

NEWS RELEASE

For immediate release

Multi-Agency Task Force Can Do More To Combat Illegal Cigarettes Trade

KUALA LUMPUR, 2 April 2021 – A multi-agency task force can be a highly effective asset to curb illegal trade in Malaysia if both political will and the proper support are provided to the task force to do its job, says Retail and Trade Brands Advocacy Malaysia Chapter (RTBA Malaysia).

The remark from the advocacy group that protects businesses in the Asia-Pacific region from criminal conduct came on the back of the recent seizure by the Australian Border Force (ABF) led Illicit Tobacco Task Force (ITTF) of over 100 acres of illicit tobacco crop across three locations in regional New South Wales and Victoria.

Following the successful operations, ITTF officers from various government agencies, including the ABF, Australian Tax Office, Victoria Police and NSW Police, have also successfully destroyed over 366 tonnes of illicit tobacco, which would have otherwise been used to fund organised crime.

Dato' Fazli Nordin, Managing Director of RTBA Malaysia, said, "This recent seizure by ITTF clearly proves the viability and effectiveness of multi-agency task force of this nature. However, in Malaysia, the Multi-Agency Task Force or MATF that was established since January 2020 to curtail the illegal cigarettes trade has been far from effective."

"Malaysia currently has the highest penetration of illicit cigarettes in the world, with some 63.8% of cigarettes sold in the country being illegal, according to the Illicit Cigarette Study December 2020 conducted by NIELSEN."

The MATF initially consisted of the Royal Malaysian Customs Department, the Royal Malaysian Police, the Health Ministry, and the Domestic Trade and Consumer Affairs Ministry. In his Budget 2021 speech, YB Tengku Dato' Seri Zafrul Abdul Aziz, Minister of Finance, announced that the Government would strengthen MATF even further with the inclusion of the Malaysia Anti-Corruption Commission well as the National Anti-Financial Crime Centre.

Dato' Fazli said, "Strengthening the MATF with other agencies is well and good, but there are no further reports on MATF's plan of action, initiatives conducted or even if a task force meeting has taken place to address the out of control illegal cigarettes trade.

"RTBA Malaysia proposes that the MATF should first set clear achievable objectives to reduce the illegal cigarette trade. Following this, the task force can then plan out actionable strategies to meet these objectives and be transparent to the public about its successes as well as challenges.

"As importantly, the Government must also be supportive of the role and significance of the MATF by providing the task force with the right resources, including sufficient funding, training and equipment for it to deliver. The MATF cannot function without political will and financial support," Dato Fazli reiterated.

He added, "As the Malaysian economy is struggling to recover from the Covid-19 crisis, the Government must do all that it can to protect its revenue by preventing unnecessary leakages. The illegal cigarettes trade is an RM5 billion tax annual tax leakage that the MATF must do all it can to plug," he concluded.

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About Retail & Trade Brands Advocacy Malaysia

The RTBA Malaysia Chapter is the subdivision of RTBA, headquartered in Victoria, Australia. It is a coalition of business, retailers and trademark holders working to protect the retail and supplier industries in the Asia-Pacific region from the impact of criminal conduct. RTBA's focus is to unite, mobilise and advocate for effective change in regulatory, financial and taxation issues affecting the supply chain.

Today, RTBA continues to play an active role in the efforts to enhance product security and increasing penalties for criminals involved in black market operations; stamp out illegal activities including counterfeiting, piracy and illicit trade of consumer goods; protect brands & IP rights of suppliers, manufacturers, trademark owners and consumers as well as to provide positive regulatory and taxation solutions for all constituents of retail trade and supply chains.

More information at www.rtbamalaysia.com.

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