

TERMS OF REFERENCE

RCEP Business Advisory Council (RBAC) Malaysia Network

East Asia Business Council (EABC) Malaysia Chapter

1. Introduction

The Regional Comprehensive Economic Partnership (RCEP), which entered into force for Malaysia on March 18, 2022, is the world's largest free trade agreement by combined gross domestic product, population and total trade value. It brings together 15 economies across ASEAN, China, Japan, the Republic of Korea, Australia and New Zealand, accounting for approximately 30% of global output and 2.2 billion people.

The agreement offers Malaysian manufacturers direct access to preferential tariffs, harmonised rules of origin under a single certificate of origin and improved conditions for trade in services and investment. Despite these provisions, utilisation among Malaysian businesses remains low. The East Asia Business Council (EABC) and Japan External Trade Organization (JETRO) Business Outlook Survey 2025 recorded high awareness of RCEP but found that nearly half of non-users did not know how to begin claiming preferences. Addressing this gap requires structured, sustained business engagement.

The EABC Malaysia Chapter, as part of its mandate under the RCEP Business Advisory Council (RBAC), is establishing the RBAC Malaysia Network to serve as a domestic platform connecting businesses actively engaged in RCEP trade with government agencies responsible for RCEP implementation. The Network will function as the Malaysian chapter's operational arm for RBAC, channelling ground-level business experience into national and regional policy advocacy.

2. Background

The EABC was established in October 2003 following a recommendation by the East Asia Study Group, endorsed by ASEAN+3 Leaders. It comprises business leaders from each ASEAN member state, China, Japan and the Republic of Korea, appointed by their respective Economic Ministers. Its mandate covers the identification of priority areas for regional economic cooperation, the facilitation of business networking, and the submission of private sector recommendations to ASEAN+3 Senior Economic Officials, Ministers and Leaders through annual dialogues with the Senior Economic Officials Meeting+3 (SEOM+3) and the ASEAN Economic Ministers+3 (AEM+3).

RCEP has been a recurring priority in the EABC work programme. The 2017 theme explicitly addressed inclusive development through eCommerce and RCEP, and the EABC established a dedicated Working Group on RCEP ahead of the agreement's finalisation. On January 26, 2022, the EABC elevated this work by formally establishing the RBAC under its ambit, consolidating private sector input into RCEP implementation and trade facilitation.

Since formation, RBAC has since held ten (10) meetings, participated in the Annual High-Level Forum for RCEP Economic and Trade Cooperation, compiled data on RCEP certificates of origin issued across member economies, and met with the RCEP Joint Committee. The RBAC Malaysia Network is constituted under this framework,

with the objective of extending RBAC's reach into the domestic business community and strengthening Malaysia's contribution to regional advisory processes.

3. Objectives

The RBAC Malaysia Network is established to pursue the following objectives:

- Serve as a structured domestic platform for businesses using or seeking to use RCEP, to aggregate practical experience on tariff preference claims, rules of origin compliance, customs procedures and non-tariff barrier resolution.
- Channel business experience and concerns into RBAC's recommendations to the RCEP Joint Committee and ASEAN+3 ministerial processes.
- Facilitate direct engagement between the private sector and relevant government agencies on RCEP implementation matters, including policy gaps, procedural bottlenecks and capacity constraints.
- Promote awareness and utilisation of RCEP among Malaysian manufacturers, particularly in the electrical and electronics, chemicals, rubber products, automotive components and food processing sectors where uptake is concentrated.
- Contribute to the EABC-JETRO Business Outlook Survey and other regional research instruments with Malaysian business data on RCEP utilisation, supply chain resilience and investment trends.
- Support Malaysia's positions at the RCEP Joint Committee and other RCEP governance bodies with documented private sector evidence.

4. Membership and Composition

4.1 Chairmanship

The RBAC Malaysia Network shall be chaired by the Chairman of the EABC Malaysia Chapter. The inaugural Chairman is Tan Sri Dato' (Dr.) Soh Thian Lai who is the appointed EABC Malaysia Chapter Chairman.

4.2 Business Members

Business membership shall comprise manufacturers and exporters with demonstrable engagement in RCEP trade flows, drawn primarily from the following sectors:

- Electrical and electronics manufacturing
- Chemical and petrochemical products
- Rubber and rubber products
- Automotive components and parts
- Food and beverage manufacturing
- Medical devices and pharmaceuticals
- Machinery and equipment
- Iron and steel

Membership is open to companies that are exporting to or sourcing from RCEP member economies and are either active users of RCEP preferential treatment or are in the process of assessing RCEP applicability to their operations.

The Network may have up to twenty business members. Membership shall be reviewed annually and renewed by consent. Members are expected to attend a minimum of two Network meetings per year and contribute to survey and research activities as requested.

4.3 Government Representatives

The following government agencies shall be invited to participate as government representatives or observers, in recognition of their roles in RCEP implementation and trade facilitation:

- Ministry of Investment, Trade and Industry (MITI) — lead RCEP negotiating and implementing agency
- Royal Malaysian Customs Department (JKDM) — responsible for RCEP preferential tariff administration and certificate of origin verification
- Malaysia External Trade Development Corporation (MATRADE) — export promotion and exporter engagement
- SME Corporation Malaysia (SMECorp) — MSME capacity building and awareness

4.4 Secretariat

The Federation of Malaysian Manufacturing (FMM) as the EABC Malaysia Chapter Secretariat is responsible for organising meetings, preparing agendas and minutes, coordinating correspondence, managing the Network's contribution to RBAC regional processes.

5. Functions and Activities

The Network shall carry out the following functions:

- Convene regular meetings to review RCEP utilisation trends, emerging implementation issues and business concerns arising from RCEP trade operations.
- Compile and analyse member experience on RCEP certificate of origin applications, rules of origin compliance, customs clearance procedures and non-tariff measures encountered at RCEP partner country borders.
- Prepare written submissions and position papers for presentation to RBAC, MITI and relevant RCEP governance bodies, including the RCEP Joint Committee.
- Participate in and contribute to the annual EABC-JETRO Business Outlook Survey, with the Secretariat coordinating the Malaysian business response.
- Engage in capacity building activities including workshops, briefings and training programmes on RCEP rules of origin, preferential tariff claiming procedures and the ASEAN Tariff Finder, in coordination with MITI, MATRADE and other relevant agencies.

- Monitor developments in RCEP implementation across member economies and bring relevant updates to the attention of Network members and government representatives.
- Establish working relationships with counterpart RBAC chapter networks in other ASEAN member states and RCEP plus three economies.

6. Meetings

The Network shall meet a minimum of twice per year. Additional meetings may be convened at the discretion of the Chairman or at the request of government representatives when specific RCEP implementation matters require prompt attention.

7. Reporting

The Network reports to the EABC Malaysia Chapter. The Chairman shall present a summary of Network activities and positions at EABC Malaysia Chapter meetings and at RBAC regional meetings as appropriate.
