Customs structures in ASEAN
Comnenus, George

Document version:
Publisher's PDF, also known as Version of record

Publication date:
2016

Link to publication

Citation for published version (APA):

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This report is prepared as part of a joint project between the Trade and Economics Section of the EU Delegation to Singapore and the Embassy of the Kingdom of the Netherlands to Singapore. Its strives to give an overview of customs structures in five ASEAN Member States. The five ASEAN Member States are Indonesia, Malaysia, Singapore, Thailand and Vietnam. In the light of the upcoming EUSFTA and the ongoing negotiations for EUVFTA, EU businesses have a strong interest in transparent customs procedures in ASEAN.


Disclaimer: none of the author’s views expressed herein necessarily reflect the views expressed by the European Commission.
Abstract

Topic of the paper

The paper at hand is part of a joint project between the EU Delegation Singapore and the Embassy of the Kingdom of the Netherlands to Singapore. The project has been assigned to and is executed by Mr. George A. Comnenus (g.a.comnenus@intcen.eu). The purpose of this paper is to provide EU-ASEAN businesses deeper insight into customs-related authorities and procedures in five prominent countries of the Association of South-East Asian Nations (ASEAN). The countries concerned are Indonesia, Malaysia, Singapore, Thailand and Vietnam. Besides the identification of the competences of customs-related authorities in the afore countries, the paper at hand delineates the procedures through which these authorities interact on customs-related matters. Furthermore, it provides a short analysis of customs-related issues which businesses face when they import from respectively export to these ASEAN countries.

In addition to the afore, the electronic version of the document at hand provides an array of hyperlinks which redirect to essential background information and sources of information used in the research paper.
# Abbreviations

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<tr>
<td>AB</td>
<td>Animals and Birds Act</td>
</tr>
<tr>
<td>ACFS</td>
<td>National Bureau of Agricultural Commodity and Food Standards</td>
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<tr>
<td>ACRA</td>
<td>Accounting and Corporate Regulatory Authority of Singapore</td>
</tr>
<tr>
<td>AEO</td>
<td>Authorized Economic Operator</td>
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<tr>
<td>AFAFGIT</td>
<td>ASEAN Framework Agreement on the Facilitation of Goods in Transit</td>
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<td>AFAMT</td>
<td>ASEAN Framework Agreement on Multimodal Transport</td>
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<td>AFTA</td>
<td>ASEAN Free Trade Area</td>
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<tr>
<td>AKMAL</td>
<td>Akademi Kastam Diraja Malaysia</td>
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<tr>
<td>APEC</td>
<td>Asia-Pacific Economic Cooperation</td>
</tr>
<tr>
<td>API</td>
<td>Producer Importer Identification Number for Indonesia</td>
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<tr>
<td>ASEAN</td>
<td>Association of South-East Asian Nations</td>
</tr>
<tr>
<td>ATIGA</td>
<td>ASEAN Trade in Goods Agreement</td>
</tr>
<tr>
<td>AVA</td>
<td>Agri-Food and Veterinary Authority</td>
</tr>
<tr>
<td>BCA</td>
<td>Building and Construction Authority of Singapore</td>
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<tr>
<td>BIMS</td>
<td>Biometric Identification of Motor-bikers System</td>
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<tr>
<td>BIT</td>
<td>Board of Investment of Thailand</td>
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<tr>
<td>BNI</td>
<td>Bank Negara Indonesia</td>
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<tr>
<td>CD</td>
<td>Customs Department</td>
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<tr>
<td>CDM</td>
<td>Chemistry Department of Malaysia</td>
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<tr>
<td>CIDB</td>
<td>Construction Industry Development Board Malaysia</td>
</tr>
<tr>
<td>CIF</td>
<td>Cost-Insurance-Freight</td>
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<tr>
<td>CITES</td>
<td>Convention on International Trade in Endangered Species of Wild Fauna and Flora</td>
</tr>
<tr>
<td>CNB</td>
<td>Central Narcotics Bureau</td>
</tr>
<tr>
<td>CoA</td>
<td>Certificates of Approval</td>
</tr>
<tr>
<td>CRIA</td>
<td>China Rubber Industry Association</td>
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<tr>
<td>DAV</td>
<td>Directorate of Audit and Verification</td>
</tr>
<tr>
<td>DCEI</td>
<td>Directorate of Customs and Excise Information</td>
</tr>
<tr>
<td>DCERR</td>
<td>Directorate of Customs and Excise Revenue and Regulation</td>
</tr>
<tr>
<td>DCF</td>
<td>Directorate of Customs Facility</td>
</tr>
<tr>
<td>DCT</td>
<td>Directorate of Customs Technique</td>
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<tr>
<td>DE</td>
<td>Directorate of Excise</td>
</tr>
<tr>
<td>DFI</td>
<td>Duty Free Island</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
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<td>---------</td>
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<tr>
<td>LPF</td>
<td>Film Censorship Board</td>
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<tr>
<td>LPG</td>
<td>Liquid Petroleum Gas</td>
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<tr>
<td>LTA</td>
<td>Land Transport Authority of Singapore</td>
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<td>MDA</td>
<td>Media Development Authority of Singapore</td>
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<td>MFAT</td>
<td>Minister of Foreign Affairs of Thailand</td>
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<tr>
<td>MITI</td>
<td>Ministry of International Trade and Industry</td>
</tr>
<tr>
<td>MPA</td>
<td>Maritime and Port Authority of Singapore</td>
</tr>
<tr>
<td>MTCC</td>
<td>Ministry of Domestic Trade, Co-Operatives and Consumerism</td>
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<tr>
<td>NADA</td>
<td>National Anti-Drug Agency</td>
</tr>
<tr>
<td>NBTC</td>
<td>Office of the National Broadcasting and Telecommunications Commission</td>
</tr>
<tr>
<td>NMSS</td>
<td>National Maritime Security System</td>
</tr>
<tr>
<td>NPCOs</td>
<td>Non- Preferential Certificates Of Origin</td>
</tr>
<tr>
<td>NSW</td>
<td>National Single Window</td>
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<tr>
<td>OBLs</td>
<td>Online Business Licensing Service</td>
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<tr>
<td>OCSB</td>
<td>Office of the Cane and Sugar Board</td>
</tr>
<tr>
<td>PIB</td>
<td>Import Declaration Form of Indonesian Customs</td>
</tr>
<tr>
<td>PLRD</td>
<td>Public Entertainment &amp; Liquor Police Licensing and Regulatory Department</td>
</tr>
<tr>
<td>PRC</td>
<td>Customs and Excise of the People’s Republic of China</td>
</tr>
<tr>
<td>RCEP</td>
<td>Regional Comprehensive Economic Partnership</td>
</tr>
<tr>
<td>RFID</td>
<td>Radio Frequency Identification</td>
</tr>
<tr>
<td>RKC</td>
<td>Revised Kyoto Convention</td>
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<tr>
<td>RMC</td>
<td>Royal Malaysian Customs</td>
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<tr>
<td>RMP</td>
<td>Royal Malaysian Police</td>
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<tr>
<td>SCA</td>
<td>Singapore Customs Authority</td>
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<tr>
<td>SCDF</td>
<td>Singapore Civil Defence Force</td>
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<tr>
<td>SEP</td>
<td>Singapore Economic Partnership</td>
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<tr>
<td>SEZs</td>
<td>Special Economic Zones</td>
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<tr>
<td>SMK</td>
<td>Customs Information System</td>
</tr>
<tr>
<td>SOEs</td>
<td>State Owned Enterprises</td>
</tr>
<tr>
<td>SPIKES</td>
<td>Integrated Substance Control Management System</td>
</tr>
<tr>
<td>SVLK</td>
<td>Sistem Verifikasi Legalitas Kayu</td>
</tr>
<tr>
<td>TEUs</td>
<td>Twenty Foot Equivalent Units</td>
</tr>
<tr>
<td>TFAC</td>
<td>Trade Facilitation Action Council</td>
</tr>
<tr>
<td>TISI</td>
<td>Thailand Industrial Standards Institute</td>
</tr>
</tbody>
</table>
TPBB ................................................................. Supervisory Team for Traded Goods
UEN ........................................................................ Unique Entity Number
VITAS ................................................................. Vehicle Inspection and Type Approval System
WCO ................................................................. World Customs Organization
WMD ................................................................. Weapons of Mass Destruction
WTO ................................................................. World Trade Organisation
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I. Introduction

Relevance of the paper: Interconnectivity of customs through ASEAN

The purpose of this paper is to provide an overview of and insight in the customs authorities / customs procedures in five ASEAN countries: Indonesia, Malaysia, Singapore, Thailand and Vietnam. Such an overview appears to be timely and relevant. After all, the enactment of ASEAN has had a profound impact on customs authorities and customs procedures in the afore ASEAN Member States. Some of the most prominent examples of customs-related achievements of ASEAN would be:

- an ASEAN Agreement on Customs to which all ASEAN Members have deposited their instruments of ratification;
- a Framework Agreement on the Facilitation of Inter-State Transport;
- a Custom Transit linking network for ASEAN focal points of cross border issues;
- the establishment of National Trade Repositories;
- the launch of a Master Plan on ASEAN Connectivity and a pilot-project on self-certification;
- an overall Free Trade Area (with the aim of removing all technical and non-technical barriers to intra-ASEAN trade through the ASEAN Economic Community by 2015 yet without a common external tariff on imported goods) with:
  o a Common Effective Preferential Tariff Scheme (which eliminates 99% of tariff lines on intra-ASEAN trade of all goods with a local ASEAN content of 40% of the Free on Board value except those under temporary exclusion, sensitive products or products under general exception) and
  o some enhancements such as the ASEAN Trade in Goods Agreement (ATIGA) in place;
- and the launch of the ASEAN Single Window project with the aim of merging customs-related authorities under National Single Window projects.¹

Furthermore, the organisational composition of ASEAN places particular importance on customs in its Member States. It for instance operates an ASEAN Free Trade Area Council. Furthermore, it has a separate Trade & Facilitation Division with a Market Integration Directorate and units with a focus on trade in goods, standards and conformance in.

Structure and contents of the paper

Section one of this research paper provides an overview of the main authorities involved in customs in each of the five ASEAN countries. It provides its reader a broad insight into how these main authorities interact with imports and exports from a legal as well as from a procedural perspective. It focuses on the tasks

¹ Source: PWC, "ASEAN Economic Community (AEC) 2015 & Beyond", Asia Pacific Customs & Trade Conference, 26 May 2015, Pan Pacific Hotel, Singapore
ascribed to each authority and tries to uncover how the authorities interact with each other when it comes
down to the regulation of the importation and exportation of goods. The overview is given per country on
an alphabetical order. Particular importance is ascribed to Singapore - in part because this report was
drafted under the auspices of a joint collaboration between the Delegation of the European Union to
Singapore (as part of the European External Action Service) and the Embassy of the Kingdom of the
Netherlands to Singapore (as part of the Ministry of Foreign Affairs of the Kingdom of the Netherlands).

Section two of this research paper focuses on challenges and opportunities for businesses of the European
Union which import goods into respectively export goods from the five ASEAN countries (or intend to do
so). It does so primarily through an analysis of World Bank trade facilitation indicators for the Netherlands
on the one hand and each of the five ASEAN countries on the other. The most important trade facilitation
indicators which have been analysed are: the degree to which importers and exporters experience customs
procedures as a burden; the amount of documents necessary for import and export of goods; recent
developments in container traffic in all of the five ASEAN countries; costs associated with the import and
export of goods; quality of the port infrastructure; the amount of days necessary to import or export goods
and logistical performance indicators. The logistical performance indicators which have been analysed are:
the frequency wherewith shipments reach consignee within scheduled or expected time; the quality of
trade and transport-related infrastructure; the competence and quality of logistics services; the ability to
track and trace consignments; the efficiency of the customs clearance process and the ease of arranging
competitively priced shipments.
II. Customs Authorities and Procedures in ASEAN-Five

a. Customs Authorities and Procedures in Indonesia

i. Introduction

*General introduction to Indonesian Customs*

The Directorate General of Customs and Excise is the main body in charge of the regulation of import and export in Indonesia. Duties on imports are assessed on the basis of their Cost-Insurance-freight (CIF) value. Just like Singapore, Indonesia classifies its exports and imports in accordance with the Harmonized System Nomenclature of the World Customs Organization (WCO).

In accordance with the rules of the World Trade Organization (WTO), to which Indonesia is a Member, Indonesia uses the transaction value of goods to determine their value for customs procedures. Not all goods are allowed to be imported into or exported from Indonesia. Certain products such as Rhino horns are prohibited for import or export while others will require import permits.

To facilitate goods which are to be transshipped within one year, Indonesia can temporarily exempt importers and exporters from lengthy customs clearance formalities and the levy of duties and Goods and Services Tax (GST) provided that the trader warrants the amount of duty that would have been dutiable / taxable in case the transshipment would not take place. In the same vein Indonesia operates bonded areas which allow companies with permits thereto to conducts industrial works such as packaging on imports destined for transshipment without having to pay duties or taxes.

Indonesia has a fairly closed trading regime and certain goods such as those on the exclusion list of *Schedule XXI-Indonesia* to the WTO General Agreement on Trade and Tariffs can be subjected to duties to more than forty per cent. Indonesia has concluded free trade agreements (FTAs) with the ASEAN Free Trade Area, ASEAN plus 1 through RCEP (Australia, China, India, Japan, South Korea and New Zealand), Japan, and Pakistan.

Imports need to be declared to the Indonesian Directorate General of Customs and Excise through an *Import Declaration Form* named Import Declaration (PIB). New importers need to register themselves to Indonesian Customs in order to receive a Customs Identification Number. Any companies other than ordinary Indonesian companies (such as foreign investment companies in the form of Indonesian LLCs – Perseroan Serbeta or companies established under the framework of domestic capital investment – the so-called PMDN company) which intend to import foreign goods for domestic use, will need to obtain a Producer Importer Identification Number or API (which has a country-wide effect). Pursuant to the amendment to the Regulation of the Minister of trade no. 45/m-dag/per/9/2009 through *Regulation of the Minister of trade no. 17/m-dag/per/3/2010* importers which intend to trade in goods with foreign entities need to fill in the *Angka Pengenal Importir Umum* (click for the application form). The resultant identification number is issued by provincial trade offices. The other variant is the *Angka Pengenal Importir Produsen* (click for the application form) for domestic producers which intend to use the imports for
domestic production and wherefore trade is impermissible (the resultant number is non-transferable). The latter identification number is designated for foreign direct investment companies and is also issued by the provincial trade offices. That is unless the issuance thereof is ascribed to either the Indonesia Investment Coordinating Board, provided that it concerns a foreign direct investment company, or the Directorate General of Foreign Trade under the Ministry of Trade of Indonesia provided that the company is concerned with specific clusters such as hydrocarbon fossil fuels. Foreign entities which aren't registered in Indonesia are either required to contract a local trading company or to establish a local office in order to be able to import goods into Indonesia.

Indonesia has imposed barriers on the import of goods. For instance by restricting the importation of certain types of goods or by creating state-owned monopolies (through state-owned enterprises) on certain types of goods and state-regulated oligopolies through private licensing schemes for certain types of products. Yet the restriction of trade is not confined to imports of goods into Indonesia alone. All companies which have passed the Parts Manufacturer Approval Procedure or the Business License Procedure for Foreign Trading Companies are in principle entitled to export goods. Commodities are open for export (i.a. organic rice, sugar, flour, palm oil and petroleum while certain precious metals and precious stones are subject to export permits) unless the goods are on the list of restricted (certain textiles, plywood and coffee) or prohibited exports (certain types of antiquities, rubber and refurbish-able metal), or when they exceed certain prescribed levels of domestic demand.

Structure of Section II.a

Section II.a provides an overview of the main customs-related authorities of Indonesia. It explicates the customs-related tasks of these authorities and gives examples of how these authorities recently interacted with customs. The authorities are classified to the ministries under which they operate. The order wherein the overview of the ministries is given has been made dependent on the importance of its customs-related interaction. The overview starts with the Ministry of Finance and the Ministry of Trade since it are these ministries which are – albeit not exclusively – in charge of setting the nation-wide customs policy. The overview continues with the Ministry of Home Affairs and the Ministry of Transportation due to their active engagement in customs-related treaty negotiations. Subsequently the Ministry of State Owned Enterprises is discussed due to its active role in conducting industry-wide trade negotiations on trade-defence matters. Thereafter the industry specific licensing agencies are dealt with. These agencies fall under the Ministry of Agriculture, the Ministry of Environment and Forestry, the Ministry of Maritime Affairs and Fisheries, the direct supervision of the President (the National Narcotics Agency) and the Ministry of Research, Technology & Higher Education. Finally the overview concludes with the customs-related role of

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2 For a more inclusive overview see the book *Indonesia Customs, Export-Import Regulations, Incentives and Procedures Handbook - Strategic, Practical Information, Regulations*, International Business Publications – Global Investment Center, USA 2015, pages 51 until 54
the Ministry of Administrative and Bureaucratic Reform.

ii. Ministry of Finance

*Introduction to the Indonesian Ministry of Finance*

The most important customs agency in Indonesia, the Directorate General for Customs and Excise (DGCE), is part of the Indonesian Ministry of Finance. Some facts about the Indonesian DGCE: it is headquartered in Jakarta; as of February 2014 it operates 13,586 officers; and it oversees ten Directorates (including an Internal Compliance Centre and Secretariat), sixteen Regional Customs Offices, two Prime Customs Offices, one-hundred and fourteen Customs and Excise Service Offices, four Customs Patrol Fleet Bases, three Customs Laboratories, a Detector Dog Training Centre and a Customs Training Centre.

*Directorate of Customs Technique (DCT)*

Apart from formulating the technical strategy of Indonesian customs, conducting the general affairs of DGCE and researching appeals on customs tariff and customs value based on the technical strategy decided by the Director General of Customs and Excise, the DCT controls and guides: the implementation of customs technique regulation; the facilities offering in customs procedure; the implementation of goods classification, customs tariff and anti-dumping taxes; customs value regulation; the stipulation of goods classification, customs tariff and anti-dumping tax and customs value. Furthermore it updates the commodity profiles and customs value database.

*Directorate of Customs Facility (DCF)*

The DCF: formulates the technical policy in exemption and relief of customs duty; enhances the establishment and development of domestic industries, export and environmental protection; maintains and guides technical policy in exemption and relief of customs duty; maintains and guides the granting of import and export permits and customs facilities in bonded storage and oversees the general affairs of the directorate.

*Directorate of Excise (DE)*

The DE: formulates the technical policy, licensing policy and facilities in the excise area; maintains and guides the granting of permit and excise facilities respectively the implementation of excise regulations in excise tariff, the excise object price and the excise stamp matters (particularly the excise stamp stock, inventory, distribution, replacement and destruction); conducts research on excise loosening and intensification respectively appeals of permit cancellation and the result of book closing of excise objects (based on the technical strategy as decided by the Director General).

*Directorate of Prevention and Investigation (DPI)*

The DPI formulates the technical policy in prevention, undertaking action, and investigation of any customs and excise offense, the imposition of administrative fines and the maintenance of operational equipment. It conducts the technical policy on the prevention of, the undertaking of action on, and investigation of any customs and excise offense; maintains, controls and directs intelligence procedures to prevent any
infringement of the customs and excise regulations; maintains, controls and directs any final action taken against any infringement of customs and excise regulations; maintains, coordinates and controls the prevention of and directs any action taken against any infringement of regulations on the prohibition and restriction of trade; maintains, coordinates and guides the investigations of any customs and excise infringements, and manages evidence on gifts in the form of goods and money; and manages and controls the operation equipment of the Ministry of Finance.

**Directorate of Audit and Verification (DAV)**

DAV formulates technical policy in customs and excise verifications and audits; guides and controls the implementation of customs and excise regulations in verification and audit matters; guides and controls the implementation of customs and excise regulations in verification and audit matters; formulates policy and implementation of customs and excise verifications and audits; formulates policy to follow-up on results of verifications and audits and conducts the general affairs of the directorate.

**Directorate of International Affairs (DIA)**

DIA formulates the technical policy related to international cooperation in customs matters, particularly with customs procedures, law enforcement, goods, classifications, customs duties, customs value (and other types of technical cooperation as is stipulated by DG); conducts the international cooperation affairs in customs area; conducts the ratification process of any international agreement in customs matters; coordinates and implements the international agreement in customs matters; and oversees the general affairs of the directorate.

**Directorate of Customs and Excise Revenue and Regulation (DCERR)**

DCERR formulates the customs planning, maintains and guides the revenue administration as well as the collection of debt of customs excise and other taxes that have to be collected by DGCE and the customs and excise restitution; conducts research of the appeal on administrative fines based on the technical strategy decided by the DG; evaluates the customs and excise target revenue achievements, the implementation of general planning in customs and excise matters, the annual work program, and the work performance throughout the DGCE; evaluates the follow-up on the results of audits executed by inspecting institutions and the public information about DGCE performance; compiles the reports and statistics of the DGCE; evaluates the system and regulation in customs and excise matters, and coordinates the materials needed to prepare customs and excise regulations; examines and formulates the technical guidance of customs and excise regulations and other DGCE related regulations; conducts and coordinates the transparency of customs and excise regulations. Further, it is in charge of the general affairs of the DGCE.

**Directorate of Customs and Excise Information (DCEI)**

DCEI formulates the technical policy in customs and excise information systems; plans, designs, maintains and develops application systems, application programs in customs and excise matters, computer operations, computer equipment and information services of the computerization system service; guides,
coordinates, and controls database processing within DGCE.

iii. Ministry of Trade

Hereafter we provide an overview of customs related components within the Indonesian Ministry of Trade.

Indonesian Trade Promotion Centers

The Directorate General of National Export Development within the Ministry of Trade oversees a global trade network of Indonesian Trade Promotion Centers which are tasked with facilitating trade.

Trade facilitation negotiations

The Ministry of Trade is in charge of trade negotiations for tariff line reductions at the WTO, preferential trade agreements and is operational in regional initiatives such as the Brunei Darussalam-Indonesia-Malaysia-The Philippines East ASEAN Growth Area.

Studies on ways to improve trade facilitation

The Ministry of Trade carries out studies on ways to improve trade facilitation. An example would be a recent analysis of the application of rules of origin for improving market access of Indonesian products in global value chains. It cooperates with several ministries on customs related matters. An example would be the cooperation between the Minister of Trade; the Minister of Environment and Forestry; and the Minister of Industry with respect to the customs related simplification of the Timber Legality Verification System (Sistem Verifikasi Legalitas Kayu/SVLK) for small and medium-sized industries (Industry Kecil Menengah/IKM) which are registered as exporters of forestry industry products through Minister of Trade Regulation Number 97/M-DAG/PER/12/2014.

Issuance of regulations to smoothen customs procedures

One of the prime tasks of the Ministry of Trade is to issue or replace existing regulations on imports and exports. An example thereof is the regulation on the issuance of certificates of origin for Indonesia's export merchandise. A more recent example would be the issuance of the new Ministry of Trade Regulation No. 48/M-DAG/PER/7/2015 (Regulation 48) on General Provisions in the Import Sector, issued on 3 July 2015 (entered into effect on January 2016). Just alike Article 32 of the Trade Law, Regulation 48 requires importers to possess import licenses for products of which importation is limited before the imported products enter the customs area - so as to expedite the customs clearance process. By obliging importers to fulfill import requirements before their imports arrive at the port, customs clearance can be given directly upon arrival at the port. Import requirements in Indonesia apply to products of which importation is restricted through the following import license schemes: acknowledgement as an Importer Producer (license to import certain products for one's manufacturing process); designation as a Registered Importer (applicable to importers to import certain products); import approvals; surveyor reports; and/or other.

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3 http://www.bakermckenzie.com/files/Uploads/Documents/Type%202/HHP/al_jakarta_traderegulation48_jul15.pdf - information on import-regulations are accessible through the portal http://inatrade.kemendag.go.id
import license mechanisms. The main aim of Regulation 48 is to reduce the dwelling time of imported goods at Indonesian ports – given that in the current situation some importers still process their licenses after arrival of their imports at the Indonesian customs area. The sanction on non-compliance with Regulation 48 can be that importers are (temporarily) stripped from their Angka Pengenal Impor - "API" or Importer Identity Number. The absence of an API significantly restricts imports. The wide scope of the afore is attested through the revocation of 1550 Importer Identity Number in December 2014.

Issuance of regulations to restrict the importation of certain products

The Ministry of Trade can also impose regulations restricting the importation of certain products. Such restrictions can for instance take the form of technical barriers to trade. Another example would concern the imposition of import quotas on the imports of certain products. It can also restrain the import of certain products by restricting them to a limited amount of ports. A recent example of this restriction concerned batik. It can also require importers of certain products to obtain a license from the Coordinator and Organizer of the Trade Services Unit (Regulation of the Minister of Trade Number 18/M-DAG/PER/3/2012 on the delegation of license issuance authority by the Ministry of Trade) on the behalf of the Minister of Trade before allowing them to import certain products.

Negotiations to alleviate foreign trade barriers on Indonesian exports / enact trade barriers

In the same vein as the imposition of trade defense measures, the Directorate of Trade Defense under the Ministry of Trade also conducts trade negotiations to alleviate the imposition of trade barriers such as anti-dumping duties and countervailing measures by other countries. Yet it can also impose barriers on the export of domestic goods. A recent example thereof concerns the restriction of the export of rice when a certain threshold of domestic demand has not been met. Whereas the Indonesian Bureau of Logistics tries to maintain food price stability, the Ministry of Trade can order customs taxes to be lifted if the price of a commodity which it heavily imports significantly rises. A recent example thereof concerned soya beans. The Directorate General for Standardization and Consumer Protection can impose barriers on imports in the form of standards. The Supervisory Team for Traded Goods (TPBB) is tasked with the identification of goods which do not conform to these standards. An example thereof can be found in January 2015 but also back in 2011 wherein the TPBB cooperated with members representing the Coordinating Ministry for Economic Affairs, the Ministry of Health, Food and Drug Agency, the DGCE, the Crime Unit of the National Police, the Ministry of Industry, the Ministry of Agriculture and other relevant institutions.

iv. Ministry of Home Affairs

The Ministry of Home Affairs mainly interacts with customs through the ratification of international agreements. Examples thereof are the ASEAN Agreement on Customs, or the Amended International Convention on The Simplification and Harmonization of Customs Procedures of 18 May 1973, or the ratification of the Convention of Temporary Admission, or the Agreement between the Government of
Indonesia and the United Mexican States in Visa Exemption for Holders of Diplomatic or Official Service Passports.

v. **Ministry of Transportation**

The *Ministry of Transportation* is composed of four Directorates-General: a Directorate General of Land Transportation, a Directorate of Sea Transportation, a Directorate General of Civil Aviation and a Directorate General of Railways. In their own modus operandi each Directorate of the ministry of transportation interacts with customs. Each of these four Directorates General play an active role on Indonesian transport-related customs matters. The Directorate General of Sea Transportation for instance is connected to the recent *Inaportnet* pilot project in *four major Indonesian ports*: the port of *Tanjung Priok, Belawan, Tanjung Perak* and *Makassar*. It is in charge of animal and plant quarantine at ports and is to ensure the implementation of *Law of the Republic of Indonesia No. 16 of 1992 on Animal, Fish, and Plant Quarantine*.

Apart from domestic matters the Ministry of Transport also plays an active role on customs related transport matters in ASEAN. Examples thereof are the ratification and implementation of the *ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT)*, *ASEAN Framework Agreement on Multimodal Transport (AFAMT)*, cooperation in the *ASEAN Transport Facilitation Working Group* or the *ASEAN Transit Transport Coordinating Board*.

vi. **Ministry of State Owned Enterprises**

*Trade facilitation*

Through its state owned enterprises (SOEs) the Ministry of State Owned Enterprises operates as a facilitator of trade. An example of these SOE's is the Bank Negara Indonesia (BNI) which recently launched a real-time online tax payments facility called ‘*BNI e-Tax Kepabeanan*’. The new system will to complete tax payments over import notification letters (PIB) for major corporations such as Shell Indonesia, a subsidiary of global oil and gas giant Royal Dutch Shell. The BNI e-Tax facility itself is directly connected to the Finance Ministry, more in particular the Tax Directorate General and the Customs and Excise Directorate General. The electronic-payment system reduces the dwelling time of goods in both seaports and airports. BNI has also developed a BNI e-Tax facility for value-added tax (PPN) payment. In the third quarter of 2014, BNI e-Tax users accounted for 700 corporate customers and the amount of tax paid via BNI e-Tax reached Rp 72 trillion (US$5.86 billion) as of the third quarter of this year. The amount of tax paid via BNI e-Tax grows by about 140 percent every year.

*Trade mediation*

The Ministry of State Owned Enterprises also interacts with customs through state port operators (such as for instance *PT Pelabuhan Indonesia III* or *Belawan International Container Terminal*). Moreover, by facilitating downstream industries in for instance the *rubber sector*, the Ministry of State Owned Enterprises is acting as an intermediary for industry-wide customs issues. An example thereof can be found
in the recent dispute between the Indonesia Rubber Association of Export Companies (Gapkindo) and the Customs and Excise of the People's Republic of China (PRC) respectively the China Rubber Industry Association (CRIA). Point of dispute was the enactment of a trade barrier through a circular provisioning the import of natural rubber-TSNR (technically specified natural rubber under HS Code 4001) on January 8, 2015. The circular imposed an excessive high number of documents on customs clearance for export of rubber to the PRC. Moreover the provisions of the circular diverged per port. The time required to prepare the required documentation was experienced as an obstacle given that contracts for supply of rubber would end before the documents could be provided.

vii. Ministry of Agriculture
Under the Ministry of Agriculture the Agriculture Quarantine Agency (LAKIP BARANTAN) and the Directorate General of Livestock Services are in charge of ensuring that imports of plants respectively animals comply with sanitary and phytosanitary criteria. To that end it provides import permits for people wishing to import animals or plants into Indonesia.

viii. Ministry of Environment and Forestry
The Directorate General of Forest Protection and Nature Conservation under the Ministry of Environment and Forestry is of importance to export in that it provides certificates which legalize the export of timber products. Within the Ministry of Environment and Forestry the Directorate of Investigation and Forest Protection and Indonesia CITES Management Authority (under the Directorate of Biodiversity Conservation of the Directorate General of Natural Resources and Ecosystem Conservation) are tasked with battling the illegal harvest, export and trade of timber and wood products.

ix. Ministry of Maritime Affairs and Fisheries
Under the Ministry of Maritime Affairs and Fisheries the Fish Quarantine and Inspection Agency (FQIA) checks whether fish-exports fulfill international sanitary and epidemiological and hygienic requirements. Provided that the requirements are met, the FQIA is tasked with providing the necessary export-licenses. As was the case with Eurasian Customs Union, not living up to these standards can have severe consequences such as a ban on exports.

x. Ministry of Administrative and Bureaucratic Reform
The Ministry of Administrative and Bureaucratic Reform interacts with imports and exports in that it is also tasked with administrative and bureaucratic reform of authorities involved in customs. A recent example of its work can be found in the administrative and bureaucratic reform of the Directorate General for Customs so as to decrease the dwelling time in the Tanjung Priok Port.

xi. Prime Minister's Office
Under the Prime Minister's Office the National Narcotics Agency (BNN) is the primary force tasked with customs related matters. BNN agency has been founded through Presidential Regulation No. 83/ 2007 which also comprises the Provincial National Narcotics Agency, and the District / City National Narcotics
Agencies. Pursuant to the memorandum of agreement between the Ministry of Finance and BNN regarding the coordination and cooperation to prevent and eradicate illicit trafficking of narcotics and precursors on the sixteenth of April 2015, BNN and the Directorate General of Customs and Excise have been successful in thwarting the import of controlled substances into Indonesia. An example thereof is the recent round-up of a syndicate traffickng methamphetamine from Nigeria. Therein BNN cooperated with the DGCE and the Directorate General of Immigration.

b. Customs Authorities and Procedures in Malaysia

i. Introduction

General introduction to the Royal Malaysian Customs

The Royal Malaysian Customs is the main body in charge of the regulation of import and export in Malaysia. There are three types of duties payable in Malaysia – excise duties, import duties and export duties. Duties on imports are assessed on the basis of their Cost-Insurance-Freight (CIF) value. Just like Singapore and Indonesia, Malaysia classifies its exports and imports in accordance with the Harmonized System Nomenclature of the World Customs Organization (WCO) and values them on the basis of their transaction value.

To protect its domestic demand for certain commodities, Malaysia levies export duties on these commodities if the average domestic prices fall below a certain minimum. An example of such a commodity is palm oil. In general excise duties are levied on imports of intoxicating products such as alcohol and cigarettes. Certain goods such as raw materials are exempted from duties while others enjoy low import duties. Not all goods are allowed to be imported into Malaysia, some are outright prohibited from import while others such as medicines are subject to licensing procedures.

Exporting manufacturing companies may apply for a refund of duties levied on imports which are primarily used to manufacture exports. In the same vein a company which exports eighty per cent or more of its output can apply to be qualified as a Licensed Manufacturing Warehouse so as to be exempted from import and excise duties. Malaysia provides for Special Economic Zones (SEZs) and bonded warehouses, where traders can store goods destined for transshipment without having to pay duties and taxes.

Malaysia has a fairly open trading regime. The country has concluded free trade agreements with: ASEAN through the ASEAN Free Trade Area (AFTA), ASEAN plus 1 through RCEP (Australia, China, India, Japan, South Korea and New Zealand), Chile, India, Japan, New-Zealand, Pakistan and Turkey.

Structure of Section II.b

Section II.b provides an overview of the main customs-related authorities of Malaysia. It explicated the customs-related tasks of these authorities and gives examples of how these authorities recently interacted with customs. The authorities are classified to the ministries under which they operate. The order wherein the overview of the ministries is given has been made dependent on the importance of its customs-related interaction. The main authorities in Malaysia involved with customs fall under the Ministry of Finance, the
Ministry of Domestic Trade, Co-Operatives and Consumerism, the Ministry of International Trade and Industry, the Ministry of Health, the Ministry of Urban Wellbeing, Housing and Local Government, the Ministry of Home Affairs, Ministry of Natural Resources and Environment, the Ministry of Transport, the Prime Minister’s Department and the Ministry of Marine Affairs.

ii. Ministry of Finance

The Ministry of Finance is in charge of conducting trade defense investigations and makes determinations on whether or not to impose countervailing duties or anti-dumping duties. Under the Ministry of Finance falls the Directorate General of Customs (DGC), the most important Malaysian state organ for customs related matters.

The DGC under the Ministry of Finance exists out of the Customs Director General Office, nine divisions, a Royal Malaysian Customs Academy, a Customs Audit Branch, an Integrity Branch, and a Good & Services Tax (GST) Special Unit. Its functions and objectives are discussed hereafter.

We will now discuss the subdivisions of the Directorate General for Customs for the Ministry of Finance of Malaysia

Enforcement Division

The Enforcement Division carries out: intelligence operations on smuggling activities to increase enforcement against smuggling and irregularities; operations to prevent or eradicate smuggling in an integrated and coordinated manner through land and sea patrols, road blocks and inspection of suspected premises and outlets; investigations on smuggling activities as a result of information received, public complaints or intelligence reports and to complete investigations in the stipulated time frame; operations against targets or smuggling zones to eradicate syndicates through raids, searches, operations and propaganda; anti-smuggling campaigns to give awareness to the public regarding dangers of smuggling and build cooperation and networking with other local and overseas enforcement agencies; and enforcement tasks against infringements of Intellectual Property Rights (IPR), the Anti Money Laundering and Terrorist Financing Act 2001, the Anti-Trafficking in Persons Act 2007, and to counter Weapons of Mass Destruction (WMD). Moreover the Enforcement Division opens investigations on cases obtained for punitive action either through court prosecutions or petitions. Furthermore it manages the storage and disposal of seized goods.

Customs office of the Director-General

To task of the customs office of the Director-General is to formulate, oversee and execute the general strategic plan of the Malaysian Customs.

KPSM Division (Services and Human Resource Management Division)

The KPSM Division is led by a Division Director which is assisted by seven Deputy Directors in charge of its seven branches, which are: the Management Services Branch, the Services and Training Branch, the
Procurement Management Branch, the Financial Management Branch, the Logistics Branch and the Account Branch.

The KPSM Division: administers and manages the human resources and finance management affairs of the department; develops the department by means of studying and planning the optimal human resources needs; manages the human resources in terms of recruitment, promotion and placement of the personnel of the department; manages the evaluation of the performance of the department’s personnel in terms of the Annual Performance Evaluation Report and the Human Resource Development Panel Meeting; manages the planning of the department’s procurement; manages the development planning under the Malaysia Plan and the implementation of the department’s development projects; manages the budget planning and the financial allocation for the Management Budget Estimation and the Development Budget Estimation of the Department; manages the account of the department; formulates and updates orders and circulars relating to human resources, administrative, services and financial affairs; implements the auditing program to the states and provide advisory services over human resources and financial affairs.

Corporate Planning Division
The Corporate Planning Division consists of the following five sections: a section of Strategic Planning, a section of International Affairs, a section of Public Relations and a section of Secretariat and Coordination.

The Corporate Planning Division is responsible for the strategic planning of the department, international affairs, public relations and secretarial matters. This division is directly involved in efforts to enhance the service delivery system and development of the Royal Malaysian Customs Department to implement reform and modernization of the organization in line with the public service and government policies and international best practices.

The main aim of the Corporate Planning Division is: to strengthen the relationship and cooperation between the Royal Malaysian Customs Department and other Customs Administrations to enable effective information sharing in line with international customs practices; to enhance the service delivery system of the Royal Malaysian Customs Department through research and development and coordination of quality, innovation and productivity programs; to implement organizational reform and modernization in line with the public service and government policy; to improve the public image of the Royal Malaysian Customs Department through corporate communications and public relations management; and to organize and coordinate the top level management of the department, audit queries and proposals for new potential taxes.

Customs Division
The Customs Division could be seen as the most important division of the DGCE. It is headed by a Director of Customs who is assisted by two Deputy Directors of Customs. The objectives of the Customs Division are to: implement policies related to industries, import, export and border control established by the department and the government; establish procedures related to industries, import, export and border...
control which are in line with the stipulated policies of the department and the government; to study and review policy and / or procedure concerned for enhancement and simplification to ensure predictability in its implementation; to provide cooperation and facilitation to other government agencies; to implement international commitment and cooperation with the World Customs Organization (WCO), the Association of Southeast Asian Nations (ASEAN), the World Trade Organization (WTO), the Asia-Pacific Economic Cooperation (APEC) as well as Free Trade Agreements with other countries; and to provide guidelines to customs officers at the frontline to ensure efficient implementation of customs policy and procedure.

Structure of the Customs Division

This division consists of two branches and 11 units. The Trade Facilitation and Industry Branch oversees the following units: a Warehousing Management & Control Unit; a Facilities & Incentive Management & Control Unit; a Licensing Database Management Unit; a Free Industrial and Commercial Zone Management & Control Unit and a Licensed Manufacturing Warehouse Management & Control Unit. The Import / Export and Border Control Branch oversees the following units: an Import Management & Enforcement Unit; an Export Management & Enforcement Unit; a Duty Free Island / Duty Free Shop Management & Enforcement Unit; a Travelers/Border Management & Enforcement Unit; a Taxation Policy & Analysis Unit; and an Inter-Agencies Commitment Unit.

The Trade Facilitation and Industry Branch

The five units of the Trade Facilitation and Industry Branch are discussed infra.

The Warehousing Management and Control Unit: formulates and enforces legislations, policies and procedures in line with international best practices; evaluates applications for Public Licensed Warehouse, Private Licensed Warehouse and Inland Clearance Depot; evaluates applications for remission of duty / tax (Section 18, Customs Act 1967 and Section 33 Sales Tax Act 1972); ensures compliance by the warehouse operators; and provides consultation and advice to the business community / investors.

The Facilities and Incentives Management and Control Unit: evaluates the procedures, policy and legislation related to duty / tax exemptions granted by the Minister of Finance; ensures compliance to the conditions as stipulated in the Treasury Exemptions; evaluates and recommends applications for Authorized Economic Operator Scheme (AEO); evaluates and recommends applications for duty/tax remissions by Minister of Finance (Section 14A Customs Act 1967); conducts awareness programs related to current policy to ensure compliance by business community / manufacturers; and provides consultation and advice to the business community / investors.

The Licensing Data Base Management Unit: plans and collates data related to customs matters; develops risk indicators on customs activities; analyses data to determine potential threats, weaknesses and current trends of customs activities; provides data information for decision support; issues risk profiles and alert notice to all States / Stations; and publishes bulletins and reports on Customs activities.
The Free Industrial and Commercial Zones Management And Control Unit: formulates and enforces legislation, policies and procedures; monitors and enhances regulations / procedures to ensure compliance by the business community / manufacturers; analyses and processes applications for CEPT rates, value added activities and duty exemptions; and provides consultation and advice to the business community / manufacturers / investors.

The Licensed Manufacturing Warehouse Management and Control Unit: formulates and enforces legislations, policies and procedures; monitors and enhances regulations / procedures to ensure compliance by manufacturers; analyses and processes applications for CEPT rates, value added activities and sale of 'replacement parts' as spares; and provides consultation and advice to the business community / manufacturers / investors.

The Import/Export and Border Control Branch
The Import / Export and Border Control Branch is composed of six units which are discussed infra.

The Import Management and Enforcement Unit: formulates and enforces legislations, policies and procedures on import / transshipment / forwarding and shipping agents to ensure compliance with the World Customs Organization’s SAFE Framework of Standard (FoS), the Revised Kyoto Convention (RKC) and other contracted agreements; enforces the implementation of the Strategic Trade Act 2010, IPR Act and other relevant legislations; evaluates and enhances the system and procedures to facilitate import and transshipment; processes applications for extension period of temporary Import and ATA Carnet; processes applications for General Bond; and provides consultation and advice to the business community / investors.

Similar to the Import Management and Enforcement Unit, the Export Management and Enforcement Unit formulates and enforces policies, procedures and legislations on import / transshipment / forwarding and shipping agents to ensure compliance with the World Customs Organization’s SAFE Framework of Standard (FoS), the Revised Kyoto Convention (RKC) and other contracted agreements; enforces the implementation of the Strategic Trade Act 2010, IPR Act and other relevant legislations; evaluates and enhances the system and procedures to facilitate export and transshipment; processes applications for extension period of temporary export; and provides consultation and advice to the business community / investors.

The Duty Free Island (DFI) / Duty Free Shops (DFS) Management and Enforcement Unit: formulates and enforces legislations, policies and procedures; evaluates and enhances the system and procedures to ensure compliance by licenses; processes applications for import licenses of intoxicating liquor, tobacco and denatured spirit and ensures compliance by licenses; processes applications for Duty Free Shops License; processes applications for the restriction of the movement of goods; and provides consultation and advice to the business community/investors.

The Travelers / Border Management and Enforcement Unit: formulates and enforces legislation, policies and procedures; evaluates and enhances the system and procedures to facilitate movement of bona fide
travelers and trade in goods; facilitates the movement of goods in transit; conducts feasibility studies on new border stations and legal landing places; cooperates with other government agencies on matters related to national border security controls; enforces the implementation of the Anti Money Laundering and Financing Terrorism Act 2001; and provides consultation and advice to travelers and other Government Agencies.

The Taxation Policy and Analysis Unit: studies and analyses customs issues, effectiveness of taxation policy and the current legislation; proposes new taxation policies and legislation; and conducts feasibility studies to enhance the delivery system of customs services.

The Inter-Agencies Commitment Unit: provides consultation and advice to investors and MIDA on legislations, policies and procedures related to customs matters; enhances cooperation with MIDA, agencies under MITI and other Government Agencies in relation to customs legislations and procedures.

**Good & Services Tax (GST) Division**

The Good & Services Tax (GST) Division, which includes a Good & Services Tax (GST) Special Unit, is composed of four sections which manage: Policy and Implementation; Facilities Control and Consultation; Management and Collection; and Industry, Petroleum and Gas. The objectives of the Good & Services Tax (GST) Division are the collection of indirect taxes like Sale Tax, Service Tax, Excise Duty and Windfall Profit Levy; to provide facilities to commercial and industrial sector through Tax Exemption, Tax Refund and Remission and to issue Customs Rulings; to ensure legal compliance to prevent loss of revenue and maintain security, promote the wellbeing of the nation and provide consultation to clients.

**Tasks of the Policy and Implementation Section**

The tasks of the Policy and Implementation Section are: to suggest and draft the internal tax policy for consideration of the Minister of Finance; to set short term and long term strategies to increase internal tax revenue collection; to consider applications and issue customs rulings on taxable or non-taxable manufacturing activities and services; to resolve issues and problems faced by the manufacturing industry and service providers in relation to tax implementation; to represent departments on internal tax cases before the Customs Appeal Tribunal; and to review legislation, prepare and update implementation procedures relating to internal tax.

**Tasks of the Facilities Control and Consultation Section**

The tasks of the Facilities Control and Consultation Section are: to consider issues and queries, facilities implementation, exemption and refund relating to internal tax; to consider and analysis tax revenue leakage and loss issues; to consider and prepare appeal reports, refunds, remissions and tax exemptions and to monitor the implementation of treasury decisions; to plan and carry out consultation programs with private sector and industry; and to plan verification programs to enhance compliance with internal tax laws.
Tasks of the Management and Collection Section –

The tasks of the Management and Collection Section are: to provide human resources management and the secretariat for the Internal Tax Division; to manage legal documents and records; to analyze and manage data and set targets for the collection of internal tax revenue; to update the website of the internal tax division and to provide information into the customs e-Portal; to manage the quality and innovation programs; to handle public complaints; and to plan integrated operation programs relating to internal tax.

Tasks of the Industry, Petroleum and Gas Section

The tasks of the Industry, Petroleum and Gas Section are: to control and monitor Downstream and Upstream activities; to process tax exemption applications, to transfer and dispose of goods and equipment for oil exploration industry; to process applications and supervise bunkering activities; to process and approve applications for restricted movement of lubrication oil; to administer the licensing, collection and control of petroleum and excise factories/warehouses and windfall profit levy; to process and control approved facilities and excise duty exemptions; to suggest and draft taxation policy relating to petroleum, excise and windfall profit levy for consideration by the Minister of Finance; and to review legislation, prepare and update implementation procedures relating to petroleum, excise and windfall profits levy.

Technical Services Division

The Technical Services Division is headed by a Director of Customs and assisted by three Deputy Directors of Customs and a Senior Assistant Director of Customs. The Technical Services Division consists of four branches: a Valuation branch; a Classification, Tariff and Drafting branch; a Revenue Accounting branch; and a Customs Verification Initiative branch. The main roles of the Technical Services Division include: to provide advice on the valuation and classification of goods; to update the laws, regulations and orders administered by the Department; to monitor that revenues and arrears are accurately accounted for; to process appeals on drawback and refunds; to process subsidies of petroleum products; and to assess and target high risk consignment at entry points.

Compliance Management Division

The objectives of the Compliance Management Division are: to plan and conduct a systematic audit of the licensees / importers and to ensure that the tax / customs duties are collected accurately and to provide advice regarding customs matters; and to ensure that companies/ importers licensed under the customs laws, understand and comply with laws and regulations.

The functions of the Compliance Management Division are: to conduct systematic, efficient and effective audits on licensees / importers; to ensure that taxes are collected properly and accurately to avoid loss of revenue; to monitor and coordinate the audit activities in the states and evaluate the effectiveness of the audit programs; to review and evaluate the implementation of audit procedures for the purpose of improvement; to analyze the results of audits to determine the cause of non-compliance of the laws and regulations; to ensure that licensees / importers understand and comply with legislation and regulations.
related to customs; to conduct investigative audit on licensees / importers involving fraud and to take legal actions appropriately; and to perform special audits / raids on licensees / importers for cases from complaints / information received.

Legal Division

The Legal Division was created pursuant to a meeting of the Special Committee to Study the Higher Level Posts (Jawatankuasa Khas Bagi Mengkaji Jawatan-jawatan Tingkatan Tertinggi) Bill 2/2006 on 18 April 2006. From the beginning of its formation until now, except for the office facilities and utilities and the supporting staffs which are provided by the KDRM management, the posts and officers posted in this Division are cadre posts from the Attorney General’s Chambers in which legal officers who hold the post of Deputy Public Prosecutor are from the Prosecution Division, Attorney General’s Chambers.

The basis for the formation of this Division is to conduct prosecution of customs cases, including cases investigated by customs officers under the Dangerous Drugs Act 1952. At the beginning of its formation, this Division consisted of one Senior Federal Counsel, one Deputy Public Prosecutor/Federal Counsel and assisted by several supporting staffs provided by the KDRM management.

The role of this Division has also expanded from conducting prosecution of criminal cases to also conducting civil cases, and it acts as adviser and drafter to the amendment of the law and regulations made pursuant to all acts enforced by KDRM.

Objectives of the Legal Division

The objectives of the Legal Division are: to provide legal protection to the community by bringing offenders to justice and to ensure the collection of duty, tax, and any other payment which is payable to KDRM for the government; to ensure that any legal advice provided is in accordance with the correct legal interpretation and also that every legal agreement between KDRM and the government with the local and international private sector are made to protect and/or fulfill the government’s intention and is in accordance with the law, the existing international convention/agreement and ratified by the government; to defend the fundamental liberties of an individual such as the right to a fair trial and a fair and impartial method of collecting duty, tax and other payment in accordance with the law; to determine whether a person is taxable, dutiable or not under the law; to provide education by way of punishment and penalty meted out against the offenders from a criminal aspect and civil debt due to the government; and to uphold justice, to increase the government income collection and government policy by way of enforcement of the law.

Functions of the Legal Division

The functions of the Legal Division are: to conduct criminal trials, appeals and revisions in courts in whole Malaysia; to conduct civil trial, appeal and judicial review in courts in whole Malaysia; to study and review the investigation papers forwarded to this Division for order, advice and consent to prosecute; to study and review civil petitions forwarded to this Division regards claims, defenses, affidavits or advice on action in
courts; to revise and study agreements between KDRM with the local private sector and agreements between KDRM in representing Malaysia at the international level; to give legal advices and opinions to the Customs officers and divisions in KDRM; to study and review every court’s decision whether criminal or civil to determine whether to file an appeal against the decision or not; and to give lectures to the Customs officers with regards to Customs law and for Competency Level Assessment courses.

**Integrity Branch**

The Integrity Branch has been established in accordance with Circular No. 6 of 2013 and became effective on August 1, 2013. The branch is placed directly under the Director General for Customs of Malaysia. It forms a special unit responsible for the management of integrity in the department. It is headed by a Deputy Director and 25 officers / staff. This branch is responsible for the implementation of six core functions, through the following units: Unit Governance; Unit Integrity; Unit Detection and Confirmation; Unit Complaints Management; Unit Inspection and Compliance; and a Disciplinary Unit.

The Integrity Branch integrates all management matters related to integrity so that it can be implemented in a more focused and structured way. It does so, so that its institutional integrity, prevention, compliance and detection of misconduct can be enforced.

**Customs Audit Branch**

Through its Compliance Audit officers, the Customs Audit Branch performs audits and monitors licensees / companies which are administered under the *Customs Act 1967*, *Sales Tax Act 1972*, *Service Tax Act 1975*, *Excise Act 1976*, *Windfall Profit Levy Act 1998* and *Free Zones Act 1990*.

**Information Technology Division**

The Information Technology Division is headed by a Director under the scheme JUSA Information Technology Officer which reports directly to the Deputy Director-General.

The objectives of the Information Technology Division are: to create a computerized information system to support the implementation of Customs operations; to provide updated information to the management of the Department; and to manage and maintain the hardware and software of the ICT department.

The function of the Information Technology Division is: to design and implement the ICT strategy and policy; to plan, develop, implement and maintain an application system based on a RMC Strategic Plan; to prepare, operate and maintain the facility infrastructure of the ICT Department, taking into account safety aspects; to monitor and evaluate the effectiveness of existing ICT projects to determine the benefits and suitability of operational and management support functions of the Department; to manage the daily operation of data centers and designing and implementing all matters relating to safety department Data Centre; and to provide advice and technical assistance on ICT to all users of the system.

**Royal Malaysian Customs Academy - Akademi Kastam Diraja Malaysia (AKMAL)**

AKMAL was first established in 1956 as the Federal Customs Training Centre and its main campus is situated
in Bukit Baru Melaka. It has four branches, namely AKMAL Sabah, AKMAL Sarawak, AKMAL Langkawi and AKMAL Rantau Panjang. In 1957, the training center changed its name to the Federal Customs Training School which Conducts Revision Courses for Customs officers. In 1960, its function was expanded to include the training of Assistant Superintendents of Customs. By royal decree of His Majesty Yang di-Pertuan Agong, the name of Federal Customs Training School was changed to the Royal Malaysian Customs Training College on 2nd April 1963. In 1987 the name was changed to the College of Royal Malaysian Customs.

iii. Ministry of Domestic Trade, Co-Operatives and Consumerism

One of the ways in which the Ministry of Domestic Trade, Co-Operatives and Consumerism (MTCC) recently interacted with customs is through the introduction of the e-permit (electronic permit) in February 2015. The e-permit is a web-based permit application & approval system which provides a one-stop single gateway that links various Permit Issuing Agencies, Customs, importers, exporters and forwarding agents nationwide. Approved permits will be registered in the Sistem Maklumat Kastam and cross-reference checking will be done during Customs declaration with the registered permit.

The following parties are linked into the Sistem Maklumat Kastam: Exporters, Importers, Agents, the Sarawak Veterinary Authority, the Federal Agriculture Marketing Agency, the Fisheries Development Authority of Malaysia, the Pesticide Board, the Fisheries Department, the Department of Veterinary Services, the Sirim Qas International Sdn Bhd, the Royal Malaysian Police, the Department of Wildlife, the Malaysian Cocoa Board, the Pineapple Industry Board, the Ministry of International Trade And Industry, the Energy Commission, the Paddy And Rice Industry Division, the National Tobacco Board, the Ministry of Health, the Pharmaceutical Services Division, the Films Control Division, the Sarawak Timber Industry Development Corporation, the Construction Industry Development Board, the Ministry Of Natural Resources & Environment and the Minerals & Geoscience Division.

The MTCC also interacts with customs by processing applications for import and export licenses of certain commodities such as such as sugar (in accordance with the Amended Customs (prohibition of Import / Export) Bill 2015) – which was transferred to it in February 2015 from the Ministry of International Trade and Industry. Another example is the need for suppliers of toys in Malaysia to comply with the legislation and requirement imposed by the Consumerism Division of MTCC through a Certificate of Conformance.

The MTCC also conducts joint operations with the Royal Customs Department – for instance to probe vendors which are not in compliance with the much anticipated Goods and Services Tax which came into effect in April 2015. The MTCC is also in charge of providing subsidies – for instance to diesel firms.

iv. Ministry of International Trade and Industry

On a macro-level the Ministry of International Trade and Industry actively engages in international trade platforms such as ASEAN, APEC and WTO ministerial conferences for purposes of trade facilitation. Its Minister actively engages in the negotiation rounds of the ASEAN Economic Ministers Meetings.
Negotiations in the ASEAN Economic Ministers Meeting can have a direct impact on customs procedures. An example thereof concerns the abolition of the free-on-board price in the ATIGA CO Form D and CO Form AK.

In the afore aspect it is also tasked with providing information to the public on new trade developments: for instance with respect to the ASEAN-China Free Trade Agreement. On a micro-level the Import and Export Control Division of the Ministry of International Trade and Industry issues and handles applications for import licenses. Its Investigating Authority is in charge of processing individual petitions to impose countervailing and anti-dumping measures. Examples of commodities wherefore the Import and Export Control Division issues import licenses are construction materials and Personal Motor Vehicles. Click here to see the whole list. The Import and Export Control Division is also in charge of handling export licenses for controlled commercial products under Customs Orders. In this task the MITI is not alone; other ministries and agencies have been ascribed with the same task for other commodities. Importers of 27 specific tariff lines of iron and steel products will for instance need to apply for Certificates of Approval (CoA) from SIRIM QAS International Sdn. Bhd. (for non-construction sector) or the Construction Industry Development Board Malaysia (CIDB) (for construction sector).

Another task of the Ministry of International Trade and Industry is to facilitate trade in Malaysia. As the Lead Agency for implementation of the National Single Window project it set up the National Single Window Business Process Reengineering Working Group. This working group aims to formulate and recommend re-engineering of import and export processes. It engages government agencies and industry associations to identify issues and the most common practices for import and export procedures, particularly on documentation requirements, time taken and the cost involved for import and export processes. The Trade Facilitation Action Council (TFAC), comprising representatives from the public and private sectors and chaired by the Secretary General of MITI, serves as the Steering Committee for the NSW. The NSW Technical Committee is chaired by the Chief Executive Officer of MATRADE and serves as the implementer for the NSW.

National Single Window facilities allow trading parties to lodge standardized information and documents with a single entry point to fulfill all import, export and transit-related regulatory requirements. For Malaysia it implies the electronic submission of data and information through a single point (single window); re-use of data and information; synchronized processing of data and information from relevant private and public parties; and ultimately the insurance of a quick and efficient release of cargo from relevant authorities.

The Ministry of International Trade and Industry is also tasked with considering applications to be registered as an International Procurement Centre (IPC). An International Procurement Centre is a locally incorporated company, whether locally or foreign owned, which carries on a business in Malaysia to undertake procurement and sales of raw materials, components and finished products to its group of
related companies, and unrelated companies, in Malaysia and abroad. A company which is granted IPC status can have its expatriate posts approved; can open one or more foreign currency accounts with any licensed commercial bank to retain export proceeds, without any limit imposed; can enter into foreign exchange forward contracts with any licensed commercial bank to sell forward export proceeds, based on projected sales; is allowed 100% equity holding by the promoter; can bring in raw materials, components or finished products with customs duty exemption into Free Industrial Zones, Licensed Manufacturing Warehouses, Free Commercial Zones, and Bonded Warehouses for repackaging, cargo consolidation and integration before distribution to the final consumers.

Under the Ministry of Trade and Industry also fall Chambers Of Commerce and Trade Associations with accredited customs related tasks such as the issuance of Non- Preferential Certificates Of Origin (NPCOs). The ASEAN Facilitation Unit of the Trade Cooperation & Industry Section of the Trade & Industry Support Division of the Ministry of International Trade and Industry (MITI) is in charge of the Self-Certification Pilot Project 2012 – 2015. Self-certification is a system which enables the certified exporter to make out an Invoice Declaration for the export of goods by their own. The information in the invoice declaration is less than what appears in ATIGA Form D. It will gradually replace the conventional ATIGA Form D which is currently being issued by the issuing authority i.e. MITI. A separate OCP has been formulated for the purposes of the Pilot Project.

v. Ministry of Health
The Ministry of Health is in charge of the implementation of the United Nations Recommendations on the Transport of Dangerous Goods Model Regulations, which are adopted into the Malaysian Standards on the transportation of biological specimens. An international foreign laboratory designated for transportation must obtain an export permit from the Disease Control Division, Ministry of Health or KLIA health office before import of specific agents will be feasible.

The Food Safety and Quality Division and the Information and Communication Technology Division of the Ministry of Health are in charge of the implementation of Food Safety Information System of Malaysia (FoSIM). FoSIM is used by the headquarter of the Ministry of Health, the State Health Department, the District Health Department, entry points of Malaysia, food quality control labs, agents, importers and other agencies. The FoSIM is a web-based system designed to cross-check information on the safety of food destined for consumption in Malaysia. The system processes import permits and in a one way stop informs all parties connected to the system of processions. Its interface with the Customs Information System (SMK) enables importers/agents and officers to manage food importing activities electronically. Likewise the Ministry of Health is tasked with providing licenses for sources for packaged drinking water through regulation 360B which appears in the official gazette in 2000. Import control activities of the Food Safety and Quality Division oversee food safety control activities at the entry points through: physical inspection of seventy per cent of food transported through land, forty per cent of food transported by sea and thirty-
five per cent of food imported by air; food sampling of ten per cent of the physically inspected food; holding, testing and releasing black-listed food.

Within the Ministry of Health the Pharmaceutical Services Division is tasked with the control of import and export of narcotic drugs and psychotropic substances as scheduled under the Single Convention on Narcotic Drugs 1961 and the Convention on Psychotropic Substances of 1971. These substances are controlled under the Dangerous Drugs Act 1952 and the Poisons Act 1952.

The Ministry of Health and more in particular its Pharmaceutical Services Division coordinates and monitors the screening of imported pharmaceutical products, cosmetics, veterinary products, industrial chemicals and precursor chemicals at major customs entry points by the State Enforcement Branches, the most important of whom are the Royal Malaysian Police, the Royal Customs and Excise, and the Border Anti-Smuggling Unit. It is the designated authority for precursor control in the sense of Article 12 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances 1988 and the Customs (Prohibition of Import) Order and Customs (Prohibition of Export) Order 2012. With respect to the latter Order the Pharmacy Enforcement Branch of the Ministry of Health operates in the e-permit system, provided by the Customs Department for the issuance of approval permits for export and import of designated Precursors and Controlled Chemicals. It is also tasked with communicating seizures, imports and use of the narcotic and psychotropic substances to the International Narcotic Control Board (INCB) of the United Nations. From the export as well as from import side, Malaysia is connected to the web-based Pre-Export Notification system of the INCB through which importing countries need to approve importation of the specific substances before export can take place.

The Pharmaceutical Services of the Ministry of Health is Malaysia’s competent authority for the control of substances is the lead agency in a conjoint Integrated Substance Control Management System abbreviated as SPIKES. Spikes connects all relevant enforcement agencies such as the National Anti-Drug Agency (NADA), Narcotics Crime Investigation Department, Royal Malaysian Police (RMP), Preventive Division (Narcotics), Royal Malaysian Customs (RMC), Narcotics Section, Forensics Division, Chemistry Department of Malaysia (CDM) and Pharmacy Enforcement. SPIKES is a management and control system of substances which integrates control substances (narcotics, psychotropic substances and precursor chemicals) and facilitates substance information sharing among its stakeholders.

vi. Ministry of Urban Wellbeing, Housing and Local Government
The Approval and Licensing Division of the National Solid Waste Management Department under the Ministry of Urban Wellbeing, Housing and Local Government is in charge of the issuance of import permits for plastic wastes.

vii. Ministry of Home Affairs
Under the Ministry of Home Affairs the Film Censorship Board (LPF) was established in accordance with Section 4 of the Film Censorship Act 2002 (Act 620) to implement policies related to film censorship based
on the Film Censorship Act 2002 for safety, religious, socio-cultural, decency and etiquettes in the interests of the Nation and society. Approved films will be issued a Certificate 'A' while copies of the film sold must have Certificate 'B'. There are three categories: a U-category is unrestricted in view-ability, P13-category requires need parental/guardian supervision for viewers under the age of 13 years, 18- category is for viewers aged 18 and above. Imported movies require a Permit Application/ Film Censorship Form to be sent to the Film Censorship and Enforcement Division of the Ministry of Home Affairs; Statutory Declaration of movie ownership; Customs approval documents; 35mm/3D/2D/DVD/VCD film, film-publicity material; and a Film synopsis. Appeal can be made to the Films Appeal Committee within 30 days from the date of the decision letter issued by LPF.

Another customs related agency under the Ministry of Home affairs, yet not linked to goods is the Council for Anti-Trafficking in Persons and Anti-Smuggling of Migrants. It was established under the provisions of the Anti-Trafficking in Persons Act 2007 which was enforced on 28 February 2008.

viii. Ministry of Natural Resources and Environment
Under the Wildlife Conservation Act the Department of Wildlife and National Parks (Perhilitan) of the Ministry of Natural Resources and Environment is tasked with curbing wildlife smuggling in Malaysia conform CITES. In doing so it cooperates with other enforcement agencies, such as the Customs and Excise Department, the police, the armed forces, the Anti-Smuggling Unit and the Malaysian Maritime Enforcement Agency – such as was the case with ivory imports recently.

ix. Ministry of Transport
The Ministry of Transport’s main customs related task is to smoothen trade facilitation by for instance improving the coordination between border management agencies in the cargo clearance process. A recent Time Release Study by the Malaysia Productivity Corporation highlighted that compliance with the requirements of Permit Issuance Agencies and Customs makes up almost 62% of the total time required to deal with import and export processes.

x. Prime Minister’s Department
The Prime-Minister’s Department of the Malaysian Government sets the policy for customs related State Owned Enterprises (SOEs). It for instance ignited a privatisation policy of the port sector in 1980 to increase the efficiency of the Malaysia’s trading system and network – given that transport through sea generates the highest cost-efficiency for Malaysia. A prime example of these privatisation initiatives includes the Multimedia Super Corridor. As a result of the modernisation of the Multimedia Super Corridor, the Customs and Immigration Clearance also underwent a certain degree of computerisation. Malaysian ports have leveraged on this computerisation in that it has decreased the dwelling time through simpler and more effective clearance procedures. For the Port of Tanjung Pelepas the privatisation has implied the waiver of certain customs formalities like the Deferment of Duty on foreign goods until departure and Elimination of Duty on merchandise re-exported. Take for instance the PEMANDU Economic Transformation Programme
wherein SMTrack Berhad was contracted to provide the Royal Malaysian Customs electronic seals to track thousands of containers moving from one customs check point to another. The Secured Trade project’s main goal was to provide shippers an efficient method for clearing customs checkpoints for containers carrying transit and trans-shipment cargo. Another example of public-private cooperation pursuant to the privatisation policy set by the Prime Minister’s Department is the launch of the Container Security and Trade Facilitation System RFID by SmarTag and the KDRM in 2012 through which the processing time at each customs checkpoint has been reduced by 47 minutes per container.

The Prime Minister’s Office also has an impact on customs through the allowance on new projects to enhance customs procedures. An example thereof is the projects on Radio Frequency Identification (RFID) infrastructure which was launched by Prime Minister Datuk Seri Najib Tun Razak in 2011 under his Economic Transformation Programme (ETP) to enhance the efficiency of container clearance by reducing the queuing time at KDRM checkpoints through paperless automation and improve security through the automatic detection of a compromised or open container. More recently Prime Minister Datuk Seri Najib Tun Razak ordered the study of a proposal to corporatize the KDRM.

**c. Customs Authorities and Procedures in Singapore**

i. Introduction

*General introduction to Singaporean Customs*

The Singapore Customs Authority (SCA) is the main body in charge of the regulation of import and export. Duties on imports are assessed on the basis of their Cost-Insurance-Freight (CIF) value and predominantly classified through the Harmonized System Nomenclature of the World Customs Organization (WCO). To facilitate the transshipment of goods, Singapore operates Free Trade Zones (FTZs) and Zero GST Warehouses wherein importers and exporters generally are exempted from lengthy customs clearance formalities and the levy of duties and Goods and Services Tax (GST).

Before checking whether the goods it wants to import are controlled items or items subject to restrictions (by entering their 8 digit HS code in the TradeXchange database), a new importer or exporter has to register itself with the Accounting and Corporate Regulatory Authority (ACRA) so as to obtain a Unique Entity Number (UEN). The importer or exporter must subsequently activate its UEN with the SCA before importation respectively exportation will be possible.

Singapore is a Member of the World Trade Organization (WTO) and has to abide to its rules and the reports of its Dispute Settlement Body in case trade disputes with other Members to the WTO arise. As such it for instance applies the transaction value of goods as a means to estimate their value. Singapore has a very open trade regime and if companies comply with the domestic content requirements under the rules of

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4 Certain goods on which there rests import control are classified differently
origin (WTO Agreement on Rules of Origin), they can apply for benefits under the many free trade agreements (FTAs) which Singapore has concluded. The FTAs which Singapore has concluded concern: AFTA (the ASEAN Free Trade Area), ASEAN plus 1 through the Regional Comprehensive Economic Partnership (RCEP, which includes Australia, China, India, Japan, South Korea and New Zealand), Australia, China, Costa Rica, the Gulf Cooperation Council, the Hashemite Kingdom of Jordan, India, Japan, Korea, New-Zealand, Panama, Peru, SLNI (Switzerland, Liechtenstein, Norway and Iceland), the Trans-Pacific SEP (Brunei, New-Zealand, Chile) and the United States.

Structure of Section II.c
Section II.c provides an overview of the main customs-related authorities of Singapore. It explicates the customs-related tasks of these authorities and gives examples of how these authorities recently interacted with customs. The authorities are classified to the ministries under which they operate. The order wherein the overview of the ministries is given has been made dependent on the importance of its customs-related interaction. The overview starts with the Ministry of Finance and the Ministry of Trade and Industry since it are these ministries which – albeit not exclusively – are in charge of setting the nation-wide customs policy. The overview continues with the ministries whereof subsidiaries are in charge of clusters of import control. These ministries are the Ministry of Home Affairs, the Ministry of Transport, the Ministry of National Development, the Ministry of Communications and Information and the Ministry of Health. Thereafter the Ministry of Defense is discussed due to its active engagement with other customs related agencies. Subsequently the Ministry of Manpower, the Ministry of Law and finally the Prime Minister’s Office are discussed infra.

ii. Ministry of Finance

Introduction to the relationship between Customs and the Singaporean Ministry of Finance
The Ministry of Finance of Singapore partakes in customs related matters in a multipronged way. On an international level the Singaporean Minister of Finance regularly attends ASEAN Foreign Ministers Meetings to discuss customs-related areas of cooperation such as the ASEAN Single Window Project. Within the Ministry of Finance itself the Economic Programmes Directorate is charged with the facilitation of trade through customs and excise policies. Its tasks overlap with those of another directorate within the Ministry of Finance of Singapore, the International Directorate, on matters related to general taxation, customs procedures and cooperation issues. The main aim of the International Directorate is to influence the development of international economic issues to advance Singapore’s financial and economic interests. There are two departments under the Ministry of Finance: the Accountant-General’s Department and the Singapore Customs Authority (SCA). Given its significant importance to customs, the SCA will be discussed extensively infra.

The Inland Revenue Authority and the Goods and Services Tax Act
The Inland Revenue Authority of Singapore (IRAS) falls under the Ministry of Finance and is the main tax
administrator to the Singaporean government. As such it is involved in the collection of GST under the Goods and Services Tax Act. As part of the task ascribed to it with respect to the GST on imports it operates the Electronic Tourist Refund Scheme (eTRS). ETRS connects multiple Central Refund Agencies and retailers on a single platform through which tourists buying goods from retailers who participate in the eTRS may claim a refund of the GST paid on purchases made in Singapore. Other import / export related schemes which the IRAS applies are the Approved Contract Manufacturer and Trader Scheme, the Approved Import GST Suspension Scheme, Approved Marine Customer Scheme, Approved Marine Fuel Trader Scheme, Approved Refiner and Consolidator Scheme, Approved Third Party Logistics (3PL) Company Scheme, Hand-Carried Exports Scheme, Tourist Refund Scheme (for retailers), Import GST Deferment Scheme, Major Exporter Scheme and the Zero GST Warehouse Scheme.

The Customs Act, the Strategic Goods Control Act and the Chemical Weapons (Prohibition) Act
The SCA is a government agency under the Ministry of Finance. It is the lead agency in charge of trade facilitation and revenue enforcement under the Customs Act. It implements customs and trade enforcement measures including those related to FTAs and strategic goods. It has a variety of tasks: it for instance cooperates with border control agencies such as the Immigration and Checkpoints Authority and the Police Coast Guard to enforce a strong border control system to prevent the entry of terrorists and the smuggling into Singapore of dangerous items such as weapons and explosives classified under the Strategic Goods Control Act and the Chemical Weapons (Prohibition) Act. The SCA is control of much more items than merely those listed under these acts. The SCA has composed a List of Items under Import Control; a List of Items under Export Control; a List of Items under Import and Export Control; and a List of Items under Import Control for Controlled and Dutiable Harmonized System Codes.

Regulation of Imports & Exports Act
The SCA is the main authority in charge of imports and exports under the Regulation of Imports and Exports
which to a significant degree involves goods transfers through FTZs. Under the Goods and Services Act nearly all non-dutiable goods (including gas, water, media, electricity, records, etc.) imported into Singapore are subjected to GST while dutiable goods might be subject to GST and/or duty payment except for those still remaining in the FTZs. Dutiable goods in Singapore consist of the following items: intoxicating liquors, tobacco products, motor vehicles and petroleum products. All other products are non-dutiable.

The Free Trade Zones Act
In general the SCA is in charge of Singapore's declaration and disclosure system. Under the Free Trade Zones Act Singapore has established fenced-up and secured FTZs at its seaports and airports for purposes of facilitating entrepot trade. Therein customs and excise duties and GST are suspended up until the entry of the good destined for final consumption in Singapore’s customs territory. Singapore customs clearance permits are required for all goods-transfers from FTZs to Singapore customs territory through physical exit and entry points which are manned by officers of the Immigration and Checkpoints Authority and/or Auxiliary Police. If the outcome of risk-based documentary checks and/or physical inspections at the checkpoints require a follow-up investigation, the SCA or any other relevant controlling agency will be contacted theretofore.

Within the FTZs activities are restricted to those indispensable for the well-functioning of the FTZs such as warehousing and minor re-packing or re-labelling. Companies operating within the FTZs are subject to periodic and surprise checks/audits by the SCA to ensure their compliance with the same laws whereto they are to abide domestically. Examples of these domestic laws are the Anti-Money Laundering/Combating the Financing of Terrorism Laws under which companies in the FTZs are required to report suspicious transactions to the Suspicious Transaction Reporting Office (Singapore’s Financial Intelligence Unit) of the Commercial Affairs Department for further inspection. Yet these are mere examples of the wide array of tasks ascribed to the SCA. The SCA’s various tasks are best depicted through an overview of its various divisions and directorates, given hereinafter.

The Trade Division
The Trade Division of the SCA develops and maintains the trade framework in line with the trade facilitation objectives and revenue for the SCA; handles the administration of the TradeNet system; provides advice on the valuation and classification of goods; provides advice on rules of origin for preferential tariff treatment under various free trade agreements; administers the secure trade partnership programme that

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9 The subsidiary legislation of the Regulation of Imports and Exports Act connotes to Regulation of Imports And Exports Regulations, Regulation of Imports And Exports (Chewing Gum) Regulations, Regulation of Imports And Exports (Kimberley Process) Regulations, Regulation of Imports And Exports (Prescribed Fees) Regulations and Regulation of Imports And Exports (Composition of Offences) Regulations.

10 The subsidiary legislation of the Free Trade Zones Act is made up of Free Trade Zones Regulations, the Free Trade Zones (Appointment of Authorities to Administer Free Trade Zones) Notification, the Free Trade Zones (Declared Areas) Notification, Free Trade Zones (Manufacture) Regulations, and the Free Trade Zones (Prescribed Goods) Notification.
serves companies in the development implementation, monitoring and review of the company's supply chain security measures; promotes and administers all customs schemes, partners; and engages with trade.

The Compliance Division
The Compliance Division: carries out compliance checks on trade transactions with the SCA; audits whether companies comply with all customs requirements; assesses and validates companies for customs schemes and mutual recognition discussions with other customs authorities; assesses and manages the risks of the SCA's external businesses processes (this includes the targeting of consignments and companies for checks); upholds Singapore's rules of origin obligations and trade enforcement requirements under concluded free trade agreements; and enforces controls over strategic goods.

The Policy and Planning Division
The Policy and Planning Division drives SCA's strategic and corporate planning processes; plans and pursues enterprise-wide policy formulation and strategic planning; conducts policy reviews and promotes technical cooperation to further national interests; participates in international and regional customs meetings and free trade negotiations; manages public, international and corporate communications, as well as media of the SCA.

The Checkpoints Division
The Checkpoints Division with air, sea and land branches: provides customs services at major checkpoints; strengthens the security and resilience of Singapore's supply chain at the checkpoints; and harmonizes respectively aligns customs clearance processes and operational policies at the checkpoints.

The Intelligence and Investigation Division
The Intelligence and Investigation Division: provides intelligence support and operations management functions to support enforcements officers; conducts surveillance and investigations to suppress duty evasion and syndicate smuggling; identifies and investigates cases of commercial fraud; conducts risk review and works with stakeholder branches to formulate strategies and implement control measures on risk elements identified; handles prosecution cases and provides legal advice on arrest and customs cases; drives community engagements to heighten public awareness; and maintains public confidence in the enforcement of customs laws.

The Corporate Services Division
The Corporate Services Division: provides office administration, facilities management and security; manages the SCA's monetary resources; provides the full range of financial management services: and manages infrastructure projects of the SCA.

The Information Technology Directorate
The Information Technology Directorate: spearheads the development of the SCA's information technology strategic roadmap; identifies business transformational opportunities; leverages on IT to help achieve the
SCA's mission and create greater value for the SCA; develops and maintains the SCA's IT enterprise architecture; ensures systems and services are aligned with the architecture; project-manages the delivery and maintenance of all IT systems and services; formulates and implements the IT governance, security and risk management framework; and provides the functions of IT procurement services, contract management, facility management, system administration and asset management.

iii. Ministry of Trade and Industry

The Ministry of Trade and Industry interacts with customs through the various bilateral and multilateral free trade agreements it (re-)negotiates (in 1973 already it struck an Economic Cooperation Agreement with the Kingdom of the Netherlands). Take for instance the recent Singapore-Costa Rica Free Trade Agreement which provisions tariff elimination in Costa Rica for all products in return for immediate duty free access for all imports from Costa Rica with an overall increased trade facilitation with enhanced cooperation and improved transparency relating to sanitary and phytosanitary measures, standards and conformance as well as customs procedures. On a multilateral level the Ministry of Trade and Industry's active partaking on customs related matters in the WTO Trade Facilitation Agreement, the Asia-Pacific Economic Cooperation, the Revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures, the Trans-Pacific Partnership, or the ASEAN Economic Community can be named.

From a regulatory perspective the Minister for Trade and Industry actively engages with parliament to pass bills on matters related to customs. A recent example thereof is the Regulation of Imports and Exports (Amendment) Bill of 21 January 2014.

iv. Ministry of Home Affairs

The primary agencies of the Ministry of Home Affairs which interact with customs are the Immigration and Checkpoints Authority (ICA), the Public Entertainment & Liquor Police Licensing and Regulatory Department of the Singapore Police Force, the Singapore Civil Defense Force and the Central Narcotics Bureau. These agencies are discussed infra.

**Immigration & Checkpoints Authority**

The ICA is a statutory board under the Singaporean Government which falls under the Ministry of Home Affairs. It is tasked with the enforcement of the Immigration Act. It provides immigration and registration functions such as issuing travel documents and identity cards to Singapore citizens and various immigration passes and permits to foreigners. At its checkpoints it operates an Immigration Automated Clearance System: a smart card based immigration self-clearance system harnessing biometric and automation technology. An example of this biometric technology which it operates is the Biometric Identification of Motor-bikers System (BIMS). The BIMS is an immigration clearance system which uses biometric technology to automate the immigration clearance at designated lanes for pre-registered motorcyclists. As was mentioned earlier on in this chapter, apart from CREW clearance, ICA checkpoint officers also provide cargo clearance when goods are cleared from the free trade zones in the port and airport areas.
Appendix 202 of the List of Items under Import Control states the items whereof import into Singapore is under control of the Public Entertainment & Liquor Police Licensing and Regulatory Department of the Singapore Police Force (PLRD). Therein one can for instance find items which relate to amusement game machines in Singapore. These items are subject to approval from the PLRD. Importers of these games are required to hand in (online) applications for importation of these game machines at least six weeks before the importation takes place. In the application aspiring importers must provide information such as photos of the objects and a description of the objectives modes of the gameplay. Pursuant to the application the PLRD will either grant an import license or refuse the importation of the game machines into Singapore.

Operators of such game machines will have to obtain a separate public entertainment license from PLRD to allow public to access such games. The operators can apply for the PE license online via the Online Business Licensing Service (OBLs) at.

Licensing Branch of the Central Enforcement Department of the Singapore Civil Defense Force

The Singapore Civil Defense Force (SCDF) is a uniform organization under the Ministry of Home Affairs. Appendix 203 of the List of Items under Import Control states the items whereof the import in Singapore is subject to control by the SCDF. Due to their dangerous nature and their possible threat to life and property in the event of fire, the importation – storage and transportation of certain chemicals is subject to licensing the Licensing Branch of the Central Enforcement Department of the SCDF.

Central Narcotics Bureau

Appendix 219 of the List of Items under Import Control states the items whereof the import in Singapore is subject to control by the Central Narcotics Bureau (CNB). The CNB is tasked with checking imports and exports for any controlled equipment, controlled material or controlled substance. It actively enforces the Misuse of Drugs Act and the Intoxicating Substances Act. In light thereof it also carries out endorsements, for instance on the importation of food products containing poppy seeds. It also provides import / export permits for controlled substances.

v. Ministry of Transport

Land Transport Authority

The Land Transport Authority (LTA) is in charge of handing out Vehicle Entry Permits and as such collects fees and toll charges on all foreign-registered cars and motorcycles that enter Singapore. It is also tasked with ensuring that specific foreign-registered vehicles do not enter Singapore and that vehicles with a vehicle entry pass or autopass stay in Singapore no longer than the amount of days accredited to them. The LTA is to assure that imported motor vehicles meet the Road Traffic Act (Motor Vehicles, Construction and Use) Rules and the Road Traffic (Motor Vehicles, Lighting) Rules. An importer of for instance classic motorcycles / scooters or classic cars will need to submit an application for vehicle approval by the LTA through the Vehicle Inspection and Type Approval System (VITAS) at LTA’s Vehicle Engineering Division’s
service counter where an application fee will be charged. Subsequently the importer will need to apply for vehicle registration at the LTA Link System.

The Maritime and Port Authority of Singapore

The Maritime and Port Authority (MPA) is a Statutory Board under the Ministry of Transport. It is the driving force behind Singapore's port and maritime development, taking on the roles of Port Authority, Port Regulator, Port Planner, IMC Champion, and National Maritime Representative. The MPA partners the industry and other agencies to enhance safety, security and environmental protection in Singapore's port waters, facilitate port operations and growth, expand the cluster of maritime ancillary services, and promote maritime R&D and manpower development. It gives effect to the MPA Act where under art. 41(1)(u) of the MPA Act it is in charge of regulating the prohibition of "loading and discharging of goods other than, in the case of dutiable goods, at wharves, docks and places authorised in the Customs Act or the regulations made thereunder and, in the case of non-dutiable goods, at wharves, docks and places named in the Regulation of Imports and Exports Act or any regulations made thereunder and at such other wharves, docks and places approved by the Authority."

vi. Ministry of National Development

Agri-food and Veterinary Authority

Appendix 1 of the List of Items under Import Control states the items whereof the import in Singapore is subject to control by the Processed Food Quarantine and Inspection Department of the Agri-Food and Veterinary Authority (AVA). Appendix 2 of the List of Items under Import Control states the items whereof the import in Singapore is subject to control by the Fresh Fruits & Vegetables Quarantine and Inspection Department of the AVA.

The AVA’s parent agency is the Ministry of National Development. Pursuant to its vision of providing safe food, healthy animals and plants for Singapore, the AVA cooperates with the SCA on a variety of tasks. It for instance has a Quarantine & Inspection Group under the Wildlife Section which actively enforces the Endangered Species (Import and Export) Act and the Animals and Birds Act (ABA). The Endangered Species (Import and Export) Act requires any import, export of re-export of wildlife, be it taxidermies or not, falling under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) to have a CITES-permit. The ABA and Animals and Birds (Live Fish) Rules requires that an importer or exporter who for instance imports/exports ornamental fish through Singapore is licensed first by the AVA. The AVA operates animal quarantine and border control checkpoints for the import of pets and animals, and importers of plants and seeds need to apply for a permit with the AVA first.

Strategic Resources Department of the Building and Construction Authority

Appendix 3 of the List of Items under Import Control states the items whereof the import in Singapore is subject to control by the Strategic Resources Department of the Building and Construction Authority (BCA). As an agency under the Ministry of National Development, BCA is tasked with developing the “built
environment” of Singapore. This concerns buildings, structures and infrastructure in Singapore that provide the setting for the community’s activities.

vii. Ministry of Communications and Information

**Infocomm Development Authority of Singapore**

Appendix 22 of the List of Items under Import Control states the items whereof the import in Singapore is subject to control by Licensing & Enforcement Department of the Infocomm Development Authority (IDA) of Singapore. Importers of items qualifying under these AHTN codes must enroll themselves into the Online License Application and Equipment Registration System to become eligible for importation.

Yet there are more tasks accredited to the IDA than licensing. As part of the Ministry of Communications and Information, IDA is responsible for the **development of information technology and telecommunications** infrastructure, policies and capabilities. It shares this task with the SCA. There are **significant changes** to be made to Singapore's trade system. The existing contracts for TradeNet and TradeXchange are due to expire in **October 2017**, and the IDA is working with the SCA to revamp and strengthen these systems into a new electronic platform: the **National Trade Infrastructure**.

**Media Development Authority**

Appendix 29 of the List of Items under Import Control states the items whereof the import in Singapore is subject to control by the Board of Film Censors (Films and Videos), of the Media Development Authority (MDA). Appendix 32 of the List of Items under Import Control states the items whereof the import in Singapore is subject to control by the Controller of Undesirable Publications (Publications & Recorded Sound Media) under the Undesirable Publications Act.

viii. Ministry of Health

The primary agency under the Ministry of Health tasked with customs related matters is the **Health Sciences Authority** (HSA). The Health Products Regulation Group under the HSA ensures that drugs, innovative therapeutics, medical devices and health-related products in Singapore are regulated to meet required standards of safety, quality and efficacy. Appendix A-7 of the List of Items under Import Control states the items whereof the import in Singapore is under control of the of the Health Products Regulation Group. Appendix A-5 of the List of Items under Import Control states the items whereof the import in Singapore is under control of the Control Unit under the Health Products Regulation Group (HPR) of the HSA. Appendix A-34 of the List of Items under Import Control states the items whereof the import in Singapore is under control of the Medical Device Branch under the Health Products Regulation Group of the HSA. Appendix A-204 of the List of Items under Import Control states the items whereof the import in Singapore is under control of the Complementary Health Products Branch under the HSA.

ix. Ministry of Defence

The Ministry of Defence's interaction with customs is primarily tasked through the **National Maritime Security System** (NMSS). The NMSS is an inter-agency platform which aims to foster horizontal information
sharing between governmental agencies. It aims to deliver a coordinated effort of the Singaporean Navy, the Police Coast Guard, the MPA, the SCA and the ICA against maritime threats through their joint operation centre: the Singapore Maritime Crisis Centre.

x. Ministry of Manpower
Under the Employment of Foreign Manpower Act the Foreign Manpower Management Division under the Ministry of Manpower cooperates with the ICA to combat the illegal employment and deployment of foreign manpower.

xi. Ministry of Law
The Ministry of Law can introduce bills which have a direct impact on customs. Take for instance the passed Geographical Indications Bill introduced by Senior Minister of State for Law, Indranee Rajah SC through which owners of GI-products can request Customs authorities to detain suspected infringing goods that are to be imported or exported out of Singapore.

xii. Prime Minister’s Office
Corrupt Practices Investigation Bureau
The Corrupt Practices Investigation Bureau is incorporated within the Prime Minister’s Office. Under the Prevention of Corruption Act, it is tasked with fighting corruption and as such for instance cooperates with customs authorities against customs officials which support false GST Tourist Refund Claims or against those who propose to bribe customs officials, or customs investigation officials which propose to be bribed.

d. Customs Authorities and Procedures in Thailand
i. Introduction
General introduction to Thai Customs
The Thai Customs Department is the main body in charge of the regulation of import and export in Thailand. There are three types of duties payable in Thailand – excise duties, import duties and export duties. Duties on exports are assessed on the basis of their Free-On-Board (FOB) value while imports are assessed on the basis of their Cost-Insurance-Freight (CIF) value. Just like Singapore, Indonesia, and Malaysia Thailand classifies its exports and imports in accordance with the Harmonized System Nomenclature of the World Customs Organization (WCO) and values them on the basis of their transaction value. Thailand is signatory to the Convention on Temporary Admission of the International Convention on the Simplification and Harmonization of Customs Procedures.

For all shipments which arrive in Thailand a Goods Declaration and supporting documents (import declaration, bill of lading, invoice, packing list, import license, certificate of origin etc) for the imports with a Customs officer at the port of entry need to be filed through the e-Import system, delivery of the good needs to be authorized and applicable duties and taxes need to be paid.
There are three types of duties payable in Thailand – excise duties, import duties and export duties. Excise duties are levied on the importation of intoxicating agents such as alcohol and tobacco. Imports of raw materials to be used in manufacturing of products destined for export are eligible for a duty drawback in Thailand. Moreover Thailand provides for private and public bonded warehouses wherein imports destined for transshipment are exempted from duties and taxes. Thailand operates an electronic system, e-Customs, wherein new imports need to be filed. Not all goods are allowed to be imported into Thailand. Some goods are outright prohibited while others such as medicines require import permits and are subject to import quota.

Thailand has a fairly open trading regime and has concluded free trade agreements (FTAs) with: ASEAN (the ASEAN Free Trade Area), ASEAN plus 1 through RCEP (Australia, China, India, Japan, South Korea and New Zealand), Australia, New-Zealand, India and Japan.

Structure of Section II.d

Section II.d provides an overview of the main customs-related authorities of Thailand. It explicates the customs-related tasks of these authorities and gives examples of how these authorities recently interacted with customs. The authorities are classified to the ministries under which they operate. The order wherein the overview of the ministries is given has been made dependent on the importance of its customs-related interaction. It starts with the Ministry of Finance given that the Thai Customs Department is the main body in charge of the regulation of import and export in Thailand. Subsequently the Ministry of Commerce due to the tasks of the Department of Foreign Trade, which i.a. is to issue certificates of origin. Subsequently ministries with primarily interact with customs by granting import licenses / permits are discussed. These i.a. are the Ministry of Industry, the Ministry of Transport, the Ministry of Public Health, the Ministry of Agriculture and Cooperatives, the Ministry of Natural Resources and Environment and the Ministry of Energy. Finally the Office of the Prime Minister, the Ministry of Foreign Affairs and the Ministry of Information and Communication Technology are discussed.

ii. Ministry of Finance

The relationship between the Ministry of Finance and Customs

The Ministry of Finance of Thailand is connected to customs related matters in a multipronged way. Of course through its Customs Department but also for instance through the signing of international agreements which can have an impact on customs. A recent example thereof is the signing by the Minister of Finance of Protocol 7 under the ASEAN Framework Agreement on the Facilitation of Transport of Goods.

More recently the Ministry of Finance has tried to steer Thailand towards economic recovery by applying customs-related measures to increase the competitiveness of the country, support the facilitation of trade and promote Thailand as a hub of trade and investment in the region South-East Asia. Examples thereof the provision of extra State property lands for the development of Special Economic Zones, the provision of infrastructure and Customs facilities, the establishment of a One Stop Service, the implementation of
National Single Window (of which an overview is given hereinafter) and the upgrading of the ASEAN Single Window.

**Customs Incentive Schemes**

Customs incentives schemes which the TCD applies to facilitate trade are: tax compensation under the Tax and Duty Compensation of Exported Goods Produced in the Kingdom Act B.E.2524 (1981), duty drawbacks under Section 19 bis and for Re-Export, Bonded Warehouses, Free Zone Scheme, Section 8 of the Customs Act (No.18) B.E. 2543, Investment Promotion, the Gold Card Scheme, the Licensed Customs Broker Scheme and the Authorized Economic Operator Scheme (whereof privileges include .

**The National Single Window of Thailand**

Thailand has a National Single Window (NSW) system in place. Through the NSW system customs and other government agencies related to imports, exports and logistics can connect and exchange data. There are 36 Thai government agencies pinpointed by the Thai government in 2015 to be conjoined in the NSW system. In February 2015, the conjoined agencies are the Excise Department, the Board of Investment of Thailand, the Food and Drugs Administration, the Department of Medical Science, the Department of Disease Control, the Department of Fisheries, the Department of Livestock Development, the National Bureau of Agricultural Commodity and Food Standards, the Department of Agriculture, the Office of the Rubber Replanting Aid Fund, the Department of Mineral Fuels, the Department of Energy Business, the Department of Land Transport, the Marine Department, the Department of Civil Aviation, the Port Authority of Thailand, the Office of the National Broadcasting and Telecommunications Commission (NBTC), the Department of Foreign Trade, the Department of Internal Trade, the Federation of Thai Industries, the Department of Provincial Administration, the Department of Fine Arts, the Office of Atoms for Peace, the Industrial Estate Authority of Thailand (IEAT), the Department of Industrial Works, the Office of the Cane and Sugar Board, the Department of Primary Industries and Mines, the Electrical and Electronics Institute, the Department of Mineral Resources, the Thailand Industrial Standards Institute, the Defence Industry Department, the Forest Department, the Department of National Parks, Wildlife and Plant Conservation, the Thai Chamber of Commerce and the Board of Trade of Thailand. These agencies will be discussed extensively infra.

**Structure of the Ministry of Finance**

The Permanent Secretary of the Ministry of Finance is in charge of the management and functioning of all the directorates-general. The Directors-General are in charge of the execution of matters concerning their own Departments. Apart from a Fiscal Policy Office, a Public Debt Management Office and a State Enterprise Policy Office there are five departments under the Ministry of Finance: a Treasury Department, a Comptroller General’s Department, a Customs Department (CD), an Excise Department and a Revenue Department. The TCD is the most important department for customs and will be discussed extensively infra. The primary tasks of the TCD are: to collect and levy customs tariffs on imports and export behalf of itself
or other departments; to prevent and suppress customs offences such as smuggling; promote export through tax measures and tax services such as duty drawbacks, tax refunds and compensation and to support and approve the creation of bonded warehouses and container yards for purposes of the facilitation of international trade.

**The Structure of the Customs Department**

The TCD is **structured** into: an **Administrative System Development Directorate**; an **Internal Audit Directorate**; a **Central Administration Bureau** which focuses on secretarial issues, public relations and external affairs, customs care, the management of budget and accounts, the management of revenue, the management of disbursement, the management of inventory and supplies; a **Human Resource Management Bureau** which focuses on the organization and structure of manpower, management of human resource, personnel records and fringe benefits, disciplinary measures and liability, ethics and also oversees a customs academy; a **Legal Affairs Bureau** focusing on (international) laws and regulations, civil and administrative cases, appeals and case settlements and legal executions; a **Planning and International Affairs Bureau** which focuses on planning, monitoring and evaluation, international cooperation, analyses tax collection; a **Customs Tariff Bureau** which focuses on international customs tariffs, tariff structures, customs tariff standards, rules of origin, customs tariff appeals; a **Customs Standard Procedures and Valuation Bureau** which focuses on registration and customs privileges, AEO standards, customs procedures and customs valuation (appeals); an **Information and Communication Technology Bureau** which focuses on planning and standards, ICT development, information processing and data warehouses; a **Tax Incentives Bureau** which focuses on duty drawbacks, tax incentives, tax reimbursement, audit of bonded warehouses and duty free zones; a **Post-clearance Audit Bureau** which focuses on risk management and audit operations; an **Investigation and Suppression Bureau** which focuses on intelligence, seized goods and customs control technology.

**Activities of the Customs Department**

In trying to improve its customs facilities, the TCD actively engages with foreign customs agencies. An example thereof is the recently launched Project Enhancing the Transparency and Predictability of Tariff Classification and Customs Valuation between the TCD and the Japan International Cooperation Agency. In the same vein it also participates in several international forums such as the Asia-Europe Customs Directors meetings and the ASEAN Customs Directors Meetings. Through the Minister of Finance, the TCD is also in charge of the signing of international agreements with an impact on customs. Examples thereof are the recent signing of the Memorandum of Agreement on Custom Transit System and ASEAN Framework Agreement on the Facilitation of Goods in Transit by the Thai Minister of Finance. Yet also more specific activities such as ensuring the enforcement of Intellectual Property Rights under the WTO TRIPS Agreement to which Thailand is a signatory (and which has been implemented into the Export and Import of Goods Act B.E. 2522, the Trademark Act B.E. 2534, the Copyright Act B.E. 2537, the Customs Act B.E. 2469, Customs
Notification No. 6/2531: Inspection of trademark Suspectus of counterfeiting, Customs Notification No. 28/2536: Regulatory Practice on IPR Infringement and the Customs Code of Practice B.E. 2544.

iii. Ministry of Commerce
There are two departments authorities under the Ministry of Commerce which are linked into the National Single Window Project of Thailand. These are the Department of Foreign Trade and the Department of Internal Trade. Given their importance to the import and export of goods they are discussed extensively infra.

The Department of Foreign Trade
The Department of Foreign Trade (DFT) is in charge of classifying goods to be subjected to import control in the form of licensing and import permits. Nearly fifty per cent of all goods subject to import control require import licenses from the DFT prior to their importation. Goods which are prohibited (ex articles 27 and 27 bis of the Customs Act B.E. 2469) concern obscene objects/literature/pictures; pornographic materials; goods with the national flag of Thailand; narcotics; fake currency, bonds, or coins; fake Royal Seals/official seals; IPR infringing goods; and counterfeit trademark goods. Restricted goods which require import licensing i.a. concern drugs, foods, and supplementary products, antiques or objects of art, (from the Fine Arts Department). Together with the Thai Chamber of Commerce and the Federation of Thai Industry the Trade Service Office DFT is the agency charged with the issuance of Certificates of Origin.

iv. Ministry of Industry
There are seven authorities under the Ministry of Commerce which are linked into the National Single Window Project of Thailand. These are the Industrial Estate Authority of Thailand (IEAT), the Department of Industrial Works (DIW), the Office of the Cane and Sugar Board (OCSB), the Department of Primary Industries and Mines (DPIM), the Electrical and Electronics Institute (EEI), the Department of Mineral Resources (DMR) and the Thailand Industrial Standards Institute (TISI). The IEAT is in charge of trade promotion in Thailand and conducts studies to improve trade facilitation in Thailand. The DIW i.a. manages corporate producing industries to ensure safety in accordance with the law and international standards. Under Article 61 (1) – (11) of the Cane and Sugar Act of 1984 the OCSB formulates policies and plans for the development of the cane and sugar industry – also from a licensing perspective so as to enhance the competitiveness of the industry. The DPIM oversees, supervises, promotes and supports primary industries and mining while protecting environmental quality and public safety. The EEI develops and promotes the electrical and electronic industry to sustain its international competitiveness, i.a. through standard. The DMR is in charge of the preservation, conservation and rehabilitation of natural resources and environment. Under the Industrial Product Standards Act B.E. 2511 (1968) TISI carries out national standardization and product certification activities in order to promote the development of Thai products. To that end it also cooperates with international and regional standardization organizations and foreign standards bodies.
v. Ministry of Transport

There are four departments / authorities under the Ministry of Transport which are linked into the National Single Window Project of Thailand. These are the Department of Land Transport, the Marine Department, the Department of Civil Aviation and the Port Authority of Thailand. Given their importance to the import and export of goods they are discussed extensively infra.

Department of Land Transport

Local departments of the Department of Land Transport are in charge of the registration of vehicles which are imported into Thailand in the Blue Book or Lem Tabian – which is required for all vehicles unless they are imported temporarily.

Marine Department

The Marine Department is in charge of the enforcement of the Navigation in Thai Waters Act, the Thai Vessels Act, the Prevention of Ship Collision Act, the Mercatile Marine Promotion Act and other laws. In accordance with the TCD it is in charge of regulating import and export by means of water transport and develops standards to that end.

The Department of Civil Aviation

Together with the TCD the Department of Civil Aviation is in charge of developing and regulating the Thai civil aviation and it prescribes and develops standards and regulations to that end.

The Port Authority of Thailand

Together with the TCD the Port Authority of Thailand is in charge of developing and regulating international trade at the Thai ports – for instance through in-transit warehouses – and it prescribes and develops standards and regulations to that end.

vi. Ministry of Public Health

There are three departments / administrations which operate under the Ministry of Public Health and which are linked into the National Single Window Project of Thailand. These are the Food and Drugs Administration of Thailand (FDAT), the Department of Medical Science and the Department of Disease Control. Given that the FDAT and the Department of Medical Science perform tasks which are related to the control of imports and exports, both are discussed extensively infra.

Food and Drugs Administration

substances for household use. FDAT has a Drug Control Division, a Food Control Division, a Narcotics Control Division, a Medical Device Control Division, a Cosmetic Control Group, a Hazardous Substances Control Group, an Import and Export Inspection Division, a Public and Consumer Affairs Division, a Rural and Local Consumer Health Products Promotion Protection Division, a Technical and Policy Administration Division and an Office of the Secretary and Unofficial Units.

**Food Control Division**

Under the Food Act B.E. 2522 (1979) the Food Control Division sets food standards and specifications as well as hygienic and labeling requirements; controls the importation of food products; reviews and approval the registry of specially controlled foods. Moreover it is in charge of reviewing/granting approvals for advertisements and packaging materials; conducting sampling and quality assessments of food imports; taking legal actions, e.g. seizure, product recalls, prosecution; conducting epidemiological studies; controlling food-producing plants so that they meet phytosanitary export standards. It collaborates with other government agencies, the private sector as well as international organizations on matters related to the issuance of certificates. An example of these other agencies is the Bureau of Quality and Safety of Food under the Department of Medical Sciences of the Ministry of Health.

**Narcotics Control Division**

The Narcotics Control Division is charged with the control, monitoring and licensing of the import and export of narcotics and psychotropic substances which are legal for medical use under the Narcotics Act and the Psychotropic Substances Act. In that it cooperates with the Bureau of Drug and Narcotics under the Department of Medical Sciences of the Ministry of Health.

**Drug Control Division**

Under the Drug Act the Minister of Public Health appoints the Drug Committee on matters relating to the administration of pharmaceutical control. It is authorized to approve or withdraw pharmaceutical registration, and can suspend or withdraw licenses to import.

**Medical Device Control Division**

The Medical Control Division is tasked to ensure that medical devices distributed to consumers are in compliance with the medical device standards. It ensuring this it cooperates with the Bureau of Radiation and Medical Devices under the Department of Medical Sciences of the Ministry of Health. It provides import permits for medical devices and conducts inspections at ports of entry through medical device inspectors to ensure the safety of medical devices entering into the country.

**Cosmetic Control Group**

Section 10 of Cosmetic Act B.E. 2535 (1992) tasks the Cosmetics Committee with providing suggestions or recommendations to the Minister of Public Health on the registration and revocation of registration of specially controlled cosmetics subject to import control. It revises, studies and considers ingredients of
cosmetics so as to determine whether its imports must be subject to import control. To that end it also formulates the maximum permissible content of each ingredient and categorizes them into five listing: prohibited substances, specially controlled substances, controlled substances, colorants and preservatives.

**Hazardous Substances Control Group**

Under the [Hazardous-substance Act of B.E. 2535](#) the [Hazardous Substances Control Group](#) is responsible for supervising the import of hazardous substances. In that it cooperates with the Bureau of Cosmetics and Hazardous Substances under the [Department of Medical Sciences](#) of the Ministry of Health.

**Supporting Groups of the Ministry of Public Health**

The supporting groups of the [Ministry of Public Health](#) with an impact on customs are the [Import and Export Inspection Division](#) and the [Rural and Local Consumer Health Products Protection Promotion Division](#).

The Import and Export Inspection Division is charged with control at the checkpoints. It takes samples periodically and from time to time executes preliminary tests. Food and drug inspectors at checkpoints examine both the required import documents and the imported health products themselves. It does so in cooperation with customs officers at the checkpoints, and the food and drug counterparts. Health products are not allowed to be imported without prior approval from the food and drug inspectors. Laboratory analyses on samples are performed by the Department of Medical Sciences, Ministry of Public Health.

**Rural and Local Consumer Health Products Promotion Protection Division**

The [Rural and Local Consumer Health Products Promotion Protection Division](#) of the FDA is in charge of the drug or food export licensing process. Together with other related government agencies it is charge of the policy on quality standards and safety products.

**Department of Medical Science**

The [Department of Disease Control](#) under the [Department of Medical Science](#) is in charge of promulgating the list of goods which requires import permits from several organs of the Ministry Of Public Health. Through the [National Single Window Project](#), the list itself is uploaded to all agencies concerned.

vii. **Ministry of Agriculture and Cooperatives**

There are five departments / agencies under the Ministry of Agriculture and Cooperatives which are linked into the National Single Window Project of Thailand. These are the [Department of Fisheries](#), [Department of Livestock Development](#), [National Bureau of Agricultural Commodity and Food Standards](#), the [Department of Agriculture](#) and the [Office of the Rubber Replanting Aid Fund](#). Given their importance to the import and export of goods they are discussed extensively infra.

**Department of Fisheries**

The Bureau of Fisheries Administration and Management under the [Department of Fisheries](#) of the Ministry of Agriculture is charged with the enforcement of the [Fisheries Act](#) and the [Animal Feed Quality Control Act](#).

Department of Livestock Development

Under the Animal Infectious Disease Act, B.E. 2499 as amended in 2542 the Bureau on Prevention and Treatment of Diseases under the Division of Animal Control of the Department of Livestock Development is the agency which is charged with the control of the movement and quarantine of animals (and animal carcasses). It operates Animal Quarantine Veterinary Officers at checkpoints of entry into Thailand which provide certification for imports. Imported animals must be accompanied with a health certificate from the country of origin in English before import will be possible.

National Bureau of Agricultural Commodity and Food Standards

Under the Agricultural Standards Act B.E. 2551 the National Bureau of Agricultural Commodity and Food Standards (ACFS) regulates and certifies standards for agriculture commodities and foods for domestic consumption and for exports.

viii. Ministry of Natural Resources and Environment

There are three CITES agencies which fall under the Ministry of Natural Resources and Environment. These are the National Park, Wildlife and Plant Conservation Department (NPWPCD, concerned with fauna), the International Trade of Plants under the Conventions Sub-division of the Plant Varieties Protection Division under the Department of Agriculture (concerned with flora) and the Fisheries Resources Conservation Division under the Department of Fisheries. Examples of the work NPWPCD does is for instance the destruction of ivory confiscated by the TCD. Moreover these authorities provide and verify CITES permits for imports and exports.

ix. Ministry of Energy

There are two departments / agencies under the Ministry of Energy which are linked into the National Single Window Project of Thailand. These are the Department of Mineral Fuels and the Department of Energy Business. Given their importance to the import and export of goods they are discussed extensively infra.

The Department of Mineral Fuels

The Department of Mineral Fuels has the power to exempt certain imports from import duty and value added tax for trade promotion purposes. The Petroleum Committee under Section 15 of the Petroleum Act B.E. 2514, which has the power to issue orders exempting the importation of machinery and equipment from import duty and value added tax under Section 16 of the Petroleum Act B.E. 2514.

The Department of Energy Business

The Department of Energy Business: determines, manages, and develops the standard of quality and security of fuel; supervises the trade of fuel and control the fuel reservation; examine, test, and warrant the standard of quality and security of the fuel.
x. Office of the Prime Minister

Board of Investment of Thailand

The Board of Investment of Thailand (BIT) operates under the Office of the Prime Minister and is one of the agencies linked into the National Single Window Project of Thailand. Under Section 20 of the Investment Promotion Act of Thailand (IPAT), the Board of Investment of Thailand can issue Foreign Investment Promotion Certificates (FIPCs). FIPCs have an impact on imports in that they can approve and restrict foreign direct investment. FIPCs can for instance stipulate the amount and source of foreign capital to be used; determine the size of the activity including the types of products, commodities or services and the production or assembly processes, and capacity thereof; set minimum amounts of local raw materials to be used; put conditions on the prevention and control of damaging elements to the quality of the environment; restrict the period of time wherein machinery may be imported into Thailand; restrict the period of time wherein imported machinery may be re-exported after the termination of their use; requirements that the products or commodities produced, assembled or exported conform to standards prescribed either by the BIT or other government agencies; stipulate the distribution of products or commodities produced or assembled, or services rendered; and determine the export of products or commodities produced or assembled.

For the purpose of trade promotion under Sections 29-30, 36 IPAT the BIT has the power to exempt companies from import duties or reduce the amount of duties to be paid for imports. Under Section 38 IPAT the BIT has the power to order the Customs Department to release to an applicant who has confirmed the acceptance of promotion under section 21 IPAT or to the promoted person all machinery, raw or essential materials ordered or imported into Thailand and entitled to exemption or reduction of import duties under IPAT by treating a bank guarantee issued by a commercial bank in Thailand as a cash deposit against the payment of import duties and/or business taxes.

The BIT actively cooperates with the TCD in several fora to promote foreign direct investment into Thailand. An example thereof is the One Stop One Service Investment Centre (with the Sub-committee on Infrastructure) which conjoins private and public investment-related agencies to speed up business operation procedures in International Headquarters (IHQ), International Trading Centers (ITC) and in the 10 Special Economic Zones (SEZs).

Inspector-General under the Office of the Prime Minister

The Inspector-General under the Office of the Prime Minister is responsible for the management of border-areas, monitoring of border trade (for instance to combat energy smuggling) and to facilitate cross-border trade.

xi. Ministry of Foreign Affairs

The Minister of Foreign Affairs of Thailand (MFAT), which is also the Deputy Prime Minister, can actively engage in trade negotiations and as such have an impact on customs related matters. Yet the actual signing
of trade agreements will take place by the Ministry of Finance. A recent example of trade negotiations by the MFAT can be found in the visit of the Minister of Foreign Affairs of Turkey, whereby both parties i.a. intended to sign a Memorandum of Understanding on customs. The MFAT also partakes in international fora such as APEC to improve the facilitation of trade through measures such as the harmonisation and simplification of rules and regulations, and the streamlining of customs procedures.

xii. Ministry of Information and Communication Technology
The Ministry of Information and Communication Technology i.a. interacts with customs in that it is tasked with assessing and improving the digitalization of the work of ministries. The TCD for instance makes use of e-government services such as a paperless customs declaration with submission of digital signatures for the authentication of its users and an e-tracking system to track the progress of governmental services.

The Office of the National Broadcasting and Telecommunications Commission (NBTC) falls under the Ministry of Information and Communication Technology and is linked into the National Single Window Project of Thailand.

e. Customs Authorities and Procedures in Vietnam
i. Introduction

General introduction to Vietnamese Customs
The General Department of Customs is the main body in charge of the regulation of import and export in Vietnam. There are three types of duties payable in Vietnam – excise duties, import duties and export duties. Duties on exports are assessed on the basis of their Free-On-Board (FOB) value while imports are assessed on the basis of their Cost-Insurance-Freight (CIF) value. Just like Singapore, Indonesia, Malaysia and Thailand, Vietnam classifies its exports and imports in accordance with the Harmonized System Nomenclature of the World Customs Organization (WCO) and values them on the basis of their transaction value (on the basis of the Valuation Agreement of the WTO).

Not all products are eligible for import into Vietnam. Certain products are outright prohibited while others such as medicines require import permits prior to their importation to Vietnam. Vietnam also has other non-tariff barriers such as labeling and other administrative requirements in place.

Products for sectors designated for under trade promotion and raw materials, equipment to be used for the fabrication of products destined for re—export will be exempted from the levy of duties for a specific period of time while a drawback is made available afterwards. Thailand also has specific designated areas where bonded warehouses allow for the duty-free and tax-free storage of goods scheduled for re-export.

Vietnam has a relatively open trade regime and has concluded free trade agreements (FTAs) with: ASEAN (the ASEAN Free Trade Area), ASEAN plus 1 through RCEP (Australia, China, India, Japan, South Korea and New Zealand), Japan and the United States.
Structure of Section II.e

Section II.e provides an overview of the main customs-related authorities of Vietnam. It explicates the customs-related tasks of these authorities and gives examples of how these authorities recently interacted with customs. The authorities are classified to the ministries under which they operate. The order wherein the overview of the ministries is given has been made dependent on the importance of its customs-related interaction. It starts with the Ministry of Finance given that the General Customs Department of Vietnam is the main body in charge of the regulation of import and export in Vietnam. Subsequently the Ministry of Industry and Trade is discussed given its significant role in the national “single door” customs mechanism of Vietnam. Thereafter ministries which primarily interact with customs by granting import licenses / permits are discussed. These i.a. are the Ministry of Agriculture and Rural Development, Ministry of Transport, Ministry of Science and Technology, Ministry of Construction, Ministry of Natural Resources and Environment and the Ministry of Information and Communications. Finally the Ministry of Public Security and the Ministry of Justice are discussed.

ii. Ministry of Finance

Tasks of the General Department of Vietnam Customs

The General Department of Vietnam Customs (GDVC) under the Ministry of Finance is the main body in charge of the management of import and export activities in Vietnam. It oversees the international trade in Vietnam and aims to stir the development of trade and production by setting favorable conditions to it. Moreover it is in charge of protecting revenues from its side within the Ministry of Finance. Other tasks that have been ascribed to it are combatting smuggling and commercial fraud. It aims to make a contribution to the economic sovereignty of Vietnam and to protect the national and community security.

Structure of the General Department of Vietnam Customs

The GDVC is structured into general department units at a central level and local customs departments. The general department units at the central level exist out of administration units which assist the Director General in his function in state management and subordinate departments. The latter units are the Anti-smuggling and Investigation Department; the Post clearance Audit Department; the Customs IT and Statistics Department; the Analysis and Classification Centre (including branch office in some areas); the Customs Research Institute; the Viet Nam customs school; and the Customs Newspaper. The former units are the Legal Department; the International Cooperation Department; the Personnel and Organization Department; the Finance and Logistics Department; the Office (including representative office in Ho Chi Minh); the Inspectorate Department; the Customs Control and Supervision Department; and the Import-Export Duty Department. The Local Customs Departments exist out of provincial, inter-provincial and city customs departments under direct control of the general department, customs branches with customs enforcement teams.

Laws of the General Department of Vietnam Customs
The main laws and regulations through which the General Department of Vietnam Customs operates are the Customs Law No. 29/2001/QH10 as amended by Law No. 42/2005/QH11, Law No. 45/2005/QH11 on Import Duty and Export Duties; Law No. 78/2006/QH11 on Tax Administration; Government’s Decree No. 154/2005/ND-CP regarding customs procedures and customs inspection and supervision; Government’s Decree No. 149/2005/ND-CP detailing the Law on Import Duty and Export Duty; Government’s Decree No. 85/2007/ND-CP detailing the Law on Tax Administration; and Government’s Decree No. 118/2008/ND-CP defining the functions, tasks, powers and organizational structure of the Ministry of Finance. Moreover the Ministry of Finance has a priority policy in place that guides it in customs procedures, customs inspection and supervision for exported and imported goods of enterprises.

iii. Ministry of Industry and Trade

The Ministry of Industry and Trade is in charge of uplifting the National Single Window project of Vietnam towards the ASEAN Single Window project, to be enacted with the launch of the ASEAN Economic Community 2015. Vietnam connected the ASEAN single window customs mechanism with the other countries of concern in this enquiry: Indonesia, Malaysia, Singapore and Thailand. It encourages and facilitates trade through the national "single door" customs procedure mechanism. The national "single door" customs procedure mechanism enables businesses to prepare and to submit to the State electronic customs documents. The national one-stop portal allows: one-stop customs administrative documents and related information to be received, digital signatures of declarants to be authenticated, offices to process in electronic forms; the transfer of customs administration documents and other information of declarants (which can be stored and looked up), to collect and receive input from specialized processing systems, to give declarants one-stop customs administrative documents; and to give processing result feedbacks of the Ministries to related specialized processing systems. The Ministry of Industry and Trade has been the main body for the implementation of the inter-ministerial circular No. 84/2013/TTLT-BTC-BCT-BGTVT providing guidance on the implementation of Prime Minister’s Decision No. 48/2011/QĐ-TTg on the pilot application of national “single door” customs mechanism. To that end it has cooperated with the Ministry of Finance and the Ministry of Transport.

Moreover the Ministry of Industry and Trade engages in free trade agreement (FTA) negotiations. A recent example thereof is the FTA which has been concluded between i.a. the Ministry of Industry and Trade and the Customs Union of Russia, Belarus and Kazakhstan.

iv. Ministry of Agriculture and Rural Development

One of the customs-related tasks of the Ministry of Agriculture and Rural Development is to streamline the procedures to facilitate the export of agricultural products. Therein it cooperates with provincial departments. A recent example thereof relates to the export of cassava.

The Administration of Forestry’s International Co-operation Department under the Ministry of Agriculture and Rural Development of Vietnam works together with international agencies such as the European
Environment Agency to combat the illegal trade in timber products and raise its timber exports to international standards.

v. Ministry of Transport

The Ministry of Transport is in charge of the cross-border movement of vehicles through customs. To that end it for instance is in charge of handing out cross-border road vehicle transport permits. It actively engages foreign agencies on way to enhance cross-border transport. An example of the outcome of these multilateral negotiations is the Greater Mekong Subregion Cross-Border Transport Facilitation Agreement (GMS-CBT) which aims to reduce the transport time and costs of cross-border movements.

vi. Ministry of Science and Technology

The Ministry of Science and Technology primarily interacts with customs in that it together with other relevant ministries handles cases in which imports or exports infringe on intellectual property rights under the Law on Intellectual Property of Vietnam.

vii. Ministry of Construction

The Ministry of Construction is in charge of setting the standards for products to be used in the construction sector. In the same vein it is in charge of handing out import permits pursuant to determining that requirements on construction material such as for instance Portland cement clinkers, has been sufficed. Moreover it is tasked that exports of construction materials such as minerals live up to mechanical, physical and chemical norms. Tests are to be conducted to that end and provided that conditions thereto are met the Ministry of Construction will hand out export permits for the products concerned.

viii. Ministry of Natural Resources and Environment

The Ministry of Natural Resources and Environment is tasked with the prevention of the importation of substances with the potential of harming the natural environment. It for instance has cooperated with the GDVC on a project to improve the management of chemicals to prevent the importation and use of POPs pesticides into Vietnam.

The National Park, Wildlife and Plant Conservation Department under the Ministry of Natural Resources and Environment is tasked will CITES licensing and combatting the illegal import and export of wildlife products such as ivory under the Wild Animal Reservation and Protection Act 1992, the Export and Import of goods Act 1979 and the Customs Act 1926.

ix. Ministry of Information and Communications

Together with the Ministry of Industry and Trade, the Ministry of Information and Communications has been in charge of the National Single Window mechanism. On a regular basis the Ministry of Information and Telecommunications, under Government’s Decree No. 12/2006/ ND-CP, is in charge of granting import permits for several goods such as radio transmitters, radar equipment, postage stamps etc. Moreover it is in charge of licensing of the (non-)commercial import of publications.
x. Ministry of Public Security

The Ministry of Public Security handles the security aspect of customs related matters. Through the Prime Minister’s Decision no. 158/2003 / QD-TTG of July 31, 2003 it for instance is charged with the handling of customs clearance for cases involving mails as well as postal articles and parcels containing strange substances and / or objects doubted to be related to chemical or biological weapons. Therein it cooperates with the GDVC.

xi. Ministry of Justice

The Government Inspectorate

The Government Inspectorate under the Ministry of Justice is tasked with combatting corruption in i.a. the GDVC. To that end it has recently been involved in the reform of administrative procedures on tax, customs, online tax declarations and bank-transfer tax payments.
III. Customs' Related Issues in ASEAN-Five: a comparison with The Netherlands

i. Structure of part two
This part provides an indication of potential customs' related issues in five ASEAN countries: Singapore, Indonesia, Malaysia, Thailand and Vietnam. It does so through an analysis of the following trade facilitation indicators, provided by the World Bank: the amount of documents which are required to import and export goods, the extent which customs procedures are experienced as a burden by businesses operating in the region, the costs associated with the import and export of goods, logistical performance indicators, the quality of port infrastructure, the amount of days required to import and export goods and the amount of hours necessary to prepare and pay taxes. It compares the results of these indicators for ASEAN-5 with The Netherlands.

ii. On whether customs' related issues exist in the ASEAN-Five
EU businesses which operate in ASEAN are confronted with a wide array of customs related issues. An example: an informal session with EU firms operating in Indonesia indicated that even though the dwelling time in Indonesia has improved over the past years it remains particularly burdensome: the amount of documents required for customs clearance remain an obstacle; the degree to which customs procedures in Indonesia are experienced to be burdensome has increased over the past years; costs associated with imports of goods into Indonesia is on average yet has increased over the years; and the amount of days required to clear customs procedures in Indonesia is extremely high. A survey held by the Board of Investment of Thailand pointed out that there is room for improvement of certain types of infrastructure such as roads. Foreign investors pointed out the need for the Thai government to lift unnecessary import permits and customs procedures.

iii. Documents required to import and export goods
Singapore and the Netherlands are among the world’s top facilitators of international trade. Singapore leads ASEAN and performs better than the Netherlands when it comes down to the amount of documents which are required to import goods from and export goods to their territories.

Since 2007 Singapore merely requires three documents to import goods from and export goods to Singapore. Before the year 2012 five documents were required to import goods from and export goods to
the Netherlands. Countries which perform the weakest on the amount of documents required to import and export goods are Thailand Vietnam and Indonesia.

iv. Burden of Customs Procedures and Container Port Traffic

Singapore excels in alleviating the burden associated with customs procedures. In 2014 Singapore ranked 6.1 on a scale of one to seven whereby seven is considered to be the most efficient.

By contrast the Netherlands ranked 5.6 in 2014. Yet where the Netherlands has improved its ranking from 5.28 in 2007, Singapore’s ranking has decreased steadily from 6.43 in 2007. Perhaps the increased burden associated with customs procedure in Singapore relates to its significant increase in container port traffic as compared to the Netherlands. Singapore’s container port traffic grew from 28.767.500 Twenty Foot Equivalent Units (TEUs) in 2007 to 33.516.343 TEUs in 2014.

Countries which perform the weakest on the degree to which customs procedures are experienced as a burden are Vietnam and Indonesia. This also is in conformity with the responses received from informal talks which were held with EU firms. Especially because EU firms indicated that the degree to which customs procedures are experienced burdensome has improved little over the last years, yet still remains low.
By contrast the Netherlands' container port traffic grew from 11,290,260 TEUs in 2007 to 11,828,809 TEUs in 2014.

### v. The cost of import into ASEAN-5 and export from ASEAN-5

From the cost side it is clear that the cost efficiency of exporting export goods to and importing goods from Singapore deteriorated. The export-cost per TEU for Singapore has risen from US$ 416 in 2007 to US$ 440 in 2014 whereas the import-cost per container for Singapore has risen from US$ 367 in 2007 to US$ 440 in 2014. This stands in stark contrast to the Netherlands where the export cost per TEU has remained rather steady at US$ 910 in 2007 to US$ 915 in 2014. The import costs per TEU for the Netherlands even decreased from US$ 1005 in 2007 to US$ 975 in 2014. Strikingly the cost of import and export is higher than any of the ASEAN-five countries. It would be interesting to conduct further research on where this major cost difference originates from.

### vi. Logistical Performance Indicators in ASEAN-5

Singapore and the Netherlands perform fairly equal on logistical performance. In the year 2014 the overall score, whereby 1 is the lowest and five is the best, for the Netherlands is 4,05 while it is 4,01 for Singapore. Both Singapore and the Netherlands excel on the quality of trade and transport-related infrastructure. In the year 2014 the Netherlands scored 4,23 on the quality of trade and transport-related infrastructure while the score for Singapore was 4,28. Yet the quality of trade and transport-related infrastructure in the Netherlands has decreased steadily from 4,29 in 2007 while s it has increased in Singapore from 4,27 in 2007.

Both the Netherlands and Singapore achieve excellent results on the frequency with which shipments reach consignee within scheduled or expected time. The Netherlands has a slight upper edge with a score of 4,34 in 2014 and Singapore has a score of 4,25 in 2014. Singapore has a slightly more efficient customs clearance process with a rating of 4,01 whereas the Netherlands has a rating of 3,96 in 2014. On the ease of arranging competitively priced shipments Singapore slightly tops the Netherlands with a score of 3,99 in 2014.
whereas the Netherlands achieved a rating of 3.86 in 2014. On the competence and quality of logistics services both Singapore and the Netherlands achieve an almost equal rating of 4.07 and 4.05 respectively in 2014. On the ability to track and track consignments the Netherlands achieved a slightly higher rating of 4.12 whereas Singapore achieves a rating of 4.07 in 2014.

It is apparent that Indonesia performs the weakest of all ASEAN-five countries on logistical performance. This is in line with responses received from informal talks which were held with EU businesses.

vii. Amount of days necessary to import goods into and export goods from ASEAN-5

From 2007 until 2014 the amount of days necessary to export goods from Singapore remained at six.

The time of days necessary to export goods from the Netherlands has also remained the same from 2007 until 2014 with an average of 7 days. The same goes for the time to imports goods, with the amount of days staying the same for Singapore at 4 days since 2007 and 6 for the Netherlands since 2007. Both the Netherlands and Singapore perform excellent in the amount of days required to import and export goods. Again Indonesia and Vietnam appear the weakest in ASEAN-five on this matter.

viii. Quality of Port Infrastructure

In 2014 the quality of port infrastructure in the Netherlands rates 6.8 while Singapore rates 6.7.
The quality of port infrastructure is the lowest in Indonesia and Vietnam. This is in line with the prior findings on the amount of days necessary to import goods to and export goods from these countries.