



16 July 2023

The Rt Hon Kemi Badenoch MP
Secretary of State for Business and Trade
President of the Board of Trade
Minister for Women & Equalities
Department for Business and Trade
Old Admiralty Building
London
SW1A 2DY

Dear Secretary Badenoch,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows:

“In connection with the signing on this date of the *Protocol on the Accession of the United Kingdom of Great Britain and Northern Ireland to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership* (the “Protocol”), I have the honour to confirm the following agreement reached between the Government of the United Kingdom of Great Britain and Northern Ireland (United Kingdom) and the Government of Malaysia during the course of negotiations on the Protocol:

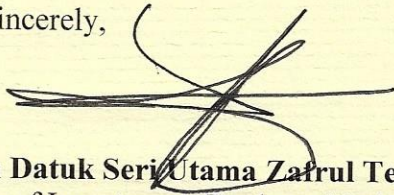
1. For the purposes of determining whether a good of heading 87.03 qualifies as originating in accordance with Chapter 3 (Rules of Origin and Origin Procedures) of the Trans-Pacific Partnership Agreement (TPP), done at Auckland on 4 February 2016, as incorporated into the *Comprehensive and Progressive Agreement for Trans-Pacific Partnership* (CPTPP), done at Santiago on 8 March 2018 (the “TPP as incorporated into the CPTPP”), the applicable product specific rule of origin will be:
 - (a) no change in tariff classification required for a good of heading 87.03, provided there is a regional value content of not less than:
 - (i) 25 per cent under the build-down method; or
 - (ii) 25 per cent under the build-up method.
2. Malaysia shall not:
 - (a) apply any quantitative limit on the importation of originating new motor vehicles from the United Kingdom, including any limit applicable to vehicles that are subject to an import licensing requirement; or

- (b) impose any new or additional charge applicable to the importation of originating motor vehicles from the United Kingdom.
3. Malaysia's commitments in paragraph two of this letter shall apply notwithstanding any provisions of Chapter 29 (Exceptions and General Provisions) of the TPP as incorporated into the CPTPP.
 4. In order to enhance the benefits of the CPTPP, the United Kingdom shall endeavour to facilitate technical cooperation and capacity building activities with Malaysia in areas of mutual interest in the automotive sector.

I have the further honour to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments, subject to dispute settlement under Chapter 28 (Dispute Settlement) of the TPP as incorporated into the CPTPP, which shall enter into force on the date on which the Protocol enters into force for both the United Kingdom and Malaysia.”

I have the further honour to confirm that your letter reflects the agreement reached between our two Governments during the course of the negotiations on the Protocol, and that your letter and this letter in reply shall constitute an agreement between the Government of Malaysia and the Government of the United Kingdom, subject to dispute settlement under Chapter 28 (Dispute Settlement) of the TPP as incorporated into the CPTPP, which shall enter into force on the date on which the Protocol enters into force for both Malaysia and the United Kingdom.

Yours sincerely,



Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz
Minister of Investment, Trade and Industry
Malaysia