



LAWS OF MALAYSIA

Act 438

FREE ZONES ACT 1990

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FIRST SCHEDULE
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Short title and commencement

1. (1) This Act may be cited as the Free Zones Act 1990.

(2) This Act shall come into force on a date to be appointed by the Minister by notification in the *Gazette* and the Minister may prescribe different dates for the coming into force of different provisions of this Act.

Interpretation

2. (1) In this Act, unless the context otherwise requires—

"activity" includes commercial activity and manufacturing activity and related operations;

"Authority" means any statutory body or company or department of the Government of Malaysia or of any State in Malaysia which has been appointed under the provisions of subsection (2) of section 3 to administer, maintain and operate any free zone;

"commercial activity" includes trading (excluding retail trade), breaking bulk, grading, repacking **and relabelling**;

[Amd. S2 Act A1595 w.e.f. 1/1/2020]

"customs airport" shall have the same meaning assigned to it under the Customs Act 1967 [*Act 235*];

"customs duty" means any duty imposed by or under the Customs Act 1967;

"excise duty" means any duty imposed by or under the Excise Act 1976 [*Act 176*];

"free zone" means any part of Malaysia declared under the provisions of subsection (1) of section 3 to be a free commercial zone or a free industrial zone;

"goods" includes animals, birds, fish, plants and all kinds of movable property;

"Labuan" shall have the same meaning assigned to it under section 154 of the Customs Act 1967;

"Langkawi" shall have the same meaning assigned to it under section 163A of the Customs Act 1967;

"legal landing place" shall have the same meaning assigned to it under the Customs Act 1967;

"manufacture" means the conversion by manual or mechanical means of organic or inorganic material into a new product by changing the size, shape, composition, nature or quality of such materials and includes the assembly of parts into a piece of machinery or other products, but does not include the installation of machinery or equipment for the purpose of construction; and the term "manufacturing activity" with its grammatical variations and cognate expressions shall be construed accordingly and, in relation to such term, it shall include any activity as determined by the Director-General to be manufacturing activity:

Provided that the Director-General may in his absolute discretion determine that the result of any manufacture or manufacturing activity is not a new product or article;

"Minister" means the Minister for the time being charged with the responsibility for finance;

"operation" means the operations set out under the activity approved by the Minister under the provisions of section 10;

"owner" in relation to goods, includes any person being or holding himself out to be the owner, importer, exporter, consignee, agent or person in possession of, or beneficially interested in, or having any control of, or power of disposition over, the goods;

[Ins. S2 Act A1595 w.e.f. 1/1/2020]

"Pangkor" shall have the same meaning assigned to it under section 163Q of the Customs Act 1967;

[Ins. S2 Act A1595 w.e.f. 1/1/2020]

"prescribed place of import or export" means any place prescribed under section 142 of the Customs Act 1967 as a place for the import and export of goods by road and rail;

"principal customs area" means any part of Malaysia but excluding a free zone, Labuan, Langkawi, Tioman and Pangkor;

"proper officer of the Authority" means any officer of the Authority acting in the fulfilment of his duties under the Act, whether such duties are assigned to him specially or generally, or expressly or by implication;

"sales tax" *[Deleted by S2 Act A1572 w.e.f. 1/9/2018]*

"service" *[Deleted by S2 Act A1572 w.e.f. 1/9/2018]*

"service tax" *[Deleted by S2 Act A1572 w.e.f. 1/9/2018]*

"Tioman" shall have the same meaning assigned to it under section 163J of the Customs Act 1967;

"value" in relation to imported goods, means the price which an importer would give for the goods on a purchase in the open market if the goods were delivered to him at the place of payment of customs duty and if freight, insurance, commission and all other costs, charges and expenses (except any customs duty and wharf handling, storage, removal mechanical equipment and other charges incurred in a free zone) incidental to the purchase and delivery at such place had been paid.

(2) For the purpose of the definition of the word "value", import means an import into a principal customs area from a free zone.

(2A) For the purpose of the definition of "owner", "exporter" and "importer" shall have the same meaning assigned respectively to them under section 2 of the Customs Act 1967.

[Ins. S2 Act A1595 w.e.f. 1/1/2020]

(3) The expressions "Director-General", "officer of customs", "senior officer of customs", "proper officer of customs" and "dutiabale goods" shall have the meaning assigned respectively to them in the Customs Act 1967.

Declaration of free zones and appointment of Authority

3. (1) The Minister may, by notification in the *Gazette*, declare any area in Malaysia to be a free commercial zone or a free industrial zone and every such notification shall define the limits of such zone.

(2) The Minister may appoint any statutory body established or constituted by or under a federal law or any department of the Government of Malaysia or with the consent of the State concerned, any statutory body established or constituted by or under a State law or any department of the Government of a State or, any company as the Authority to administer, maintain and operate any free zone which has been so declared under subsection (1).

Part II ACTIVITIES PERMITTED WITHIN A FREE

Goods in a free zone

4. Subject to this Act goods of any description, except those specifically and absolutely prohibited by law, may be brought into, produced or manufactured in a free zone without payment of any customs duty or excise duty.

[Subst. S4 Act A1572 w.e.f. 1/9/2018]

Dealing with or disposal of goods in a free zone

5. (1) Unless otherwise provided under this Act or any regulations made thereunder no person shall deal with or otherwise dispose of any goods in a free zone.

(2) Subject to the provisions of this Act, goods in a free zone may—

(a) be removed from such free zone for export or sent into another free zone either in original package or otherwise;

(b) unless otherwise directed by the Authority—

(i) be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed, or otherwise manipulated or be manufactured in accordance with the provisions of this Act, or

(ii) be destroyed;

(c) with the approval of the Authority, and subject to such conditions as may be imposed by it, be sent into any part of the principal customs area in the original package or otherwise provided that the Authority shall consult the Director-General before movement of the goods is authorised.

(3) The provisions of this section shall not apply to goods excluded by order made under subsection (1) of section 6.

Exclusion of goods from free status

6. (1) The Minister may, by order published in the *Gazette*, exclude any goods from the provisions of section 4.

[Del. S4 Act A1572 w.e.f. 1/9/2018]

(2) Notwithstanding anything to the contrary in any written law the provisions of the Customs Act 1967 and the Excise Act 1976 shall apply to the goods so excluded as if the free zone is a place within the principal customs area.

[Subst. S4 Act A1572 w.e.f. 1/9/2018]

Retail trade in free zone

6A. The Minister may, at his absolute discretion, authorise any retail trade to be conducted in a free zone and the Minister may in relation to such authorisation impose such conditions as he may deem fit.

Goods deemed to be exported from, or imported into, Malaysia

7. (1) Unless otherwise provided under this Act or any regulations made thereunder or under any other written law—

- (a) goods which are taken out from any part of the principal customs area and brought into a free zone shall be deemed to be exported from Malaysia; and
- (b) goods which are brought out of a free zone and taken into any part of the principal customs area shall be deemed to be imported into Malaysia.

(2) Custom duty, if any, on any goods deemed to be exported from or imported into Malaysia shall be payable.

[Ins. S3 Act A1595 w.e.f. 1/1/2020]

Goods manufactured in a free industrial zone

8. (1) Goods manufactured within a free industrial zone shall not be taken out of such zone except—

- (a) for export; or
- (b) with the approval of the Authority and after consultation with the Director General, and subject to such conditions as may be imposed, for transmission of the goods to a free commercial zone.

(2) *[Deleted by Act 557]*

(3) *[Deleted by Act 557]*

(4) Goods manufactured in a free industrial zone shall not, without the written permission of a proper officer of customs not below the rank of Assistant Director of Customs and Excise, be used or consumed in such zone.

Declaration to give full and true account

8A. Any person who makes any declaration under this Act or any regulations made thereunder for the purpose of obtaining approval from the proper officer of customs or proper officer of the Authority shall give a full and true account relating to—

- (a) the number and description of the packages;
- (b) the description of the goods;
- (c) the weight, measure or quantity of the goods;
- (d) the value of all of the goods; and

(e) the country of origin of the goods.

Goods unaccounted for

8B. (1) Where in any shop or warehouse, or other building, place or premises in a free zone the quantity of any goods which ought to be kept there is found by a proper officer of customs to be short and the deficiency is not accounted for to the satisfaction of such officer, the owner of such goods or the operator of such shop or warehouse, or other building, place or premises shall, until the contrary is proved, be deemed to have illegally removed such goods from the free zone into the principal customs area, and shall, until the contrary is proved, be deemed to have knowledge of the removal.

(2) Where the goods deemed illegally removed from the free zone into the principal customs area under subsection (1) are subject to taxes, duties or payment under any written law, the owner of such goods or the operator of such shop or warehouse, or other building, place or premises shall be liable to pay to the proper officer of customs such taxes, duties or payment on demand being made within six years from the date on which such taxes, duties or payment was payable or the deficient taxes, duties or payment was paid unless the owner of such goods or the operator of such shop or warehouse, or other building, place or premises can show to the satisfaction of the Director General that such deficiency has been caused by unavoidable leakage, breakage or other accident.

(3) Nothing in subsection (2) prevents the Director General from making a demand at any time after six years whenever any payment of taxes, duties or payment is not paid or short paid due to any form of fraud or default committed by or on behalf of any person.

(4) For the purposes of this section, "operator" means any person who has been given the approval under the regulations made under this Act to carry out any activity in a free zone.

[Ins. S4 Act A1595 w.e.f. 1/1/2020]

Penalty

9. (1) Any person who contravenes section 5, 6A or 8 shall be guilty of an offence and shall, on conviction—

(a) for the first offence, be liable to a fine of not less than ten times the value of the goods or fifty thousand ringgit, whichever is the greater amount, and of not more than twenty times the value of the goods or five hundred thousand ringgit, whichever is the greater amount, or to imprisonment for a term not exceeding five years or to both; and

(b) for a second offence or any subsequent offence, be liable to a fine of not less than twenty times the value of the goods or one hundred thousand ringgit, whichever is the greater amount, and of not more than forty times the value

of the goods or one million ringgit, whichever is the greater amount, or to imprisonment for a term not exceeding seven years or to both.

(2) If the value of the goods under subsection (1) cannot be ascertained, the penalty may amount to a fine of not exceeding five hundred thousand ringgit or to imprisonment for a term not exceeding five years or to both.

[Subst. S5 Act A1595 w.e.f. 1/1/2020]

Activity

10. (1) With the approval of the Minister—

(a) there may be carried out in a free commercial zone the activities specified in the First Schedule;

(b) there may be carried out in a free industrial zone the manufacturing activities specified in the Second Schedule.

(2) The Minister may, from time to time, by notification in the *Gazette* add to, alter or amend the First and the Second Schedules.

(3) Notwithstanding anything to the contrary in the any written law, the Minister may allow any activity to be carried out in a free zone subject to such conditions as he may deem fit to impose.

Record of activity

10A. (1) Every person carrying out any activity in a free zone who has possession of documents and records pertaining to the activity of importation, exportation or manufacturing of goods, shall preserve for a period of seven years all documents and records relating to such activity.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both.

[Ins. S6 Act A1595 w.e.f. 1/1/2020]

Goods permitted into a free industrial zone

11. (1) Subject to this Act goods of any description which would be used directly for the manufacture of other goods or goods manufactured in any part of the principal customs area which are meant for export may be brought into a free industrial zone.

(2) The Minister may, in any particular case, allow goods, other than those referred to in subsection (1), to be brought into a free industrial zone for any activity as he may approve and subject to such conditions as he may deem fit to impose.

Goods permitted into a free commercial zone

12. (1) Subject to subsection (2) goods of any description may be brought into a free commercial zone.

(2) The Minister may, by order, prohibit any goods or class of goods from being taken into a free commercial zone.

PART III SPECIFIC FUNCTIONS OF AUTHORITY

Authority to provide facilities

13. (1) The Minister may require the Authority to provide and maintain or allow in a free zone such facilities as he may consider necessary for the proper and efficient functioning of such zone.

(2) The Minister may give to the Authority such directions as he may consider necessary for the proper functioning of a free zone or for the purpose of protecting revenue; and the Authority shall comply with such directions.

(3) The Authority shall provide adequate facilities for officers of customs whose duties may require their presence within or at the perimeter of a free zone; and the Authority shall permit customs offices to be established in a free zone—

(a) to enable the Director-General to make such arrangements as he deems necessary to ensure the proper supervision of goods taken out from the free zone; and

(b) for such purpose as may be considered necessary by the Minister for the better administration of the provisions of this Act.

(4) The Authority shall provide adequate enclosures to segregate a free zone from the principal customs area for the protection of revenue together with suitable provisions for the movement of persons, conveyances, vessels and goods entering or leaving a free zone.

Authority may permit erection of private buildings, etc.

14. (1) The Authority may permit any person to erect such buildings and other structures within a free zone as may be required.

[Amd. S7 Act A1595 w.e.f. 1/1/2020]

(2) The Authority may, after consulting the Director-General, lease to or allow any person to take, hold or enjoy movable and immovable property of every

description in a free zone upon such terms and conditions and for such period as the Authority may determine.

[Amd. S7 Act A1595 w.e.f. 1/1/2020]

Entry and residence in a free zone

15. (1) Subject to this Act no person shall enter or reside within a free zone without the permission of the Authority.

[Amd. S8 Act A1595 w.e.f. 1/1/2020]

(2) Any person who contravenes the provision of subsection (1) shall be guilty of an offence under this Act.

Exclusion of certain goods, etc.

16. (1) The Authority may in its discretion order the exclusion or removal from a free industrial zone of any goods, or the discontinuance of any activity or operations, which in its opinion are dangerous or prejudicial to the public interest, health or safety.

(2) An order by the Authority as to the removal or exclusion of any goods, which in the opinion of the Authority are dangerous or prejudicial to public safety, shall, notwithstanding an appeal to the Minister, be complied with immediately; but an order as to the discontinuance of activities or operations shall not take effect, if an appeal has been made to the Minister, until the determination of the appeal in favour of the Authority.

(3) The decision of the Minister shall be final and not be subject to review in any court.

Annual reports and accounts

17. (1) The Authority shall prescribe the form and manner of keeping the accounts of a free zone.

(2) The Authority shall furnish to the Minister annually and at such other times as the Minister may direct, reports containing a full statement of all activities, operations, receipts and expenditure and such other information in respect of such zone as the Minister may require.

[Subst. S9 Act A1595 w.e.f. 1/1/2020]

(3) The reports and information referred to in subsection (2) shall be in such form as the Minister may specify.

[Ins. S9 Act A1595 w.e.f. 1/1/2020]

Part IV
OFFENCES, PENALTIES, SEARCH, SEIZURE, ARREST AND PROVISIONS AS TO TRIALS
AND PROCEEDINGS

Powers of enforcement, investigation and inspection

17A. For the purposes of this Act, a senior officer of customs shall have all the powers of a police officer of whatever rank as provided for under the Criminal Procedure Code [Act 593] in relation to enforcement, investigation and inspection, and such powers shall be in addition to the powers provided for under this Act and not in derogation thereof.

[Ins. S2 Act A1630 w.e.f. 1/1/2021]

Additional powers

17B. (1) In addition to and without affecting the existing powers conferred under this Act, when escorting and guarding any person in custody, a proper officer of customs shall have all the powers of a police officer of the rank of Corporal and below and the powers of a prison officer of the rank of Sergeant and below under the Prison Act 1995 [Act 537].

(2) For the purposes of this Act—

- (a) where an order, a certificate or any other act is required to be given, issued or done by an officer in charge of a Police District under any written law, such order, certificate or act may be given, issued or done by a senior officer of customs, and for such purpose, the place where the order, certificate or act was given, issued or done shall be deemed to be a Police District under his charge; and
- (b) a proper officer of customs shall have all the powers conferred on an officer in charge of a police station under any written law, and for such purpose the office of such officer shall be deemed to be a police station.

[Ins. S2 Act A1630 w.e.f. 1/1/2021]

Persons bound to give information

18. (1) Every person required by a proper officer of customs to give information or to produce documents on any subject which it is such officer's duty to enquire into and which it is in such person's power to give or produce shall be bound to give such information or to produce such documents.

(2) When any information or document given or produced under subsection (1) is proved to be untrue or incorrect in whole or in part it shall be no defence to allege that the information or document or any part of the information or document was

furnished inadvertently or without criminal or fraudulent intent, or was misinterpreted or not fully interpreted by an interpreter provided by the person who has given such information or produced such document.

[Ins. S10 Act A1595 w.e.f. 1/1/2020]

Penalty for offences not otherwise provided for

19. Every omission or neglect to comply with, and every act done or attempted to be done contrary to the provisions of this Act or any regulations made thereunder shall be an offence and in respect of any such offence for which no penalty is expressly provided, the offender shall be liable on conviction to a fine **not exceeding fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both.**

[Subst. S11 Act A1595 w.e.f. 1/1/2020]

Attempts and abetments

20. Whoever attempts to commit any offence punishable under this Act or any regulations made thereunder or abets the commission of such offence shall be punished with the punishment provided for such offence.

Access to shop or warehouse, or other building, place or premises

20A. (1) Any senior officer of customs shall for the purposes of this Act at all times have full and free access to any shop or warehouse, or other building, place or premises in the free zone where any person carries on his activity.

(2) Where any senior officer of customs enters upon any shop or warehouse, or other building, place or premises in accordance with this section, he may—

- (a) require any person to produce any goods, document or thing which relates to the person's activity and any documents and records which are required to be kept under section 10A;
- (b) examine any goods, document or thing;
- (c) seize and detain any goods, document or thing if in his opinion it may afford evidence of the commission of any offence under this Act or any regulations made thereunder;
- (d) require any person to answer any question relating to any goods, document or thing;
- (e) require any container, envelope or other receptacle in the shop or warehouse, or other building, place or premises to be opened;

- (f) at the risk and expense of the person carrying out activity in the shop or warehouse, or other building, place or premises, open and examine any package, or any goods or material in the shop or warehouse, or other building, place or premises; or
- (g) take samples of any goods or material and make copies or extracts of any document, if he deems it necessary.

(3) Where any senior officer of customs is unable to obtain full and free access to the shop or warehouse, or other building, place or premises under subsection (1) or to any container, envelope or other receptacle contained therein, he may, at any time, enter the shop or warehouse, or other building, place or premises and open the container, envelope or other receptacle and by force, if necessary.

(4) Any person who refuses to permit any senior officer of customs to enter upon any shop or warehouse, or other building, place or premises in accordance with this section shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding one hundred thousand ringgit or to imprisonment for a term not exceeding three years or to both.

[Ins. S12 Act A1595 w.e.f. 1/1/2020]

Issue of search warrant

21. Whenever it appears to any Magistrate on information and after such enquiry as he may think necessary, that there is reasonable cause to believe that in any **shop or warehouse, or other building, place or premises** in a free zone, there are concealed or deposited any goods in respect of which an offence under the Customs Act 1967, the Excise Act 1976, or this Act or any regulations made thereunder had been committed, such Magistrate may issue a warrant authorising an officer of customs, named therein, by day or by night and with or without assistance—

- (a) to enter such **shop or warehouse, or other building, place or premises** and there to search for and seize any goods in respect of which there is reason to believe that the offence aforesaid has been committed, and any book or document which may reasonably be believed to have a bearing on the case;
- (b) to arrest any person or persons being in such **shop or warehouse, or other building, place or premises**, in possession of any goods aforesaid found, or whom such officer may reasonably suspect to have concealed or deposited such goods;
- (c) to break open, if necessary, any door of such **shop or warehouse, or other building, place or premises** and enter thereinto;
- (d) to forcibly enter, if necessary, such **shop or warehouse, or other building, place or premises** and every part thereof;

- (e) to remove by force any obstruction to such entry, search, seizure and removal as he is empowered to effect; and
- (f) detain any person found in such **shop or warehouse, or other building, place or premises** until such shop or warehouse, or other building, place or premises has been searched.

[Subst. S13 Act A1595 w.e.f. 1/1/2020]

When search may be made without warrant

22. Whenever it appears to any senior officer of customs that there is reasonable cause to believe that in any **shop or warehouse, or other building, place or premises** in a free zone, there are concealed or deposited any goods in respect of which an offence under the Customs Act 1967, the Excise Act 1976 or this Act or any regulations made thereunder has been committed, and if he has reasonable grounds for believing that by reason of any delay in obtaining a search warrant under section 21 such goods or any book or document, which may reasonably be believed to have a bearing on the case are likely to be removed, such officer may exercise in, upon and in respect of such **shop or warehouse, or other building, place or premises** all the powers mentioned in the said section 21 in as full and ample a manner as if he were authorised so to do by warrant under issued that section.

[Subst. S14 Act A1595 w.e.f. 1/1/2020]

Officers of customs may stop and search conveyances

23. (1) Any officer of customs may stop and examine any vehicle in a free zone for the purpose of ascertaining whether any goods which may form the subject of an offence under the Customs Act 1967, the Excise Act 1976 or this Act or under any regulations made thereunder are contained therein, and the person in control or in charge of such vehicle shall if required so to do by such officer stop such vehicle and allow such officer to examine the same or move the vehicle to another place for examination, and shall not proceed until permission to do so has been given by such officer.

(2) The person in control or in charge of any vehicle stopped for examination under subsection (1) shall if so requested by the officer of customs open all parts of the vehicle for examination by such officer and take all measures necessary to enable such examination as such officer considers necessary to be made.

Access to recorded information or computerized data

23A. (1) Any officer of customs exercising his powers under sections **20A**, 21, 22 and 23 shall be given access to any recorded information or computerised data, whether stored in a computer or otherwise.

[Ins. S15 Act A1595 w.e.f. 1/1/2020]

(2) In addition, an officer of customs exercising his powers under sections 20A, 21, 22 and 23—

[Ins. S15 Act A1595 w.e.f. 1/1/2020]

(a) may inspect and check the operation of any computer and any associated apparatus or material which he has reasonable cause to suspect is or has been used in connection with that information or data; and

(b) may require—

(i) the person by whom or on whose behalf the officer of customs has reasonable cause to suspect the computer is or has been so used; or

(ii) the person having charge of, or is otherwise concerned with, the operation of the computer, apparatus or material,

to provide him with such reasonable assistance as he may require for the purposes of this section.

(3) For the purposes of subsection (1), "access" includes being provided with the necessary password, encryption code, decryption code, software or hardware and any other means required to enable comprehension of recorded information or computerised data.

Power to open packages and examine goods

24. Any proper officer of customs may in a free zone examine any goods which are being taken into or being removed from a free zone or intended to be taken into or removed from a free zone and for the purpose of such examination direct the same to be brought to a customs office or a customs station and may open any package or receptacle.

Search of persons entering or leaving a free zone

25. Any person landing, or being about to land, or having recently landed in a free zone, from any vessel or aircraft, whether for the purpose of landing or otherwise, or entering or having recently entered a free zone by road or railway or leaving or about to leave a free zone in any vessel or aircraft, or by road or railway shall, if so requested by any proper officer of customs either permit his person, goods and baggage to be searched by such officer, or together with such goods and baggage accompany such officer to a customs office or customs station or police station and there permit his person, goods and baggage to be searched by an officer of customs:

Provided that—

(a) any person requesting that his person be searched in the presence of a senior officer of customs shall not be searched except in the presence of and

under the supervision of such officer, and such person may be detained until the arrival of such officer or taken into any customs office or customs station or police station where such officer may be found;

- (b) the goods and baggage of any person who requests to be present when they are searched and so present himself within a reasonable time shall not be searched except in his presence; and
- (c) no female shall be searched except by another female with strict regard to decency.

Seizure of goods subject of an offence

26. (1) All goods in respect of which there has been, or there is a reasonable cause to believe that there has been committed any offence against, or any breach of, the Customs Act 1967, the Excise Act 1976 or this Act or any regulations made thereunder or any contravention of any restriction or condition subject to which any licence, permit or authorisation has been granted under any such law, together with any receptacle, baggage, package, vehicle, vessel (not exceeding one hundred eighty two nett registered tonnes), or aircraft other than an aircraft engaged in international carriage, in which the same may be found or which is used in connection with such offence, breach or contravention, and any book or document which may be reasonably believed to have a bearing on the case, may be seized by any officer of customs in a free zone.

(2) All such goods and such receptacles, baggages, packages, vehicles, vessels or aircrafts shall, as soon as is practicable, be delivered into the care of a proper officer of customs whose duty it is to receive the same.

(3) Whenever any goods, receptacle, package, baggage, vehicle, vessel or aircraft is seized under this Act, the officer effecting the seizure shall forthwith give to the owner thereof, if known, notice in writing of such seizure and the reasons therefor, either by delivering such notice to him personally or by post at his place of abode, if known:

Provided that such notice shall not be required to be given where such seizure is made on the person or in the presence of the offender or the owner or his agents, and, in the case of a vessel or an aircraft in the presence of the master or pilot, as the case may be.

(3A) Where by reason of its nature, size or amount it is not practicable to remove any goods, receptacle, package, baggage, vehicle, vessel or aircraft seized under this section, the officer effecting the seizure may, by any means, seal the goods, receptacle, package, baggage, vehicle, vessel or aircraft, or the premises or place in which goods, receptacle, package, baggage, vehicle, vessel or aircraft is found.

(3B) A person who, without lawful authority, breaks, tampers with or damages the seal referred to in subsection (3A) or removes any goods, receptacle, package,

baggage, vehicle, vessel or aircraft under seal, or attempts to do so, shall be guilty of an offence and shall, on conviction, be liable to imprisonment for a term not exceeding five years or to a fine not exceeding one hundred thousand ringgit or to both.

[Ins. S3 Act A1630 w.e.f. 1/1/2021]

(4) The provisions of this section relating to the seizure of goods shall apply to all the contents of any package or receptacle seized and to any article used to conceal the same.

(5) The provisions of this section relating to the seizure of any vessel or aircraft shall apply also to tackles, equipments and furnishings of such vessel or aircraft.

(6) The provisions of this section relating to the seizure of conveyances shall apply to all equipments thereof.

Return or disposal of movable property

27. (1) Where any movable property has been seized under this Act, a senior officer of customs may, at his discretion—

- (a) temporarily return the movable property to the owner or to the person from whose possession, custody or control it was seized, or to such person as the senior officer of customs may consider entitled thereto, subject to such terms and conditions as may be imposed and, in any case, subject to sufficient security being furnished to the satisfaction of the senior officer of customs that the movable property shall be surrendered to a senior officer of customs on demand and that the said terms and conditions, if any, shall be complied with; or
- (b) return the movable property to the owner or to the person from whose possession, custody or control it was seized, or to such person as the senior officer of customs may consider entitled thereto, with liberty for the person to whom the movable property is so returned to dispose of the same, such return being subject to security being furnished to the satisfaction of the senior officer of customs in an amount not less than an amount which, in the opinion of the senior officer of customs, represents—
 - (i) the open market value of such property on the date on which it is so returned;
 - (ii) the customs duty payable in respect thereof; and
 - (iii) any tax payable in respect thereof under any written law,

for the payment of the amount so secured to the Director-General in the event of the court making an order for the forfeiture of such amount under section 39, or

in the event of such amount being forfeited under section 33, as the case may be;
or

(c) sell or destroy the movable property, as appropriate in the circumstances, where it is a living creature or where, in the opinion of the senior officer of customs, it is of a perishable or dangerous nature or likely to speedily deteriorate in quality or value, and where it is so sold, he shall hold the proceeds of sale to abide the result of any prosecution or claim, or a forfeiture under section 33, as the case may be.

(2) Any person who—

(a) fails to surrender on demand to a senior officer of customs the movable property temporarily returned to him under paragraph (a) of subsection (1); or

(b) fails to comply with or contravenes any of the terms or conditions imposed under paragraph (a) of subsection (1),

shall be guilty of an offence and shall, on conviction, be liable to imprisonment for a term not exceeding three years or to a fine not exceeding ten thousand ringgit or to both.

(3) The criminal liability of any person under subsection (2) shall be in addition to any other liability that the said person or any other person may incur under the terms and conditions relating to the return of the movable property under paragraph (a) of subsection (1).

(4) The provisions of subsection (2) shall not apply to such person, if any, who is the guarantor or surety of the person to whom the property is returned under paragraph (a) of subsection (1).

(5) The Minister may, from time to time, either generally or in any particular case or class of cases, give such direction to the Director-General as he may deem necessary or expedient with regard to the exercise of the powers conferred on a senior officer of customs under subsection (1).

(6) No person shall be entitled to maintain any action on account of any act done or any decision taken by or on behalf of the Minister or by or on behalf of a senior officer of customs under this section, and no court shall have any jurisdiction to entertain any such action.

Powers of arrest

28. (1) Any officer of customs may arrest in a free zone without warrant—

- (a) any person found committing or attempting to commit, or employing or aiding any person to commit, or abetting the commission of an offence against this Act or any regulations made thereunder;
- (b) any person whom he may reasonably suspect to have in his possession any goods liable to seizure under the Customs Act 1967, the Excise Act 1976 or this Act or any regulations made thereunder; or
- (c) any person against whom a reasonable suspicion exists that he had committed an offence against the Customs Act 1967, the Excise Act 1976 or this Act or any regulations made thereunder,

[Subst. S9 Act A1572 w.e.f. 1/9/2018]

and may search, or cause to be searched, any person so arrested:

Provided that no female shall be searched except by another female with strict regard to decency.

(2) Every person so arrested may be released from custody—

- (a) on his depositing such reasonable sum of money as the proper officer of customs may require;
- (b) on his executing a bond, with such surety or sureties, as the proper officer of customs may require; or
- (c) on his depositing such reasonable sum of money as the proper officer of customs may require and his executing a bond, with such surety or sureties as the proper officer of customs may require.

(3) Any person who has been released from custody under subsection (2) may be arrested without warrant by any officer of customs—

- (a) if such officer has reasonable grounds for believing that any condition on or subject to which such person was released or otherwise admitted to bail has been or is likely to be breached; or
- (b) on being notified in writing by the surety of such person that such person is likely to breach any condition on or subject to which such person was released and that the surety wishes to be relieved of his obligation as surety.

Provisions relating to arrest without warrant

29. (1) An officer of customs making an arrest without warrant shall, without unnecessary delay and subject to the provisions of this Act, as to bail or previous release, take or send the person arrested before a Magistrates' Court.

(2) No officer of customs shall detain in custody a person arrested without a warrant for a longer period than under the circumstances of the case is reasonable; and such period shall not exceed twenty-four hours exclusive of the time necessary for the journey from the place of arrest to the Magistrates' Court.

(3) No person who has been arrested by an officer of customs shall be released except on his own bond or on bail or under a special order in writing by a Magistrate or a senior officer of customs.

30. *[Deleted by S6 Act A1113]*

Obligation of secrecy

30A. (1) Except as provided under section 31, the name and address of an informer and the substance of the information received from an informer shall be kept secret and shall not be disclosed by any proper officer of customs or any person who in the ordinary course of his duties comes into possession of or has control of or access to such information to any person except the designated officer of customs authorised by the Director General.

(2) Any person who contravenes subsection (1) 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 five years or to both.

Evidence of agent provocateur admissible

30B. (1) Notwithstanding any rule of law or the provisions of this Act or any other written law to the contrary, no agent provocateur shall be presumed to be unworthy of credit by reason only of his having attempted to abet or abetted the commission of an offence by any person under this Act if the attempt to abet or abetment was for the sole purpose of securing evidence against such person.

(2) Notwithstanding any rule of law or the provisions of this Act or any other written law to the contrary, and that the agent provocateur is an officer of customs or a police officer whatever his rank, any statement, whether oral or written, made to an agent provocateur by any person who subsequently is charged with an offence under this Act shall be admissible as evidence at his trial.

[Ins. S4 Act A1630 w.e.f. 1/1/2021]

Protection of informers from discovery

31. (1) Except as hereinafter provided, no witness in any civil or criminal proceedings conducted pursuant to this Act shall be obliged or permitted to disclose the name or address of an informer or the substance of the information received from him or to state any matter which might lead to his discovery.

(2) If any book or document which is in evidence or liable to inspection in any civil or criminal proceedings whatsoever, contain any entry or passage in which any informer is named or described or which might lead to his discovery, the court shall cause all such entries or passages to be concealed from view or to be obliterated insofar only as may be necessary to protect the informer from discovery.

(3) If on the trial for any offence against this Act or any regulations made thereunder the court, after full enquiry into the case, believes that the informer wilfully made in his complaint a material statement which he knew or believed to be false or did not believe to be true, or if in any other proceedings the court is of the opinion that justice cannot be fully done between the parties thereto without the discovery of the informer, it shall be lawful for the court to require the production of the original complaint, if in writing, and permit enquiry, and require full disclosure, concerning the informer.

Offence by bodies of persons and by servants and agents

32. (1) Where an offence against this Act or any regulations made thereunder has been committed by a company, a firm, a society, an association or other body of persons, any person who at the time of the commission of the offence was a director, manager, secretary or other similar officer of the company, society, association or other body of persons, a partner or manager of the firm, or such other person purporting to act in such capacity or such person having charge or control of the company, firm, society, association or other body of persons shall be deemed to be guilty of that offence, unless he proves that the offence was committed without his consent or connivance and that he has exercised all 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.

(2) Where any person would be liable under this Act to any punishment, penalty or forfeiture for any act, omission, neglect or default he shall be liable to the same punishment, penalty or forfeiture for every such act, omission, neglect or default of any clerk, servant or agent, or of the clerk or servant of such agent provided that such act, omission, neglect or default was committed by such clerk or servant in the course of his employment or by such agent when acting on behalf of such person or by the clerk or servant of such agent when acting in the course of his employment in such circumstances that had such act, omission, neglect or default been committed by the agent his principal would have been liable under this section.

Compounding of offences

33. (1) Any senior officer of customs may, with the written consent of the Public Prosecutor, compound any offence committed by any person under this Act and prescribed by the Minister to be a compoundable offence by making a written offer to the person suspected of committing the offence to compound the offence on payment to the Director General of an amount of money not exceeding fifty per centum of the amount of the maximum fine for that offence within the time specified in the offer.

(2) An offer under subsection (1) may be made at any time after the offence has been committed, but before any prosecution for it has been instituted, and if the amount specified in the offer is not paid within the time specified in the offer or within any extended period as the Director General may grant, prosecution for the offence may be instituted at any time after that against the person to whom the offer was made.

(3) Where an offence has been compounded under subsection (1), no prosecution shall after that be instituted in respect of the offence against the person to whom the offer to compound was made.

(4) Upon payment of such compound under subsection (1), any property seized shall be released and no further proceedings shall be taken against such property except that if the property seized consists of goods the import of which into Malaysia is absolutely or conditionally prohibited under any written law and no import licence has been issued, such goods or the amount secured under paragraph 27(1)(a) or (b) or the amount realized by sale under paragraph 27(1)(c), as the case may be, shall be forfeited.

(5) All sums of money received by the Director General under this section shall be paid into and form part of the Federal Consolidated Fund.

[Subst. S16 Act A1595 w.e.f. 1/1/2020]

Protection of Government from liability

34. The Government or the Authority, as the case may be, shall not be liable to make good any loss sustained in respect of any goods by fire, theft, damage or any other cause while such goods are in any customs warehouse or in the lawful custody or control of any officer of customs or an employee of the Authority unless such loss is caused by the wilful neglect, or default of an officer of customs or of a person employed by the Government or the Authority.

Protection of officers of customs from liability

35. No officer of customs or other person employed by the Government in connection with the customs shall be liable to make good any loss sustained in respect of any goods by fire, theft, damage or other cause while such goods are in any customs warehouse or in the lawful custody or control of such officer or any other officer of customs or person employed in connection with customs unless such loss is caused by his wilful neglect or default.

No costs or damages shall be recoverable unless seizure is without reasonable or probable cause

36. No person shall in any proceedings before any court in respect of the seizure of any goods seized in exercise or the purported exercise of any power conferred by this

Act be entitled to the cost of such proceedings or to any damages or other relief except an order for the return of such goods or the payment of their value unless such seizure was made without reasonable or probable cause.

Conviction under other written law

37. Nothing in this Act shall prevent any person from being prosecuted under any written law for any act, omission, neglect or default which constitutes an offence under this Act or any regulations made thereunder, or from being liable under that written law to any punishment or penalty higher or otherwise than that provided by this Act or any regulations made thereunder.

Goods liable to forfeiture

38. All goods seized under this Act shall be liable to forfeiture.

Court to order forfeiture and disposal of goods seized

39. (1) An order for the forfeiture or for the release of anything liable to forfeiture under the provisions of this Act shall be made by the Court before which the prosecution with regard thereto has been held, and an order for the forfeiture of goods shall be made if it is proved to the satisfaction of the Court that an offence against this Act or any regulations made thereunder has been committed and that the goods were the subject matter of, or were used in the commission of, the offence notwithstanding that no person may have been convicted of such offence.

(2) The Court shall order the forfeiture of—

(a) in the case of goods returned under paragraph (b) of subsection (1) of section 27 and subsequently disposed of by the owner or by the person to whom it was returned, the amount secured under that paragraph;

(b) in the case of goods sold pursuant to paragraph (c) of subsection (1) of section 27, the amount realised by such sale,

if it is proved to the satisfaction of the Court that an offence against this Act or any regulations made thereunder has been committed and that the movable property in respect of which the amount was secured or realised by sale, as the case may be, was the subject matter of or, was used in the commission of, the offence notwithstanding that no person may have been convicted of such offence.

(3) All things forfeited shall be delivered to a proper officer of customs and shall be disposed of in accordance with the directions of the Director General.

Goods seized in respect of which there is no prosecution

40. (1) If there be no prosecution with regard to any goods seized under this Act, such goods shall be taken and deemed to be forfeited at the expiration of one calendar month from the date of seizure unless a claim thereto is made before that date in the manner hereinafter set forth.

(2) Any person asserting that he is the owner of such goods and that they are not liable to forfeiture may personally or by his agent authorise in writing give written notice to a senior officer of customs that he claims the same.

(3) On receipt of such notice the senior officer of customs shall refer the claim to the Director-General who may direct that such goods be released or may direct such senior officer of customs, by information in the prescribed form, to refer the matter to the Magistrate of the First Class for his decision.

(4) The Magistrate of the First Class shall issue a summons requiring the person asserting that he is the owner of the goods and the person from whom they were seized to appear before him, and upon their appearance or default to appear, due service of such summons being proved, the Magistrate shall proceed to the examination of the matter and, on proof that an offence against this Act has been committed and that such goods were the subject matter, or used in the commission, of such offence, shall order the same to be forfeited, or may in the absence of such proof order their release.

Goods seized may be delivered to the owner or other person

41. The Minister may, upon application made to him in writing through the Director-General, order any goods seized under this Act, whether forfeited, or taken and deemed to be forfeited, to be delivered to the owner or other person entitled thereto, upon such terms and conditions as he may deem fit:

Provided that any such application shall be made before the expiration of one calendar month from the date of forfeiture of such goods or from the date on which such goods shall be taken and deemed to be forfeited, as the case may be.

Recovery of duty or tax as a civil debt

41A. (1) Without prejudice to any other remedy, any tax, duty or payment payable under this Act may be recovered as a civil debt due to the Government of Malaysia, or where the customs duty is a duty of a category assigned to the State by Article 112C of the Federal Constitution, to the Government of the State.

(2) In any proceedings to recover any other remedy, any tax, duty or payment under subsection (1), the production of a certificate signed by the Director General—

- (a) stating that any other remedy, any tax, duty or payment shown in the certificate as payable, in any assessment or notice made under this Act from a person named in the certificate; and
- (b) giving the address of the person and purporting to be a copy of or an extract from any notice of assessment,

shall be conclusive evidence of any other remedy, any tax, duty or payment as payable in any assessment or notice and shall be sufficient authority for the court to give judgement for that amount.

[Ins. S17 Act A1595 w.e.f. 1/1/2020]

Part V MISCELLANEOUS PROVISIONS

Vessel in relation to free zone

42. (1) Any vessel tied alongside the wharf of a free zone shall be deemed to be within such free zone.

(2) Any ship to ship transfer within the port limits of a free zone shall be deemed to have been done within such zone.

Movement of goods into and from a free zone by sea

42A. (1) No goods shall be brought into, or be loaded or water-borne to be loaded to be taken out from, any free zone by sea—

- (a) except at a legal landing place; and
- (b) until permission to do so has been received from the proper officer of the Authority.

(2) Except with the permission of the proper officer of the Authority, no such goods, after having been landed or unshipped, shall be transhipped.

Movement of goods into and from a free zone by air

42B. No goods shall be brought into, or be taken out from, any free zone by air except at a customs airport.

Movement of goods into and from a free zone by road or rail

42c. No goods shall be brought into, or be taken out from, any free zone by road or rail except at prescribed places of import or export and, where a route has been prescribed, by such route.

Proper officer of customs may take samples

43. (1) The proper officer of customs may at any time take samples of any goods to ascertain whether they are goods of a description liable to any customs duty or to ascertain the customs duty on such goods on entry into the principal customs area or for such other purpose as the proper officer of customs may deem necessary, and such samples may be disposed of in such manner as the Director-General shall direct.

(2) No payment shall be made for any sample taken but the proper officer of customs shall give a receipt for any sample so taken.

Public servants

44. The members of the Authority and the employees thereof of every description when exercising their functions or carrying out their duties under this Act shall be deemed to be public servants for the purpose of the Penal Code.

Rewards

45. The Director General may order such rewards as he may deem fit to be paid to any officer of customs or any other person for services rendered in connection with the detection of cases of smuggling or of offences under this Act, or in connection with any seizure made under this Act.

Appeal from decision of the Authority or the Director General

46. Where it is provided in this Act or any regulations made thereunder that the decision on any matter rests with the Authority or the Director-General, then unless it is specifically provided that such decision is at the absolute discretion of the Authority or the Director-General, any person aggrieved by such decision may appeal to the Minister.

Power to make regulations

47. The Minister may make regulations as may be necessary or expedient for giving full effect to the provisions of this Act or the carrying out of the purposes of this Act.

Power to delegation

48. The Minister may, in relation to a free zone, delegate to any person all or any of his powers under this Act, except the power under subsection 10(2) and section 47.

Part VI AMENDMENTS AND REPEAL

Amendments and repeal

49. The Acts specified in the first column of the Third Schedule are repealed or amended, as the case may be, to the extent shown in the second column of the same Schedule.

Free trade zone deemed to be free industrial zone

50. Any free trade zone declared under section 3 of the Free Trade Zones Act 1971, and which is still in force immediately before the commencement of this Act, shall be deemed to be a free industrial zone declared under section 3 of this Act until revoked by the Minister.

Minister may revoke any declaration or order

51. The Minister may revoke any declaration or order made under this Act or any written law repealed by this Act in respect of any free zone:

Provided that any order of revocation made under this Section, if it has the effect of abolishing any free zone so declared, shall allow sufficient time for the persons in the free zone directly affected by such order to make arrangement for the disposal of their goods.

FIRST SCHEDULE

(Section 10(1)(a))

(1) Name of Free Commercial Zone	(2) Activities
<p>1. Pasir Gudang Port Free Zone, Mukim of Plentong, District of Johor Bahru, Johor:</p> <p>All that land situated in the Mukim of Plentong, in the District of Johor Bahru, Johor, bounded by the grey line shown in the <i>Gazette</i> Plan 2233, 2234, 2283, 3065 and 3066 deposited in the Office of the Director of Survey and Mapping, Johor, excluding the areas specified below:</p> <ul style="list-style-type: none"> (i) Land occupied by Felda Johore Bulkurs at Lot 66228 and 66229 as shown in <i>Gazette</i> Plan 2234; (ii) Land occupied by Petronas Dagangan Berhad at Lot 66226 and 66227 as shown in <i>Gazette</i> Plan 2233; (iii) Land occupied by BP Malaysia Sdn. Bhd. at Lot 66221 and 66222 as shown in <i>Gazette</i> Plan 2233; (iv) Customs Inspection Bay in area of 0.459 hectare in Container Terminal at Lot 66208 as shown in <i>Gazette</i> Plan 2233; (v) Land (Lot A) in area of 1,909 hectares at Lot 66233 and land (Lot B) in area of 1.028 hectares at Lot 83274 as shown in <i>Gazette</i> Plan 2282; (vi) A part of land at main entrance as shown as shown in <i>Gazette</i> Plan 3067; (vii) Land occupied by Sime Sembawang Corp, Engineering Sdn. Bhd at Lot 83288, 83289, 83290, 83291, 83292, 83293, 83287, 83284, 83281, 83282, and 83283 as shown in <i>Gazette</i> Plan 3068; and (viii) Land occupied by Aramija Sdn Bhd at 83285 and 83286 as shown in <i>Gazette</i> Plan 3068. 	<p>Commercial</p>
<p>2. Duty Free Area at Pengkalan Kubor:</p> <p>Fenced area which includes Lot No. 752 to 759, 761 to 784, the market area and such other areas therein, of Mukim Pengkalan Kubor, in the district of Tumpat, Kelantan.</p>	<p>Trading</p>

(1) Name of Free Commercial Zone	(2) Activities
<p>3. Bukit Kayu Hitam:</p> <p>Lot No. (Pt. 1443) Town of Bukit Kayu Hitam, Mukim of Sungai Laka, District of Kubang Pasu, Kedah.</p>	<p>Trading</p>
<p>4. Mukim of Kapar, District of Klang, Selangor:</p> <p>All that land situated in the Mukim of Kapar, in the District of Klang, Selangor bounded by the grey line as shown in the <i>Gazette</i> Plan 882 deposited in the Office of the Director of Survey, Selangor excluding the areas specified below:</p> <ul style="list-style-type: none"> (i) land occupied by the Kedah Cement, Gold Coin Feedmill, Petronas Bukering Installation, BP Bulk Installation, KFC Feedmill, PKE Export Handling Terminal, Central Sugar, Pengkalan Export Perkayuan-Shapadu and Jetty Services; (ii) lands occupied by Tank No. 22 of Fima Unitank, Tank No. 1-20 and No. 22-47 of Fimaly Bulking Installation and Tank No. 13-48 of Fima DEB; (iii) land occupied by the Klang Port Management Sdn. Bhd., comprising Export Stacking Bay (6 blocks: TA-TG), Refers Stack (2 blocks: RA-RB), Customs Examination Bay (3 block: 1-3), Godown Q (an area 220'x 150'), Godown P (an area 600'x 150'), Open Yard P (an area 660' x 217'), Transit Shed No. 13 (an area 100' X 101') Transit Shed No. 16 (an area 177' x 105'). Transit Shed No. 18 (an area 177' x 105') and Dock Area (an area 700' x 105'); (iv) land occupied by the Klang Container Terminal comprising the Export Stack (Block B1-Rows B11 to B30, Slots 01 to 14) (Block B2-Rows B11 to B29, Slots 15 to 31) (Block C1-Rows C01 to C34 and C99 Slots 01-14) (Block C2-Rows 01 to C35 Slot 15 to 31) (Block F-Rows F16 to F25 Slots 01 to 11 Rows F01 to F15 Slots 01 to 03) (Block G-Rows 01 to G16 Slots 01 to 14) (Refer-Rows R01 to R52, Rows R59 to R87 Customs Examination Area bounded by the pink line as shown in the above <i>Gazette</i> Plan 882) (Rows E01 to E42 Slots 01 to 06) FS Stacking Area (Rows 01 to 06 Slots 16 to 62) and Container Freight Station (area=2.973 sq. m); and (v) land occupied by Port Klang Distribution Park Sdn. Bhd., comprising the Customs Holding Area (area=20,000 sq. ft.). 	<p>Commercial</p>

(1) Name of Free Commercial Zone	(2) Activities
<p>5. West Port, Pulau Indah, Mukim of Klang, District of Klang:</p> <p>All that land situated in the Mukim of Klang, District of Klang, Selangor bounded by the grey line as shown in the <i>Gazette</i> Plan 1174 and Lot No. 55709 and No. 55710 as shown in <i>Gazette</i> Plan 1452 deposited in the Office of the Director of Survey and Mapping, Selangor.</p>	Commercial
<p>6. Deep Water Wharf, Section 4, city of Butterworth, District of North Seberang Perai:</p> <p>All that land situated in Section 4, city of Butterworth, Northern District, Seberang Perai bounded by the grey line as shown in the <i>Gazette</i> Plan 573 deposited in the Office of the Director of Survey, Penang, excluding the areas specified below:</p> <p>(i) Land occupied by the Penang Port Sdn. Bhd. comprising of:</p> <p>(a) Warehouse W2;</p> <p>(b) Export Blocks (Block A-D: Slot Nos. 1-45) (Block E-H: Slot Nos. 1-23); and</p> <p>(c) The Customs Examination Bay for containers (between Block D and the railway line);</p> <p>(ii) Land occupied by the Malaysia Agricultural Oil Sdn. Bhd. for Tank Nos. 1-6;</p> <p>(iii) Land occupied by the Butterworth Installation for Tank Nos. 1-13;</p> <p>(iv) Land occupied by the FIMA Palm Bulk Services Sdn. Bhd. for Tank Nos. 1-37;</p> <p>(v) Land occupied by the Palm Co. Holding Bhd. for Tank Nos. 1-4 and Tank Nos. 6-9; and</p> <p>(vi) Land occupied by the Kedah Oil Palm Bulking Installation for Tank Nos. 1-16.</p>	Commercial

(1) Name of Free Commercial Zone	(2) Activities
<p>7. Mukim 12, District of Barat Daya, Penang:</p> <p>All that land situated in Mukim 12, District of Barat Daya, Penang, bounded by the grey line as shown in the <i>Gazette</i> Plan 495 deposited in the office of the Director of Survey and Mapping, Penang.</p>	Commercial
<p>8. Bukit Kayu Hitam Town and Mukim of Sungai Laka, District of Kubang Pasu, Kedah:</p> <p>All that land situated in the Town Bukit Kayu Hitam and Mukim of Sungai Laka, District of Kubang Pasu, bounded by the grey line as shown in the <i>Gazette</i> Plan 1358 deposited in the Survey Office, Kedah.</p>	Commercial
<p>9. Duty Free Area at Stulang Laut, Johor Bahru:</p> <p>All that land within the fenced area containing Lot PTB 10707 and PTB 20006 (excluding the Customs Office and Customs Examination Area), of Mukim Bandar, in the District of Johor Bahru, Lot PTD 146378 and PTD 148062, of Mukim Plentong, in Bandar, in the District of Johor Bahru, the jetty at Lot PTB 20380 and the land at Lot PTB 20438 (including the floating restaurant), of Mukim Bandar, in the District of Johor Bahru, Johor.</p>	Commercial
<p>10. Kuala Lumpur International Airport, Sepang:</p> <p>All that land situated in the Town Area of Sepang International Airport, District of Sepang bounded by the grey line as shown in the <i>Gazette</i> Plan 1207 and <i>Gazette</i> Plan 1981 deposited in the office of the Director of Survey, State of Selangor</p>	Commercial
<p>11. Tanjung Pelepas, Mukim Tanjung Kupang, District of Johor Bahru, Johor (Phase I):</p> <p>(Part of Lot PTD 2423) Mukim Tanjung Kupang, District of Johor Bahru, Johor, as shown by the grey line in the <i>Gazette</i> Plan 2749 deposited in the Office of the Director of Survey and Mapping, Johor.</p>	Commercial

(1) Name of Free Commercial Zone	(2) Activities
<p>12. Pulau Layang-Layang:</p> <p>All areas of Pulau Layang-Layang comprising an area of 10.1 km² located at Latitude N 07^o 22.5' Longitude E 113^o 48.8' in the South China Sea within the Continental Platform of Malaysia.</p>	Commercial
<p>13. Mukim of Rantau Panjang, District of Pasir Mas, Kelantan:</p> <p>All that land situated in the Mukim of Rantau Panjang in the District of Pasir Mas, Kelantan bounded by the grey line as shown in the <i>Gazette</i> Plan 705 deposited in the Office of the Director of Survey, Kelantan excluding the areas specified below:</p> <p>(i) the Customs Office and the Customs Examination Area; and</p> <p>(ii) land occupied by Pos Malaysia Berhad, Rantau Panjang.</p>	Commercial
<p>14. Lot 1993 Mukim 12, District of Barat Daya, Penang:</p> <p>The Air Cargo Forwarding Agents Warehouse Complex, International Airport situated at part of Lot 1993 Mukim 12, District of Barat Daya, Penang bounded by grey line as shown in the <i>Gazette</i> Plan 730 deposited in the Office of the Director of Survey, Penang.</p>	Commercial
<p>15. South Point, Port Klang, Port Swettenham District of Klang, Selangor:</p> <p>South Point, Port Klang, Port Swettenham District of Klang, Selangor as shown by the bold line in <i>Gazette</i> Plan 1382 deposited in the Office of the Director of Survey and Mapping, Selangor.</p>	Commercial
<p>16. Pulau Indah, Mukim Klang, District of Klang, Selangor:</p> <p>(Lot 67894) Pulau Indah, Mukim Klang, District of Klang, Selangor, as shown by the grey line in the <i>Gazette</i> Plan 1388 deposited in the Office of the Director of Survey and Mapping, Selangor.</p>	Commercial

(1) Name of Free Commercial Zone	(2) Activities
<p>17. MILS Logistic Hub (MLH), Mukim Klang, District of Klang, Selangor:</p> <p>(Part of lot 88077 area of 13.359 hectares) Mukim Klang, District of Klang, Selangor, as shown by the grey line in the <i>Gazette</i> Plan 1451 deposited in the Office of the Director of Survey and Mapping, Selangor.</p>	Commercial
<p>18. Tasik Kenyir Duty Free Area:</p> <p>The area situated in the Mukim of Hulu Terengganu, District of Hulu Terengganu, Terengganu bounded by the grey line encompassing the 339 islands therein, as shown in the <i>Gazette</i> Plan 846 deposited in the Office of the Director of Survey and Mapping, Terengganu.</p>	Retail
<p>19. Free Commercial Zone Area Terminal 2, Johor Port, Pasir Gudang:</p> <p>The areas marked as "(A)" and "(B)" situated in the Mukim of Plentong, District of Johor Bahru, Johor, bounded by the grey line as shown in the <i>Gazette</i> Plan PW50075 deposited in the Office of the Director of Survey and Mapping, Johor.</p>	Commercial
<p>20. Free Commercial Zone, Tanjung Langsat, Mukim of Sungai Tiram District of Johor Bahru, Johor:</p> <p>The area situated in the Mukim of Sungai Tiram, District of Johor Bahru, Johor, bounded by the grey line as shown in the <i>Gazette</i> Plan PW50082 deposited in the Office of the Director of Survey and Mapping, Johor.</p>	Commercial
<p>21. Kuantan Port Free Zone Mukim of Sungai Karang, District of Kuantan, Pahang:</p> <p>The area situated in the Mukim of Sungai Karang, District of Kuantan, Pahang, bounded by the grey line as shown in the <i>Gazette</i> Plan PW5317 deposited in the Office of the Director of Survey and Mapping, Pahang.</p>	Commercial
<p>22. Senai Airport City, Mukim of Tebrau, District of Johor Bahru, Johor:</p> <p>The area situated in the Mukim of Tebrau, District of Johor Bahru, Johor, that is bounded by the grey line as shown in the <i>Gazette</i> Plan 50134 deposited in the Office of the Director of Survey and Mapping, Johor.</p>	Commercial

SECOND SCHEDULE

(Section 10(1)(b))

(1) Name of Free Commercial Zone	(2) Activities
<p>1. Mukim of Plentong, Johor Bahru:</p> <p>All that land situated in the Mukim of Plentong in the District of Johor Bahru, bounded by the grey line as shown in the <i>Gazette</i> Plan 2235 deposited in the Office of the Director of Survey, Johor.</p>	<p>Manufacturing</p>
<p>2. Mukim of Pringgit, Central District of Malacca:</p> <p>All that land situated in the Mukim of Pringgit, in the Central District of Malacca, bounded by the grey line as shown in the <i>Gazette</i> Plan PG 109 deposited in the Office of the Director of Survey, Malacca.</p>	<p>Manufacturing</p>
<p>3. Tanjung Kling, Mukim of Tanjung Kling, Central District of Malacca:</p> <p>All that land situated in Tanjung Kling, in the Mukim of Tanjung Kling, in the Central District of Malacca, bounded by the grey line as shown in the <i>Gazette</i> Plan 295 deposited in the office of the Director of Survey, Malacca.</p>	<p>Manufacturing</p>
<p>4. Mukim of Pringgit and Bukit Baru, in Central District of Malacca:</p> <p>All that land situated in the Mukim of Pringgit and Bukit Baru, in the Central District of Malacca, bounded by the grey line as shown in the <i>Gazette</i> Plan PG 108 deposited in the Office of the Director of Survey, Malacca.</p>	<p>Manufacturing</p>
<p>5. Mukim of Hulu Kinta in the District of Kinta, Perak:</p> <p>All that land situated in the Mukim of Hulu Kinta in the District of Kinta, bounded by the grey line as shown in the <i>Gazette</i> Plan 870 deposited in the Office of the Director of Survey, Perak.</p>	<p>Manufacturing</p>

(1) Name of Free Commercial Zone	(2) Activities
<p>6. Telok Panglima Garang in the District of Kuala Langat, Selangor:</p> <p>All that land situated in the Mukim of Telok Panglima Garang, in the District of Kuala Langat, Selangor, bounded by the grey line as shown in the <i>Gazette</i> Plan 460 and <i>Gazette</i> Plan 1269 deposited in the Office of the Director of Survey, Selangor.</p>	Manufacturing
<p>7. Mukim of Ulu Klang, District of Gombak, Selangor:</p> <p>All that land situated in the Mukim of Ulu Klang, in the District of Gombak, Selangor bounded by the grey line as shown in the <i>Gazette</i> Plan 439 deposited in the Office of the Director of Survey, Selangor.</p>	Manufacturing
<p>8. Mukim of Damansara, District of Klang, Selangor:</p> <p>All that land situated in the Mukim of Damansara, in the District of Klang, Selangor bounded by the grey line as shown in the <i>Gazette</i> Plan 375 deposited in the Office of the Director of Survey, Selangor.</p>	Manufacturing
<p>9. Prai, Central District of Seberang Prai, Mukim 1, Penang:</p> <p>All that land bounded by the grey line as shown in the <i>Gazette</i> Plan 290 deposited in the Office of the Director of Survey, Penang.</p>	Manufacturing
<p>10. Bayan Lepas, South West District, Mukim 12, Penang:</p> <p>(i) All that land bounded by the grey line as shown in the <i>Gazette</i> Plan 138 deposited in the Office of the Director of Survey, Penang.</p> <p>(ii) All that land bounded by the grey land as shown in the <i>Gazette</i> Plan 281 deposited in the Office of the Director of Survey, Penang.</p> <p>(iii) All that land bounded by grey line as shown in the <i>Gazette</i> Plan 289 deposited in the Office of the Director of Survey, Penang.</p>	Manufacturing
<p>11. Batu Berendam, Mukim of Bachang, Central District of Malacca:</p> <p>All that land situated in Batu Berendam, in the Mukim of Bachang, in the Central District of Malacca, bounded by the grey line as shown in the <i>Gazette</i> Plan 249 deposited in the Office of the Director of Survey, Malacca.</p>	Manufacturing

(1) Name of Free Commercial Zone	(2) Activities
<p>12. Kinta, Mukim of Hulu Kinta, District of Kinta, Perak:</p> <p>All that land situated in Kinta, in the Mukim of Hulu Kinta, in the District of Kinta, Perak bounded by the grey line as shown in the <i>Gazette</i> Plan 949 deposited in the office of the Director of Survey, Perak.</p>	Manufacturing
<p>13. <i>[Deleted by PU(B) 55/2001]</i></p>	Manufacturing
<p>14. Sama Jaya Kuching, Sarawak:</p> <p>All that land bounded by the grey line as shown in the Plan No. MPI/30-51 and MPI/30-62(B) deposited in the office of the Director of Survey, Sarawak.</p>	Manufacturing
<p>15. Pulau Indah, Mukim Klang, District of Klang, Selangor:</p> <p>(Lot 67894) Pulau Indah, Mukim Klang, District of Klang, Selangor, as shown by the grey line in the <i>Gazette</i> Plan 1388 deposited in the Office of the Director of Survey and Mapping, Selangor.</p>	Manufacturing
<p>16. Tanjung Pelepas, Mukim Tanjung Kupang, District of Johor Bahru, Johor (Phase I):</p> <p>(Part of Lot PTD 2423) Mukim Tanjung Kupang, District of Johor Bahru, Johor, as shown by the grey line in the <i>Gazette</i> Plan 2751 deposited in the Office of the Director of Survey and Mapping, Johor.</p>	Manufacturing
<p>17. Tanjung Pelepas, Mukim Tanjung Kupang, District of Johor Bahru, Johor (Phase II):</p> <p>(Lot PTD 2426) Mukim Tanjung Kupang, Daerah Johor Bahru, Johor, as shown by the grey line in the <i>Gazette</i> Plan 2752 deposited in the Office of the Director of Survey and Mapping, Johor.</p>	Manufacturing
<p>18. Tanjung Pelepas, Mukim Tanjung Kupang, District of Johor Bahru, Johor (Phase II):</p> <p>(Lots PTD 1586 and PTD 1731) Mukim Serkat, Daerah Pontian, Johor, as shown by the grey line in the <i>Gazette</i> Plan 2750 deposited in the Office of the Director of Survey and Mapping, Johor.</p>	Manufacturing

(1) Name of Free Commercial Zone	(2) Activities
<p>19. Sultan Ismail International Airport Free Industrial Zone, Mukim Senai, Kulai, District of Johor Bahru, Johor:</p> <p>Sultan Ismail International Airport, Mukim Senai, Kulai, District of Johor Bahru, Johor bounded by grey line as shown in the <i>Gazette</i> Plan 2296 deposited in the Office of the Director of Survey and Mapping, Johor.</p>	Manufacturing
<p>20. Tanjung Bin Petrochemical and Maritime Industrial Hub Free Industrial Zone (Phase 1):</p> <p>Tanjung Bin Petrochemical and Maritime Industrial Hub (Phase 1) situated in parts of the Lot PTD 1851, Mukim Serkat, District of Pontian, Johor Bahru, Johor bounded by the grey line as shown in the <i>Gazette</i> Plan PW3254 deposited in the Office of the Director of Survey and Mapping, Johor.</p>	Manufacturing
<p>21. Senai Airport City Phase One, Mukim Senai, District of Kulaijaya, Johor:</p> <p>Lot PTD 105600, Mukim Senai, District of Kulaijaya, Johor bounded by the grey line as shown in the <i>Gazette</i> Plan 50009 deposited in the Office of the Director of Survey and Mapping, Johor.</p>	Manufacturing
<p>22. Senai Airport City Phase One, Mukim Tebrau, District of Johor Bahru, Johor.</p> <p>Lot PTD 175329, Mukim Tebrau, District of Johor Bahru, Johor bounded by the grey line as shown in the <i>Gazette</i> Plan 50010 deposited in the Office of the Director of Survey and Mapping, Johor.</p>	Manufacturing

THIRD SCHEDULE

(Section 49)

AMENDMENTS AND REPEAL

(1) Acts	(2) Amendments
Customs Act 1967	<p>Section 2 is amended by substituting for subsection (1A) the following new subsection (1A):</p> <p>"(1A) For the purposes of this Act (other than section 31), a free zone shall be deemed to be a place outside Malaysia.</p> <p>In this subsection, the expression "free zone" has the meaning assigned to it under section 2 of the Free Zones Act 1990 [Act 438]."</p>
Excise Act 1976	<p>Subsection 2(1) is amended by substituting for the definition of "free trade zone" the following new definition:</p> <p>" "free zone" has the meaning assigned to it under section 2 of the Free Zones Act 1990 [Act 438] and for the purposes of this Act a free zone shall be deemed to be a place outside Malaysia;"</p>
Sales Tax Act 1972	<p>Section 2A is amended by substituting therefor the following new section 2A:</p> <p>"2A. For the purpose of this Act, a free zone shall be deemed to be a place outside Malaysia.</p> <p>In this section, the expression "free zone" has the meaning assigned to it under section 2 of the Free Zones Act 1990 [Act 438]."</p>
Service Tax Act 1975	<p>Insert immediately after section 2 the following new section 2A:</p> <p>"2A. For the purposes of this Act, a free zone shall be deemed to be a place outside Malaysia.</p> <p>In this section, the expression "free zone" has the same meaning assigned to it under section 2 of the Free Zones Act 1990 [Act 438]."</p>

(1) Acts	(2) Amendments
Promotion of Investments Act 1986	<p><i>(a)</i> Subsection 36(5) is amended by substituting the words "Free Industrial Zone" for the words "Free Trade Zone" appearing therein; and</p> <p><i>(b)</i> subsection 36A(3) is amended by substituting the words "Free Industrial Zone" for the words "free Trade Zone" appearing therein.</p>
Free Trade Zones Act 1971	Repeal the whole.

Note:

Savings provision (section 18 of Act 1595)

(1) The amendment to sections 14 and 15 of the principal Act in sections 7 and 8 of this Act shall not affect—

- (a) any erection of building or other structures in a free commercial zone before the date of coming into operation of this Act which on the coming into operation of this Act is still under construction;*
- (b) any person who has taken, held or enjoyed movable and immovable property of every description in a free commercial zone before the date of coming into operation of this Act; and*
- (c) any person who has been residing within a free commercial zone before the date of coming into operation of this Act.*

(2) On the date of coming into operation of this Act—

- (a) such building or other structures mentioned in paragraph (1)(a) may be continued and completed as if section 14 of the principal Act had not been amended by this Act;*
- (b) such person mentioned in paragraph (1)(b) may continue to take, hold or enjoy such movable and immovable property, as if section 14 of the principal Act had not been amended by this Act, subject to such conditions as imposed by the Authority; and*
- (c) such person mentioned in paragraph (1)(c) may continue to reside within such free commercial zone, as if section 15 of the principal Act had not been amended by this Act, subject to such conditions as imposed by the Authority.*

(3) Any compounding of offences under the existing section 33 of the principal Act which is pending before the date of coming into operation of this Act shall, after the date of coming into operation of this Act, be continued and concluded as if the principal Act had not been amended by this Act.