured to the third party, nothing in this Act shall affect the rights of the third party against the insured in respect of the balance.

(5) For the purposes of this section and sections 98 and 99, the expression “liabilities to third parties” in relation to a person insured under any policy of insurance shall not include any liability of that person in the capacity of insurer under some other policy of insurance.

(6) This section and sections 98 and 99 shall not apply -

(a) where a company is wound up voluntarily merely for the purposes of reconstruction or of amalgamation with another company; or

(b) to any case to which subsections 21(1) and (2) of the Workmen's Compensation Act 1952 [Act 273], apply.

Duty to give necessary information to third parties

98. (1) Any person against whom a claim is made in respect of any such liability as is required to be covered by a policy under paragraph 91(1)(b) shall, on demand by or on behalf of the person making the claim, state whether or not he was insured in respect of that liability by any policy having effect for the purposes of this Part or would have been so insured if the insurer had not avoided or cancelled the policy and, if he was or would have been so insured, give such particulars with respect to that policy as were specified in the certificate of insurance delivered in respect thereof under subsection 91(4).

(2) In the event of any person becoming bankrupt or making a composition or arrangement with his creditors or in the event of an order being made under any law relating to bankruptcy in respect of the estate of any person or in the event of a winding up order being made or a resolution for a voluntary winding-up being passed with respect to any company or of a receiver or manager of the company's business or undertaking being appointed or of possession being taken by or on behalf of the holders of any debentures secured by a floating charge, on any property comprised in or subject to the charge it shall be the duty of the bankrupt debtor, personal representative of the deceased debtor or company and, as the case may be, of the Director General of Insolvency, trustee, liquidator, receiver or manager or person in possession of the property to give, at the request of any person claiming that the bankrupt debtor, deceased debtor or company is under a liability to him, such information as may reasonably be required by him for the purpose of ascertaining whether any rights have been transferred to and vested in him under this Act and for the purpose of enforcing such rights, if any, and any

contract of insurance in so far as it purports whether directly or indirectly to avoid the contract or to alter the rights of the parties thereunder upon the giving of any such information in the events aforesaid or otherwise to prohibit or prevent the giving thereof in the said events shall be of no effect.

(3) If the information given to any person in pursuance of subsection (2) discloses reasonable ground for supposing that there have or may have been transferred to him under this Act rights against any particular insurer that insurer shall be subject to the same duty as is imposed by the said subsection on the persons therein mentioned.

(4) The duty to give information imposed by this section shall include a duty to allow all contracts of insurance, receipts for premiums and other relevant documents in the possession or power of the person on whom the duty is so imposed to be inspected and copies thereof to be taken.

(5) If without reasonable excuse any person fails to comply with this section or wilfully makes any false or misleading statement in reply to any such demand as aforesaid, he shall be guilty of an offence.

Settlement between insurers and insured persons

99. Where a person who is insured under a policy issued for the purposes of this Part has become bankrupt or where, in the case of such insured person being a company, a winding-up order has been made or a resolution for a voluntary winding-up has been passed with respect to the company, no agreement made between the insurer and the insured after liability has been incurred to a third party and after the commencement of the bankruptcy or winding-up, as the case may be, nor any waiver, assignment or other disposition made by, or payment made to, the insurer after the commencement aforesaid, shall be effective to defeat or affect the rights transferred to the third party under this Act, but those rights shall be the same as if no such agreement, waiver, assignment, disposition or payment had been made.

Bankruptcy, etc., not to affect third party claims

100. Where a certificate of insurance has been delivered under subsection 91(4) to the person by whom a policy has been effected, the happening in relation to any person insured by the policy, of any such event as is mentioned in subsection 97(1) or (2) shall, notwithstanding anything contained in this Act, not affect any such liability of that person as is required to be covered by a policy under paragraph 91(1)(b) of this Act, but nothing in this section shall affect any rights

against the insurer conferred under sections 97, 98 and 99 on the person to whom the liability was incurred.

Further rights of third parties against insurer

101. (1) No settlement by an insurer in respect of any claim which might be made by a third party in respect of any such liability as is required to be covered by a policy under paragraph 91(1)(b) shall be valid unless such third party is a party to such settlement.

(2) A policy issued under this Part shall remain in force and available for third parties, notwithstanding the death of any person insured under paragraph 91(1)(b) as if such insured person were still alive.

Surrender of certificate on cancellation of policy

102. (1) Where a certificate of insurance has been delivered under subsection 91(4) to the person by whom a policy has been effected and the policy is cancelled by mutual consent or by virtue of any provision in the policy, the person to whom the certificate was delivered shall, within seven days from taking effect of the cancellation, surrender the certificate to the insurer or, if it has been lost or destroyed, make a statutory declaration to that effect, and if he fails so to do he shall be guilty of an offence.

(2) Where a policy has not been issued following the issue of a cover note, or a policy has been cancelled, transferred to another person or altered to cover the insured vehicle for use for a purpose other than that for which it was originally issued, it shall be the duty of the insurer to inform the Director by whom the vehicle insured by such policy or cover note was registered, and if he fails so to do he shall be guilty of an offence and shall on conviction be liable to a fine not exceeding three hundred ringgit.

Production of certificates

103. (1) It shall be the duty of the owner of a motor vehicle to give such information as he may be required by or on behalf of a Chief Police Officer or a Director to give the purpose of determining whether the motor vehicle was or was not being driven in contravention of section 90 on any occasion when the driver was required under section 58 to produce his certificate within five days, and if the owner fails so to do he shall be guilty of an offence.

(2) In this section, the expression "produce his certificate" means produce for examination the relevant certificate of insurance or certificate of security or such other evidence that the motor vehicle is not or was not being driven in

contravention of section 90 as may be prescribed.

Insurer to be notified of any occurrence

- 104.** It shall be the duty of the insured to notify the insurer as soon as possible of the occurrence of any event which may give rise to a claim under a policy.

Deposits

- 105.** If any sum is deposited by any person under or as a condition of approval by the Minister under section 91 or 93, no part of such sum shall, so long as any liabilities being such liabilities as are required to be covered by a policy of insurance under this Part which have been incurred by him have not been discharged or otherwise provided for, be applicable in discharge of any other liabilities incurred by him.

Application of this Part to securities

- 106.** This Part shall apply, in relation to securities having effect for the purposes of this Part, as they apply in relation to policies of insurance, and in relation to any such security as aforesaid, references in the said provisions to being insured, to a certificate of insurance, to an insurer and to persons insured shall be construed respectively as references to the having in force of the security, to the certificate of security, to the giver of the security and to the persons whose liability is covered by the security.

Rules

- 107.** The Minister may make rules for prescribing anything which may be prescribed under this Part and generally for the purpose of carrying this Part into effect, and in particular but without prejudice to the generality of the foregoing provisions may make rules -
- (a) to prescribe the forms to be used for the purposes of this Part;
 - (b) as to applications for and the issue of certificates of insurance and any other documents which may be prescribed, and as to the keeping of records of documents and the furnishing of particulars thereof, or the giving of information with respect thereto, to the Minister, a Chief Police Officer or the Director General;
 - (c) as to the issue of copies of any such certificates or other documents which are lost or destroyed;
 - (d) as to the custody, production, cancellation and surrender of any such certificates or other documents; and

- (e) for providing that any provisions of this Part shall, in relation to motor vehicles brought into Malaysia from a place outside Malaysia by persons making only a temporary stay in Malaysia, have effect subject to such modifications and adaptations as may be prescribed.

PART V

OFFENCES AND MISCELLANEOUS PROVISIONS

False statement

108. (1) If any person -

- (a) for the purpose of obtaining, under the provisions of any Part, the grant of any type or description of licence to himself or to any other person, or the variation of any such licence, or for the purpose of preventing the grant of or variation of any such licence, or of procuring the imposition of any conditions or limitation in relation to any such licence, makes any statement or declaration which to his knowledge is false or incorrect, either in whole or in part, or in any material respect misleading;
- (b) for the purpose of obtaining the issue of a certificate of insurance or certificate of security under Part IV, makes any statement which is false or misleading, or withholds any material information, unless he establishes, to the satisfaction of the court, that he acted without any intent to deceive;
- (c) furnishes any particulars or documents in connection with the registration or licensing of a motor vehicle or of a change in possession thereof, or in relation to a motor trade licence, which to his knowledge are false or in any material respect misleading;
- (d) in the course of giving evidence at any enquiry held under this Act, makes any statement which is false and which he either knows or believes to be false, or does not believe to be true;
- (e) makes any false entry in any book or record or makes any document containing a false statement, intending that such entry, or document or statement may appear or be given in evidence at an enquiry held under this Act; or
- (f) makes any entry in a record, register, certificate, or other document required to be issued, kept, maintained or furnished under this Act which is false or in any material respect misleading,

he shall be guilty of an offence and shall on conviction be liable to a fine not exceeding five thousand ringgit or to imprisonment for a term not exceeding one

year or to both.

(2) In any prosecution under this section, when it has been proved that any application, particulars, returns, account, document or written statement is false or incorrect in whole or in part or misleading in any material particular, it shall be presumed, until the contrary is proved, that such application, particulars, returns, account, document or written statement was false or incorrect or misleading in a material particular, as the case may require, to the knowledge of the person signing, delivering or supplying the same.

(3) If any person -

- (a) forges, alters, tampers with, defaces, mutilates, uses or lends to or allows to be used by any other person any mark, plate or document which is required by this Act to be carried or exhibited on a motor vehicle, or any registration certificate, licence, certificate of insurance or certificate of security under Part IV;
- (b) makes or has in his possession any mark, plate or document so closely resembling any such mark, plate or document as aforesaid as to be calculated to deceive;
- (c) alters any entry made in a certificate of insurance, certificate of security, registration certificate, register, licence or other document issued or kept under this Act;
- (d) issues a certificate of insurance or certificate of security which is false or incorrect, either in whole or in part, or in any material respect misleading;
- (e) exhibits on any motor vehicle any licence or identification mark, plate or document which has been altered, tampered with, defaced, mutilated or added to, or any imitation of a licence, mark, plate or document which is required under this Act to be carried or exhibited on a motor vehicle;
- (f) exhibits on any motor vehicle any licence or identification mark, plate or document which does not belong to such vehicle;
- (g) uses any forged, altered, defaced or mutilated driving licence, or licence to act as a driver or conductor of a public service vehicle, or any badge prescribed to be carried by such persons, or any licence to which an addition not authorized by this Act has been made;
- (h) alters, defaces, conceals or obliterates any endorsement on a driving licence or a licence to act as a driver or conductor of a public service vehicle;

- (i) prepares or maintains or authorizes the preparation or maintenance of false records that are required to be maintained under this Act; or
- (j) falsifies or authorizes the falsification of records that are required to be furnished under this Act,

he shall be guilty of an offence and shall on conviction be liable to a fine of not less than five thousand ringgit and not more than twenty thousand ringgit or to imprisonment for a term of not less than one year and not exceeding five years or to both.

(4) Subsection (3) shall, with all necessary modifications, apply in relation to a document evidencing the appointment of a road transport officer as they apply in relation to a licence.

(5) (a) If any police officer or road transport officer has reasonable cause to believe that a document carried on a motor vehicle, or any licence or certificate of insurance or certificate of security or registration certificate or record or other document produced to him in pursuance of the provisions of this Act by the driver of person in charge of a motor vehicle, is a document in relation to which an offence under this section has been committed, he may seize the document.

(b) For the purposes of this subsection, the expression —documentll shall include a plate or badge, and the expression —seizell shall include power to detach from the motor vehicle.

(6) In this section, the expressions “certificate of insurance” and “certificate of security” include any document issued under rules made by the Minister in pursuance of his power under Part IV to prescribe evidence which may be produced in lieu of a certificate of insurance or a certificate of security and the expression “ mark” includes the engine or chassis number of a motor vehicle.

Liability of registered owner and others

109. (1) For the purpose of any prosecution or proceedings under this Act, the registered owner of a motor vehicle shall be deemed to be the owner of that motor vehicle.

(2) Except where otherwise required by this Act, any act or omission by whoever was the driver of a motor vehicle at the material time, shall for the purpose of any prosecution or proceedings under this Act, be deemed to be the act or omission of the registered owner unless he satisfies the court that he took all reasonable steps and precautions to prevent such act or omission:

Provided that this subsection shall not apply to an act or omission of a person in

driving a motor vehicle in contravention of sections 41 to 49.

(3) In the event of any act or omission by whoever was the driver of a motor vehicle at the material time, which would have been an offence against this Act if committed by the registered owner, such driver shall also be guilty of that offence.

(3A) Where a licence holder is the registered owner of a motor vehicle used by any employee in the commission of an offence under section 41, 42, 43, 44, 45, or 45A and three or more offences under those sections or any combination of those sections have been committed within a period of three years in the course of such employment by the same employee, whether involving the same motor vehicle or otherwise, the licence holder shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than fifty thousand ringgit and not more than one hundred and fifty thousand ringgit.

(3B) Where a second or subsequent offence under subsection (3A) is committed within three years of a conviction under subsection (3A), the licence holder shall be liable to a fine of not less than one hundred thousand ringgit and not more than five hundred thousand ringgit.

(4) Where the registered owner is a body corporate, any person who at the time of the commission of such offence was a director, general manager, manager, secretary or other similar officer of the body corporate, or who was purporting to act in any such capacity, shall be deemed to be guilty of the offence unless he proves that the offence was committed without his consent or connivance, and that he exercised such diligence to prevent the commission of the offence as he ought to have exercised having regard to the nature of his functions in that capacity and to all the circumstances.

(5) For the purposes of this section, "licence holder" means -

(a) in respect of Peninsular Malaysia -

- (i) a person licensed as an operator of a public service vehicle service;
- (ii) a person issued with a tourism vehicles licence; or
- (iii) a person licensed as an operator of a goods vehicles service, under the Land Public Transport Act 2010; and

(b) in respect of Sabah and Sarawak -

- (i) a person issued with a public service vehicle licence for stage buses, charter buses, express buses, mini buses, employees' buses, feeder buses or school buses; or

- (ii) a person issued with a goods vehicle licence for carrier's licence "A" or carrier's licence "B",

under the Commercial Vehicles Licensing Board Act 1987

Penalty for obstruction and interference

- 110.** Any person who without lawful authority, by the placing of any vehicle, material or matter of any description on or near a road or by interfering with any drainage constructed alongside any road, obstructs or endangers traffic on the road shall be guilty of an offence and shall on conviction be liable to a fine not exceeding one thousand ringgit.

110A. *(Deleted by Act A1391).*

Abetment of offences

- 111.** (1) Whoever abets the commission of an offence against this Act shall be punishable with the punishment provided for the offence.

(2) Where a person is convicted of abetting the commission of an offence under subsection (1) (being an offence on conviction of which a driving licence granted under Part II might be suspended or endorsed or the defendant be disqualified from holding or obtaining such a licence) and it is proved that he was present in the motor vehicle at the time of the commission of the offence, the offence of which he is convicted shall, for the purposes of that Part relating to endorsements and suspension of licences and disqualifications from holding or obtaining licences, be deemed to be an offence in connection with the driving of a motor vehicle.

Powers of arrest, stopping and detention

- 112.** (1) A police officer, road transport officer or traffic warden may arrest without a warrant -

- (a) any person who has committed or is suspected of having committed an offence against section 41, 42, 44, 45, 45A or 50
- (b) any person, not being the driver of a motor vehicle, who within his view commits an offence against this Act other than an offence against any of the sections mentioned in paragraph (a):

Provided that such person shall not be arrested if he satisfies such officer as to his name and residence in Malaysia, and that he does not intend to abscond;

- (c) any person in charge of or driving a motor vehicle who has committed or is suspected of having committed an offence against this Act other than an offence against any of the sections mentioned in paragraph (a):

Provided that such person shall not be arrested if -

- (i) on the demand of such officer he produces his driving licence so as to enable the officer to ascertain the name and address of the holder of the licence, the date of issue and the authority by which it was issued; or
- (ii) not being the driver of a motor vehicle used for the carriage of passengers for hire or reward or for the carriage of goods, he gives the officer his name and a place of residence within Malaysia, unless such officer has reason to suspect that the name or address so ascertained or given is false.

(2) A police officer, road transport officer or traffic warden may require any person who appears to him to be or to have been a passenger in the motor vehicle in relation to which such officer is exercising any of the powers conferred on him by this section to give him his name and address; and if such person refuses to give such name and address he may (subject to subsection 123(2)) be arrested by such officer without a warrant in order that his name and address may be ascertained.

(3) A police officer, road transport officer or traffic warden may detain any bicycle, electric bicycle or tricycle in respect of which an offence has been committed within his view.

Powers of the police in investigation

113. (1) Every police officer making an investigation under this Act may exercise any or all of the special powers in relation to police investigation in seizable cases conferred on such police officer by Chapter XIII of the Criminal Procedure Code [Act 593], and sections 112 to 114 of that Code shall apply to statements made by persons examined in the course of such investigation.

(2) Where any offence against this is committed or suspected to have been committed within the Federal Territory of Kuala Lumpur or the Federal Territory of Putrajaya, a traffic warden shall have power to require, whether orally or in writing, any person to supply him any information and any person who fails to supply such information or supplies any information which he has reason to believe to be false shall be guilty of an offence.

Powers of road transport officers in investigation

114. (1) Every road transport officer making an investigation under this Act shall have the power to require information, whether orally or in writing, from any person supposed to be acquainted with the facts and circumstances of the case under investigation.

(2) Whoever, on being required by a road transport officer to give information under this section, refuses to comply with such request by the officer or furnishes as true, information which he knows or has reason to believe to be false, shall be guilty of an offence and shall on conviction be liable to a fine not exceeding five thousand ringgit or to imprisonment for a term not exceeding one year or to both.

(3) When any such information is proved to be untrue or incorrect in whole or in part, it shall be no defence to allege that such information or any part thereof was misinterpreted or furnished inadvertently or without criminal or fraudulent intent.

Duty to give information and use of statements as evidence

115. (1) Where the driver of a motor vehicle is alleged or is suspected to be guilty of an offence in connection with the driving of the motor vehicle -

(a) the owner of the motor vehicle shall give such information as he may be required by a police officer, traffic warden or road transport officer to give as to the identity and address of the person who was driving the said motor vehicle at or about the time of the alleged offence, and as to the licence or licences held by that person, and if he fails so to do within seven days of the date on which the information was required from him, he shall be guilty of an offence unless he proves, to the satisfaction of the court, that he did not know and could not with reasonable diligence have ascertained the information required; and

(b) any other person who was or should have been in charge of the motor vehicle shall, if so required as aforesaid, give any information which it is in his power to give, and which may lead to the identification of the driver, and if, within seven days of the date on which the information was required from him, he fails so to do, he shall be guilty of an offence.

(2) Notwithstanding anything contained in any written law, any information given under this section by any person charged with any offence in connection with the driving of a motor vehicle may be used as evidence at the hearing of the charge.

(3) Notwithstanding anything contained in any written law, any statement made by any person to any police officer that a particular motor vehicle was being driven by or belonged to that person or that it belonged to a partnership in which such person also stated that he was a partner or to a corporation of which such person stated that he was a director, officer or employee on a particular occasion shall be admissible in evidence for the purpose of determining by whom the vehicle was being driven or to whom it belonged.

Duty to give information and power to order appearance in court

115A. (1) Notwithstanding section 115, if an owner of a motor vehicle is alleged to have committed or is suspected of committing an offence in relation to the driving of a motor vehicle, a police officer, a traffic warden or a road transport officer may, in lieu of applying to the court for a summons, as soon as reasonably practicable serve upon that owner a notice in the prescribed form to his last-known address ordering him to give such information as to the identity and address of the person who was driving the said motor vehicle at or about the time of the alleged offence, and as to the licence held by that person.

(2) If an owner of a motor vehicle who is served with a notice as provided under subsection (1) fails to comply with the notice within fourteen days on which the information was required from, he shall be deemed to be the driver of the motor vehicle at or around the time the offence was committed and shall appear before the nearest court of a Magistrate having jurisdiction to try the offence, at a time and date to be stated in such notice.

(3) Notwithstanding anything contained in any written law, any information given under this section by any person who is later charged with any offence in connection with the driving of a motor vehicle may be used as evidence at the hearing of the charge.

116. *(Deleted by Act A1065).*

Jurisdiction of court of First Class Magistrate

116A. Notwithstanding anything contained in any written law to the contrary, a court of a First Class Magistrate shall have the jurisdiction to try any offence under this Act and to award the full punishment for any such offence.

Provisions as to evidence

117. (1) A registration certificate shall be *prima facie* evidence of the registration of the motor vehicle referred to therein, and of the particulars appearing in the register relating to such motor vehicle and the registered owner thereof.

(2) A copy of any entry in any register required to be kept under this Act, purporting to be signed by or on behalf of the person who, under this Act, is required to keep such register, and certified by or on behalf of such person to be a true copy thereof, shall be evidence of the matters stated in that entry without proof of the signature or authority of the person signing the said entry or the said certificate.

(3) When in any proceedings for an offence against this Act it is necessary to prove -

- (a) that a motor vehicle was, or was not, registered in the name of any person;
- (b) that any person was, or was not, the registered owner of a motor vehicle; or
- (c) that any person was, or was not, the holder of a licence granted under Part II,

a certificate purporting to be signed by a Director or a Deputy Director and certifying the matters aforesaid shall be admissible as evidence and shall constitute *prima facie* proof of the facts certified in such certificate, without proof of the signature of the Director or Deputy Director to such certificate.

(4) When in any proceedings for an offence against this Act it is necessary to prove -

- (a) that a motor vehicle was, or was not, an authorized vehicle; or
- (b) that any person is a road transport officer,

a certificate purporting to be signed by the Director General, and certifying as to the matters aforesaid, shall be admissible as evidence, and shall constitute *prima facie* proof of the facts certified in such certificate, without proof of the signature of the Director General to such certificate.

(5) When in any proceedings for an offence against this Act, any question arises as to the damage or extent of damage caused to a motor vehicle as a result of an accident or whether a motor vehicle does, or does not, comply with any provision of this Act relating to the construction, equipment or conditions of use of such

motor vehicle, the certificate of a road transport officer or any person licensed under this Act that he has examined the motor vehicle and the result of such examination shall be admissible in evidence, and shall be sufficient *prima facie* evidence of any fact or opinion stated therein relating to the construction, equipment or conditions of use of such motor vehicle, and the officer or the person licensed under this Act may not be called for cross-examination on the certificate unless contrary evidence is given which appears to the court to be credible, or unless for any reason the court considers cross examination to be necessary or desirable in the interest of justice:

Provided that in any case in which the prosecution intends to give in evidence of any such certificate there shall be delivered to the defendant a copy thereof not less than ten clear days before the commencement of the trial.

(6) When in any proceedings it is necessary to prove the weight unladen or laden of any vehicle, or the weight of any load carried on any vehicle, or the weight carried on any axle of the vehicle, a certificate purporting to be signed by -

- (a) any police officer authorized in writing in that behalf by a Chief Police Officer or Commissioner of Police;
- (b) any road transport officer authorized in writing in that behalf by the Director General;
- (c) any officer of the Public Works Department authorized in writing in that behalf by the Director General of Public Works or the State Director of Public Works, or any officer of the Highway Authority Malaysia authorized in writing in that behalf by the Director General of Highway Authority Malaysia;
- (d) any traffic warden authorized in writing in that behalf by the Dato Bandar or the Perbadanan Putrajaya;
- (e) any officer of a port authority authorized in writing in that behalf by the General Manager of the port authority;
- (f) any person licensed under this Act,

to operate the weighbridge or weighing machine on which the said vehicle or load was weighed, and certifying -

- (aa) that such weighbridge or weighing machine had been examined within the previous six months and found to be accurate by the Inspector of Weights and Measures; and

(bb) the weight of such vehicle or load, shall be accepted by any court as *prima facie* proof of the facts certified in such certificate.

(7) When in any proceedings before any court it is necessary to prove that any police officer, the Director General, any Director, any road transport officer, any public servant, any person licensed under this Act or any traffic warden has sent or served, or has received or has not received, any badge, document, licence, notice, plate or other thing, a certificate purporting to be signed by or on behalf of such police officer, Director General, Director, road transport officer, public servant, any person licensed under this Act or traffic warden and certifying the sending, service, reception or non-reception of such badge, document, licence, notice, plate or thing, shall be admissible as evidence, and shall constitute *prima facie* proof of the facts certified in such certificate, without proof of the signature to such certificate.

(8) In any proceedings in any court, particulars of a conviction endorsed on a driving licence granted under Part II may be produced as *prima facie* evidence of the conviction.

(9) Where in any proceedings for an offence against this Act it is necessary to prove that a helmet is or is not a protective helmet, or a seat-belt is or is not a safety seat belt, prescribed under the rules made under this Act, a certificate purporting to be signed by the Director or any officer of the Standards and Industrial Research Institute of Malaysia shall be admissible as evidence, and shall constitute *prima facie* proof of any fact or opinion stated therein, without proof of the signature of the said Director or officer to such certificate, and neither the Director nor any officer of the Standards and Industrial Research Institute of Malaysia shall be called for cross-examination on the certificate unless for any reason the court considers the cross-examination to be necessary or desirable in the interest of justice.

(10) When in any proceedings it is necessary to prove the speed of any vehicle, a certificate purporting to be signed by any public servant who is an electrical engineer or a mechanical engineer and certifying that any equipment used for determining the speed of vehicles had been examined within the previous eight months and found to be accurate shall be accepted by any court as *prima facie* proof of the facts certified in such certificate and such public servant shall not be called for cross-examination on the certificate unless for any reason the court considers the cross-examination to be necessary or desirable in the interest of justice.

(11) In any proceedings in any court, any recorded image tendered by the prosecution for any offence under this Act shall be admissible as evidence and shall constitute *prima facie* proof of any fact stated therein.

Evidence and records of previous conviction

117A. (1) For the purposes of sentencing under this Act, when it is necessary to prove in any court that the offence for which a person is being convicted is a second or subsequent offence, a certificate purporting to be a record of his previous conviction, signed by -

- (a) any road transport officer authorized in writing in that behalf by the Director General; or
- (b) any police officer authorized in writing in that behalf by the Chief Police Officer or Commissioner of Police, having custody of the records in which such conviction is kept, shall be admissible as evidence and shall constitute a *prima facie* proof of any fact stated therein.

(2) The certificate under subsection (1) shall only be admissible if it is a record in respect of the same offence and the conviction is obtained within five years from the date of the present conviction.

Service of notices

118. (1) Any notice required to be given or served under this Act, may, unless some other form of service is prescribed, be served on the person affected thereby as follows:

- (a) by giving the original copy of the notice personally to such person;
- (b) by affixing a copy of the notice on any conspicuous part of the house or any other place such person usually resides;
- (c) by affixing a copy of the notice on any conspicuous part of such person's motor vehicle; or
- (d) by sending the notice through registered post.

(2) Where a notice is served by registered post, it shall be deemed to have been served on the day succeeding the day on which the notice would have been received, in the ordinary course of post, if the notice is addressed -

- (a) in the case of a company incorporated in Malaysia, to the registered office of the company;

(b) in the case of a company incorporated outside Malaysia, either to the individual authorized to accept service of process under the Companies Act 1965, at the address filed with the Registrar of Companies or to the registered office of the company, wherever it may be situated;

(c) in the case of an individual or a body of persons, to the personal address kept in the Director's register under sections 8 and 27A.

(3) Where the person to whom there has been addressed a registered letter containing any notice which may be given under this Act is informed of the fact that there is a registered letter awaiting him at a post office, and such person refuses or neglects to take delivery of such registered letter, such notice shall be deemed to have been served upon him on the date on which he was so informed.

(4) *(Deleted by Act A1391).*

General offences and penalties

119. (1) Any person who -

- (a) without lawful excuse, proof of which shall lie on him, refuses or neglects to do anything he is by this Act required to do;
- (b) without lawful excuse, proof of which shall lie on him, fails to comply
- (c) without lawful excuse, proof of which shall lie on him, contravenes or fails to comply with any provisions of this Act,

shall be guilty of an offence.

(2) Any person who is guilty of an offence under this Act shall, where no special penalty is provided, be liable in the case of a first conviction, to a fine not exceeding ²⁶ two thousand ringgit or to imprisonment for a term not exceeding six months and, in the case of a second or subsequent conviction, to a fine not exceeding four thousand ringgit or to imprisonment for a term not exceeding twelve months or to both.

(3) Any person summoned to answer a charge in respect of any offence which under the next following section might be compounded, may appear in answer to such charge either personally or by advocate and solicitor, and may in any such case, by letter sent to the court by registered post, plead guilty to the charge and

²⁶ **NOTE** - previously - "one thousand ringgit or to imprisonment for a term not exceeding three months and, in the case of a second or subsequent conviction, to a fine not exceeding two thousand ringgit or to imprisonment for a term not exceeding six months or to both" -see Act A106

submit to the order of the court provided that the provision of this subsection shall not apply to any person who has been served with a notice under section 53.

(4) Any summons issued in respect of a charge included in subsection (3) shall contain a notice informing the person charged of his rights under that subsection and the amount of the fine to be imposed on him which sum shall accompany the letter pleading guilty to the offence.

(5) If any person having appeared by an advocate and solicitor or having pleaded guilty by letter as provided in subsection (3) is sentenced to imprisonment, the court shall issue a warrant for his apprehension, and the sentence of imprisonment imposed shall commence to run only after the apprehension of such person under the warrant.

(6) The Minister may make rules for the purpose of prescribing the form of any summons or warrant to be issued in pursuance of this section, and generally to enable the provisions of this section to be carried into effect.

Offence committed by body corporate

119A. Where an offence under this Act is committed by a body corporate (whether or not the body corporate has been prosecuted), every director, secretary or manager of the body corporate shall be deemed to be guilty of the offence unless he proves that the offence was committed without his consent or connivance and that he had exercised all due diligence to prevent the commission of the offence as he ought to have exercised having regard to the nature of his functions in that capacity and to all the circumstances of the case.

Power of Director to refuse or suspend dealing or transactions

119B. (1) Notwithstanding paragraph 17(1)(d) and subsection 29(1A), the Director may refuse or suspend any dealing or transaction or part of it under this Act where there is any outstanding matter or case relating to any contravention of this Act or any contravention of the written law prescribed in the Third Schedule:

Provided that -

- (a) in the case of a motor vehicle licence, such outstanding matter or case in relation to a particular motor vehicle of a person shall not affect any other motor vehicle registered under his name; and
- (b) in the case of a driving licence, such outstanding matter or case in relation to a particular class of driving licence of a person shall not affect his other class of driving licence.

Powers to compound

120. (1) Any of the following officers, that is to say -

- (a) a Chief Police Officer, a Commissioner of Police or any police officer not below the rank of Inspector specially authorized in writing by name or by office in that behalf by the Minister charged with the responsibility for the police;
- (b) the Director General or Director or any road transport officer specially authorized in writing by name or by office in that behalf by the Director General;
- (c) the Dato Bandar;
- (cc) the President or any officer of the Perbadanan Putrajaya specially authorized in writing by name or by office in that behalf by the President;
- (d) the Director General of Highway Authority Malaysia or any officer specially authorized in writing by name or office in that behalf by the Director General of Highway Authority Malaysia;
- (e) an officer of the appropriate authority specially authorized in writing by name or by office in that behalf by the Minister charged with the responsibility for local government,

may in his discretion compound any such offence against this Act as may be prescribed as an offence which may be compounded by such officer or in the case of an officer mentioned in paragraph (d) or (e) any offence against any order or rules made by the appropriate authority under Part III, by collecting from the person reasonably suspected of having committed the same a sum of money not exceeding three hundred ringgit.

(2) The Minister may make rules to prescribe the offences which may be compounded and the method and procedure therefor.

(3) In this section, "appropriate authority" has the same meaning as in section 67.

Plea of guilty by letter and compounding shall not affect provision of policy of insurance

121. Where any person has compounded an offence or pleaded guilty by letter to an offence under this Act, no evidence of any such act shall be admissible in any civil proceedings arising out of the same transaction as the said offence and he shall be deemed not to have committed, by reason only of so doing, a breach of

any condition of any policy of insurance relating to admission of liability without the consent of the insurers.

Director General to be informed of convictions and compounds

122. (1) When, during any proceedings leading to the conviction, or upon the conviction, of any person for any criminal offence whatsoever, it comes to the knowledge of the court recording such conviction that such person (whether or not such person is in possession of a licence issued under this Act) is, or has been, or has acted as, the driver or conductor or owner of a public service vehicle, tourism vehicle, goods vehicle or employees vehicle, the court shall forthwith send particulars of such conviction, and of any sentence passed thereon, to the Director General.

(2) Where any court convicts a person of an offence against sections 41 to 49, and the person so convicted is the holder of a licence to drive a motor vehicle, or a licence to act as driver or conductor of a public service vehicle, tourism vehicle, goods vehicle or employees vehicle, the court shall forthwith send particulars of such conviction, and of any such licence (if such particulars can be ascertained), to the Director who granted such licence or to the Director of the registration area in which the person so convicted resides.

(3) Where any officer has compounded an offence pursuant to subsection 120(1), such offence being an offence prescribed as an offence particular of which are to be sent to the Director General, such officer shall forthwith send particulars of such offence to the Director General.

Officers not in uniform to produce identification cards

123. (1) Every police officer or traffic warden when acting against any person under this Act shall, if not in uniform, and every road transport officer when so acting shall, on demand, declare his office and produce to the person against whom he is acting such document establishing his identity as the Commissioner of Police may direct in the case of a police officer, such identification document as the Dato Bandar or the Perbadanan Putrajaya may direct in the case of a traffic warden, and such identification document as the Director General may direct in the case of a road transport officer, to be carried by a police officer, traffic warden and road transport officer respectively.

(2) It shall not be an offence for any person to refuse to comply with any request, demand or order made by any police officer not in uniform, any traffic warden not in uniform or any road transport officer if such police officer, traffic warden or road transport officer refuses to declare his office and produce his identification

document on demand being made by such person.

Payment of licence fees

124. (1) The Director General or a Director may, if he thinks fit and subject to this Act, grant any licence upon receipt of a cheque for the amount of the fee payable or upon any other mode of payment as may be prescribed by the Minister.

(2) Where any cheque issued or other mode of payment made in respect of a licence fee is subsequently dishonoured, the licence shall be void as from the date when it was granted, and the Director General or a Director, as the case may be, shall send to the person to whom the licence was issued, by a registered letter addressed to him to the address given by him, a notice requiring him to deliver up the licence to the Director General or Director, as the case may be, within a period of seven days from the date on which the notice was posted, and if that person fails to comply with such notice within that period he shall be guilty of an offence and shall on conviction be liable to a fine not exceeding two thousand ringgit or to imprisonment for a term not exceeding six months or to both

Declaration of public body

124A. The Minister may declare any body to be a public body for the purposes of this Act.

Minister may authorize any person to carry out functions of Director

125. Notwithstanding anything in this Act, the Minister may by rules authorize any person, on such conditions as he deems fit, to carry out any functions of the Director under this Act in respect of the licensing of motor vehicles, the licensing of motor vehicle drivers and the collecting of payments or charges.

Power of Minister to authorize or grant licence

126. (1) Notwithstanding anything in this Act, the Minister shall have the power to authorize or grant a licence on such conditions as he may think fit to any person to undertake any function of a road transport officer under this Act as it appears to him to be necessary.

(2) The Minister may make rules for the purposes of subsection (1), and in particular, but without prejudice to the generality of the foregoing provisions, may make rules with respect to any of the following matters:

- (a) to prescribe the charges, fees or levy which shall be paid to any person authorized or licensed under subsection (1) in respect of services provided;

- (b) to prescribe the qualifications of persons to be employed by the person authorized or licensed under subsection (1) and to regulate their competency;
 - (c) to prescribe the type of records to be kept by the person authorized or licensed under subsection (1);
 - (d) to prescribe the type of returns to be submitted by the person authorized or licensed under subsection (1) to the Director General at certain intervals; and
 - (e) to regulate the inspection by the Director General of the premises of the person authorized or licensed under subsection (1) and the records kept thereat.
- (3) The Minister may, by order published in the *Gazette*, authorize a person authorized or licensed under subsection (1) to demand, collect and retain charges, fees or levy prescribed under subsection (2) in respect of the services provided by him.
- (4) An order made under subsection (3) shall specify -
- (a) the type of services in respect of which charges, fees or levy may be demanded, collected and retained;
 - (b) the person authorized to demand, collect and retain the charges, fees or levy; and
 - (c) the duration of the authorization to demand, collect and retain the charges, fees or levy.
- (5) Any person authorized under subsection (3) shall -
- (a) maintain such accounts, books and records in respect of the payment and collection of charges, fees or levy as the Director General may require;
 - (b) furnish to the Director General such information, returns and accounts in respect of the payment and collection of charges, fees or levy as the Director General may require; and
 - (c) permit the Director General or any officer authorized in writing by the Director General to have access to or examine or inspect any document, machinery or equipment maintained or used for the payment or collection of charges, fees or levy
- (6) The authorization of any person under subsection (3) shall not render the Federal Government liable to any person in respect of any injury, damage or loss

occasioned by the failure of the person authorized or licensed to carry out his obligations under the Act in respect of which charges, fees or levy are demanded, collected and retained.

(7) If a person authorized or licensed under subsection (1) contravenes or fails to comply with any condition of the authorization or licence or any of the provisions of this section or rules made thereunder for which no penalty is expressly provided the person shall be guilty of an offence and shall on conviction be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding two years or to both.

(8) Notwithstanding that any person has been authorized or granted a licence under this section to undertake any function of a road transport officer, the Minister may give directions to the Director General or a Director to exercise any of such functions.

Revocation

126A. (1) An authorization or licence issued under section 126 shall, unless sooner revoked, continue in force for such period as the Minister may determine.

(2) The Minister may revoke any authorization or licence issued under section 126.

Rules

127. (1) The Minister may make rules for any purpose for which rules may be made under this Act and for prescribing anything which may be prescribed under this Act, and generally for the purpose of carrying this Act into effect, and in particular, but without prejudice to the generality of the foregoing provisions, may make rules with respect to any of the following matters:

- (a) the language and script in which any traffic sign, notice, record, application, return or other document shall be written;
- (b) the exemption, with or without conditions, of any persons, or classes of persons, or vehicles or classes of vehicles, from the necessity of complying with any of the requirements of this Act;
- (c) the documents, plates and marks to be carried by authorized vehicles or any class of authorized vehicles and the manner in which they are to be carried;
- (d) the determination of the number of passengers a public service vehicle or a hire and drive vehicle is constructed or adapted to carry and the number that may be carried;

- (e) the carriage of passenger's luggage and goods (including parcels) on public service vehicles;
- (f) the equipment to be carried by a public service vehicle;
- (g) the types of taximeters that may be authorized, limitations on their use, and the control of the testing, repair and maintenance of taximeters;
- (h) the carriage of passengers on goods vehicles;
- (i) the granting of vocational licences to drivers and conductors of public service vehicles, employees vehicles and goods vehicles, the procedure of application for such licences, the conditions to be attached thereto, the fees to be charged and the manner of payment therefore;
- (j) the testing of applicants for public services vehicles driver licences;
- (k) the conduct of persons holding vocational licences and the means of identification to be worn by them;
- (l) the conduct of persons employed on or in connection with public service vehicles, of passengers boarding, travelling in or alighting from a public service vehicle and of intending passengers waiting to board a public service vehicle;
- (m) the removal from a public service vehicle of any person infringing rules made under paragraph (l);
- (n) requiring a passenger on a public service vehicle who is reasonably suspected by the driver or conductor thereof of contravening rules made under paragraph (l) to give his name and address to a police officer or to the driver, conductor or ticket inspector on demand;
- (o) requiring a passenger in a public service vehicle to declare, if so requested by the driver, conductor or ticket inspector thereof, the journey he intends to take or has taken in the vehicle, to pay the fare for the whole of such journey and to accept any ticket provided thereof;
- (p) requiring, on demand being made for the purpose by the driver, conductor or other person authorized by the licensee of a public service vehicle, production during the journey and surrender at the end of the journey, by the holder thereof, of any ticket issued to him;
- (q) requiring a passenger on a public service vehicle, if so requested by the driver or conductor thereof, to leave the vehicle on the completion of the journey for which he has paid the fare;

(r) requiring the surrender by the holder thereof, on expiry of the period or the end of the journey for which it is issued, of a ticket issued to him.

(2) Any rules made by the Minister under this Act shall be published in the *Gazette*

Power of the Minister to amend schedules

127A. The Minister may, by order published in the *Gazette*, amend any of the schedules.

Repeal, transitional and saving

128.²⁷ (1) The Road Traffic Ordinance 1958 [*Ord. No. 49 of 1958*] and the Modification of Laws (Road Traffic Ordinance) (Extension and Modification) Order 1984 [*P.U. (A) 136/1984*] in so far as they do not relate to the licensing of commercial vehicles are hereby repealed:

Provided that all subsidiary legislations made under the repealed Ordinance in so far as they do not relate to the licensing of commercial vehicles shall be deemed to have been made under this Act and shall continue to remain in force until amended or revoked:

Provided further that any certificate, licence, permit, plate, mark, registration certificate or any other document in respect of a motor vehicle, or any reduction of fees or any exemption, issued or granted under the repealed Ordinance and in force immediately before the commencement of this Act shall, in so far as its issue or grant is not inconsistent with this Act, be deemed to have been issued or granted under this Act and shall continue in force until it expires, or is varied, amended or revoked thereunder.

(2) Where any appeal in respect of a decision made under the repealed Ordinance is pending before any authority or court or where any right to appeal in respect of such decision has accrued, the proceedings in respect of the appeal or in respect of any appeal under the accrued right to appeal, shall be continued or had, as the case may be, under this Act as if in respect of a decision under this Act, subject to all such directions as the authority or the court, as the

²⁷ **NOTE** - See section 37 of Act A878 - This amendment shall be deemed to have been an integral part of section 128 as from 1 January 1988 and any act done or proceedings instituted in respect of commercial vehicles during the period between the said date and the commencement of Act A878 and its continuation thereafter, if any, is hereby declared lawful and valid, and shall be deemed to be and to have always and at all times been lawful and valid. Power of Minister to make additional transitional provisions, etc.

case may be, may deem fit or expedient to give in the matter.

- 129.** The Minister may by rules make such provision as he considers necessary or expedient for the purpose of removing any difficulties occasioned by the coming into force of this Act, any such rule may be made so as to have effect as from the commencement of this Act.

FIRST SCHEDULE

[Section 2]

SCHEDULED OFFENCE

Item	Types of offence (1)	Provision of the law (2)
i	Driving above the speed limit	Rule 3, Motor Vehicles (Speed Limit) Rules 1989 [<i>P.U. (A) 25/1989</i>]
ii	Failure to comply with traffic sign	Subsection 79(2) of this Act
iii	Overtaking at double lines	Subsection 79(2) of this Act
iv	Driving in emergency lanes	Rule 53, Road Traffic Rules 1959 [<i>L.N. 166/1959</i>]
v	Overtaking and preventing another from overtaking	Rule 6, Road Traffic Rules 1959 [<i>L.N. 166/1959</i>]
vi	Queue-jumping	Rule 3(2)(b), Road Traffic Rules 1959 [<i>L.N. 166/1959</i>]
vii	Using mobile phones while driving	Rule 17A, Road Traffic Rules 1959 [<i>L.N. 166/1959</i>]

SECOND SCHEDULE

[Section 2]

CAMERA-RECORDED OFFENCE

- (i) Driving vehicle other than buses in a bus lane
- (ii) Driving above the prescribed speed limit
- (iii) Subject to section 76A, failing to obey a red signal at the traffic sign

THIRD SCHEDULE

[Section 119B]

- (i) The Environmental Quality Act 1974 [Act 127].

LIST OF AMENDMENTS

Amending law	Short title	In force from
Act A709	Road Transport (Amendment) Act 1988	15-01-1989
Act A878	Road Transport (Amendment) Act 1994	04-03-1994
Act A891	Road Transport (Amendment) Act 1994	08-07-1994
Act A973	Road Transport (Amendment) Act 1996	01-01-1997 for paragraphs 2(a), 2(b), 2(c), 12(b), section 18 until 33, paragraphs 35(b), sections 38 and 40
Act A1065	Road Transport (Amendment) Act 1999	01-10-1999 for paragraphs 2(c) to 2(e); sections 3, 4 and 18; subparagraphs 19(a)(i), 19(b)(i), paragraph 19(c) except in so far as it relates to the introduction of paragraph 65(4)(e) into the Road Transport Act 1987, 19(d), 19(e) and 19(f); sections 21, 23, 26, 28 and 29 (see P.U. (B) 382/ 1999) 18-4-2000 for paragraphs 2(a) and 2(b); sections 5 to 17; subparagraphs 19(a)(ii), 19(b)(ii), paragraph 19(c) in so far as it relates to the introduction of paragraph 65(4)(e) into the Road Transport Act 1987, and paragraph 19(g); sections 20, 22, 24, 25 and 27. (see P.U. (B) 94/ 2000)
Act A1101	Road Transport (Amendment) Act 2001	28-04-2005 for sections 10 to 15 and sections 17 to 19 (see P.U. (B) 156/ 2005) Other sections - not yet in force
Act A1262	Road Transport (Amendment) Act 2006	06-03-2006
Act A1356	Road Transport (Amendment) Act 2009	01-10-2009
Act A1391	Road Transport (Amendment) Act 2011	31-01-2011
Act A1440	Road Transport (Amendment) Act 2012	15-09-2012

LIST OF SECTIONS AMENDED

Section	Amending authority	In force from
2	Act A709	15-01-1989
	Act A878	04-03-1994
	Act A973	01-01-1997
	Act A1065	01-10-1999; 18-04-2000
	Act A1262	06-03-2006
	Act A1356	01-10-2009
3	Act A1391	31-01-2011
	Act A1440	15-09-2012
	Act A1065	01-10-1999
	Act A878	04-03-1994
	Act A891	08-07-1994
	Act A1065	01-10-1999
4	Act A1356	01-10-2009
	Act A1391	31-01-2011
4A	Act A1391	31-01-2011
4B	Act A1391	31-01-2011
5	Act A878	04-03-1994
	Act A1391	31-01-2011
	Act A1440	15-09-2012
7	Act A709	15-01-1989
	Act A1391	31-01-2011
9	Act A1065	18-04-2000
10	Act A878	04-03-1994
	Act A1391	31-01-2011
11	Act A1391	31-01-2011
12	Act A878	04-03-1994
13	Act A878	04-03-1994
14	Act A878	04-03-1994
	Act A1391	31-01-2011
	Act A1440	15-09-2012
15	Act A1440	15-09-2012
16	Act A891	08-07-1994
17	Act A709	15-01-1989
	Act A878	04-03-1994
	Act A891	08-07-1994
	Act A973	01-01-1997
	Act A1391	(for para. 12(b)) 31-01-2011
	Act A1440	15-09-2012
19	Act A878	04-03-1994
20	Act A878	04-03-1994
	Act A891	08-07-1994
21	Act A1391	31-01-2011
22	Act A878	04-03-1994
	Act A1391	31-01-2011
23	Act A1391	31-01-2011

26	ActA1440	15-09-2012
27	Act A878 Act A973	04-03-1994 01-01-1997
27A	Act A1391	31-01-2011
29	Act A973 Act A1065	01-01-1997 18-04-2000
34	Act A1391	31-01-2011
34A	Act A1101	28-04-2005
35	Act A709 Act A973 Act A1391 Act A1440	15-01-1989 01-01-1997 31-01-2011 15-09-2012
35A	Act A973 Act A1101 Act A1391 Act A1440	01-01-1997 28-04-2005 31-01-2011 15-09-2012
36	Act A878 Act A1101 Act A1391	04-03-1994 28-04-2005 31-01-2011
37	Act A878 Act A973 Act A1391	04-03-1994 01-01-1997 31-01-2011
38	Act A878 Act A973 Act A1101 Act A1391	04-03-1994 01-01-1997 28-04-2005 31-01-2011
40	Act A1440	15-09-2012
41	Act A973 Act A1065 Act A1101	01-01-1997 18-04-2000 28-04-2005
42	Act A973 Act A1065	01-01-1997 18-04-2000
43	Act A973 Act A1065	01-01-1997 18-04-2000
44	Act A973 Act A1065 Act A1101	01-01-1997 18-04-2000 28-04-2005
45	Act A973 Act A1065	01-10-1997 18-04-2005
45A	Act A878 Act A973 Act A1065	04-03-1994 01-01-1997 18-04-2000
45B	Act A878 Act A973 Act A1065	04-03-1994 01-01-1997 18-04-2000
45C	Act A878 Act A973 Act A1065	04-03-1994 01-01-1997 18-04-2000
45D	Act A878 Act A1065	04-03-1994 18-04-2000
45E	Act A878	04-03-1994

45F	Act A878 Act A1065	04-03-1994 18-04-2000
45G	Act A878 Act A973 Act A1065	04-03-1994 01-01-1997 18-04-2000
48	Act A878 Act A1391	04-03-1994 31-01-2011
50	Act A878	04-03-1994
53	Act A878 Act A1391	04-03-1994 31-01-2011
53A	Act A1391 Act A1440	31-01-2011 15-09-2012
53B	Act A1391	31-01-2011
53C	Act A1391	31-01-2011
54	Act A973 Act A1440	01-01-1997 15-09-2012
56	Act A1391 Act A1440	31-01-2011 15-09-2012
58	Act A878 Act A1101	04-03-1994 28-04-2005
58A	Act A1391	31-01-2011
59	Act A891 Act A1440	08-07-1994 15-09-2012
60	Act A891 Act A1391	08-07-1994 31-01-2011
61	Act A891	08-07-1994
62	Act A1391	31-01-2011
63	Act A891	08-07-1994
	Act A1065	01-10-1999
	Act A1391	31-01-2011
64	Act A1391	31-01-2011
65	Act A878 Act A1065	04-03-1994 01-10-1999; 18-04-2000
	Act A1356	01-10-2009
	Act A1391	31-01-2011
66	Act A709 Act A878 Act A973	15-01-1989 04-03-1994 01-01-1997
		(for para. 35(b))
	Act A1065	18-04-2000
	Act A1391	31-01-2011
66A	Act A891 Act A1440	08-07-1994 15-09-2012
66B	Act A891	08-07-1994
66C	Act A891	08-07-1994
66D	Act A891	08-07-1994
66DA	Act A1101	28-04-2005
66E	Act A891	08-07-1994
66F	Act A891	08-07-1994

66G	Act A891	08-07-1994
PART IIB	Act A1391	31-01-2011
66H	Act A1391	31-01-2011
66I	Act A1391	31-01-2011
66J	Act A1391	31-01-2011
66K	Act A1391	31-01-2011
67	Act A1065	01-10-1999
	Act A1356	01-10-2009
69	Act A709	15-01-1989
	Act A878	04-03-1994
	Act A1391	31-01-2011
70	Act A878	04-03-1994
	Act A1391	31-01-2011
71	Act A878	04-03-1994
72	Act A878	04-03-1994
76A	Act A1440	15-09-2012
79	Act A1440	15-09-2012
88	Act A1391	31-01-2011
	Act A1440	15-09-2012
85A	Act A878	04-03-1994
90	Act A878	04-03-1994
108	Act A709	15-01-1989
	Act A878	04-03-1994
	Act A1391	31-01-2011
109	Act A1065	18-04-2000
	Act A1391	31-01-2011
110A	Act A1262	06-03-2006
	Act A1391	31-01-2011
112	Act A878	04-03-1994
	Act A1391	31-01-2011
	Act A1440	15-09-2012
113	Act A1065	01-10-1999
	Act A1356	01-10-2009
115A	Act A1391	31-01-2011
	Act A1440	15-09-2012
116	Act A1065	18-04-2000
116A	Act A1065	18-04-2000
117	Act A709	15-01-1989
	Act A878	04-03-1994
	Act A891	08-07-1994
	Act A1065	01-10-1999
	Act A1391	31-01-2011
117A	Act A973	01-01-1997
118	Act A878	04-03-1994
	Act A1391	31-01-2011
	Act A1440	15-09-2012
119	Act A709	15-01-1989
	Act A1065	18-04-2000
119A	Act A891	08-07-1994
119B	Act A1391	31-01-2011

120	Act A878 Act A1065 Act A1101 Act A1356	04-03-1994 01-10-1999 28-04-2005 01-10-2009
122	Act A1391	31-01-2011
123	Act A1065	01-10-1999
124A	Act A878	04-03-1994
125	Act A709 Act A1391	15-01-1989 31-01-2011
126	Act A891 Act A973	08-07-1994 01-01-1997
126A	Act A891	08-07-1994
127A	Act A1391	31-01-2011
128	Act A878	04-03-1994
First Schedule	Act A1391	31-01-2011
Second Schedule	Act A1391 Act A1440	31-01-2011 15-09-2012
Third Schedule	Act A1391	31-01-2011



Head Office

East Wing, Level 9, MATRADE, Jalan Sultan Haji Ahmad Shah, Kompleks Kerajaan,
50480 Kuala Lumpur, Federal Territory of Kuala Lumpur

Tel: +603 - 7955 7266

Sarawak Region Office (SKO)

894, Lorong Demak Laut 3A,
Demak Laut Industrial Park,
93050 Kuching, Sarawak

Tel: +6082 - 439 959

Sabah Region Office (SBO)

Tingkat 2, Menara MAA,
No. 6, Lorong Api-API,
88000 Kota Kinabalu, Sabah

Tel: +6088 - 233 245/235 837

