



For the attention of Chief Executives

*Making Malaysian Industries Globally Competitive
Transparency • Integrity • Accountability*

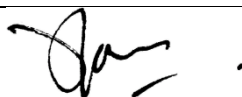
GI / 21 / 2023

**Summary and Highlights of the 326th Meeting
of the FMM Council held on July 26, 2023**

No	ISSUES AND FMM'S VIEWS & ACTION TAKEN	For enquiries
1	<p><u>COVID-19 SOP - House Surveillance Order</u></p> <p>The Ministry of Health on July 5, 2023 announced further relaxation of the COVID-19 SOP where the House Surveillance Order has been reduced from 7 days to 5 days from the onset of the first symptom following the World Health Organisation declaration that COVID-19 is no longer a Public Health Emergency of International Concern along with declining local cases.</p>	Head Office, International Business Division (Cik Shamini Sakthinathan)
2	<p><u>1st FMM–EUROCHAM Technical Committee Meeting on Compliance to New EU Directives - July 21, 2023</u></p> <p>a. Discussion on areas of concern on the implementation of EUDR and CBAM</p> <p><u>EU Deforestation-Free Regulation (EUDR)</u></p> <ul style="list-style-type: none"> i. Constraints faced by oil palm smallholders as under EUDR, operators importing oil palm (products and derivatives) into Europe are required to provide geolocations (and polygon maps, if the plot is more than four hectares) of the imported products. ii. Cluster of products and traceability –For palm oil, it will be traced down until fatty acids and alcohol levels, which will be subjected to additional requirements compared to soybean oil producers. It is also impossible to proceed for the traceability due to different palm oil blends involved. iii. Risk measurement for Exporting Countries - Under Article 24 of EUDR, the Commission will separate countries (or regions) into three tiers, however, the EU has not announced the country risk profiling and this does affect the level of compliance required by the industry to meet the EUDR directive. iv. Inclusion of synthetic rubber products and cocoa preparations – Certain derived products of rubber ie rubber gloves and cocoa ie chocolate are subject to the regulations. FMM has submitted these products to the EU DG for Environment for consideration that these products be excluded from the Annex 1 which contain the list of HS codes and products subject to EUDR. <p><u>Carbon Border Adjustment Mechanism (CBAM)</u></p> <ul style="list-style-type: none"> i. Readiness of the market and ecosystem – There is a lack of mechanism to calculate embedded carbon in products traded and limitation in the number of international bodies that are able to carry out such measurement and provide certification on the emission rate allowed. ii. Many SME players - Majority of Malaysian companies in the iron and steel and aluminium sectors will not be able to adhere to CBAM as players are small in size and do not have the capacity and capability to meet the requirements under CBAM which is costly and requires government support to assist SMEs to comply. The larger companies that are able to require more time to meet the reporting obligations as well as evaluate the carbon footprint of their value chains. 	Head Office, International Business Division (Cik Shamini Sakthinathan)



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	<p>b. Ongoing initiatives by Ministries and agencies</p> <p><u>Bursa Malaysia</u></p> <p>i. Regulation perspective – Mandatory sustainability reporting requirement in the Main Market Listing Requirements and the ACE Market Listing Requirements, with the aim to elevate the sustainability practices and disclosures of listed issuers.</p> <p>ii. Initiative perspective - Public-Listed Companies (PLCs) Transformation Programme, aimed at transforming Malaysian PLCs into high-performing organisations, which promotes and emphasises ESG best practices.</p> <p><u>Natural Resources, Environment and Climate Change Ministry (NRECC)</u></p> <p>i. NRECC will support the initiative by the EU but hoped that further consultation to be made especially when it involves state level which leads to higher complexity in terms of implementation.</p> <p>ii. Efforts will be made to assist to verify the emission calculation. However, a more practical timeline for CBAM reporting instead of October 1, 2023 is needed as companies in Malaysia would not be able to comply.</p> <p>c. Capacity Building Initiatives –</p> <p>i. MITI and the International Trade Centre and FMM will be organising a 2-day workshop on the EUDR and CBAM with experts from the EU from August 14-15, 2023. On August 16-17, 2023, ITC will coordinate Focus Group sessions to allow for sector-specific discussions on the EUDR and CBAM.</p> <p>ii. FMM and EUROCHAM to jointly organise a Seminar/ Forum in the fourth quarter of 2023 on CBAM and EUDR. EU Delegation's assistance will be sought to invite speakers from the EU DG of Environment for the event.</p>	
4	<p><u>MPC Workshop on APEC Business Travel Card (ABTC) Issuance</u></p> <p>The workshop was moderated by Encik Mohammed Alamin Rehan, Director, Good Regulatory Practice, National Competitiveness Section, Malaysia Productivity Corporation. The workshop is part of efforts by the PEMUDAH Technical Working Group on Trading Across Borders (TWGTAB) to address the issues relating to the ABTC issuance and recommendations for improvements to facilitate mobility of Malaysian business travellers.</p> <p>a. On the way forward in relation to the virtual ABTC, Immigration Malaysia (JIM) briefed the workshop that the initiative to implement the virtual ABTC has been proposed to the Government early this year.</p> <p>b. JIM will engage with APEC Business Mobility Group BMG to discuss virtual ABTC for Malaysia.</p> <p>c. JIM informed that the minimum travelling requirement (5 times) for the ABTC applicants has been revised and would now be based on the period from June 2022-June 2023 to determine their eligibility.</p> <p>d. YBhg Dato' Chua Tia Guan (Co-Chair of PEMUDAH's Focus Group on Paying Taxes) agreed for PEMUDAH to assist in requesting manpower for ABTC processing at JIM and expediting the procurement for the purchase of printer and card given that it is generating revenue for the Government.</p>	Head Office, International Business Division (Cik Shamini Sakthinathan)



Han Mong Ying
Company Secretary

14 August 2023/HAN

For enquiries on the above issues, please contact the Division/Branch-in-charge at the FMM Secretariat: -

Location	Telephone Number	Location	Telephone Number
Head Office	03-62867200		
Kedah / Perlis Branch	04-4403273	Malacca Branch	06-2831639
Penang Branch	04-3992057	Johor Branch	07-3577613
Perak Branch	05-5488660	Eastern Branch	09-5156857
Selangor & Kuala Lumpur Branch	03-55694171	Sarawak Branch	082-332784
Negeri Sembilan Branch	06-6031616	Sabah Branch	088-447580