

**Symposium: ASEAN Connectivity and Trade  
Facilitation for Developing ASIA**

**ASEAN CUSTOMS TRANSIT SYSTEM  
ASEAN SINGLE WINDOW & ITS  
CHALLENGE**

**Somsak Wisetruangrot**

**Chairman – Trade Facilitation Working Group**

**ASEAN Federation of Forwarders Associations**

# Agenda

- **ASEAN Connectivity & Transport Policy**
- **ASEAN Customs Transit System**
- **ASEAN Single Window and its Challenge**



# ASEAN Connectivity

## **Physical Connectivity** : Hard Infrastructure

- **Transportation: Roads, Rails, Ports, Airports, Logistics Parks, Dry Ports**
- **Information and Communication Technology**



# ASEAN Connectivity

## **Institutional Connectivity :**

- **ASEAN Framework Agreement**
- **Facilitation for Transport**
- **Liberalisation**
- **ASW/ Trade Facilitation / Customs**

# ASEAN Connectivity

## People to People Connectivity :

- Education and Culture
- Tourism
- Culture

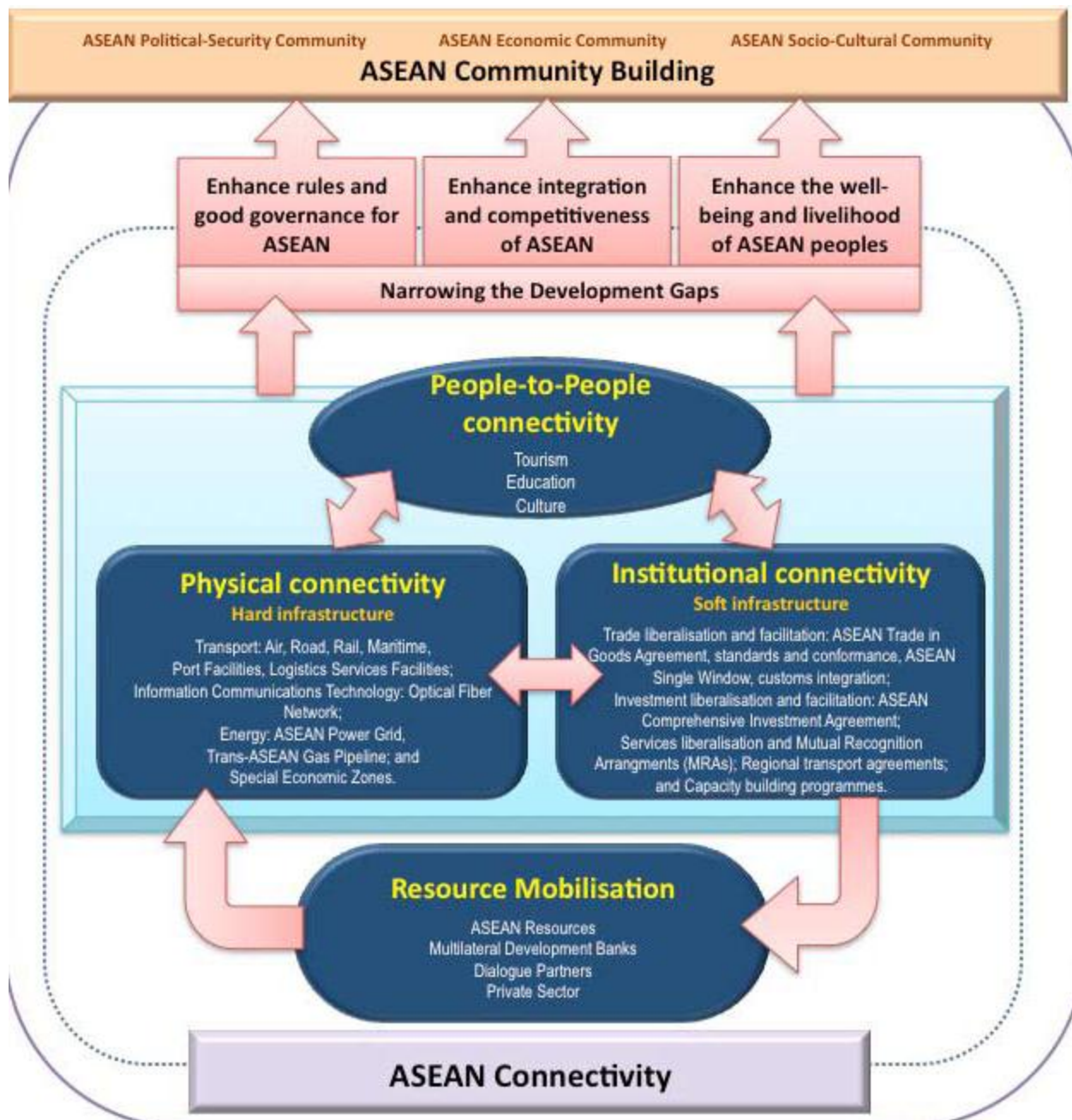


# ASEAN Connectivity

## Resource Mobilisation:

- **ASEAN Resources**
- **Multilateral Development Bank**
- **Dialogue Partners**
- **Private Sectors**

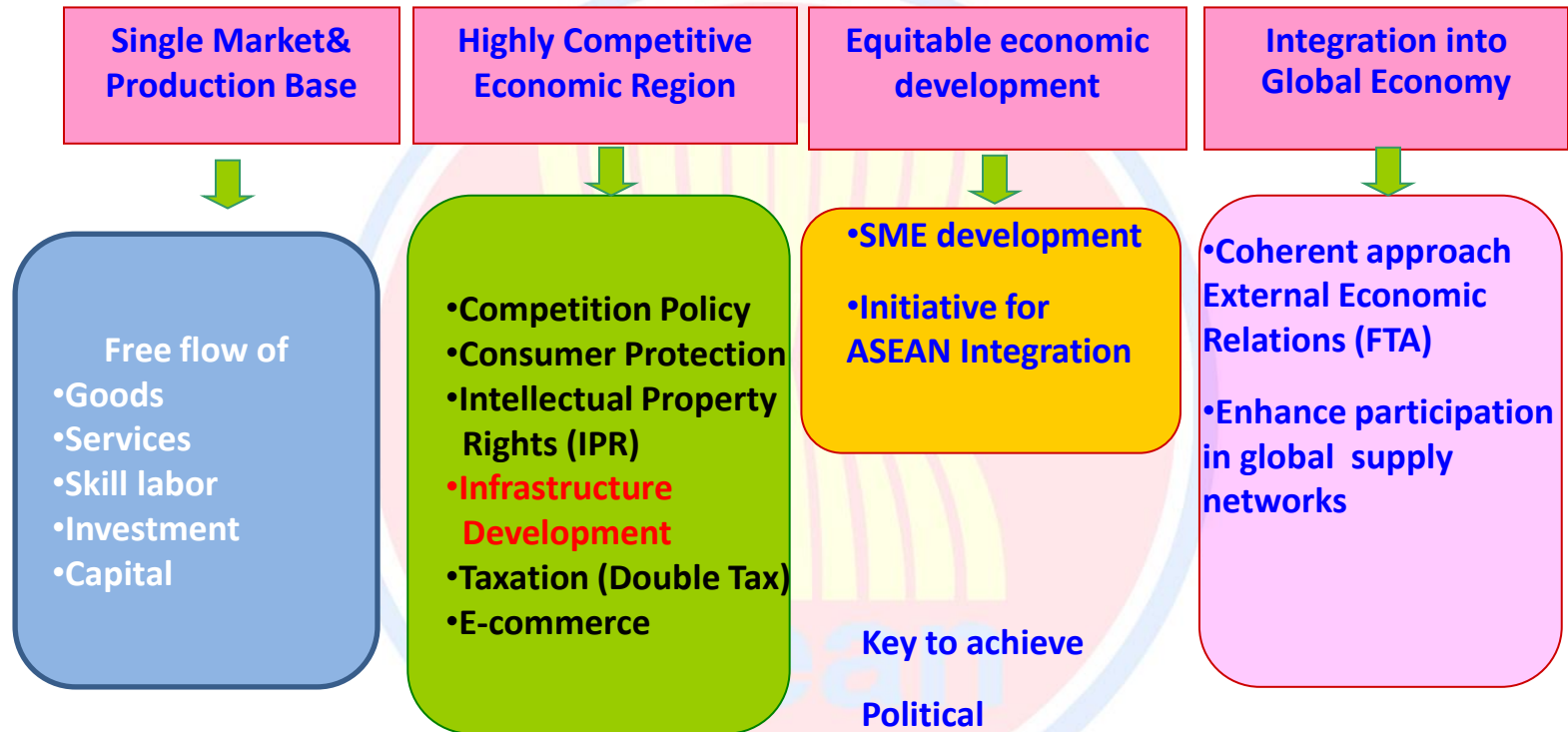






**YEAR 2015**

**AEC Blue Print**



**12 Priority Sectors**

**Key to achieve Political**

**Collaboration in moving resources**

**Implementation of Commitment**

**Competitive edge promotion**

**Collaboration between Private and Public**





# TRANSPORT CORPORATION

## Infrastructure Development

ATAP

- ASEAN Transport Action Plan 2005-2010

3 FWA

- Framework agreement on facilitation of goods in transit
- Framework agreement on Multimodal Transport
- Framework agreement on Facilitation of inter-state transport

# Transport Policy

ASEAN Transport Action Plan 2005-2010

ASEAN Strategic Transport Plan - ASTP

BRUNEI Action Plan - BAP

## **SUMMARIZE ASEAN VISION IN TRANSPORT POLICY**

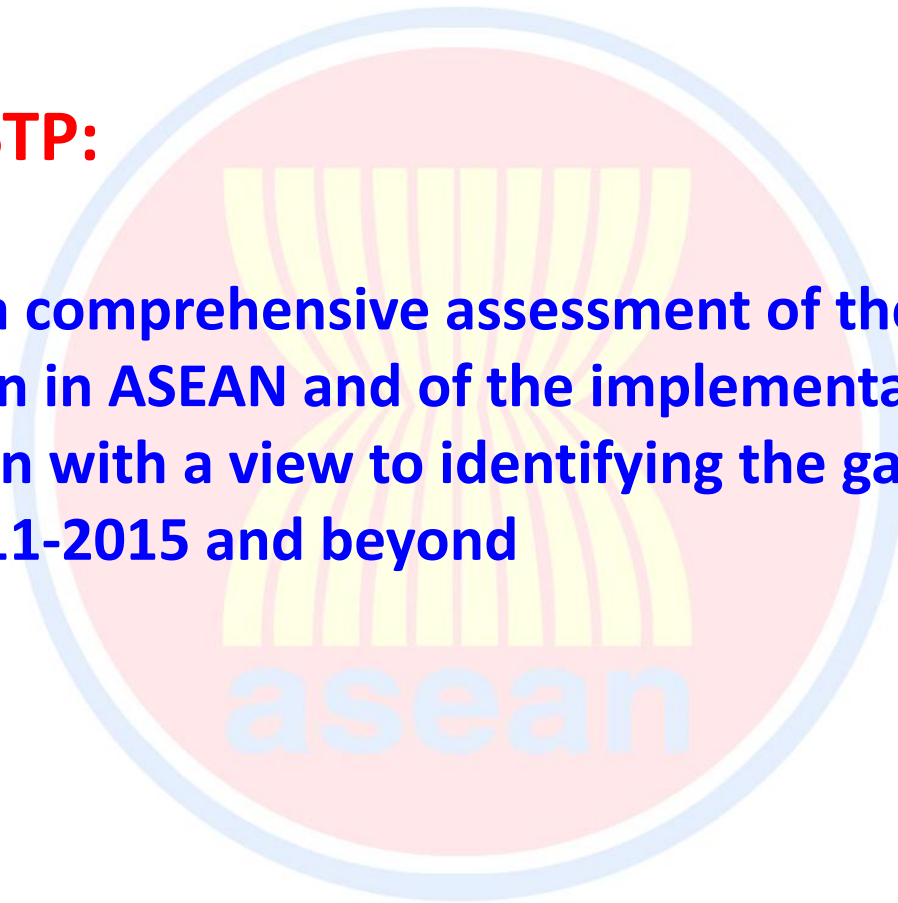
### **Objective of ASTP:**

- (1) To identify strategic actions to support the establishment of the AEC by 2015, that will also compliment existing transport undertaking.**
- (2) To identify long-term vision of the ASEAN transport cooperation beyond 2015.**

## **SUMMARIZE ASEAN VISION IN TRANSPORT POLICY**

### **Objective of ASTP:**

**(3) To undertake a comprehensive assessment of the current transport situation in ASEAN and of the implementation of the current action plan with a view to identifying the gaps and priorities for the period 2011-2015 and beyond**



## SUMMARIZE ASEAN VISION IN TRANSPORT POLICY

### Land Transport Goals:

- Establishment of safe, efficient, intelligent and environmentally-friendly integrated sustainable regional land transport network and corridors for the promotion of trade and tourism within ASEAN and with other countries.
- Implementation/establishment of the Singapore-Kunming Rail Link and the ASEAN Highway Network.

## **ASEAN VISION IN TRANSPORT POLICY**

### **Air Transportation Goal:**

**ASEAN integration in air transport through establishing regional open sky agreements and achieving globally-acceptable standards in aviation security and safety**

## **ASEAN VISION IN TRANSPORT POLICY**

### **Maritime Transport Goal:**

- Establishment of integrated, competitive and seamless maritime transport network.
- Realizing the environment/user-friendly port, and safety navigation



## ASEAN VISION IN TRANSPORT POLICY

### Transport Facilitation Goal:

- Establishment of integrated, efficient and globally competitive logistics and **seamless multimodal transport system** to enhance the intra ASEAN Connectivity.
- Implementation of green logistics for global environment preservation.



## **ASEAN VISION IN TRANSPORT POLICY**

### **Important of 3 ASEAN Framework Agreements of the facilitation of**

#### **1. Goods in Transit:**

**In order to facilitate seamless movement of goods among ASEAN member states under AEC, single market and production base. It is inevitable that ASEAN member states must allow the goods from one country moving through one country for final destination in another country.**

## **ASEAN VISION IN TRANSPORT POLICY**

### **2. Inter-state Transport:**

Inter-state transport is aiming for allowing goods and truck moving across from one country to another country. That is for example, the truck carries goods from Malaysia can cross border to Myanmar. When the truck passes Thailand, Thailand allows Malaysian Truck to transit under AFAFGIT, and Myanmar allows Malaysian Truck to enter into her territory under AFAFIST running on designated routes.

## **ASEAN VISION IN TRANSPORT POLICY**

### **3. Multimodal Transport:**

Multimodal Transport may be used for example the shipment from Cambodia by sea transport connect with air transport in Singapore to Indonesia where there is no road transport infrastructure.

However, due to the different of customs procedure and practice among ASEAN member states, in some countries, Multimodal Transport could not perform seamlessly.

Singapore is the best practice to perform Multimodal Transport as the process is very simple.

# **ASEAN Customs Transit System**



# The Players

**NTTCC** – National Transit Transport Coordinating Committee

**TTCB** – Transit Transport Coordinating Board

**Customs Offices:** Departure / Transit / Destination

**Principal** who place to goods under ACTS

**Authorized Transit Traders** – ATT = Principal who use Simplified Procedure under ACTS

# The Players

- Guarantor
- Office of Guarantee
- Transit Transport Operator- National permit



# ROLE OF ATT, PRINCIPALS AND TRANSPORT OPERATOR

1. **PRINCIPAL** is the party who places cargoes in transit transport
2. **ATT = PRINCIPALS** when place cargoes in transit transport
3. **ATT = PRINCIPALS = CARRIER (Transport Operator)** if they become ATT / Principals who own truck and is granted in transit license for the truck to cross the border
4. **TRANSPORT OPERATOR** is who receive the traffic right to move his trucks cross border inter-state or in transit

# **ASEAN Framework Agreement on Facilitation of goods in transit**

- **PROTOCOL 1 – Designation of Transit Transport Routes and Facilities**
  - **PROTOCOL 2 - Designation of Frontier Posts – Initial Frontier: DRAFT**
  - **PROTOCOL 3 – TYPES AND QUANTITY OF ROAD VEHICLES**
  - **PROTOCOL 4 - Technical Requirement of Vehicles**
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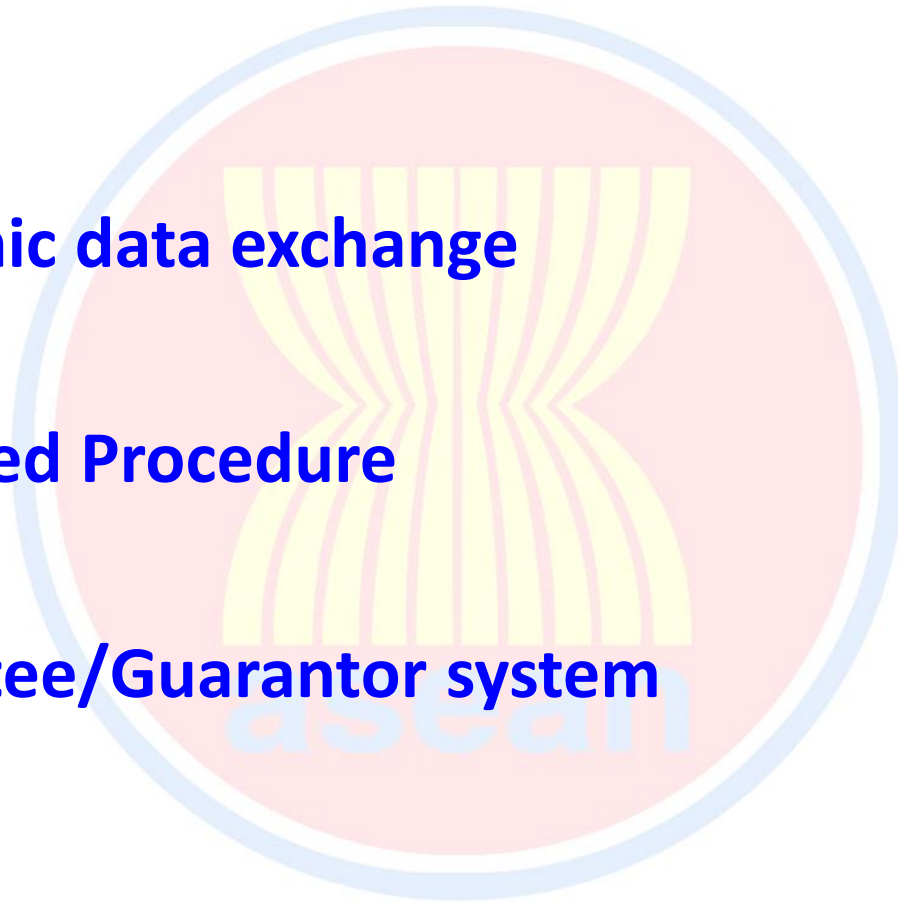


# **ASEAN Framework Agreement on Facilitation of goods in transit**

- **PROTOCOL 5 - ASEAN SCHEME OF COMPULSORY MOTOR VEHICLE INSURANCE**
  - **PROTOCOL 6 - RAILWAY BORDER AND INTERCHANGE STATIONS**
  - **PROTOCOL 7 – ASEAN CUSTOMS TRANSIT SYSTEM**
  - **PROTOCOL 8 – SANITARY AND PHYTOSANITARY**
  - **PROTOCOL 9 – DANGEROUS GOODS**
- 

# **PROTOCOL 7 – ASEAN CUSTOMS TRANSIT SYSTEM**

- Electronic data exchange**
- Simplified Procedure**
- Guarantee/Guarantor system**



# Characteristics of Essential issues when operating goods in transit transport

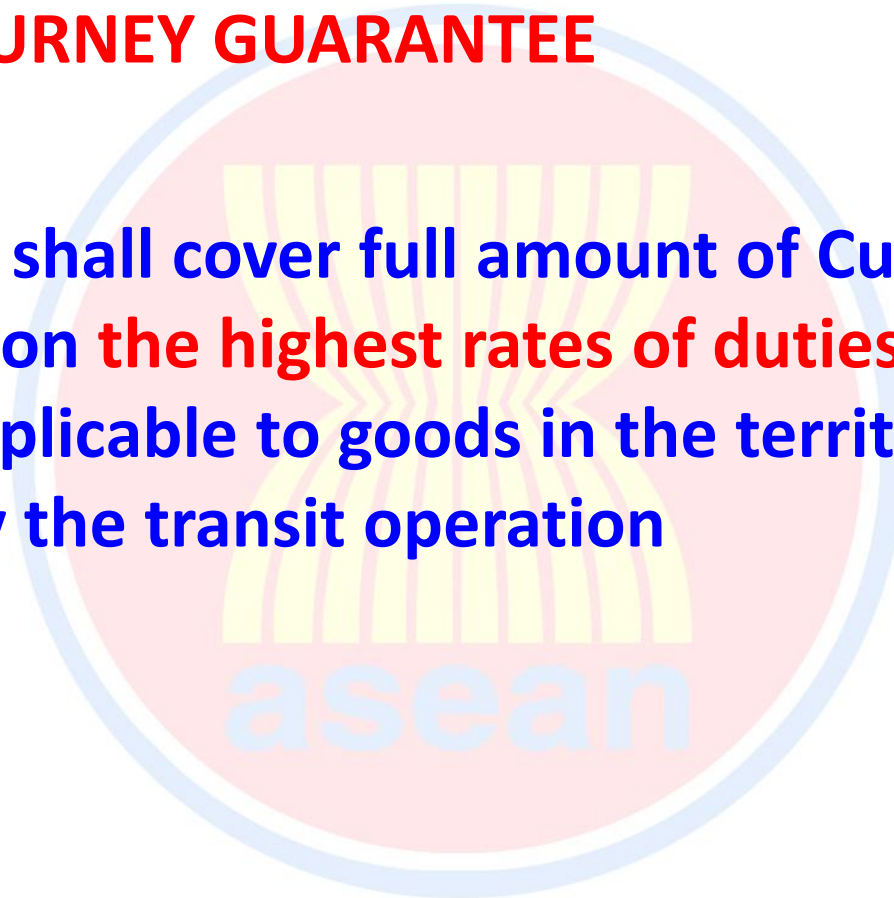
- **GOODS:** Not all kind of goods
- Protection of health and life of Human, Animals or Plants
- Protection of National treasures, artistic, historical
- Protection of industrial or commercial property
- \* Goods are not subject to duty and taxes when moving in transit but may subject to duty and taxes at origin or destination

# Characteristics of Essential issues when operating goods in transit transport

- **GUARANTEE SYSTEM:**
- **CUSTOMS DEBT:** Customs duties, taxes and charges which may be incurred in respect of goods placed under the ACTS procedure
- **Single journey guarantee** covers a single transit operation
- **Multiple journey guarantee** covers a number of transit operations

# Characteristics of Essential issues when operating goods in transit transport

- **SINGLE JOURNEY GUARANTEE**
- Guarantee shall cover full amount of Customs debt calculated on **the highest rates of duties**, taxes and charges applicable to goods in the territories covered by the transit operation



# Characteristics of Essential issues when operating goods in transit transport

## **SINGLE JOURNEY GUARANTEE FORM:**

- **CASH**
- **Guarantee Vouchers issued to Principal by a Guarantor**
- **Guarantee given by a Guarantor**
- **CURRENCY in GUARANTEE: LOCAL CURRENCY**

# Characteristics of Essential issues when operating goods in transit transport

- **SINGLE JOURNEY GUARANTEE FORM : CASH DEPOSITS**
- **Local Currency of the country of departure.**
- **It can be any other means of payment recognized by the office of guarantee : Bank Guarantee or else??**
- **It shall be valid for all Contracting Parties**
- **It shall be repaid by the office of guarantee when transit operations have been discharged**

# Characteristics of Essential issues when operating goods in transit transport

## SINGLE JOURNEY GUARANTEE FORM : **GUARANTEE VOUCHERS**

- It should cover in all relevant Contracting Parties Territory
- Validity of Guarantee 90 days from the date of issue
- Voucher can be used until the last date
- Voucher must be uniquely numbered and conform to a format agreed by Contracting Parties



# Characteristics of Essential issues when operating goods in transit transport

- **SINGLE JOURNEY GUARANTEE FORM : GUARANTEE VOUCHERS**
- **Submission on Last date and accepted by Customs, Voucher is valid until transit operation discharge**
- **Customs gets Copy of Voucher, Office of Guarantee get Original voucher**

# Characteristics of Essential issues when operating goods in transit transport

- **SINGLE JOURNEY GUARANTEE – GUARANTEE**
- **ASEAN will make format which contain the name of Principal and its value equivalent to Customs Debt**
- **Guarantee shall be lodged with the office of guarantee and a copy will be retained by the Customs Office of departure**
- **Upon discharge transit operation, Guarantee shall be cancelled and the guarantor shall be notified**

# Characteristics of Essential issues when operating goods in transit transport

- **MULTIPLE JOURNEY GUARANTEE**
- Amount of Guarantee is based on “Reference Amount” which must be reviewed at least once a year.
- Office of Guarantee shall establish Reference Amount with Principal based on past Data/Estimate number of shipments and value of goods and also based on highest rates of duties, taxes and charges applicable in countries of transit

# Characteristics of Essential issues when operating goods in transit transport

## **MULTIPLE JOURNEY GUARANTEE**

- Amount can be reduced or waived if Principal satisfies Criteria of experience, reliability and financial sound but subject to agreement of the Contracting Parties.
- **Reduce to 50%** if Principal demonstrates he has sufficient experience of Customs Procedures
- **Reduce to 25%** if demonstrates he has sufficient experience of Customs Procedures and cooperates very closely with competent body

# Characteristics of Essential issues when operating goods in transit transport

## GUARANTEE WAVIER

- Guarantee Waiver must be qualified as **Authorised Transit Trader**



# Characteristics of Essential issues when operating goods in transit transport

## **MULTIPLE JOURNEY GUARANTEE**

- Office of Guarantee shall issue Guarantee Certificate and exchange Data with Customs office of departure
- Details of Guarantee Certificate must be recorded in Customs declaration and print on Transit Accompanying Documents
- In case no electronic Data interchange, Principal must present original Guarantee Certificate

# Characteristics of Essential issues when operating goods in transit transport

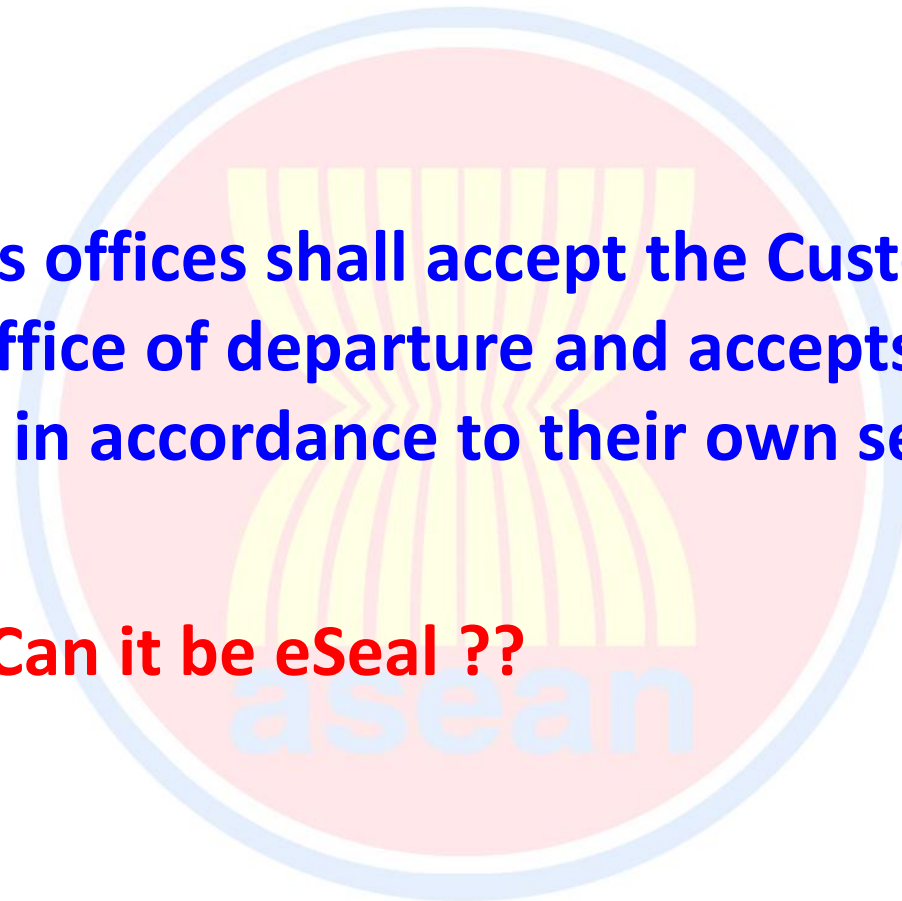
- **SEAL**
- Special types of SEALS on the mean of transport or package can be used if the competent authorities approve and agreed by Contracting Parties where in transit transport is done.
- In case where the sealing can not be done due to the nature of the goods, the customs office of departure may waive the requirement for sealing

# Characteristics of Essential issues when operating goods in transit transport

## SEAL

- All customs offices shall accept the Customs Seals of Customs office of departure and accepts same legal protection in accordance to their own seals.

Can it be eSeal ??





# Characteristics of Essential issues when operating goods in transit transport

## COMPUTERIZATION

- **ACTS is aiming for Fully Computerization on communication with Traders, Transit Declaration and Discharge of Completed Transit Movements**



# Characteristics of Essential issues when operating goods in transit transport

## COMPUTERIZATION

The electronic message exchange takes place at three levels:

1. Between Principal and Customs and Office of guarantee
2. Between internal Customs and/or Office of guarantee
3. Among Customs office of departure, transit, and destination

# Characteristics of Essential issues when operating goods in transit transport

- **COMPUTERIZATION – ELECTRONIC MESSAGES**
- 1. **ASEAN CUSTOMS TRANSIT DECLARATION**
  - (Principal → Customs office of departure )
- 2. **ANTICIPATED ARRIVAL RECORD**
  - (Customs office of departure → Customs office destination)
- 3. **ANTICIPATED TRANSIT RECORD**
  - (Customs office of departure → Customs office of transit)

# Characteristics of Essential issues when operating goods in transit transport

## COMPUTERIZATION – ELECTRONIC MESSAGE

- **4. NOTIFICATION CROSSING FRONTIER**  
(Customs office of transit → Customs office of departure)
- **5. ARRIVAL ADVICE**  
(Customs office of destination → Customs of departure)  
not later than the following day after the goods are presented at Customs office of destination.
- **6. CONTROL RESULT**  
(Customs office of destination → Customs of departure)

# Characteristics of Essential issues when operating goods in transit transport

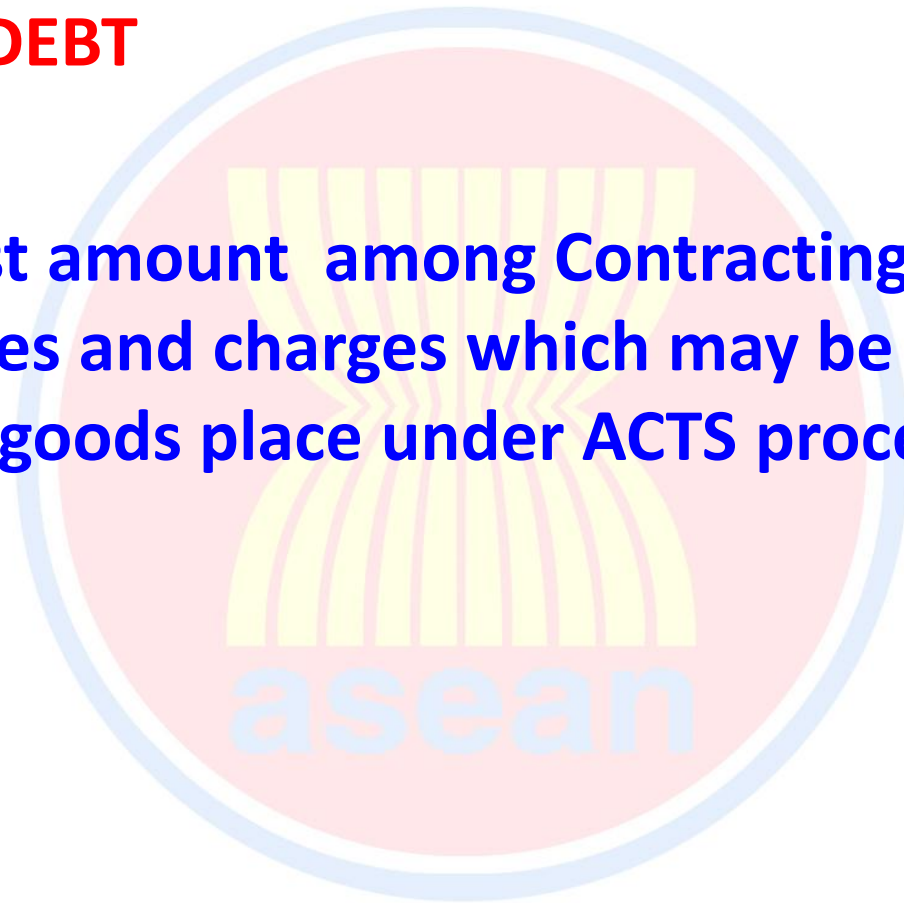
## ACCOMPANYING DOCUMENT:

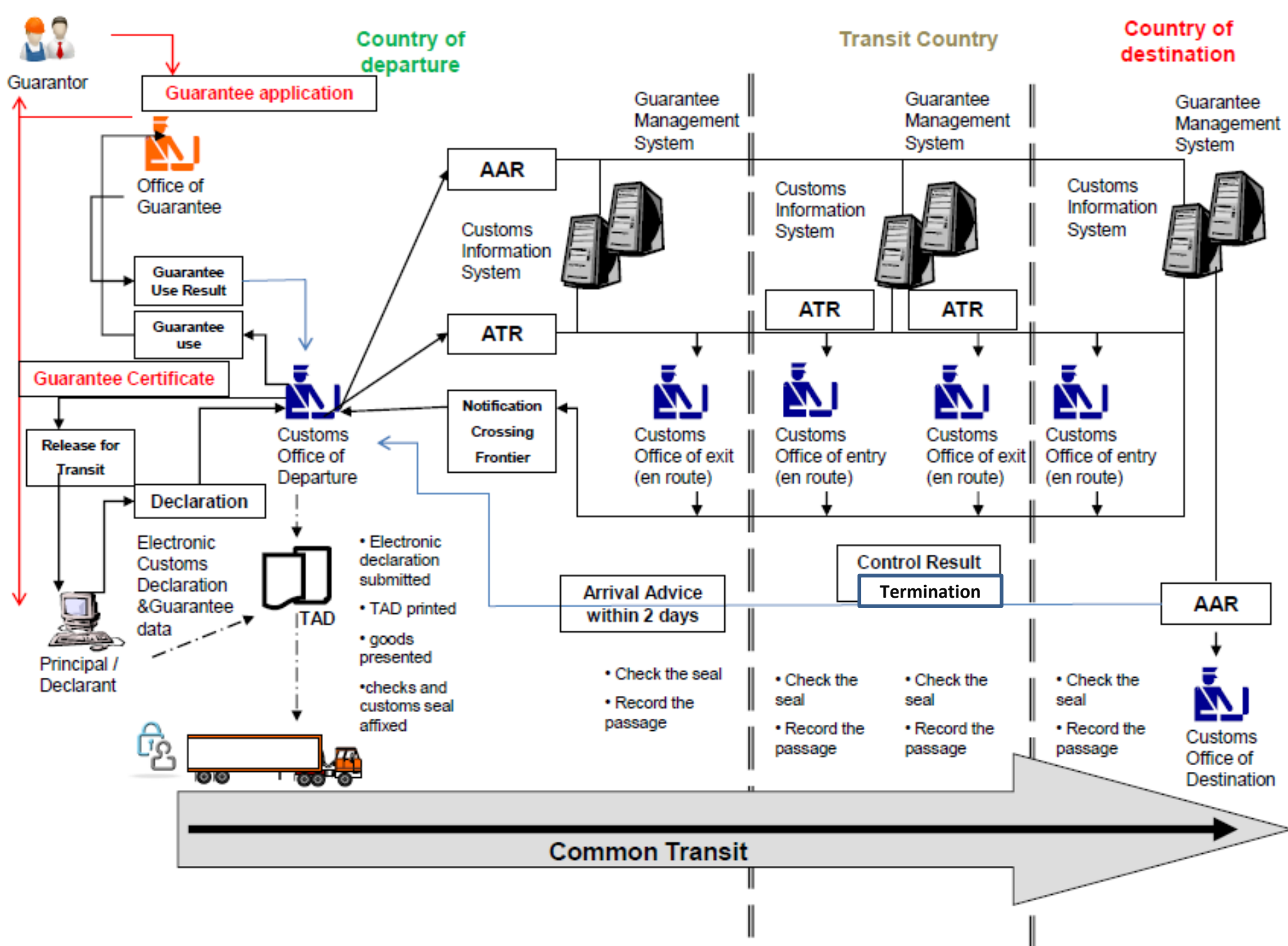
- The document which driver shall retain on vehicle and present to Customs at each point of inspection.
- The details of accompanying document shall also content the details of guarantee certificate besides content details of customs transit declaration

# Characteristics of Essential issues when operating goods in transit transport

## CUSTOMS DEBT

- The highest amount among Contracting Parties of duties, taxes and charges which may be incurred in respect of goods place under ACTS procedure.





## Country of departure

## Transit Country

## Country of destination

Guarantee  
Management  
System

Guarantee  
Management  
System

Guarantee  
Management  
System

Customs  
Information  
System

Customs  
Information  
System

Customs  
Information  
System

AAR

- Discharge the transit
- Release the guarantee

Customs  
Office of  
Departure

- Terminate transit operation



Customs  
Office of  
Destination

Arrival  
Notice

Arrival  
Notification

Unloading  
permission

Destination  
Control  
Result

Arrival  
Advice

Unloading  
remarks

Authorized  
Consignee

- Checks the seal
- Local Clearance of goods



TAD



TAD

Common Transit

Customs  
Office of  
Guarantee



# **ASEAN Single Window Challenge**



# ASEAN Single Window Challenge

**Level of NSW development of AMS:**

**AS IS:**

- **National Policy – Core Agency**
- **Collaboration between Authorities**
- **Technical architectures and Requirement of each Authority**
- **Real Single window or Single Web Application of authority ???**

# ASEAN Single Window Challenge

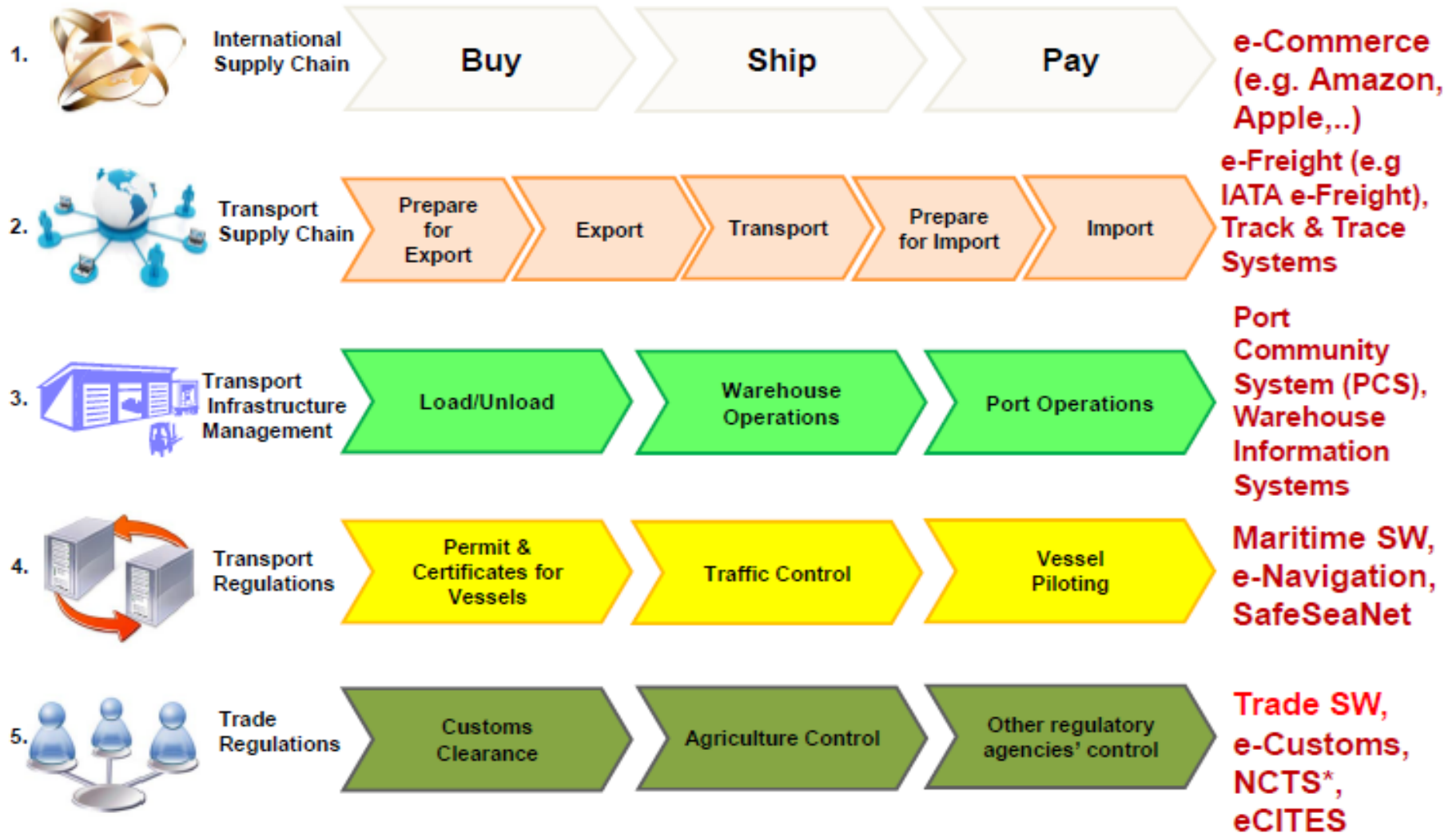
**Level of NSW development of AMS:**

**AS IS:**

- Effective risk management
- Integration of National Trade Repository (NTR) and NSW
- Implementation of various international program; e.g.
  - Authorized Economic Operator (AEO) programs
  - Free Trade Agreement (FTA) programs
  - Strategic Trade Management (STM) programs

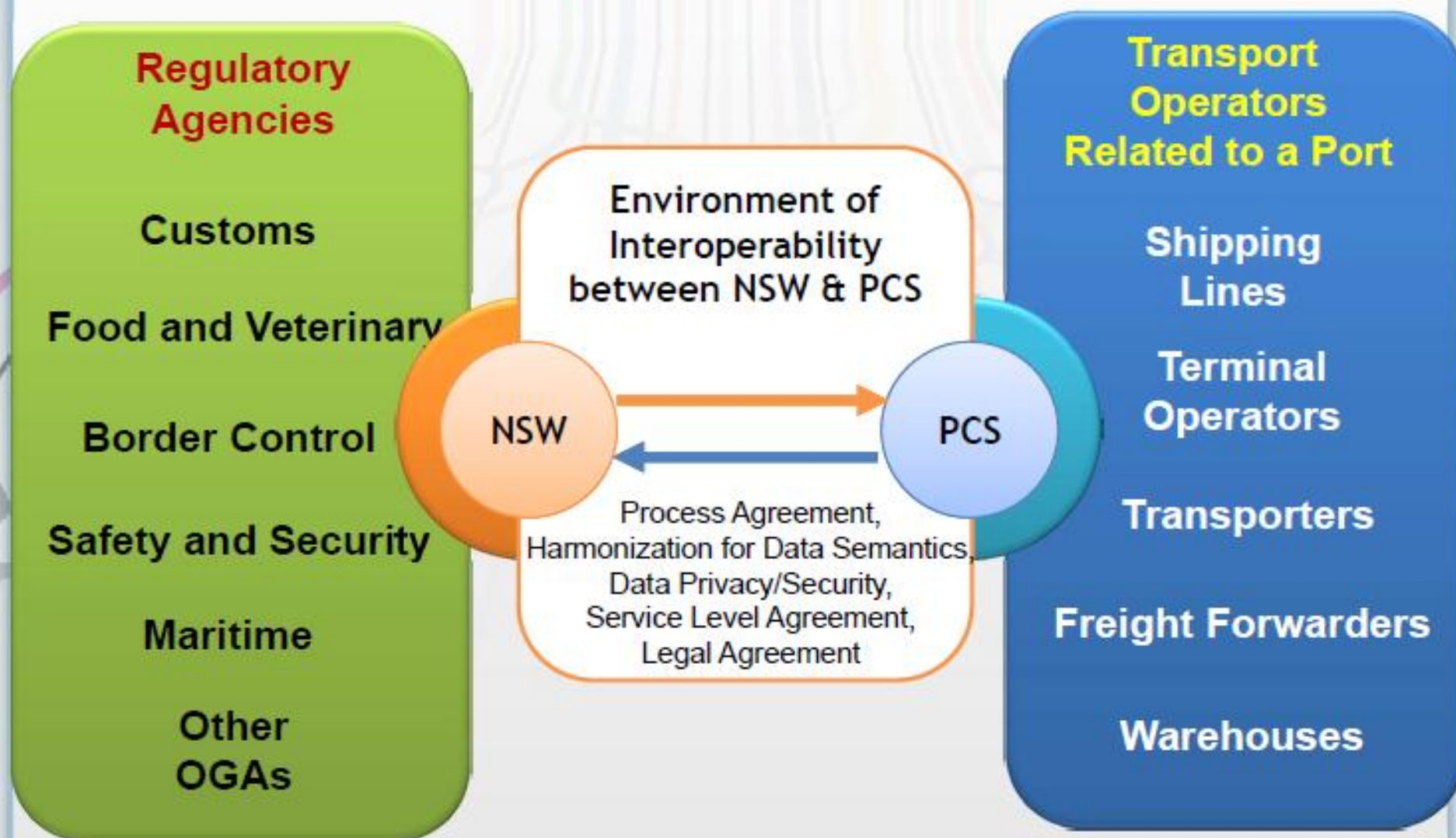
# Layers of IOS in advanced economies

## Inter-Organization Information System

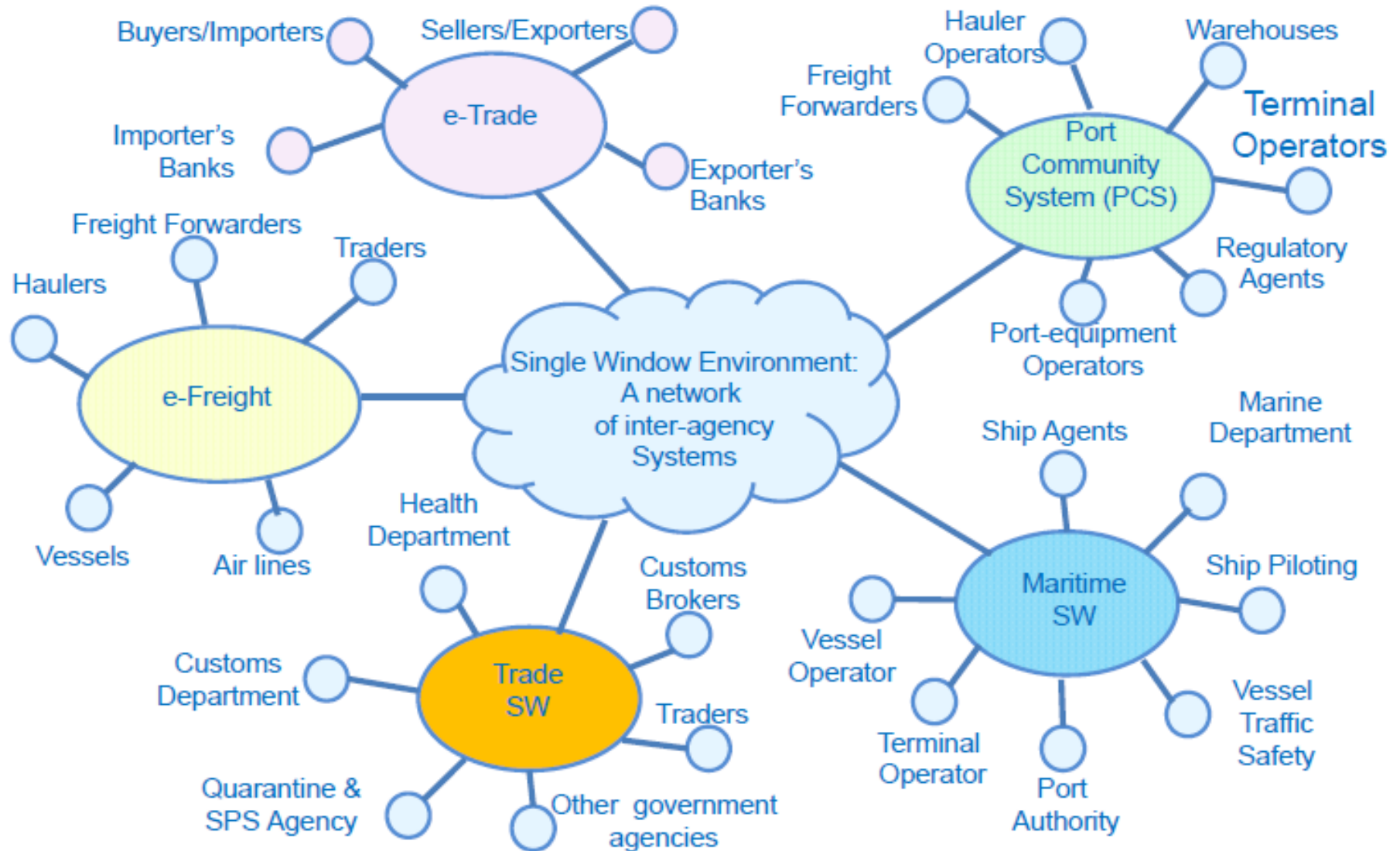


\*NCTS: New Computerized Transit System

# Collaboration scenario between IOS



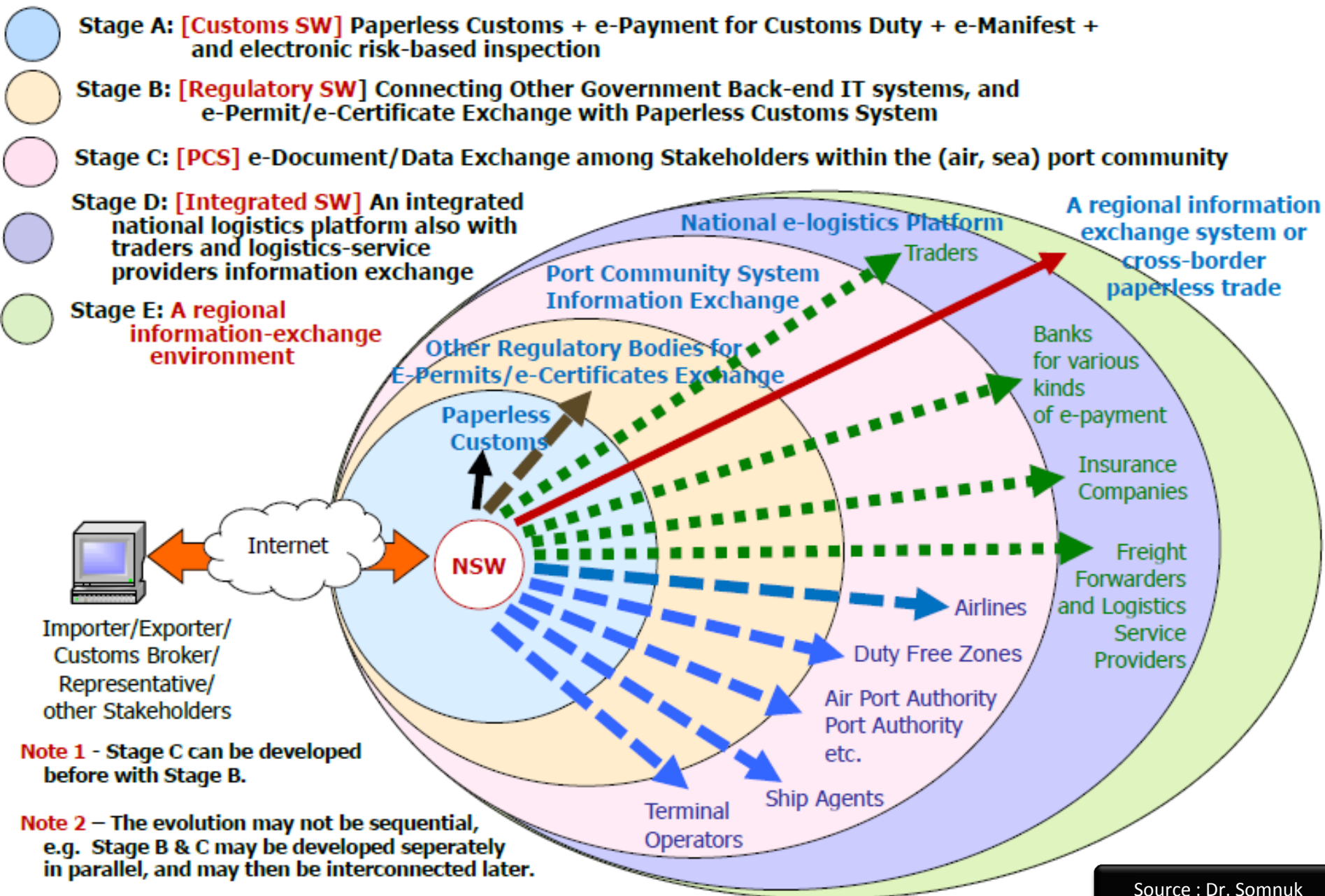
# The Network of IOS for efficient cross-border trade: Delivering a Single Window Environment

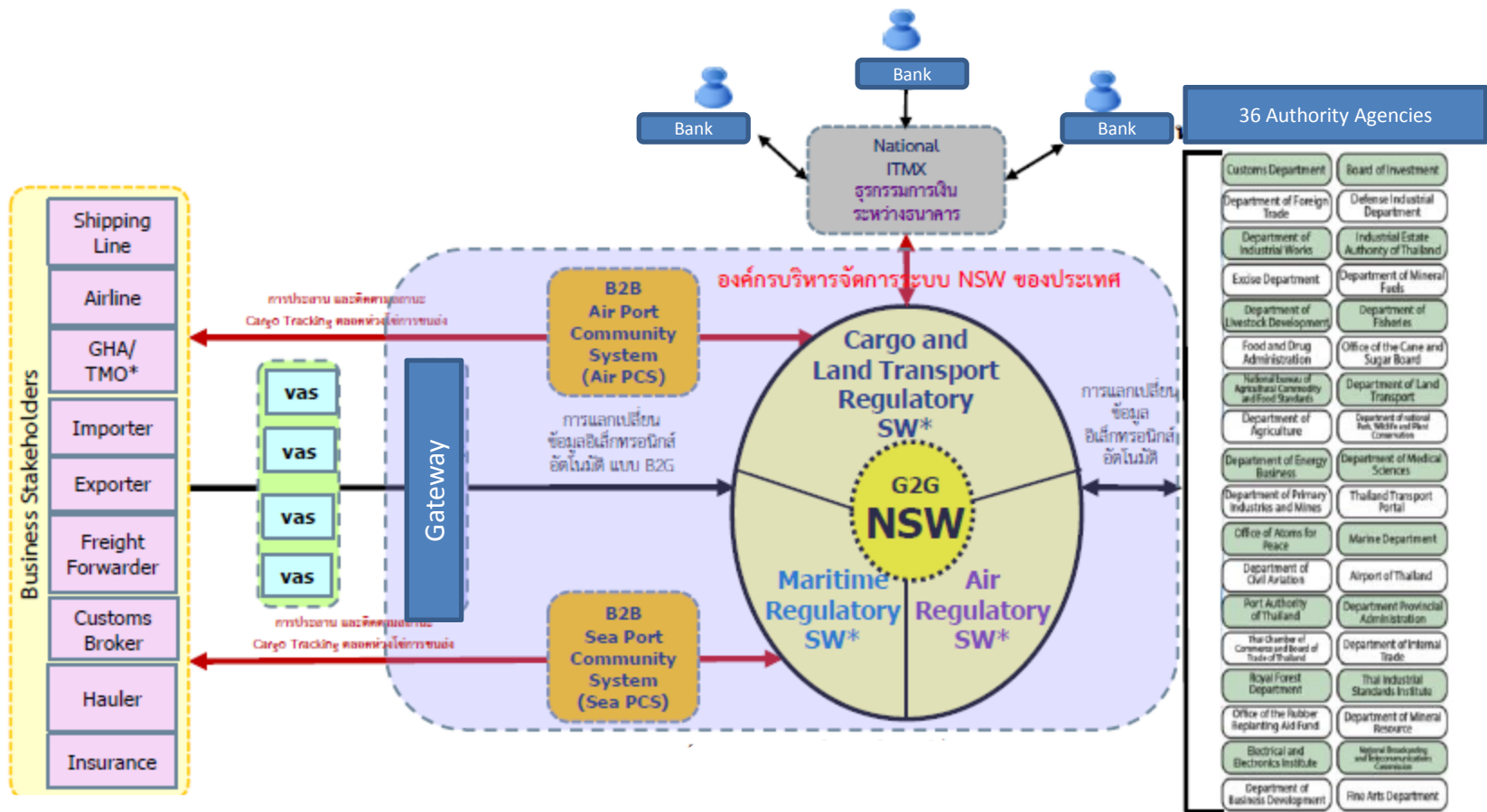




# A Staged Approach for SW Development

(but not necessary in sequential fashion)





**THAILAND TO BE e-Trade Facilitation by 2020**



# ASEAN Single Window Challenge

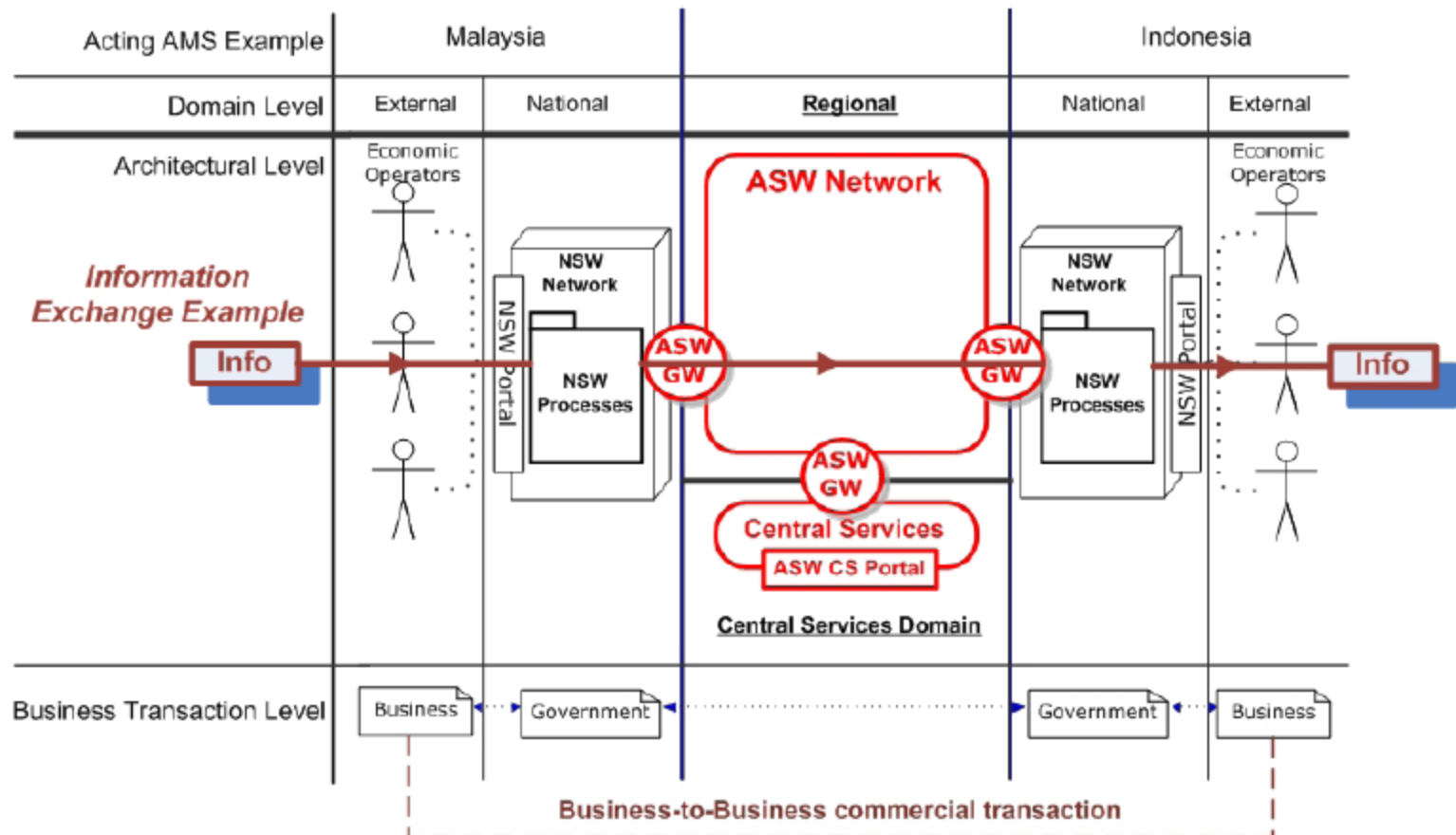
## TO BE

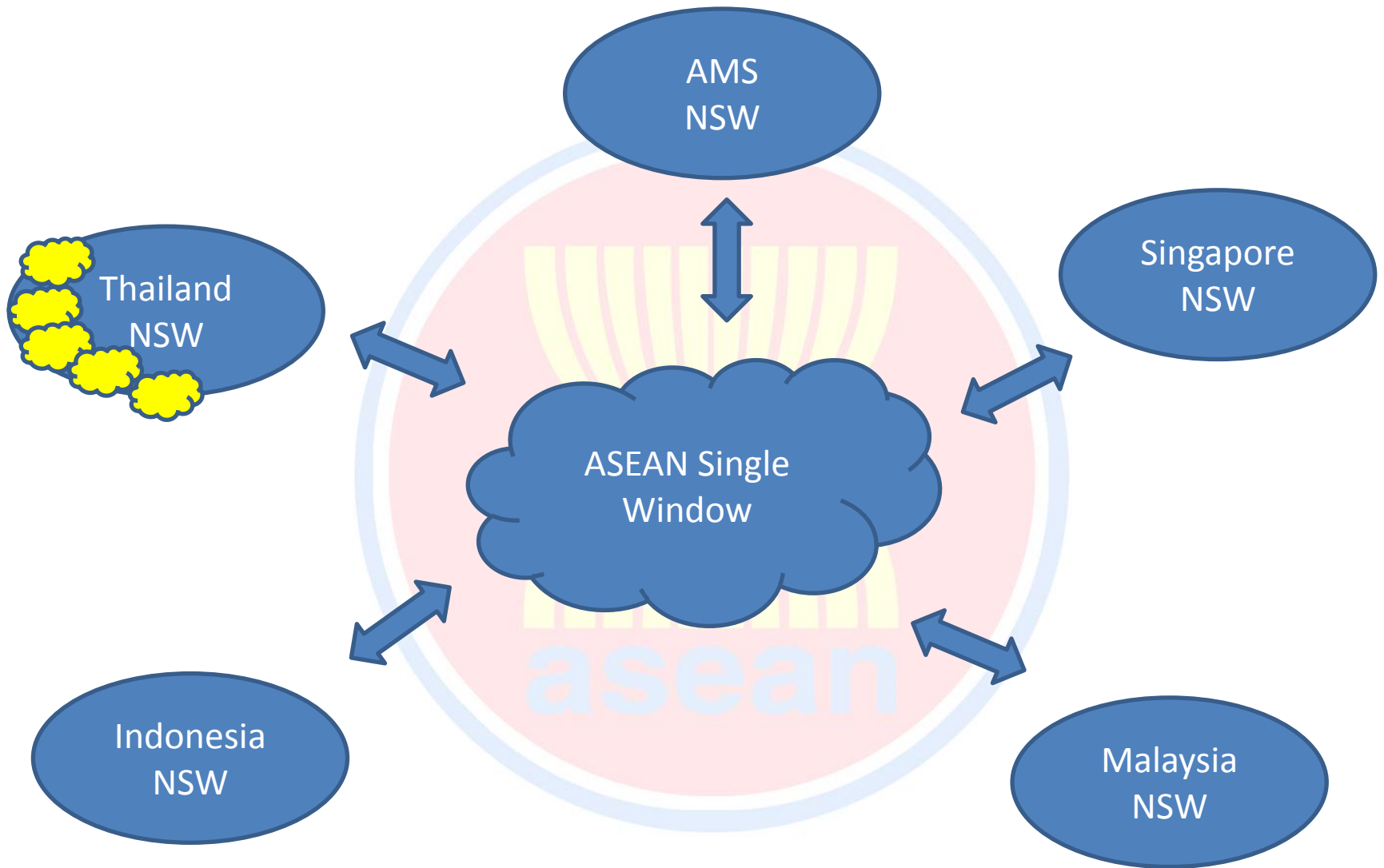
- Technical architectures, both national and regional levels, need substantial support and commitment
- Implementation of mutual recognition agreements
- Completion of the ASEAN Single Window Legal Framework Protocol
- Need to abide by international data harmonization standards, information security policies based on International standards and adoption
- Harmonize Tariff code

# ASEAN Single Window Challenge

## TO BE

- Legal gaps in domestic law of AMS that may create potential barriers to the full operation of NSW, cross-border interoperability between NSWs and the ASW
- ASEAN STM Concept Paper
- Implementation of STM program
- AMS Legal agreement on Sharing the Repository
- Strengthen human skill sets
- Adopt risk management and audit based controls







**Thank you for your attention**

**[somsakwise@gmail.com](mailto:somsakwise@gmail.com)**

**MP: +6681-8358475**