

**NOTIFICATION OF REPLIES TO THE QUESTIONNAIRE ON IMPORT LICENSING  
PROCEDURES FROM MALAYSIA<sup>1</sup>**

Questions from the UNITED STATES to MALAYSIA<sup>2</sup>

The following communication, dated 9 June 2006, has been received from the delegation of the United States.

Malaysia Import Licensing

1. The United States is deeply troubled by the fact that for a year we have requested information on Malaysia's Approved Permits (AP) import licensing regime and have not received any response. For this reason, we are transmitting comments and questions in advance of the meeting of the Import Licensing Committee of 21 June 2006, in order for the Malaysia authorities to reply and to provide any information that may be incomplete.
2. At the June 2005 meeting of the Committee on Import Licensing, the United States requested that Malaysia update its replies to the annual import licensing questionnaire to cover products requiring import licenses, specifically motor vehicles, construction equipment, and paper and wood products (G/LIC/M/21) that we believe are covered by the AP (Approved Permits) import licensing system. Information on this system is not contained in Malaysia's replies to the Questionnaire on Import Licensing Procedures, provided to the Committee in December 1997 (G/LIC/N/3/MYS/1).
3. At the September 2005 meeting, we renewed our request, noting that in July 2005, Malaysia's Ministry of International Trade and Industry had initiated consultations with stakeholders in order to conduct a review of its import licensing requirements on a variety of products, and sought an update on the status of the approved permits policy review. The Malaysian delegate noted that he hoped to respond to the U.S. delegation at the next meeting. (G/LIC/M/22)
4. At the January 2006 Trade Policy Review of Malaysia, the United States reiterated the request for updated information from Malaysia on its import licensing regime and asked whether Malaysia was considering new ways to streamline or reduce the scope of products subject to licensing and what types of appeal were available to companies if an application for a non-automatic license was denied. The representative from Malaysia said that his delegation would examine the questions raised closely and noted in a more general context that in the interest of making its operations more efficient, the Government was in the process of reviewing whether it was necessary to maintain the existing licensing and permit system WT/TPR/M/156). In March 2006, the Government of Malaysia published the National Automotive Policy in which there was a commitment to phase out the current system of Approved Permits (APs) by 31 December 2010.

<sup>1</sup> See document G/LIC/3, Annex, for the Questionnaire.

<sup>2</sup> G/LIC/4

5. We renew our request to Malaysia that it abide by its WTO obligations in the area of import licensing procedures and provide the requested information on the AP system.

6. The Government of Malaysia should submit an updated reply to the annual import licensing questionnaire to reflect its current import licensing regime. This regime includes import licensing requirements for motor vehicles, construction equipment, and paper and wood products under the AP system.

7. In addition, we have the following specific questions on the current AP system and ask that Malaysia be prepared to provide responses at the time of the next meeting of the WTO Committee on Import Licensing Procedures.

- What are the procedures for applying for an AP import license?
- Have the procedures for obtaining an AP import license and the products subject to AP import licensing been published?
- Who is eligible to obtain an AP import license and how are licenses and/or the right to import under a license allocated among eligible applicants and/or license holders?
- What rights are conferred to holders of an AP import license? Is there a quantitative restriction on how much may be imported under an AP import license? If so, how is this restriction determined? Is there a restriction on the products that may be imported with a license based on type of vehicle, manufacturer, or any other criteria? How long is an AP import license valid?
- Is there a limit to the number of AP import licenses that will be issued? How are such limits determined?
- Is it possible to appeal denial of an application for an AP import license? If so, what are the procedures and how long does it take for an appeal to be resolved?
- With respect to motor vehicles subject to the AP import licensing requirement:
  - o What categories (by HS tariff line) of motor vehicles are covered?
  - o Can passenger vehicles only be imported if an AP import license has been issued?
  - o Are imports of other vehicles also conditioned on an AP import license?

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