

**1st Meeting on Asia Pacific Safeguard Network (APSN),
Bali, Indonesia
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Malaysia's Experience in Safeguards Regime

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Malaysian Delegation V



OUTLINE PRESENTATION

- **Background & Establishment of AELB**
- **Functions of the Board**
- **Safeguards Regime in Malaysia**
- **Malaysian Approach On The NPT & Safeguards Regime**
- **AELB Efforts & Participation**
- **Future Challenges & Way Forward**
- **Conclusions**

BACKGROUND

- 1897 - Earliest use in the country.
- 1968 - Radioactive Substances Act (Act 250) was approved.
- 1984 - Atomic Energy Licensing Act (Act 304) was gazetted.
- Act 250 was repealed.

The Establishment of AELB

Vision

A Regulatory Body with Credibility in Radiation and Nuclear Safety including the Peaceful Uses for Nation Building.

Mission

Ensuring The Safe And Peaceful Uses Of Radiation And Nuclear Technology For All

AELB

FUNCTIONS

1

ENFORCE THE ATOMIC ENERGY LICENSING ACT 1984 (ACT 304)

2

TO ADVISE MINISTER & GOVT M'SIA ON MATTERS RELATED TO ACT 304 & DEVLOP. & IMPLICATIONS FOR MALAYSIA

5

SUCH OTHER THINGS ARISING OUT OF OR CONSEQUENTIAL TO THE FUNCTIONS OF THE BOARD UNDER THE ACT 304



3

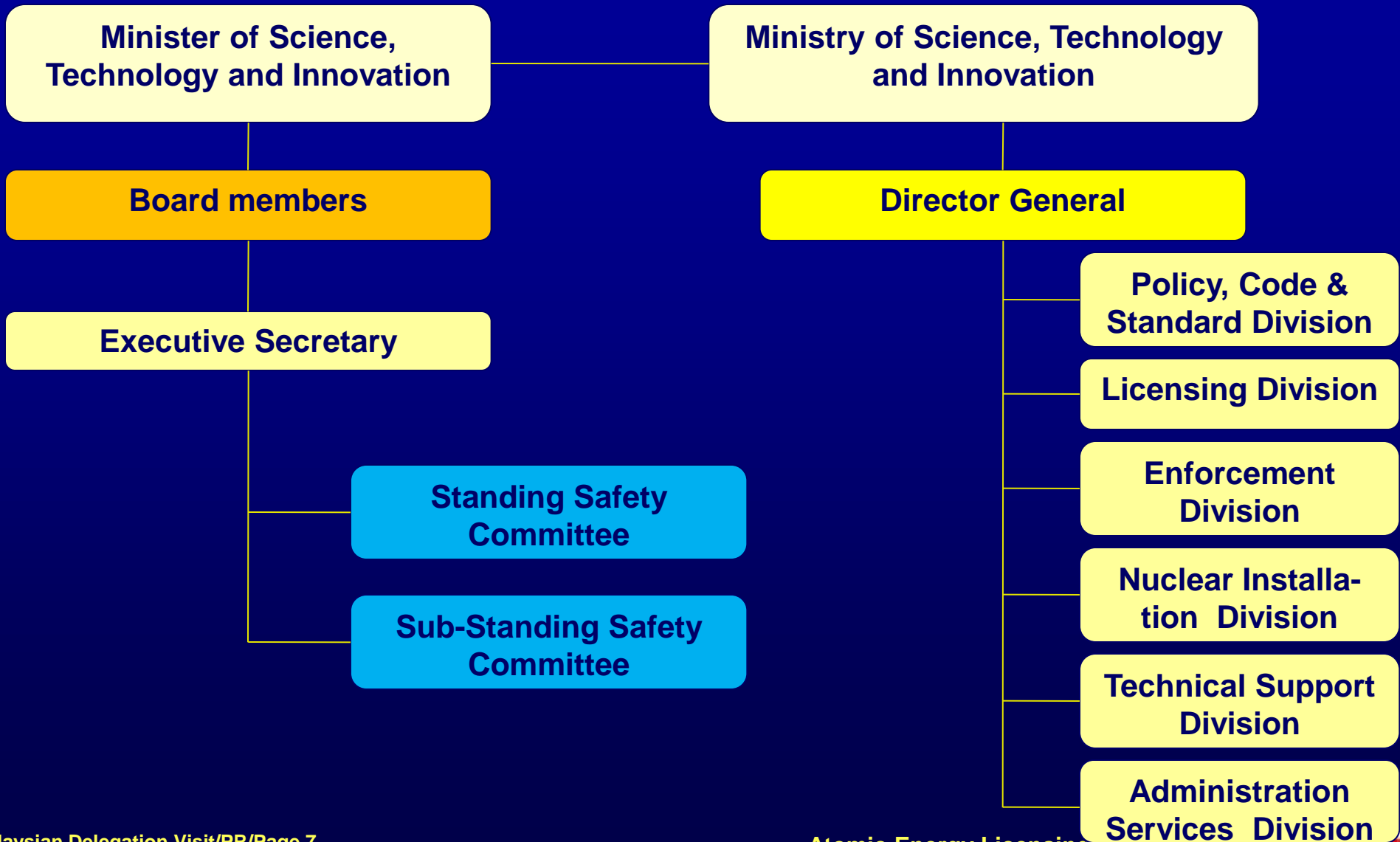
SCIENTIFIC & TECHNICAL CO-OP WITH OTHER ORGANIZATIONS RELATED TO NUCLEAR MATTERS OR ATOMIC ENERGY

4

PERFORM THE OBLIGATIONS ARISING FROM AGREEMENTS, CONVENTIONS OR TREATIES ON NUCLEAR MATTERS OR ATOMIC ENERGY



ORGANIZATION CHART OF AELB



Safeguards Regime in Malaysia

ROLES AND FUNCTIONS OF AELB IN SAFEGUARDS IMPLEMENTATIONS

- Advise Minister & Government of Malaysia
- Exercise control and supervision
- Establish, maintain & develop scientific and technical cooperation
- Perform or provide for the performance of the obligations arising from agreements, conventions or treaties
- Other things arising out of or consequential to the functions of AELB under Act 304

IDENTIFICATION FOR MALAYSIAN SAFETY, SECURITY & SAFEGUARDS INFRASTRUCTURE

- Laws are in place
- Regulatory Authority exists
- Rules, regulations and standards have been established
- Administrative procedures require Government Departments & Agencies to be compliant.
- Arrangements for nuclear safety, security & safeguards training,
- Establishment of requirements of nuclear material accounting and control
- Active preparation of Additional Protocol Ratification & Future Implementation
- Export/Import controls – Strategic Trade Act 2010
- Technical support

The Safeguards Regime in Malaysia

SAFEGUARDS IN MALAYSIA

Non Proliferation Treaty
Signed: 1 Jul 1968
Ratified : 3 May 1970

Safeguards Agreement & Additional Protocol
Signed: 29 Feb 1972 (in force)
& 22 Nov 2005
Ratified:

Other international Instruments;
e.g. UNSC resolution International Convention for the Suppression of Acts of Nuclear Terrorism
16 Sep 2005

GOVERNMENT OF MALAYSIA



AELB

Authorized users

INFICRC/153

INFICRC/540

**Purpose
of
IAEA
Safeguards**

Political Aim

Technical Aim

**Verify
Compliance
with
Safeguards
Agreements**

**Detection of
undeclared
Nuclear Material
and Activities**

**Timely
detection
of diversion
and deterrence
through risk of
early detection**

MALAYSIAN APPROACH ON THE NPT & SAFEGUARDS REGIME

- 22 Nov 2005 - Malaysia & IAEA signed the Protocol Additional to the Agreement for the Application of Safeguards in connection with NPT.
- Control and regulation of the special NM under the NPT and the IAEA Safeguards Agreement (INFCIRC/153) - provided under the Act 304 .
- After signature AP (INFCIRC/540) - AELB reviewing to prepare a regulation:
 - to clearly identify other NNM as prescribed materials defined under Act 304 for more effective regulatory control on all items and materials in Annex II of the Additional Protocol.

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Updated: Monday April 5, 2010 MYT 5:54:11 PM

Parliament: Strategic trade bill is passed (Update)

KUALA LUMPUR: Parliament passes the Strategic Trade Bill 2010 that gives authorities power to act against those involved in the design, development and production of weapons of mass destruction



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Strategic Trade bill passed after five years

by Husna Yusop and Hemananthani Sivanandan

KUALA LUMPUR (April 5, 2010): THE government did not rush to pass the Strategic Trade Act 2010 to coincide with the prime minister's coming visit to United States as claimed by the opposition MPs.

Minister in the Prime Minister's Department Datuk Seri Mohamed Nazri Aziz said the bill, which was passed by the Dewan Rakyat today, had been drafted since 2005 when the government realised there were loopholes in the law with regards to export control issues.

"If we take more than five years, it means we are not in a haste," Nazri said when tabling the bill for its second reading.

"The government needed some time because there were certain technical complexities which the ministries had to understand.

"In addition, we needed to consider carefully the best mechanism to implement it and also the preparedness level of the related ministries and agencies."



Nazri Aziz

Issue Brief

Malaysia's Export Control Law: A Step Forward, But How Big?

Authors: Stephanie Lieggi and Richard Sabatini
Monterey Institute for International Studies
James Martin Center for Nonproliferation Studies
May 10, 2010

In April 2010, on the eve of the Nuclear Security Summit hosted by U.S. President Barack Obama, the Malaysian government announced that it had enacted the **Strategic Trade Act**, intended to strengthen Kuala Lumpur's ability to curb the export and transshipment of WMD related materials.[1] This new law appears to mark a positive step by a country that has found itself caught up in numerous cases of WMD-related trafficking.

Critics have consistently accused Malaysia of giving insufficient attention to its nonproliferation-related trade controls. This is a serious problem because proliferating states and non-state actors are known to seek out and take advantage of weak links in the global security chain in order to procure sensitive WMD-related technologies. Inadequate strategic trade controls can provide states and terrorist organizations ample opportunity to acquire components used in chemical, biological and nuclear weapons with little risk of being caught.

Economic prosperity and development have tended to trump concerns about potential illicit trafficking issues in Malaysia, and elsewhere in Southeast Asia. Malaysia first garnered international attention for deficiencies in its export control system in 2003 and 2004 after authorities intercepted a large shipment of gas centrifuge parts en route to Libya via the A.Q. Khan network.[2] Khan's closest aide, B.S.A. Tahir, a Sri Lankan national, operated out of Malaysia. One company in Malaysia provided aluminum rotors for the 200 basic P-1 centrifuges Khan attempted to sell to Libya. In addition, another Malaysian company, SCOPE, produced components for a more advanced Pakistani-type centrifuge, the P-2.[3]



Prime Minister Datuk Seri Najib Tun Razak and President Barack Obama
Source: Bernama, www.pmo.gov.my

MALAYSIAN APPROACH ON THE NPT & SAFEGUARDS REGIME

- Establishment of Export Control Legislation

- Cabinet Approval : 26 March 2010

- Parliament :

- Lower House

- 1st Reading

- 1st April 2010

- 2nd & 3rd Reading

- 5th April 2010

- Upper House

- 5th April 2010

- Entry into Operation : June 2010

ESTABLISHMENT OF EXPORT CONTROL LEGISLATION

- **STRATEGIC TRADE ACT 2010**
- **DRAFT LEGISLATION TO BE GAZETTED BY JUNE 2010**
- **STRATEGIC TRADE REGULATIONS 2010**
- **DRAFT STRATEGIC TRADE (STRATEGIC ITEMS) ORDER**
 - **Adoption of European List**
- **DRAFT STRATEGIC TRADE (RESTRICTED END-USERS AND PROHIBITED END-USERS) ORDER 2010**

ROLES OF AELB IN EXPORT CONTROL



MALAYSIAN APPROACH ON THE NPT & SAFEGUARDS REGIME

- AELB under the Subsidiary Arrangements of the IAEA SG Agreement
 - as the agency to be the channel of communication on matters relating to implementation of Agreement, Protocol and Subsidiary Arrangements by the Government of Malaysia.

REVISED ACTION PLAN FOR FURTHER STRENGTHENING NUCLEAR REGULATORY POLICY IN MALAYSIA

Where Appropriate, the Signing, Ratification and Full Implementation of;

- Protocol Additional to Safeguards Agreement
- Convention on Nuclear Safety
- Convention on Physical Protection on Nuclear Material and its Amendments
- Conventions on Civil Liability for Nuclear Damage
- Treaty on Principles Governing in the States in the Exploration and use of outer Space, including the moon and other celestial body

AELB'S EFFORT & PARTICIPATION

Awareness and Advocacy:

- Additional Protocol (April 2009) – 3 day workshop for government agencies, industries universities & research Institutes and 1 day outreach program for industries, universities and Research Institute involving (Potential relation with items under Annex II AP) – (IAEA & ASNO)
- Dedicated Web for NPT Matters – www.aelb.gov.my/npt
- Radiation & Nuclear Safety Awareness Program to the General Public.
 - National Conventions on 3S (2007)

AELB'S EFFORT & PARTICIPATION

- Identification Critical Industries Program
- Regional / International Linkages & Network
 - Cooperation with ASNO, Australia-IAEA in Additional Protocol (2009)
 - Cooperation with University of Georgia, USA, Additional Protocol and Export Controls (2009)
 - Establishing MOU covering potential cooperation with the objectives to achieve 3S
 - Establishing MOU with BAPETEN, Indonesia (2008)
 - Future MOU with Romania, Hungary and Korea
 - Export Control cooperation in developing human capital development 2010
 - EXBS, USA
 - BAFA, Germany
 - SIPRI, EU
 - British High Commission Malaysia
 - Industries Outreach 2010

INTEGRATION WITH EXISTING IMPORT/EXPORT SYSTEM

- e-Permit:
- Effective MARCH 2007.
- Online collaboration with Royal Custom Malaysia (RCM).
- Replace conventional method.
- Follows old requirements but available in the web.
- Update online records for both AELB and RCM.



National Technical Cooperation with
Other Enforcement Agencies



International Technical
Cooperation to
Enhance Environmental
Monitoring System



Organization of International Workshops /
Training Courses / Seminars



Industry Outreach on Additional Protocol
Implementation



Peer Review and Expert Missions – Ensuring AELB applying International Standards, at the minimum

IAEA Inspectors at Malaysia's Nuclear Facility – Proving Malaysia's commitment to Non-Proliferation Treaty (NPT)



FUTURE CHALLENGES

HARMONIZING



Malaysia's Proposal :

Ensuring Nuclear Safety, Security and Safeguards in ASEAN

- Emphasizing on fuel security and technology uniformity & compatibility within ASEAN e.g.; ASEAN Ministers on Energy Meeting (AMEM), Nuclear Energy Sub-sector Network (NE-SSN)
- Under European Commission Cooperation
 - Proposal on the establishment of Regional Network On;
 - Nuclear Security Issues At International Borders
 - Nuclear and Radiological Emergency Response
- Utilizing ASEAN Nuclear Safety Network (ANSN) in Addressing Nuclear Safety matters.
- Addressing Non-Legal Agreement – Harmonizing Export Control Regimes through Trade Facilitation

WAY FORWARD

- To perform comprehensive gap-analysis in regulatory controls.
- To comply with regulations/standards/guidelines other than regulation in Malaysia
- To enhance Training Need Analysis and effort to close the gap and building regulatory competence & expertise in addressing current and future task and responsibility
- To Identifying areas of regional cooperation including sharing of function of regulatory bodies
- To address Proliferation Resistance, Physical Protection and Technical Specification Issues
- To be actively involve and participate in international and regional (i.e: ASEAN) effort in the safety, security and safeguarding the peaceful nuclear applications

CONCLUSION

- Malaysia through AELB recognize the need to further strengthen legal infrastructure building covering the 3S' (Safety, Security & Safeguards)
[especially in supporting the development of NPP in the ASEAN region]
- Malaysia recognize the need to always integrate regulatory control measures addressing nuclear safety, security and safeguards for the peaceful application of nuclear technology
- Malaysia recognize the significant roles in addressing nuclear safety, security and safeguards for the peaceful application of nuclear technology through technical cooperation
- Malaysia is in full commitment to build public & international confidence as to allay concerns regarding the peaceful applications of nuclear technology through full compliance to the international obligations

Thank you for your attention