


Annex 3: Customs Evaluation - Application Assessment Check List

CUSTOMS AUTHORITY 	LICENSING AND OPERATION RULES FOR GENERAL AND FINISHED EXCISABLE GOODS BONDED WAREHOUSE. CUSTOMS ASSESSMENT CHECK LIST
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Important: The Customs Officer(s) conducting the Assessment of compliance against the Licensing and Operation Rules for a Bonded Warehouse, must examine the Applicant's Self-Assessment that is presented together with the Application and review if his/her answers are in line with the Rules.

Warehouse Name _____ / Code _____ / Date ____/____/____

Customs Officer (s) Conducting the Assessment: _____

SECTION 1: DOCUMENTARY ASSESSMENT

Nr	CONDITION	Complies		Reasons for NOT complying or Remarks
		YES	NO	
1.	Application form, from Part A to Part G, has been completed and is duly signed by applicant.			
2.	All applicable supporting documents, as specified in the Application form and in the Licensing and Operation Rules, are attached.			
3.	Copies of attached documents are legible and all information is current at the time submitting the Application.			

SECTION 2: ASSESSMENT OF COMPLIANCE WITH RELEVANT LICENSING AND OPERATION RULES

Rule Nr.	CONDITION	Complies		Reasons for NOT complying or Remarks
		YES	NO	
Rule 1.	Customs Control, Storage Period and Abandonment			
	1. Customs Control Licensee and premises managers have been made aware of the requirement to provide access to the proposed premises for Customs officials at any reasonable time and without prior warning.			

	2. Storage period If applicant is applying for Renewal of License, has he/she provided a list (stock take) of any goods in bond that have exceeded the twelve (12) calendar months, or any additional authorized period of storage?			
	3. Abandonment Has the owner/ depositary of the goods in bonded warehousing entered the goods for home use (IM4 DAU) or expressly abandoned the goods, before the end of the legal storage period.			
Rule 2	Licensee to be a Fit and Proper Person			
	a) Applicant has a good personal record of honesty, respect and compliance with TL laws, particularly with Customs and Taxation laws.			
	b) Applicant is a person established in East Timor who can provide suitable tax and financial guarantees to Customs to operate the bonded warehouse;			
	c) will be able to provide evidence of the economic need for this type of storage;			
	d) the warehouse is mainly intended for the storage of goods;			
	e) he/she can demonstrate a minimum share capital of \$50,000 for a private warehouse, or \$100,000 for a public warehouse.			
	f) he/she is able to provide the company's or personal financial statements, including bank's statements for the last 6 months.			
Rule 3	Physical Address, Ownership, Site Plans, Changes and Cargo Handling Equipment			
	1. Physical Address Address where the warehouse will be established and operate, including street number or lot, district, municipality, and town is easily identifiable.			
	2. Ownership a) Applicant has provided evidence of ownership of the land/property where the Warehouse will be situated. (Copy of Ownership Title)			
	b) If land/property is leased, a signed copy of the lease document is provided, which must have at least three (3) years remaining at the time of the application.			
	3. Site Plans Applicant to provide 2 certified copies of proposed premises plan (A3 size max) outlining ALL of the following details:			

	a) area to be licensed must be outlined in RED			
	b) location of access points including doors, windows, roller shutters, and vehicular access			
	c) location of electronic security system movement sensors.			
	d) location of an appropriate area set aside for Customs officers to conduct <u>cargo examinations</u> .			
	e) location of facilities for Customs officers to conduct compliance checks including, but not limited to, office space, desk, chair, access to warehouse records, computer with access to ASYCUDA World.			
	f) If the proposed licensed area only forms part of a building, the remaining areas of the building and usage/tenants must be noted,			
	g) If the proposed licensed area is a whole building, surrounding features should be noted (secure complex, fencing, public roads, other buildings, etc).			
	4. Changes to Licensed Premises Layout and/or Structures			
	a) Licensees are not allowed to make any changes to the layout, structures or any other physical or electronic component of the approved licensed areas, without prior formal authorization from Customs.			
	b) For Customs to consider changes to premises, the licensee must apply in writing to National Director Customs Compliance Management (NDCCM), giving full details of proposed change, justifying that change will not affect their license terms and conditions, and that Customs control will not be affected.			
	5. Cargo Handling Equipment Cargo handling equipment, such as weighing scales, moving and staking equipment should be available on the premises, <u>in accordance with the type of goods being to be stored.</u>			
Rule 4	Licensee Responsible for Goods and Taxes, Guarantee and Insurance			
	1. Responsibility for Goods and Taxes Applicant acknowledges that responsibility for the goods and taxes starts when the warehouse DAU (IM7) is registered and assessed in AW, and ends when the regime is discharged by an Import DAU (or other Customs regime), and the goods physically exit his/her warehouse.			
	2. Guarantee a) <u>General Goods</u> .-Applicant executes a guarantee of at least 50% of customs duties and taxes due on the goods to be stored on a quarterly basis.			

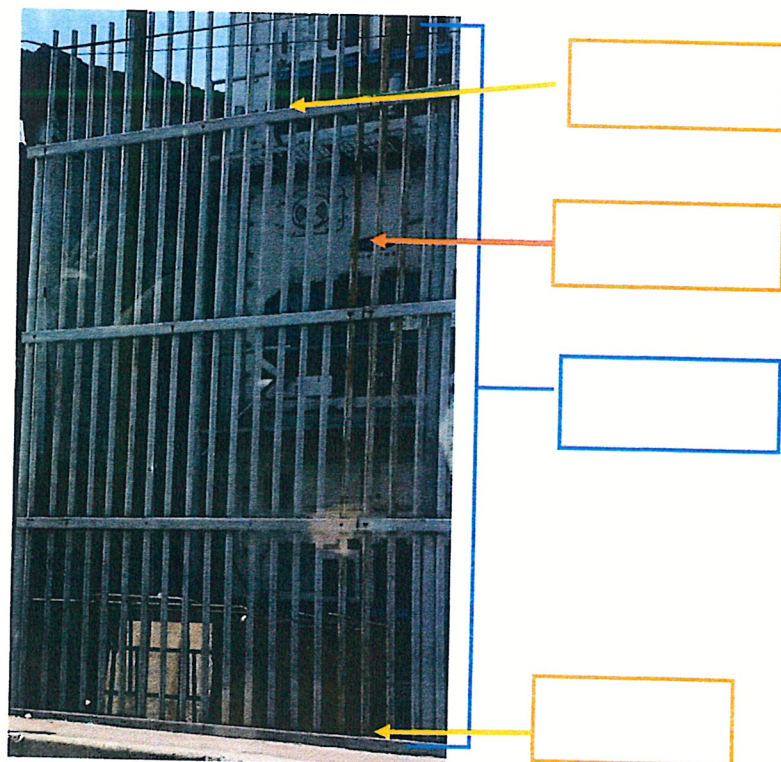
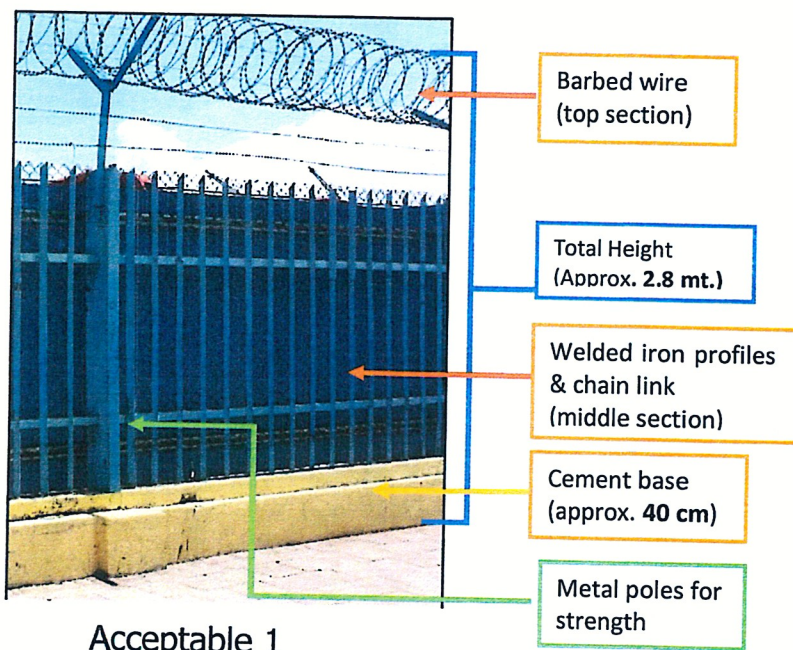
	This guarantee (CC Art 202, para 1) can be either be a cash deposit or a bank guarantee.			
	b) <u>Excisable Goods</u> .- If application is for a bonded warehouse for finished goods subject to excise tax, the amount of guarantee shall be of 30% of taxes paid in the last two months, or estimated to be paid (if it's an application for a new license).			
	c) One single import should not exceed the amount set as guarantee, but if this happens the licensee must notify Customs, who would either increase or forgo the guarantee limit.			
	3. Insurance Applicant may be required to have insurance for loss, damage or burglary of these goods. Provide details of any insurance you have.			
Rule 5	Physical Security of Proposed Premises			
	1. Perimeter fence of proposed premises			
	a) is strong and at least 2.5 mts high to secure goods and prevent intrusion (3 mts advisable);			
	b) Unpacked/ deconsolidated goods, which may be contained in cartons, boxes, receptacles or units, (including motorbikes), to be stored in warehouse buildings fully enclosed by solid walls and ceilings, with secure access doors;			
	c) Passenger motor vehicles may be stored in fully enclosed yards with roof protection, or in fully walled buildings;			
	2. Alarms and/or security personnel These are operating at the premises at all times (e.g. 24/7). CCTV system may also be required;			
	3. Accessibility Premises must be easily accessible by road, and situated in a location which facilitates both Customs control and the business.			
Rule 6	Records and monthly Reports			
	a) Applicant acknowledges that he/she is responsible for maintaining accurate records for each warehouse transaction into and out of the premises, <u>using the Customs system ASYCUDA World</u> .			
	b) The applicant acknowledges that he/she must submit to Customs, in the first week of each month, a stock report for the previous month.			
Rule 7	Licensee to Have Qualified Staff for Customs Transactions			
	For submitting DAUs, conducting stock takes, and preparing monthly reports to Customs, <u>applicant will</u> :			
	a) use the services of a Licensed Customs Broker (check details given in your application), or			
	b) employ, on a full or part time basis, <u>a person acceptable to Customs</u> with sufficient technical knowledge (check details given in your application)			

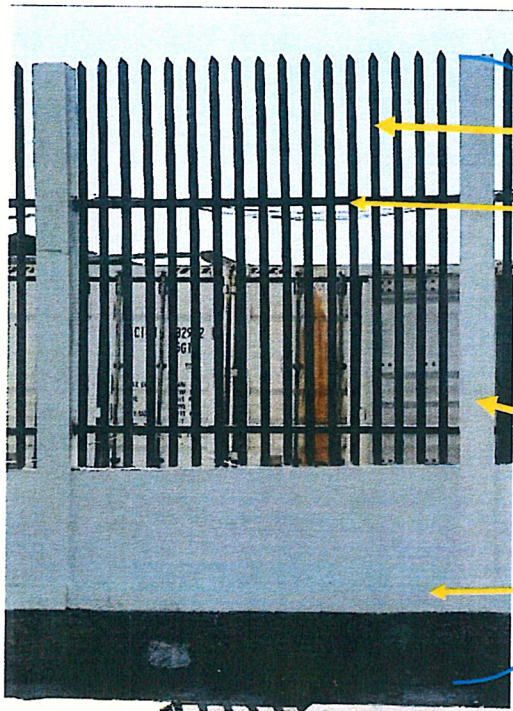
Rule 8	Must Have Access to ASYCUDA World and Office space for Customs Staff			
	(a) ASYCUDA World and Computer Equipment. - If approved, applicant must have in his premises a latest model personal computer, loaded with ASYCUDA World, a printer and internet access in order to prepare and register warehousing DAUs and other system functions.			
	(b) Access to office for Customs staff. - Access to a secure office, equipped with suitable furniture and computer with internet for accessing ASYCUDA World, must be provided for Customs staff when they attend the premises to exercise controls.			
Rule 9	Goods that may be stored in a Bonded Warehouse			
	To be allowed into the bonded warehouse regime, goods must be:			
	a) New, with the exception of second hand passenger motor vehicles (2 nd hand motorcycles not allowed),			
	b) non-perishable,			
	c) not be exempt of import or other duties,			
	d) easily identifiable,			
	e) not harmful to people or the environment,			
	f) not flammable, with exception of petroleum products that need to be store in special places,			
	g) not poisonous, unless they are stored in special isolated and sealed area;			
	h) finished goods, <u>put up for retail sale</u> , subject to excise tax, including:			
	i.) bottled wine and spirits,			
	ii.) bottled or canned beer and other alcoholic beverages,			
	iii.) cigarettes, cigars and other tobacco products.			
Rule 10	Activities Permitted in a Licensed Bonded Warehouse			
	General principle. - While in the warehouse regime, goods shall not be altered unless all duties and taxes have been paid, or the alteration is approved by Customs.			
	No re-packing. - Goods shall not be repacked while in a bonded warehouse, except with prior approval from the Customs proper officer and under certain conditions.			
	Indicate if the operations the Applicant intends to perform in the bonded warehouse comply with those described from a) to i) below:			
	a) Storage;			
	b) Examination of goods;			
	c) Moving/stacking the goods within the authorized premises;			
	d) Unpacking;			

	e) Repacking (with previous Customs approval);			
	f) Packaging for sale (with previous Customs approval);			
	g) Cleaning/ preparing for sale new motorcycles and other motor vehicles;			
	h) Minor reassembly of goods which have been disassembled for transport.			
Rule 11	Licensee's Standard Operating Procedures (SOPs)			
	Applicant is required to have documented SOPs for the operations to take place within the Warehouse.			
Rule 12	Transfer of Warehouse and Transfer of Ownership			
	Does the Applicant intends to transfer goods to another Licensed Bonded Warehouse			
	Does the Applicant intends to transfer the ownership of the goods while they are under the bonded warehouse procedure			
Rule 13	Duration of License (2 years) – Renewal and Non-Renewal			
	1. Director General may establish additional conditions In accordance to Article 201, paragraph 1, (b) of the Customs Code, licensee understand that he/she must comply with any additional conditions or restrictions necessary to operate a bonded warehouse, as set by the Director General			
	2. Duration of License will be two years. The Director General has determined as a condition that, any license to operate a Bonded Warehouse will have a duration of two (2) calendar years, from the date such license is issued by the Customs Authority.			
	3. Licensee Responsible to Apply for Renewal The licensee shall be responsible for formally applying to Customs for the renewal of a bonded warehouse license, at least two (1) calendar month , before the date of expiration of the license.			
	4. Obligation to inform Customs of Non-Renewal of license If the licensee does not intend to renew his/her bonded warehouse license, he/she must inform Customs in writing of this, at least two (2) calendar months before the date of expiration of the license. In this case the licensee must clear all goods from the bonded warehouse before the expiration of the license.			

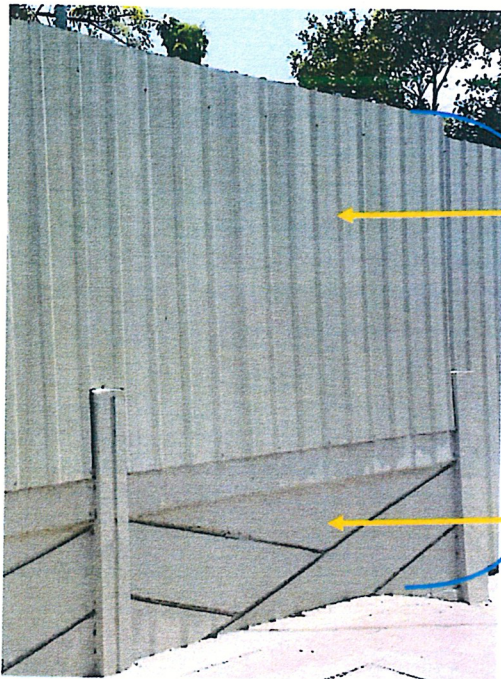
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ANNEX 4. Examples of Acceptable and Not Acceptable Perimeter Fences





Acceptable 3



Acceptable 4



NOT ACCEPTABLE 1

Note: This fence *does not prevent intrusion*. Metal rods too separated and can be easily climbed.



NOT ACCEPTABLE 2



NOT ACCEPTABLE 3

Diagram showing five empty rectangular boxes for labeling, connected by lines to the corresponding areas in the photograph:

- Box 1 (top): Yellow outline, connected to the top hole in the fence.
- Box 2: Yellow outline, connected to the joint in the fence.
- Box 3: Blue outline, connected to the section of the fence indicated by the blue bracket.
- Box 4: Yellow outline, connected to the base of the pipe.
- Box 5 (bottom): Black outline, connected to the bottom of the fence.

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