

The Glossary of Legal & Technical Terms

Relating to Customs & Trade



CUSTOMS APPEAL TRIBUNAL

GLOSSARY

The following terms have been identified as being used in the appeal cases heard by the Customs Appeal Tribunal.

The compilation of the terms in the Glossary have been sourced from the past appeal cases held at the Tribunal. The Glossary is meant to assist the members of the Tribunal as a source of quick reference in the preparation of the hearing of such cases.

The meanings have been drawn from various sources. Acknowledgement is made of the information drawn from "*The Glossary of Legal and Technical Terms Relating to Customs and Trade*".

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A

WORD/ ACRONYM	MEANING
Ad Valorem Duties and Taxes	Duties and taxes collected according to value. It is calculated as the percentage of the value of the goods.
Assessment Officer	The senior officer of the Customs assigned to determine the proper collection of duty/tax based on the correct value, quantity and description of goods declared.

B

WORD/ ACRONYM	MEANING
Bank Guarantee	A letter of guarantee issued by a bank to the Director General of Customs to safeguard customs duties/taxes.
Bill of Demand	A bill issued by the Customs to claim any customs duties or other money due and payable to the department.
Bond	An undertaking in due legal form by which a person binds himself to the Customs to do or not to do some specific act.

C

WORD/ ACRONYM	MEANING
Cargoes Manifest	A complete listing of the goods comprising the cargo carried in a means of transport or in a transport unit.
Certificate of Analysis	A certificate issued by an authorized/qualified agency i.e. Chemistry Department, Public Works Department, SIRIM, Ministry of Health etc. to be used by an Assessment Officer in the process of determining the tariff classification of goods.
Certificate of Origin	A document to certify the specific country of origin of the goods.
Classification of Goods	The process of determining the correct tariff code for goods or commodities based on the rules of classification of the Harmonized Commodity Description and Coding System (HS).

WORD/ ACRONYM	MEANING
Common Effective Preferential Tariff (CEPT)	A scheme created for ASEAN Free Trade Area whereby ASEAN member countries are committed to reduce tariff on products traded between them from 5% to 0% within a time frame.
Computed Value	The value determined under regulation 9 of the Customs (Rules of Valuation) Regulations 1999.
Consignee	Person who receives goods shipped from a consignor.
Consignor	The shipper of goods or shipper of a transportation movement.
Cost, Insurance and Freight (CIF)	The price quoted that the seller offers to the buyer which includes the cost of goods, insurance charges and overseas freight.
Customs	The Royal Malaysian Customs Department.

WORD/ ACRONYM	MEANING
Customs Appeal Tribunal	The Tribunal established under section 141B of the Customs Act 1967.
Customs Declaration	Any statement or action, in any form prescribed or accepted by the Customs, giving information or particular required by the Customs.
Customs duty	Any import duty, export duty, surtax, surcharge or cess imposed by or under the Customs Act 1967, any countervailing duty or anti-dumping duty imposed by or under the Countervailing and Anti-Dumping Duties Act 1993, any safeguard duty imposed by or under the Safeguards Act 2006 and includes any royalty payable in lieu of an export duty under any written law, or a contract, lease or agreement to which the Federal Government or the Government of any State is a party or to which such Government has consented.

WORD/ ACRONYM	MEANING
Customs Duties Order	The prescribed rate of import /export duty to be levied on the goods listed in the First Schedule of the Customs Duties Order 2007.
Customs Exemption	The exemption of duty/ tax given to the list of goods and class of persons based on the criteria set out in the Customs Duties (Exemption) Order 1988, the Sales Tax (Exemption) Order 2008 and the Excise Duties (Exemption) Order 1977.
Customs Licenses	A license approved by the Director General of Customs to a person, taxable person or a manufacturer under the Customs Act 1967, Excise Act 1976, Service Tax Act 1975 and Sales Tax Act 1972.
Customs ruling	The customs ruling made by the Director General of Customs under section 10B of the Customs Act 1967.

WORD/ ACRONYM	MEANING
Customs Value	The value assigned to the goods at the time of entry. It is used for the calculation of duties and taxes owed and for other purposes. The method of valuation in Malaysia is based on the WTO Valuation Agreement rules where transaction value is adopted as the primary method of valuation.

D

WORD/ ACRONYM	MEANING
Decision Tribunal of	<p>The reasons that shall be given by the Tribunal for its decision in any appeal heard before it. The Tribunal can –</p> <ul style="list-style-type: none"> • affirm the decision of the Director General of Customs. • vary the decision of the Director General of Customs. or • set aside the decision of the Director General of Customs and substitute it with a new decision. <p>(section 141T(2) of the Customs Act 1967)</p>
Director General	<p>The Director General of Customs and Excise appointed under subsection 3(1) of the Customs Act 1967.</p>
Drawback	<p>A facility for refund of duty paid on imported goods when it is exported, whether in the same form or after undergoing a process of manufacture.</p>

WORD/ ACRONYM	MEANING
Dutiable goods	All goods subject to the payment of customs duty and on which such duty has not yet been paid.

E

WORD/ ACRONYM	MEANING
Excise duty	Any duty fixed under section 6 of the Excise Act 1976.
Export	To take or cause to be taken out of Malaysia, by land, sea or air or to place any goods in a vessel, conveyance or aircraft for the purpose of such goods being taken out of Malaysia by land, sea or air.
Export Declaration Form	The Customs Form No.2 used for the purpose of declaration of goods to be exported.
Extension of Time	An application for extension of time that must be made for any appeal filed out of the prescribed time - Regulation 3 of the Customs (Appeal Tribunal) Regulations 2007.

F

WORD/ ACRONYM	MEANING
Filing Appeal	<p>an</p> <p>An appeal to the Customs Appeal Tribunal be filed within thirty (30) days from the date of receiving the written notification of the decision of the Director General of Customs (section 143 of the Customs Act 1967, section 47 of the Excise Act 1976, section 50 of the Service Tax Act 1975 and section 68 of the Sales Tax Act 1972).</p> <p>Every appeal shall be in Form A which shall be file in four (4) copies. A filing fee of RM100.00 shall be paid. The particulars required in Form A such as name, address, particulars of dispute, reasons of appeal and remedy sought have to be filled in. Form A shall be filed at the Tribunal's office or online on My e-TRK Portal.</p>
Finished Goods	Goods manufactured by a licensed manufacturer.

WORD/ ACRONYM	MEANING
Forwarding Agent	Any person approved under the Customs Act 1967 to act as an agent for transacting business relating to import or export of any goods or luggage or the entry or clearance of any vessel or aircraft.
Free Zones	An area gazetted within Malaysia deemed to be outside Principal Customs Area whereby approved trading and/or manufacturing activities are allowed without being subject to payment of customs duties and taxes.
Further Appeal	The appellant or the Director General of Customs may appeal against the decision of the Tribunal to the High Court on a question of law or of mixed law and facts. (section 141w of the Customs Act 1967)

G

WORD/ ACRONYM	MEANING
General Agreement on Tariff & Trade (GATT)	A multilateral trade agreement designed to liberalize and harmonize international trade by reducing tariff and standardizing customs procedures.

H

WORD/ ACRONYM	MEANING
Harmonized Commodity Description and Coding System / Harmonized System (HS)	An internationally standardized system of names and numbers for classifying traded products developed and maintained by the World.
Hearing of Appeal	A situation where both parties must attend at the time and place fixed for the hearing either personally or by an authorized representative (other than an advocate and solicitor). Failure to attend may cause the Tribunal to either dismiss the appeal where the appellant or both parties are absent or proceed with the hearing where the respondent is absent.



WORD/ ACRONYM	MEANING
Import	To bring or cause to be brought into Malaysia by land, sea or air: Provided that goods bona fide in transit, including goods for transshipment, shall not, for the purpose of levy of customs duties, be deemed to be imported unless they are or become uncustomed goods.
Importer	Any owner or other person for the time being possessed of or beneficially interested in any goods at and from the time of importation thereof until such goods are duly removed from customs control.
Internal Tax Return	A prescribed Form CJP No.1 used to declare goods or services for the purpose of payment of sales tax or service tax.
Invoice	A detailed statement showing goods sold or shipped with a statement of the sum due for these. The invoice is prepared by the seller and acts as the document that the buyer will use.

J

WORD/ ACRONYM	MEANING
Jurisdiction of the Tribunal	<p>The jurisdiction of the Customs Appeal Tribunal pursuant to Part XIVA of the Customs Act 1967 to hear appeals from any person aggrieved by the decision of the Director General of Customs under section 143 of the Customs Act 1967, section 47of the Excise Act 1976, section 68 of the Sales Tax Act 1972 and section 50 of the Service Tax Act 1975. The Tribunal is also empowered to –</p> <ul style="list-style-type: none">• procure and receive all such evidence on oath or affirmation, whether written or oral, and examine all such persons as witnesses, as the Tribunal thinks necessary to procure, receive or examine.• require the production before it of books, papers, documents, records and things.• administer such oath, affirmation or statutory declaration as the case may be.• seek and receive such other evidence and make such other inquiries as it thinks fit.• summon the parties to the proceedings or any other person to attend before it to give

WORD/ ACRONYM	MEANING
	<p>evidence or to produce any document, records or other thing in his possession or otherwise to assist the Tribunal in its deliberations.</p> <ul style="list-style-type: none">• receive expert evidence.• adopt such procedure as it thinks fit and proper.• make orders as to costs and generally direct and do all such things as may be necessary or expedient for the expeditious determination of the appeal.

L

WORD/ ACRONYM	MEANING
Licensed Manufacturer	A manufacturer of taxable goods licensed under the Sales Tax Act 1972 or a manufacturer of excisable goods licensed under the Excise Act 1976.
Licensed Warehouse	A warehouse licensed under section 65 of the Customs Act 1967 for the storage of dutiable goods on which payment of duties is deferred until the goods are removed for domestic consumption. If the goods are re-exported, no duty is to be paid.
Licensed Manufacturing Warehouse	A premise which is licensed under section 65 and 65A of the Customs Act 1967 for the storage of unpaid duty raw materials imported for the purpose of manufacturing finished goods for the export market and for local sales.

M

WORD/ ACRONYM	MEANING
Malaysian Trade Classification	The tariff code for Malaysian goods or commodities based on the rules of classification of the Harmonized Commodity Description and Coding System (HS). The list comprises the heading and sub-heading, description, unit of quantity, rate of import duty and export duty of such goods.
Minister	The Minister charged with responsibility for finance.

N

WORD/ ACRONYM	MEANING
Negotiation for Settlement	<p>Negotiation for settlement which is provided under section 141P of the Customs Act 1967 where every appeal filed shall go through the process of agreed settlement. The Tribunal shall assist the parties to negotiate an agreed settlement.</p> <p>Negotiation can be carried out at any stage of the appeal.</p> <p>In a negotiation, the role of the Tribunal is to assist and facilitate the parties to reach an agreed settlement.</p>



WORD/ ACRONYM	MEANING
Officer of Customs	<ul style="list-style-type: none">(a) The Director General.(b) Any Deputy Director General of Customs and Excise appointed under subsection 3(1) of the Customs Act 1967.(c) Any Assistant Director General, Director, Senior Assistant Director and Assistant Director of Customs and Excise appointed under subsection 3(1) of the Customs Act 1967.(d) Any Senior Superintendent, Superintendent or Assistant Superintendent of Customs and Excise appointed under subsection 3(4) of the Customs Act 1967.(e) Any Chief Customs Officer, Senior Customs Officer or Customs Officer appointed under section 4 of the Customs Act 1967.(f) Any police officer.

WORD/ ACRONYM	MEANING
Officer Excise of	<p>(a) Any officer of customs as defined in subsection 2(1) of the Customs Act 1967.</p> <p>(b) Any District Officer or Assistant District Officer in any district in which there is for the time being no senior officer of customs as defined in subsection 2(1) of the Customs Act 1967.</p>
Owner	Any person being or holding himself out to be the owner, importer, exporter, consignee, agent or in possession of, or beneficially interested in, or having any control over the goods.

P

WORD/ ACRONYM	MEANING
Packing List	A list of items and quantities of goods that is sold.
Payment Under Protest	The payment of customs duties and taxes pending the decision of the Director General of Customs on any dispute on tariff classification or valuation of imported goods.
Penalty	Penalty for late payment of tax due and payable under section 16 of the Service Tax Act 1975 or section 24 of the Sales Tax Act 1972.
Post Clearance Audit	Checking of the accounts or documents of the manufacturers, importers, exporters and licenses carried out by the Customs to ascertain proper payment of customs duties.

WORD/ ACRONYM	MEANING
Private Licensed Warehouse	A premise which is licensed under section 65 of the Customs Act 1967 for storage of dutiable goods belonging to the licensee on which payment of duties is deferred until the goods are removed for domestic consumption.
Proper officer of customs	Any officer of customs acting in the fulfilment of his duties under this Act, whether such duties are assigned to him specially or generally, or expressly or by implication.
Public Bonded Warehouse	A premise which is licensed under section 65 of the Customs Act 1967 for storage of dutiable goods belonging to importers on which payment of duties is deferred until the goods are removed for domestic consumption.

R

WORD/ ACRONYM	MEANING
Re-Export	Goods which have been imported and subsequently brought out from the country.
Re-Import	Goods which have been exported and subsequently brought back into the country.
Refund	The repayment, in whole or in part, of customs duties and taxes paid on the goods.
Remission	The waiver of payment by the Minister of Finance, in whole or in part, of import duties, sales tax, excise duties, service tax and/or penalties where payment has or has not been made.
Retrospective Claim	A backdated claim on customs duties, excise duties, sales tax, service tax and penalty accrued on taxable goods or taxable service.

WORD/ ACRONYM	MEANING
Round Table Discussion (RTD)	A discussion process between the Customs and licenses or tax payer to discuss and find solution on issues related to procedures or taxes.
Royalty	The payment of royalty for the import of goods which may be taken into account to adjust the price paid or payable as the transaction value of imported goods under the Customs (Rules of Valuation) Regulations 1999.
Rules of Origin	Specific provisions applied by a country based on national legislations or international agreements to determine the origin of goods.

S

WORD/ ACRONYM	MEANING
Sales Tax	Tax payable under the Sales Tax Act 1972.
Service Tax	Tax payable for any service which is prescribed to be a taxable service under Service Tax Act 1975.

T

WORD/ ACRONYM	MEANING
Tariff Code	Determination of the tariff subheading in a tariff nomenclature under which particular goods should be classified (WCO).
Tariff Rate	The term 'tariff' often refers to a comprehensive list or 'schedule' of merchandise with the rate of duty to be paid to the government for importing products listed, whereas the term 'duty' applies only to the rate applicable to an individual tariff item.
Taxable goods	Goods of a class or kind not for the time being exempted from sales tax.
Taxable period	Two calendar months or part thereof ending on the last day of the second calendar month.

WORD/ ACRONYM	MEANING
Taxable person	<p>(a) Under the Service Tax Act 1975 any person who is prescribed to be a taxable person.</p> <p>(b) Under the Sales Tax Act 1972 any person who is, or is required to be, licensed under the Act.</p>
Taxable service	Any service which is prescribed to be a taxable service under the Service Tax Act 1975.
Technical Committee on Customs Valuation (TCCV)	The committee in the World Customs Organization which provides technical advice on valuation matters to member countries.

WORD/ ACRONYM	MEANING
Temporary Import	A customs procedure under section 97 of the Customs Act 1967 where certain goods can be brought into a customs territory and are conditionally exempt from customs duties and taxes. Such goods must be imported for a specific purpose and must be intended for re-export within a specific period and without having undergone any change except normal depreciation due to the usage of such goods.
Temporary Export	A customs procedure under section 98 of the Customs Act 1967 where certain goods being exported are conditionally exempt from export duties and taxes. Such goods must be intended for re-importation within a specific period and without having undergone any change except normal depreciation due to the usage of such goods.
Transaction Value	The price paid or payable for imported goods when sold for export to Malaysia and determined under regulations 4 and 5 of the Customs (Rules of Valuation) Regulations 1999.

WORD/ ACRONYM	MEANING
Transfer Pricing	A system of pricing between related entities (normally within a group of multinational companies). When one part of a multinational organization transfer (sells) goods, services or know-how to another part in another country, the price charged for these goods or services is called transfer price.
Transit	A process of going or being taken or transported from one place to another.
Treasury Exemption	The exemption of duty/tax given by the Minister of Finance under the provisions of Section 14(2) Customs Act 1967, section 10(a) Sales Tax Act 1972, section 11(2) Excise Act 1976 and section 6 Service Tax Act 1975.

V

WORD/ ACRONYM	MEANING
Valuation	The process of determining the customs value of goods based on the Customs (Rules of Valuation) Regulations 1999 for the purpose of collection of customs duties and taxes.
Value Added	Additional value to imported or manufactured goods as a result of value added activities such as repacking, addition of accessories, branding, labeling, research and development (R&D) etc.

W

WORD/ ACRONYM	MEANING
World Customs Organization (WCO)	An independent intergovernmental body whose mission is to enhance the effectiveness and efficiency of Customs administrations.
World Trade Organization (WTO)	An intergovernmental organization which regulates international trade and deals with the rules of trade between nations. The WTO officially commenced on 1 January 1995 under the Marrakesh Agreement, signed by 123 nations on 15 April 1994, replacing the General Agreement on Tariffs and Trade (GATT), which commenced in 1948.

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