

## Summary of Discussion

### The 1st Free Trade Commission on Chile – Malaysia Free Trade Agreement

#### (CMFTA)

12nd November 2018, Santiago, Chile

#### **Committee on Rules of Origin and Customs Administration**

**Head of Delegation of Chile: Andrea Cerda**

**Head of Delegation of Malaysia: Syahril Syazli Ghazali**

#### **Summary of Discussion of Rules of Origin and Customs Procedures.**

During the session of the Committee on Rules of Origin and Customs Procedures, both parties agreed to update contact points.

Both Parties agreed to commence the technical process to update the Chile-Malaysia FTA Product Specific Rules (PSR) nomenclature from HS 2007 to HS 2017. Chile committed sending to Malaysia the first draft of the working document by the end of January, 2019.

Chile explained its proposals to adopt more flexible Product Specific Rules for headings 72.19 and 72.20. Malaysia noted and counter-proposed to these headings.

Both Parties agreed on the following modifications:

- i. For Heading 72.19 the addition of the following rule: QVC 40% or CTSH.
- ii. For Heading 72.20 the modification of the current rule and its replacement by the following rule: QVC 40% or CTSH.

The Parties agreed to notify and implement these modifications by exchanging Diplomatic Notes within a mutually settled timeframe for its entry into force.

Regarding the Chapter Note for Chemical or Allied Industries (chapter 28 through 38) proposed by Chile; Malaysia agreed in principle with this proposal and will respond with minor drafting changes through the technical contact points.

#### **Commitment's made**

- Exchange of correlation Tables HS2007-HS2012 and HS2012-HS2017 during the week of



19 to 23 of November.

- Exchange of comments to the updated versions of the Tariff Schedules at the end of November.
- Exchange the working document for PSRs Transposition from HS2007 to HS2017 by end of January, 2019.
- Exchange comments and drafting for Chapter Note for Chemical or Allied Industries as soon as possible.

### **Digital Certification of Origin (COD)**

Chile explained its digital certification project which consists the issuance and reception of COs through Chile's Foreign Trade Single Window (SICEX). Chile further updated that the issuance and reception of COs involving Chilean exporters and relevant issuing bodies shall be transmitted through SICEX.

Malaysia also shared its current practice pertaining to single window for trade facilitation in Malaysia as follows:

- Malaysia is currently participating in the ASEAN Single Window (ASW) initiative under ASEAN Trade in Goods Agreement (ATIGA);
- ASW acts as a platform / bridge is a regional initiative that connects and integrates National Single Windows (NSWs) of ASEAN Member States (AMS) to enable ATIGA Form D being electronically exchanged between the participating AMS;
- Current participating AMS are Indonesia; Malaysia; Singapore; Thailand; and Vietnam; and
- Domestically, the national system used by MITI and Royal Malaysia Customs Department (RMCD) have been technically enhanced to connect with ASW platform which then enable the electronic data of the ATIGA Form D to be transmitted and received (electronic data exchange) by Malaysia.

As the ASW is the priority for Malaysia, more time is needed to consider other proposals from different FTA partners. Both sides agreed to exchange contact points to advance the discussions on implementation of the COD under MCFTA.



## Contact Points

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## Contact Points

### Implementation of Digital Origin Certification System

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