

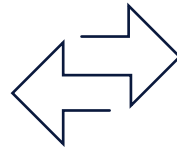


TIMOR-LESTE
Customs
Authority

Customs Brokers in Timor-Leste

A Step-by-step Guide

English version



Why should you read this guide?

The Government of Timor-Leste is committed to supporting the national economy by encouraging and facilitating legitimate commercial trade. As the government agency charged with the movement of goods across our borders, we play a pivotal role in protecting the country from the import and export of illegal or restricted goods, and we help to ensure that we collect the correct duties and taxes on behalf of the government.

This booklet includes the following:

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This booklet aims to provide you with an overview of the customs brokerage profession in Timor-Leste, detailing the regulatory framework, licensing requirements, and operational guidelines that govern the profession. You can find more helpful information about this process and the other changes that we are making by visiting the Customs Trade Portal at: www.customs.gov.tl

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Information provided within this guidance manual is correct at the time of publication; however, rules and regulations may be subject to change. If you are in any doubt, please visit the Customs Trade Portal for further information at: www.customs.gov.tl

PART I

Customs Brokers



Classification and Valuation of Goods: Advising on the correct classification and valuation of goods.

Preparing Submitting the necessary documentation required for preparing and submitting the DAU for a relevant regime.

Ensuring compliance with local, regional, and international regulations and providing consultation on import and export procedures.

Acting as a liaison between importers/exporters and the various government agencies involved in the import/export process.

What is a Customs Broker?

A customs broker is a licensed professional who acts as an intermediary between us—the Customs Authority—and importers and exporters. The primary role of the customs broker is to help ensure that consignments meets all import or export requirements as mandated by law. This can include ensuring that the correct paperwork has been lodged, and duties, taxes and relevant fees have all been paid. In doing so, the customs broker will electronically submit the "Goods Declaration", also known as "Declaração Aduaneira Única" (DAU), in customs electronic system, which is called ASYCUDAWorld. In Timor-Leste, customs brokers play a critical role in helping to facilitate international trade, and to ensure that goods move efficiently and legally across borders.

What Type of Services Does a Customs Broker Provide?

Customs brokers offer a wide range of services to simplify the import and export process, including:

- **Classification and Valuation of Goods:** Advising on the correct classification and valuation of goods.
- **Preparation and Submission of Documents:** Preparing and submitting the necessary documentation required for importing and exporting goods, including the DAU for a relevant regime.
- **Duty and Tax Calculation:** Calculating duties and taxes owed to the government and advise on any potential duty relief or exemptions.
- **Compliance and Consultation:** Ensuring compliance with local, regional, and international regulations and providing consultation on import and export procedures.
- **Liaison with Government Agencies:** Acting as a liaison between importers/exporters and the various government agencies involved in the import/export process.

What are the Benefits of Using a Customs Broker?

Using a customs broker can help importers or exporters in many ways, including:

- **Expertise:** Providing in-depth knowledge of local and international regulations, which can help navigate the import or export process easier.
- **Efficiency:** Expediting the import or export process, which helps to reduce delays and to save time.
- **Compliance:** How to better understand and apply controls that ensure the rules are carefully followed, which helps avoid costly penalties for non-compliance.

Who Regulates Customs Brokers?

At the Customs Authority, we are responsible for regulating private declarants on behalf of the Ministry of Finance. We set the standards and requirements for becoming a licensed customs broker, including the level of education required, delivery of training, and the type of ethical conduct that you must observe. We also conduct examinations for prospective brokers, issues licenses to successful candidates and monitor your compliance with the relevant regulations.

PART II

National Legislation and Procedures

National Legislation

The Customs Code (Decree Law 14/2017 of 5 April 2017) governs the licensing and operation of Private Declarants and Customs Brokers (collectively known as "declarants") in Timor-Leste. Key provisions include:

- **Documentation and Record Keeping:** Declarants must maintain documents and records for customs for at least five (5) years, which helps to ensure accountability.
- **Official Brokers and Declarations:** Only licensed Declarants can submit DAUs, which helps to ensure that transactions are managed by qualified personnel.
- **Irrevocable Bond Requirement:** Declarants must submit an irrevocable bond of a minimum USD 10,000, which helps to serve as a compliance guarantee.
- **Licensing Requirements:** All Declarants must be licensed by us (the Customs Authority), meaning we can monitor adherence to professional standards.
- **Training and Examination:** Declarants must complete a training course, which helps to ensure they understand import and export regulations.
- **Professional Identity Document:** We issue successful candidates with an identity document, meaning licenced Declarant can be easily identified.
- **Regulation and Monitoring:** We can suspend or revoke licenses for fraud or poor performance, which helps to deter any unethical or unprofessional behaviour.
- **Customs Brokers Association:** Declarant's must enrol within the Customs Brokers Association, which helps to the overall professional and ethical standards within the profession.

Standard Operating Procedure

We use the Standard Operating Procedure "Customs Broker Licensing and Operation Rules – 2023" to govern customs brokers. This SOP is fully compliant with national legislation and international best practices, and includes clear guidelines to help professionalize the customs brokerage profession in Timor-Leste, such as:

- **Regulatory Adherence:** Comprehensive guidelines that help customs brokers to better understand and comply with their responsibilities under the Customs Code.
- **Licensing Process:** A detailed description of the application and selection process for new candidates seeking to become a customs brokers. Aligned with national legislation, these guidelines help to ensure transparency and fairness in the licensing process.
- **Monitoring:** Guidelines on what we will do to monitor the licensing and performance of customs brokers on a daily basis. These activities will help to ensure that customs brokers comply with the rules and regulations, and act professionally at all times.
- **Forms:** Copies of the relevant business rules, self-assessment and application forms that you need to apply to become a customs broker.



You can access a copy of this SOP by visiting the Customs Trade Portal at: www.customs.gov.tl



Customs
Brokers



Legislation
and Procedures



Monitoring
Unit



Applying to
be a Customs
Broker

PART III

Customs Brokers Monitoring Unit



wherever possible, we will help and assistance so you can better understand the rules and regulations.

We ensure that all customs brokers meet the necessary business requirements to operate. This includes having a physical office, valid business registration, and good standing with tax obligations.

We ensure that you have all required documents and licenses in place for a full ASYCUDAWorld license. We will help and assistance so you can better understand the rules and regulations.

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Customs Brokers Monitoring Unit

The decision to act as a customs broker comes with responsibilities, and you must ensure that you have—or can develop—the necessary expertise to comply with the regulations and procedures.

Our Customs Brokers Monitoring Unit is responsible for monitoring the activities of customs brokers in Timor-Leste. This unit helps to ensure that you remain compliant with your obligations and adhere to the highest standards of professional conduct:

- **Verify Business Requirements:** We ensure that all customs brokers meet the necessary business requirements to operate. This includes having a physical office, valid business registration, and good standing with tax obligations.
- **Record Keeping:** We undertake audits to confirm that you retain all required documents and electronic records for at least five (5) years and that you demonstrate due diligence in your operations.
- **ASYCUDAWorld System Use:** We monitor and verify that you have authorized access to the ASYCUDAWorld system, and that you use this platform correctly and securely.
- **Compliance Checks:** We can review your activities to ensure you comply with the relevant regulations and laws.
- **Disciplinary Actions:** If we detect any wrongdoing, we can propose and enforce disciplinary actions. This can include revoking your customs broker license and referring you to the relevant prosecuting agency.
- **Support for New Brokers:** We are here to help, and wherever possible, we will help guide you through the licensing process. Once you are licensed, we will continue to provide you with help and assistance so you can better understand the rules and regulations.

PART IV

Applying to be a Customs Broker

Can You Apply to Be a Customs Broker?

Yes! You can apply to become a customs broker in Timor-Leste if you meet specific criteria and requirements. These requirements are described in more detail the SOP, but we have included a summary below:

- **Eligibility Requirements:** You must be established in Timor-Leste, over 21 years old, possess at least the 9th year of compulsory schooling (or equivalent educational qualifications), and hold a civil identification card, a business registration, and a Tax Identification Number (TIN). Additionally, you must be free of tax debts and have no criminal convictions.
- **Education and Training:** You must complete the Customs Broker's Admission Course, which covers import and export regulations, tariff classifications, and clearance procedures.
- **Examination:** Following the training course, you must pass a final exam which will confirm your knowledge and understanding of relevant rules.
- **Bond Requirement:** You must provide a bond of anywhere between USD 10,000 and USD 150,000 as a financial guarantee. We will determine the level of this bond based on the size of your planned operations.
- **Licensing:** Upon fulfilling all requirements and passing the examination, we will issue you with an official customs broker identity document.

If you're interested in becoming a customs broker, it's essential that you begin this process by familiarizing yourself with the detailed regulations and requirements described within the SOP. This preparation will help to ensure that you're well-equipped to complete the application process and to pursue your career in customs brokerage.

You can learn more by visiting the Customs Trade Portal at: www.customs.gov.tl



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