

15th January 2025

**Subject: Important Compliance Requirements Under Customs Act 1967**

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Dear Valued Customer,

Ensuring compliance with customs regulations is essential to the smooth operation of your shipments. We would like to bring to your attention key requirements under the **Customs Act 1967**, specifically Sections 5-1(ii) and 5-1(vii), which apply to both air and sea imports.

According to these provisions:

- 1. Section 5-1(ii): The Act mandates that packing costs and charges incurred by the buyer—including the cost of cartons, cases, other containers, and coverings treated as part of the goods, as well as all packing expenses necessary to prepare the goods for transport to Malaysia—must be included in the K1 Form for customs duty and tax calculations.*
- 2. Section 5-1(vii): The Act also requires the inclusion of the costs of transportation and insurance, along with loading, unloading, handling charges, and other expenses associated with transporting the goods to Malaysia, in the K1 Form.*

Recently, customs authorities have been strictly enforcing the requirement to declare actual Freight Charges and Ex- Works charges in the K1 Form and have been heavily penalizing importers for non-compliance besides the additional duties and taxes imposed during post-audit adjustments.

If your foreign supplier is sending goods to you on a CIF (Cost, Insurance, and Freight) basis, please provide us with the Commercial Invoice and Packing List (CIPL), which includes the freight charges. If the freight charges are billed separately, kindly send us a copy of the freight charges. This information is crucial for us to include in the K1 declaration.

At Triangle Worldwide, we include Freight Charges and Ex-Works Costs in our quotations to ensure transparency and compliance with regulations.

Our team is dedicated to supporting you in meeting these compliance obligations. Should you have any questions or need further clarification, please do not hesitate to contact us.

Thank you for your cooperation and continued trust in Triangle Worldwide.

Warm regards,



**Marc Philip**  
**Chief Executive Officer**

Triangle Worldwide Sdn Bhd (803016-A)