



Suruhanjaya Komunikasi dan Multimedia Malaysia
Malaysian Communications and Multimedia Commission

PUBLIC CONSULTATION PAPER
New Communications Equipment Framework
20 May 2024

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1.0 PREFACE

The objective of this public consultation is to seek views and comments from the industry, interested parties and members of the public on the proposed New Communications Equipment Framework (NCEF) in Malaysia.

Confidential treatment may be requested on any part of the submission that is believed to be proprietary, confidential or commercially sensitive with supporting justification for Malaysian Communications and Multimedia Commission (MCMC) consideration. In such cases, the submission must be provided in a non-confidential form suitable for publication, with any confidential information redacted as necessary and placed instead in a separate annex and clearly marked as “CONFIDENTIAL”.

If MCMC grants confidential treatment, it will consider, but will not publicly disclose the information. However, if MCMC rejects the request, the information will be returned and not to be considered as part of the submission. Any submission that requests confidential treatment for all, or a substantial part of submission, will not be accepted by MCMC.

MCMC invites all interested parties to provide feedback on the proposed NCEF. All submissions should reach MCMC on or before 12:00 noon, 21 June 2024.

Submissions should be sent to:

Attention to : Standards Planning Department
Email : stpd@mcmc.gov.my
Telephone : +603 8688 8341

2.0 ABBREVIATIONS

CA	Certifying Agency
CBRA	Cross Border Regulatory Agency
CMA 1998	Communications and Multimedia Act 1998
CoA	Certificate of Approval
CoC	Certificate of Conformity
eComM	Online Certification for Communications and Multimedia Equipment
IMEI	International Mobile Equipment Identity
MCMC	Malaysian Communications and Multimedia Commission
MRA	Mutual Recognition Arrangement
NCEF	New Communications Equipment Framework
PoC	Proof of Concept
RMCD	Royal Malaysian Customs Department
ROB	Registration of Business
ROC	Registration of Company
SDoC	Supplier's Declaration of Conformity
SIRIM	SIRIM QAS International Sdn. Bhd.
SLP	Self-Labeling Program
SSM	Companies Commission of Malaysia
TSR 2000	Communications and Multimedia (Technical Standards) Regulations 2000
TVRO	Television Receive-only

3.0 INTRODUCTION

Currently, the certification framework for the approval of communications equipment is outlined in the Communications and Multimedia (Technical Standards) Regulations 2000 (TSR 2000). TSR 2000 defines the rules and procedures for the registration of certifying agency (CA), certification, conditions for certified equipment including certification mark, suspension, cancellation, recall and disposal of communications equipment. TSR 2000 is divided into the following parts:

- a) Part I: Preliminary;
- b) Part II: Certifying Agency;
- c) Part III: Communications Equipment;
- d) Part IV: Certification of Proficiencies; and
- e) Part V: General.

3.1 CERTIFYING AGENCY

3.1.1 Pursuant to section 186 of the Communications and Multimedia Act 1998 (CMA 1998), MCMC may register CAs for the purpose of certifying compliance with codes or standards. The registration of CAs is made in accordance with Part II of TSR 2000.

3.1.2 Regulation 10 in TSR 2000 requires the certification program carried on or operated by a registered CA shall include the following:

- a) evidence of the control of the certification mark or label, certificate or other indicators of compliance;
- b) periodic monitoring and testing of the equipment;
- c) quality control and quality assurance requirements;
- d) procedures to review and re-establish certification status when revisions are made to standards, policies and procedures;
- e) recording and reporting systems which demonstrate that procedures have been fulfilled;
- f) procedures for the resolution of disputes between the persons who apply for certification and the registered certifying agency; and
- g) any other matters as may be required by the Commission.

3.1.3 Currently, SIRIM QAS International Sdn. Bhd. (SIRIM) is the only registered CA for the certification of communications equipment. The certification issued by SIRIM as a registered CA is deemed as an approval by MCMC.

3.1.4 However, as provided in regulation 13, the registration of a CA by MCMC shall not affect the right of MCMC to certify any communications equipment.

3.1.5 SIRIM has also been appointed by the Royal Malaysian Customs Department (RMCD) as a cross border regulatory agency (CBRA) since 1999. This appointment was made under the Customs Act 1967 and Customs (Prohibition

of Imports) Order 2023. SIRIM's role as a CBRA is to enable control of communications equipment imported into the country via the issuance of certificate of approval (CoA) or also known as import permit.

- 3.1.6 The above arrangement enables SIRIM to be a one stop centre that handles end-to-end processes for the placement of communications equipment in the market, from certification to import permit issuance.

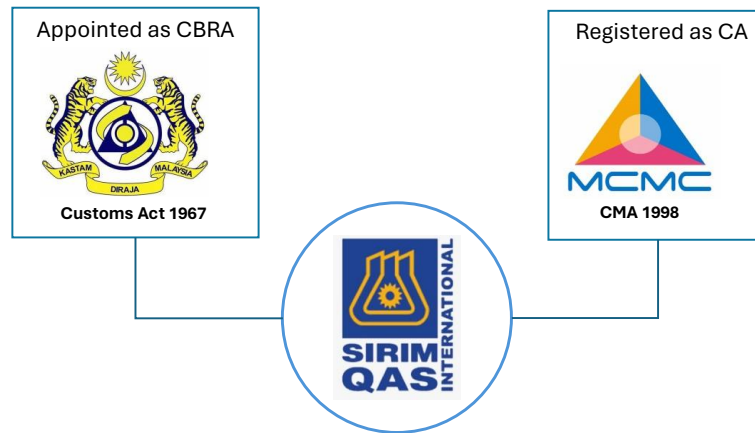


Figure 1: SIRIM as a one stop centre

3.2 CERTIFICATION OF COMMUNICATIONS EQUIPMENT

Under regulation 2 of TSR 2000, communications equipment is defined as any network facilities, customer equipment or radiocommunications equipment.

Pursuant to regulation 14, all communications equipment which are required to be certified under the regulations shall be so certified.

The certification of communications equipment is divided into the following:

- a) Compliance approval which is granted to a specific model of communications equipment that complies with standards.
- b) Special approval which is granted to any communications equipment that is used exclusively by the applicant for the applicant's sole purpose (e.g. research, demonstration, trial, proof of concept (PoC), training or exhibition).

3.2.1 Compliance Approval

3.2.1.1 The certification process for a compliance approval may involve paper evaluation, laboratory or field tests or a combination of them as specified in SIRIM's certification program.

3.2.1.2 Certificate of conformity (CoC) will be issued by SIRIM once it is satisfied that the communications equipment complies with standards.

- 3.2.1.3 Based on SIRIM's certification program, the applicant shall be a registered company in Malaysia with a valid registration number under registration of company (ROC) or registration of business (ROB) of Companies Commission of Malaysia (SSM) which may be categorised as manufacturer, assembler, importer, network operator or service provider, and authorised consultant.
- 3.2.1.4 The applicant shall complete the process of laboratory and test report registration, trademark or brand declaration and submit the compliance approval application to SIRIM via Online Certification for Communications and Multimedia Equipment (eComM) system. The application types comprise of normal, package, parallel, parallel by comparison, in-house testing, hybrid and fast track.
- 3.2.1.5 Pursuant to regulation 22, a certified communications equipment shall bear an approved certification mark or label to indicate it complies with the standards. Currently, the use of a certification mark or label is implemented by way of self-labelling as part of the certification program undertaken by SIRIM.
- 3.2.2 Special Approval**
- 3.2.2.1 Special approval may be exempted from the requirements for laboratory tests or field tests and the certification may be based solely on a paper evaluation.
- 3.2.2.2 Communications equipment which is granted a special approval certification may be required to be re-exported out of the country or disposed of after the expiry of its validity period.
- 3.2.2.3 The applicant may apply for a special approval from MCMC or SIRIM based on the category of usage listed in Table 1.

Table 1: Category of usage under special approval

No.	Category of usage	Apply to
1.	Applicant who intends to use an equipment which utilises radio frequency that is authorised by way of Class Assignment	SIRIM
2.	Applicant who intends to use an equipment which utilises radio frequency that is authorised by way of Apparatus Assignment issued to the applicant	SIRIM
3.	Applicant who intends to use an equipment which is subjected to Apparatus Assignment for demonstration, trial, research, exhibition or training.	MCMC
4.	Applicant who intends to use an equipment under the following conditions: a) operate inside a shielded room or chamber; b) radio frequency range can be tuned to follow the Class Assignment; or c) no radio frequency transmission.	MCMC
5.	Applicant who intends to use television receive-only (TVRO) or other specialised equipment	MCMC

3.2.2.4 A special approval will be issued by MCMC or SIRIM when the communications equipment complies with the requirements and conditions as may be imposed based on the category of usage.

3.3 **IMPORTATION**

3.3.1 Under the Customs (Prohibition of Imports) Order 2023, importation of communications equipment is prohibited unless the equipment is accompanied by a CoA issued by SIRIM as the appointed CBRA.

3.3.2 The CoA shall only be issued to certified communications equipment as required under TSR 2000.

4.0 **GAPS AND CHALLENGES**

Based on the strategic review of the current framework which includes performance analysis and international benchmarking undertaken in 2022, four (4) issues have been identified that need to be addressed in order to establish a more robust framework as outlined in the following sections.

4.1 **Lack of regulatory flexibility to accommodate technological advancement such as proliferation of low risk connected devices.**

4.1.1 Currently, all communications equipment for sales may only be approved by way of certification (compliance approval). This means that low risk connected devices such as hybrid equipment integrated with Bluetooth and Wi-Fi still need to undergo certification process.

4.1.2 SIRIM issued an average of 5,600 certifications yearly of which hybrid equipment accounts for approximately 75%, as illustrated in Figure 2. This issue is further complicated by the lack of structured communications equipment classification based on potential risks.

4.1.3 The lack of agility in the current framework may result in longer time to market and higher cost, thus hindering digital adoption in Malaysia.

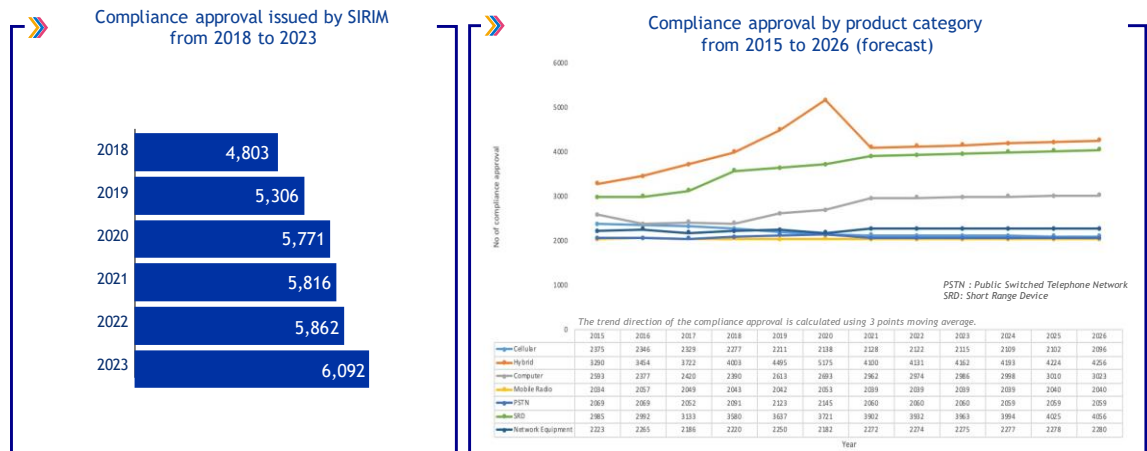


Figure 2: Compliance approval issued by SIRIM from 2018 to 2023 and compliance approval by product category from 2015 to 2026 (forecast)

- 4.2 **The current operating model is unable to accommodate implementation of new approval methods, Phase 2 of Mutual Recognition Arrangement (MRA) and registration of potential new CAs.**
 - 4.2.1 In the current operating model, a single CA handles end-to-end approval of communications equipment from certification to importation. This model is only suitable for the implementation of approval framework based on certification approach and issuance of certification from a single party.
 - 4.2.2 Even if a new CA is registered, it may lead to segregation of end-to-end approval process by multiple parties, decentralised register of certified communications equipment and issuance of CoA by multiple parties. The lack of a streamlined end to end approval process is inefficient and untenable for a robust regulatory ecosystem.
- 4.3 **Inadequate regulatory safeguards to regulate sale of devices on e-commerce platforms.**
 - 4.3.1 The e-commerce revenue for Malaysia is projected to be USD 16.83 billion in 2025, an increase of 643% from 2017 as shown in Figure 3. Electronics products which include communications equipment are the biggest segment of the market.
 - 4.3.2 Based on the findings of market surveillance in 2022, only 57% of communications equipment sold online are certified compared to 67% sold in physical stores. Similarly, compliance to labelling was lower for communications equipment sold on online platforms, 47% online compared to 58% for physical stores.
 - 4.3.3 The situation is exacerbated by the proliferation of communications equipment sold by overseas merchants on e-commerce platforms. Since they are not locally present, it is not possible to take enforcement action against them. The current regulatory framework needs to be enhanced for a more effective regulatory oversight over e-commerce platform.

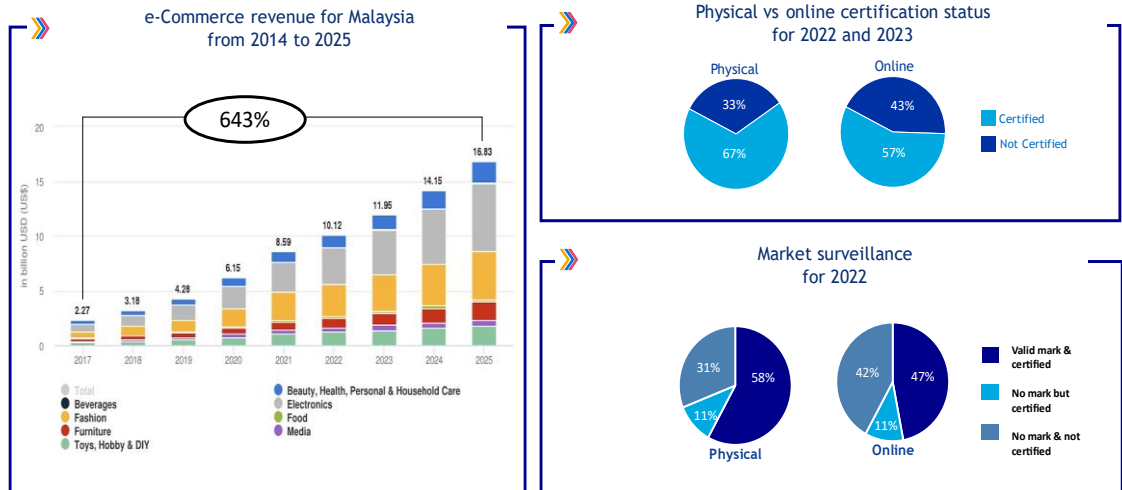


Figure 3: e-Commerce revenue for Malaysia from 2014 to 2025 (forecast), physical vs online certification status for 2022 and 2023, and market surveillance for 2022

4.4 Lagging from the international best practices whereby market not competitive and hindering cross border trade.

4.4.1 International benchmarking exercise indicates that there are several approval methods including certification, supplier’s declaration of conformity (SDoC) and special approval. Most of the countries implement progressive approach based on the potential risk of communications equipment, whereby a more complex and stringent approval methods are only applied to high-risk communications equipment. For low-risk equipment, self-declaration by supplier is sufficient.

4.4.2 As shown in Table 2, only a few countries including Malaysia implement certification without self-declaration option. However, among these countries only Malaysia appoints a third party to carry out end to end approval process with no direct involvement by the regulator.

4.4.3 Table 2 highlights that Malaysia is lagging and less competitive compared to other benchmarked countries in terms of approval methods of communications equipment and number of CAs in the ecosystem.

Table 2: International benchmarking

Economy	Regulator	Communications Equipment Approval Approach			Certifying Agency		CA Category	
		Certification	Special Approval	SDoC	Single CA	Multiple CAs		
APT/ASEAN	Malaysia	MCMC	Yes	Yes	No	Yes	No	Local
	Thailand	NBTC	Yes	Not Available	Yes	No	Yes (6)	Regulator , Local & Foreign
	Singapore	IMDA	Yes	Yes	Yes	No	Yes (5)	Local & Foreign
	Indonesia	SDPPI	Yes	Yes	No	Yes	No	Regulator
	Vietnam	VNTA	Yes	Yes	Yes	No	Yes (10)	Local & Foreign
APT/NON-ASEAN	Australia	ACMA	No	No	Yes	No	No	Local & Foreign
	Japan	MIC	Yes	Yes	Yes	No	Yes (31)	Local & Foreign
	South Korea	KCC	Yes	Yes	Yes	No	Yes (>2)	Regulator & Foreign
NON-APT	UK	OFCOM	Yes	Not Available	Yes	No	Yes (25)	Local & Foreign
	USA	FCC	Yes	Yes	Yes	No	Yes (>10)	Local & Foreign
	Saudi Arabia	CITC	Yes	Yes	No	Yes	No	Regulator
	Nigeria	NCC	Yes	No	No	Yes	No	Regulator

5.0 PROPOSED NEW COMMUNICATIONS EQUIPMENT FRAMEWORK

5.1 OVERVIEW

5.1.1 In recognising the gaps and challenges identified during the strategic review of the current framework, a New Communications Equipment Framework (NCEF) is currently being developed. Under the proposed NCEF, there are requirements for supplier and communications equipment registration.

5.1.2 Registration of supplier will be based on whether the supplier intends to use communications equipment for commercial or non-commercial activities.

5.1.3 The registration of communications equipment will be based on the classification of communications equipment according to potential risks, which consists of scheme A (high-risk), scheme B (medium-risk) and scheme C (low-risk). In addition, communications equipment may also be subjected to special approval, exemption or prohibition.

5.1.4 The proposed operating model of NCEF provides a clear demarcation of roles between MCMC and CA as described below:

- a) CA is responsible for the certification of communications equipment under scheme A.
- b) MCMC is responsible for registration of supplier and communications equipment, labelling, IMEI and serial number registration and issuance of CoA for the importation of communications equipment.

c) Monitoring activities such as post market surveillance may be jointly conducted by MCMC and registered CA.

5.1.4 In strengthening the regulatory safeguards, additional regulatory provisions will be considered in the proposed revision of TSR 2000 to address certain challenges in dealing with the sales of communications equipment on e-commerce platform, potential false declaration of compliance by suppliers as well as enhancing market surveillance activities.

5.1.5 In developing the proposed NCEF, MCMC has considered the best practices implemented by regulators in other countries.

5.1.6 The overview of the proposed NCEF is illustrated in Figure 4.

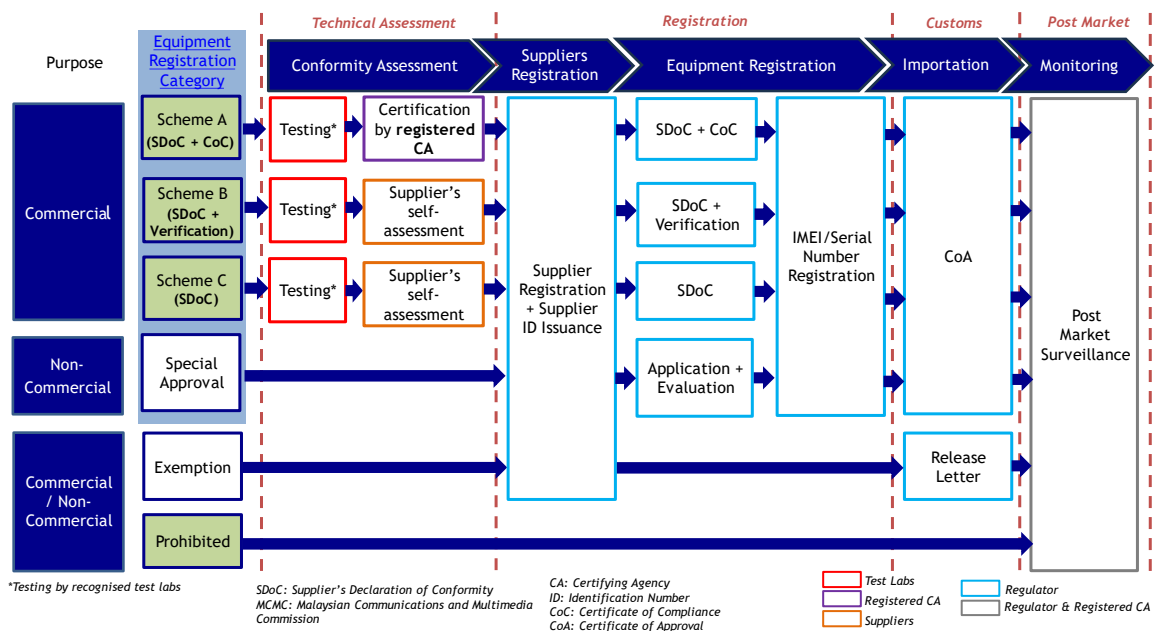


Figure 4: New communications equipment framework (NCEF)

Question 1:

MCMC seeks public views on the overview of the proposed NCEF.

5.2 REGISTRATION OF SUPPLIER, PRINCIPAL AND CONSULTANT

5.2.1 Under the proposed NCEF, a supplier who wishes to use, offer for sale, sell or have in his possession with a view to sell any communications equipment shall register with MCMC and comply with the registration conditions.

5.2.2 Registration of supplier is divided into the following categories:

a) Supplier commercial

Registered supplier commercial is allowed to sell equipment that is registered with MCMC under scheme A, B or C.

b) Supplier non-commercial

Registered supplier non-commercial is only allowed to use or have in possession of equipment that is registered with MCMC under special approval for the purpose of personal use, trial, demonstration, experimentation, proof of concept, research and development, testing, exhibition, or training. Registered supplier non-commercial is not allowed to sell or transfer ownership of registered equipment to another party.

5.2.3 In facilitating the implementation of new operating model, principal and consultant may also register with MCMC. In this context, principal refers to a party who has the authority, control, or ownership over a communications equipment brand while a consultant refers to a party who may be appointed by the supplier to assist in the registration process.

5.2.4 Registration of supplier and its obligations, principal and consultant requirement is outlined in section 4.0 and 5.0 of Guideline for the Registration of Communications Equipment (the Guideline) in Appendix 2.

Question 2:

MCMC seeks public views on the proposed registration of supplier and its obligations, principal and consultant.

5.3 **REGISTRATION OF COMMUNICATIONS EQUIPMENT**

5.3.1 Under the proposed NCEF, all communications equipment is required to be registered with MCMC.

5.3.2 Communications equipment for local sales shall be registered under one of the following schemes:

a) Scheme A: Supplier's Declaration of Conformity (SDoC) with certification

Supplier is required to submit SDoC accompanied with CoC issued by a registered CA for the registration of communications equipment with MCMC. It is also applicable to any other equipment that is not currently in other schemes.

b) Scheme B: Supplier's Declaration of Conformity (SDoC) with verification

Supplier is required to submit SDoC based on supplier's own conformity assessment for the equipment. The assessment shall be based on the test

results or evidence of equipment certification given by manufacturer or an accredited body. MCMC will conduct verification on the submission prior to the issuance of registration certificate.

c) **Scheme C: Supplier's Declaration of Conformity (SDoC)**

Supplier is required to submit SDoC based on supplier's own conformity assessment for the equipment. The assessment shall be based on the test results or evidence of equipment certification given by manufacturer or an accredited body. MCMC will issue the registration certificate upon submission of SDoC.

5.3.3 Special Approval may be granted for communications equipment which is to be used exclusively by the applicant for non-commercial purposes such as personal use, trial, demonstration, experimentation, proof of concept (PoC), research, testing, exhibition, or training. Communication equipment granted with special approval shall not be sold or transferred its ownership to another party.

5.3.4 Registration of communications equipment requirement is outlined in section 6.0 of the Guideline in Appendix 2.

Question 3:

MCMC seeks public views on the proposed registration of communications equipment under scheme A, B, C and special approval.

5.4 **EXEMPTED COMMUNICATIONS EQUIPMENT**

5.4.1 Communications equipment described in section 7.0 of the Guideline in Appendix 2 are exempted from registration.

5.4.2 In the event of a release letter is required by RMCD for the importation of the exempted equipment, supplier may apply for a release letter from MCMC. MCMC may conduct verification prior to the issuance of the release letter.

Question 4:

MCMC seeks public views on the proposed exemption of communications equipment from registration.

5.5 PROHIBITED COMMUNICATIONS EQUIPMENT

- 5.5.1 Supplier shall not manufacture, import, let hire, sell or offer or possess for sale any prohibited communications equipment as described in section 8.0 of the Guideline in Appendix 2.

Question 5:

MCMC seeks public views on the proposed prohibition of communications equipment.

5.6 LABELLING

- 5.6.1 Supplier shall ensure all registered communications equipment are labelled with a compliance mark approved by MCMC to indicate compliance with standards.
- 5.5.2 Labelling requirements are described in section 9.0 of the Guideline in Appendix 2.

Question 6:

MCMC seeks public views on the proposed implementation of labelling for communications equipment.

5.7 REGISTRATION OF IMEI OR SERIAL NUMBER

- 5.7.1 Supplier is required to register IMEI or serial number for each unit of registered communications equipment with MCMC prior to the importation or placement in the market.
- 5.7.2 Registration IMEI or serial number requirement are described in section 10.0 of the Guideline in Appendix 2.

Question 7:

MCMC seeks public views on the proposed implementation of IMEI and serial number registration.

5.8 IMPORTATION

- 5.8.1 Pursuant to Customs (Prohibition of Import) Order 2023, the importation of communications equipment must be accompanied by a CoA issued by CBRA. Under the proposed NCEF, MCMC will be the CBRA responsible for the issuance of CoA.

5.9 The process for CoA issuance is described in section 11.0 of the Guideline in Appendix 2.

Question 8:

MCMC seeks public views on the proposed implementation of CoA issuance.

6.0 TIMELINE FOR IMPLEMENTATION

6.1 The estimated timeline for the implementation of the proposed NCEF is shown in Figure 5.

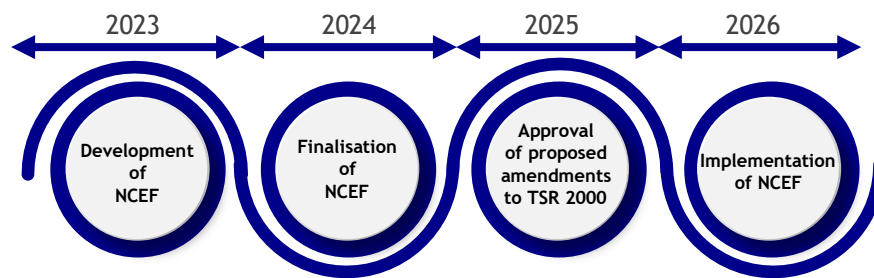


Figure 5: Timeline for implementation

Question 9:

MCMC seeks public views on the proposed timeline for implementation.

7.0 TRANSITIONAL ARRANGEMENT

7.1 In order to facilitate the transition process, the necessary transitional arrangements will be implemented during the transition period prior to the full implementation of the proposed NCEF.

7.2 There will be a grace period of six (6) months in between the gazetted date and the effective date of the proposed revision of TSR 2000 and another six (6) months of a transition period between the effective date and full implementation of the proposed revision of TSR 2000 as illustrated in Figure 6.

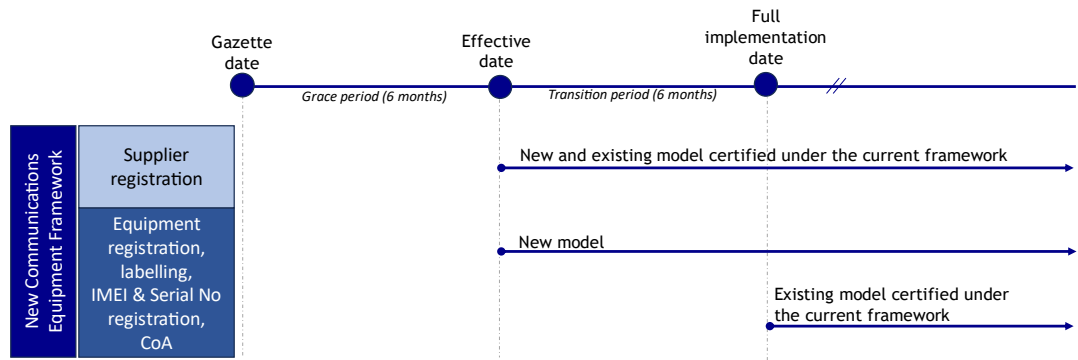


Figure 6: Transitional arrangement

7.3 The requirements specified under the proposed NCEF will be effective immediately after the grace period for new model of communications equipment. For existing certified communications equipment, the requirements specified under the proposed NCEF will only be effective immediately after the end of the transition period.

7.4 The transitional arrangement will address the requirements for supplier and equipment registration, labelling, IMEI and serial number registration and the issuance of CoA for existing communications equipment certified under the current framework as well as the issuance of release letter for the importation of exempted equipment. This transitional arrangement is described in Table 3.

Table 3: Transitional arrangement for existing equipment certified under the current framework.

Process	During transition period	After full implementation date
Registration of supplier	<ul style="list-style-type: none"> Supplier is not required to register with MCMC. 	<ul style="list-style-type: none"> Supplier shall register with MCMC.
Registration of communications equipment	<ul style="list-style-type: none"> Supplier may continue to import and place the equipment into the market based on the certification issued by SIRIM under the current framework. Supplier is not required to register the equipment with MCMC based on the requirements of NCEF. 	<ul style="list-style-type: none"> Supplier shall register the equipment with MCMC based on the requirements of NCEF in order to import and place the equipment into the market.
Labelling of communications equipment	<ul style="list-style-type: none"> Supplier may continue to import and place the equipment into the market based on the current self-labelling program managed by SIRIM (SLP ID issued by SIRIM). 	<ul style="list-style-type: none"> Supplier shall label the equipment with MCMC certification mark using supplier ID issued by MCMC for new importation and

		<p>placement of into the market.</p> <ul style="list-style-type: none"> • Supplier is not required to replace the label using SLP ID issued by SIRIM for existing equipment in the market.
Registration of IMEI and serial number	<ul style="list-style-type: none"> • Supplier may continue to register the IMEI and serial number with SIRIM in order to import and place the equipment into the market. 	<ul style="list-style-type: none"> • Supplier shall register the IMEI and serial number with MCMC in order to import and place the equipment into the market. • Supplier is not required to re-register the IMEI and serial number with MCMC for existing equipment in the market.
Importation (Issuance of CoA or Release Letter)	<ul style="list-style-type: none"> • Supplier may continue to apply for CoA from SIRIM in order to import the existing certified equipment. • Similarly, supplier may continue to apply for a release letter from SIRIM in order to import exempted equipment. 	<ul style="list-style-type: none"> • Supplier shall apply for CoA from MCMC in order to import the existing certified equipment. • Supplier shall also apply for a release letter from MCMC to import exempted equipment.

Question 10:

MCMC seeks public views on the proposed transitional arrangement.

8.0 CONCLUSION

8.1 MCMC invites feedback from industry experts, interested parties and members of the public to provide views and comments regarding the questions put forward in this public consultation paper. Submission of responses should reach MCMC on or before 12:00 PM, 21 June 2024.

8.2 Please ensure the following:

- a) Responses must relate to the questions stated in the order in which they appear in this document. The template for the submission of responses is provided in Appendix 1 of this public consultation paper.

- b) Indicate the specific point (by reference to the paragraph number) to which a comment relates to.
- c) Provide a clear rationale for suggestions and opinions.
- d) Provide evidence to support the views given, where applicable.

- 8.3 Submissions of the responses should be made in electronic form via email to: stpd@mcmc.gov.my.
- 8.4 All submissions should be accompanied by a cover letter signed by an authorised person from the organisation providing the response.
- 8.5 Joint responses by industry players are most welcome. The report of the public consultation will be published and made available to the public on MCMC's website.

Feedback Form

Question	Feedback
Question 1	
Question 2	
Question 3	
Question 4	
Question 5	
Question 6	
Question 7	
Question 8	
Question 9	
Question 10	

Guideline for Registration of Communications Equipment

Refer to the Guideline for Registration of Communications Equipment document.