



Customs Authority

Commissioner's Administrative Instruction

Standard Operating Procedure (SOP) for:



“Inland Clearance Depot Container Transfer and Clearance - 2023”

SOP 001 of 12/06 / 2023

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1. Standard Operating Procedure (SOP) Title

This SOP will be officially known as:

"Inland Clearance Depot Container Transfer and Clearance - 2023"

This new SOP supersedes all previous Container Transfer SOP's. These changes are reflected in the process narrative and flow charts in this document below.

2. Scope

This SOP is limited to the transfer of containers between one Customs controlled area to another Customs controlled area, such as Tibar Bay Port to a Customs Authorized Bonded Warehouse or Inland Clearance Depot.

Containers or goods located at an ICD are limited to the clearance procedure as set out in this document below, and commercial goods - not being passenger's baggage - above US\$1,000 in value arriving by air at Dili Airport, and commercial goods arriving at the Dili Post Office.

3. Authorization

This SOP is authorized by the Commissioner of the Customs Authority under the following provisions:

- a) the Customs Organic Law, Decree Law 2/2020 of 8 January 2020, Chapter III Organic Structure, Section 1 Organs, Article 9 (1c) "Commissioner of the Customs Authority", that allows the Commissioner to: *"approve the administrative rules and/or instructions necessary for the operation of the Customs Authority, including the application of Customs legislation"*.

4. Objectives

The objectives of this SOP are to provide clear instructions on:

- a) How the ICD Operator will submit the Container Transfer request to Customs staff at Tibar Bay Port;
- b) After approval, using the container pass to transfer the container from Tibar Bay Port to the ICD facilities;
- c) How the Customs Revenue and Entry Processing (CREP) office within the National Directorate of Customs Compliance Management will be responsible for and will perform most of the import clearance functions, except for:
 - The physical examination of goods by the automatically assigned examination officer from the National Directorate of Operations (NDO) allocated to the ICD or from Tibar Bay Port;

- Payment of customs duties, taxes and charges at the authorized banks;
 - Issuance of the Release Order;
 - Controls and Validation of the Exit Note;
- d) How officers will perform each task in the import clearance process, from the time the Goods Declaration is accepted by Customs by issuing a unique registration number, until the goods or cargo exit the Customs controlled area, after completing the relevant payment of duties, taxes and/or other charges;
- e) How the majority of procedural steps must be performed through the Customs system ASYCUDAWorld (AW), expressly avoiding external manual recording of any kind;
- f) How the declarant or his/her representative will interact with Customs during the import clearance process, including his/her obligations to provide additional information, if needed;
- g) How the payment of duties, taxes, penalties and charges will be paid using the currently available method by cash or internal transfer at designated BNU or BNCTL offices;
- h) How goods will be Released by the Customs staff at the ICD;
- i) How the exit of goods will be electronically authorized and validated by Customs staff at the ICD;
- j) Further integration of OGA's and the Business sector into the Clearance Procedure

5. COMPLIANCE WITH NATIONAL AND INTERNATIONAL STANDARDS

Electronic Integration of all import/clearance functions will assist Customs and the GoTL to comply with:

a) Decree law 2/2020 (CA Organizational Structure) Article 4, 1 (d) that:

include the organization principles of organizational flexibility;

b) The WCO Revised Kyoto Convention (RKC):

General Annex, Chapter 3, "Clearance and Other Customs Formalities", Standards 3.1 to 3.45. In particular, Standard 3.25 that covers prior lodgement and registration of the goods declaration (DAU) that Customs should be implementing in the near future;

c) The WTO Trade Facilitation Agreement (Bali, 2013) in particular in relation to:

Article 7, "Release and Clearance of Goods";

- i.) Pre arrival processing (*not yet implemented*);
- ii.) Separation of release (Exit Note) from final determination of Customs duties, taxes, fees and charges (*implemented*);

- iii.) Risk management (*Implemented*);
- iv.) Post clearance audit (implemented, as desk audits);
- v.) Establishment and publication of Release times (*not yet implemented*);
- vi.) Trade facilitation measures for Authorized Operators/Trusted traders (*not yet implemented*);
- vii.) Expedited shipments – air couriers (partially implemented at Dili Airport)
- viii.) Perishable goods (currently, a case by case manual procedure);

Article 8. Border Agency Cooperation

- i.) To ensure that Customs and all other agencies responsible for border controls and procedures on imports and exports cooperate with one another and ***coordinate their activities to facilitate trade.***

Article 9. Movement of Goods Under Customs Control Intended for Import

- i.) Each Member shall, to the extent practicable, and provided all regulatory requirements are met, allow goods intended for import to be moved within its territory under customs control from a ***customs office of entry to another customs office in its territory from where the goods would be released or cleared.***

6. INTEGRATION WITH OTHER GOVERNMENT AGENCIES (OGAs)

Integration of all Customs and other government agencies (OGAs) clearance functions, into one single process, is a best practice all over the world, since most of the developed and developing countries, Customs administrations have implemented this type of clearance process, as a key driver of simplification, de-bureaucratization, and trade facilitation.

Within the national environment, Other Government Agencies (OGAs) that participate in the Customs clearance process, the Customs Authority is implementing two strategies:

- providing OGAs with access to AW on computers at Customs offices in Tibar Bay Port or ICD locations, once they start participating in AW electronic process;
- developing risk profiles on their key risks, in accordance with initial basic lists provided by participating OGAs (at this stage, Ministry of Health, Ministry of Transport, and Secretary of State for Environment - Ozone depleting substances)
- Participation in the TileSW scheme to automate processes and procedures in to AW.

7. Applicable Legislation

The following legislation applies to this procedure.

A. Organic Structure of the Customs Authority, DL 2/2020, 8 January

Article 9, 1c: Power of the Commissioner to “approve administrative rules and/or instructions”

B. Customs Code Decree Law 14/2017 – 5 April 2017

Specific provisions are, as follows:

- a) Article 20, paragraph c and e – No place shall be used as a place under Customs Control unless authorized by the Commissioner
- b) Article 25, paragraph 1 to 3 – Customs supervision of an area under Customs control
- c) Article 28, paragraphs 1 and 4 – the movement of goods under Customs control between authorized Customs warehouses by regulation prescribed by the Commissioner;
- d) Article 29, paragraphs 1 to 3 – An authorization or license can be revoked if the Customs warehouse operator does not comply with the regulations or commits an offence;
- e) Article 108, paragraph 1 and 4. – presentation of electronic copy of manifest minimum 48 hours before the date of arrival at the Port of entry.
- f) Article 138, paragraphs 1 and 2.- Mandatory placement of goods under a Customs regime within 30 days (arriving by sea) or 20 days (arriving by air or land);
- g) Article 139, paragraphs 1 and 2.- Goods are in temporary storage in authorized places while waiting for their processing into a Customs regime;
- h) Article 139, paragraph 4.- Persons who remove goods from areas under Customs control before exit authorization will be subject to an administrative penalty;
- i) Article 142, paragraph 2, letter (c). – Goods in temporary storage are deemed abandoned to the State, if they are not removed from the Customs controlled area within 5 days from their release;

Note.-The release is effected by Customs issuing of the AW Release Order and the ICD operator issuing the Exit Note, after payment has been duly received at the BNU and entered into the AW Accounting module.

- j) Article 155, paragraphs 1 to 3.- Specify that:
 - An electronic customs declaration means the electronic transmission to Customs of all details or data needed to apply a Customs regime; and

- The identification code assigned to a declarant for tax identification purposes is considered as an electronic signature.

k) Article 156, paragraphs 1 to 5. - Give details of the documents that are necessary to attach to a Customs declaration, being

- Commercial Invoice with a general description of the goods;
- Documents necessary to apply a preferential tariff regime or any other measure that overrides the general regime applicable to the goods declared,
- Health, phytosanitary and quality certificates or others (if applicable)
- Documents regarding transport or the previous Customs regime.

Note 1.- When the declaration is made electronically, the above documents are submitted within the maximum period of 24 hours, after submitting the declaration.

Note 2. – Be aware that Article 81 of the Customs Code further indicates that:

“for the purposes of the Customs laws, if a person files or otherwise provides a document or payment in electronic form by means of a Customs Information System in accordance with the prescribed conditions, the document or payment is deemed to be filed or provided in compliance with law in the appropriate date and place”

- l) Article 157, paragraph 1.- The Customs declaration must be submitted at the Customs location of the goods arrival;
- m) Article 157, paragraph 2.- The Customs declaration can be submitted twenty-four (24) hours before the arrival of the goods;
- n) Article 158, paragraph 1 and 2.- The Customs declaration is binding for the declarant or his/her representative in terms of:
- Accuracy,
 - Authenticity of the attached documents, and
 - Compliance with all obligations associated with placing the goods under the declared regime;
- o) Article 158, paragraph 3.- The Customs declaration made by electronic means is deemed delivered upon receipt by Customs of the message, who shall by the same means, acknowledge receipt;
- p) Article 159, paragraphs 1 to 4.- Acceptance of the Customs declaration if all format and supporting documents requirements are met, time and date of acceptance and issuing of a unique registration number, and legal effects of this acceptance;
- q) Article 160, paragraphs 1 to 3.- Amendment and replacement of the Customs declaration before commencement of the clearance process;

- r) Article 161, paragraphs 1 to 3.- Cancellation of a Customs declaration at the request of the declarant;
- s) Article 162.- Verification and checking of the Customs declaration;
- t) Article 163, paragraphs 1 to 3.- Assessment of the Customs declaration;
- u) Article 164, paragraphs 1 to 9.- Notification to broker/declarant of physical inspection of goods and Customs proceeding with inspection if the broker/declarant does not intend to attending.
- v) Article 165, paragraphs 1 to 4.- Time and place for Customs examinations and coordination with other Government agencies (OGAs) who may need to carry out particular controls on the goods;
- w) Article 201, 1 to 6 – Responsibilities of the Warehouse Keeper
- x) Article 206, 1 and 2 – Permission to transfer goods between Customs Warehouses
- y) Article 210, 1 to 3 – Customs Supervision and control measures deemed necessary to ensure good functioning of the Customs Warehousing Regime
- z) Article 385, paragraph 2.- For calculation of time limits in this Code, any mention to days means “working days”.

8. Validity and Changes

This SOP comes into effect on the date the Commissioner signs it in **Section 17** of this SOP. Any changes to this SOP must be approved by the Commissioner, and the SOP properly updated and circulated to relevant staff.

9. PROCEDURE OWNER

The owner of this procedure is the National Director Customs Compliance Management (NDCCM), in close cooperation with the National Director of Operations (NDO) and Municipal Director of Operations, Tibar Bay Port (MDO), who will be responsible for:

- a) The implementation and standardized application of all the provisions within this SOP, in all Customs areas under his/her control;
- b) Ensuring that National Director of Operations instructs the Municipal Director of Operations, Tibar Bay Port and examination officers to fully adhere to this SOP;
- c) Ensuring that officers in the operational areas under his/her control in Operations at Tibar Bay Port and located at the ICDs, have access to a written or electronic copy of this SOP;

- d) Ensuring that officers in the Operational areas under his/her control – CREP and Officers from Tibar Bay Port and those located at the ICDs, have received appropriate training in how to apply this SOP;
- e) Taking corrective measures in the event that this SOP is not followed; and
- f) Proposing to the Commissioner, any changes or amendments to this SOP when operational circumstances so demand.

10. ENFORCING THIS PROCEDURE

This procedure should be applied and enforced by all Customs staff members, including but not limited to:

- a) All staff working within the Customs Revenue and Entry Processing (CREP); and
- b) All staff from the National Directorate of Operations working in Tibar Bay Port and ICD locations.

11. ADHERENCE TO THIS PROCEDURE

This procedure must be strictly adhered to by all parties, and at all times. Failure to follow the provisions contained within this SOP may include, but shall not be limited to:

- a) Customs Staff: Disciplinary action, from suspension without salary payment to dismissal, or other appropriate punitive action being taken against you”;
- b) Customs Brokers: from temporary blockage of your access to AW, up to removal of your license to operate as a Customs Broker by the Customs Authority;
- c) Importers/Traders: The application of administrative penalties and/or commencement of criminal proceedings being taken against you.

12. MINIMUM SUPPORTING DOCUMENTS AND/OR OTHER REQUIREMENTS

Any supporting documents that may be required must be uploaded electronically into AW by the Broker/ declarant. No hard copy DAUs or supporting documents are required to be submitted and will not be accepted.

The following documents, uploaded electronically, must be presented in all cases:

- a) Commercial Invoice (a pro-forma invoice will not be accepted).
- b) Packing List

In some cases, additional documents may be required to fulfil specific regulatory requirements. This may include, but should not be limited to one electronic copy of:

- a) A permit and/or license from a relevant Government Agency or Ministry;
- b) Supporting documentation for processing goods for which an Exemption from duties and taxes is being claimed; and

13. When this Procedure Does Not Apply

This procedure does not apply to any goods that have already been subject to the submission, acceptance and acquittal of a DAU for the purposes of Customs regulatory formalities.

PART B: PROCEDURE DETAILS

- 14. ICD Container Transfer Process**
- 15. ICD Clearance Procedure**
- 16. Process Cross Functional Flowchart**
- 17. Commissioner's Approval, Directives and Dissemination**
- 18. SOP Amendments Record**

ANNEX 1

ANNEX 2

14. ICD Container Transfer Process

Container Pass

1. Submission of Request

In the event that goods contained within Full Container Loads (FCL) or Less than Container Loads (LCL) need to be moved from a Customs controlled area to a Customs authorized warehouse, the requestor must complete an electronic application within ASYCUDAWorld (AW). All relevant fields must be completed accurately otherwise the application may be rejected by the CA. There will be no requirement to provide any associated or supporting documentation as part of this application. An example of this request is at **ANNEX 1**.

2. Acceptance of Request

The CA Municipal Director of Operations, Tibar Bay Port (MDO), or his or her designee, will be responsible for accessing AW to identify any requests received.

3. Assessment of Request

The CA Municipal Director of Operations, Tibar Bay Port (MDO), or his or her designee, will be responsible for reviewing and approving or rejecting all requests. In the event that the request is approved, the requestor will be required to print off a copy of the paper authorization. An example of this authorization is at **ANNEX 2**. In the event that the request is not approved, the requestor will be notified along with the reasons as to why.

4. Validation at Tibar Bay Port

- a) Once the request has been authorized, the CA official will scan the bar code at the base of the authorization and locate the record within AW. In the event that the bar scan is unavailable or cannot be located, the CA official will search for the record via the container number.
- b) The CA official will validate the record within AW to confirm that the container is leaving the Customs controlled area;
- c) This process will generate a "Release Order" which will be automated within the AW system and sent to TPSA.
- d) The paper authorization will then be returned to the transport driver who will retain this as a travelling copy en route to the Customs authorized warehouse;

5. Validation at the Entry Gate at the Inland Clearance Depot

- a) Upon arrival at the entry gate, the driver of the vehicle will be required to provide a copy of the paper authorization to the CA official located at the entry gate;
- b) The CA official will scan the bar code at the base of the authorization and locate the record within AW. In the event that the bar scan is unavailable or cannot be located, the CA official will search for the record via the container number. Once located, the CA official will confirm the authenticity of the paper authorization against the details contained within AW;

The CA official will then undertake a physical examination of the exterior of the container for the purposes of verifying:

- Container number
 - Seal number
 - Transporting vehicle number
 - Drivers name
- c) In the event that there are any discrepancies identified, the CA official will notify the CA Municipal Director of Operations, Tibar Bay Port (MDO), or his or her designee, immediately. The container must then be moved to a secure area prior to it being examined by CA officials;
 - d) Once the request has been authenticated and relevant checks undertaken, the CA official will acquit the record within AW to confirm that the container has arrived at the Customs controlled area;

15. ICD Clearance Procedure

This Clearance Procedure is broken down into four (4) different key stages, which are described in further detail below.

The CA is committed to applying risk management-based methodology to operational activities. If any discrepancy is identified when undertaking Stage 3 (detailed below), or at any other time during the application of this procedure, then the officer dealing with the case must report their findings to the Risk Management Department. Where appropriate to do so, this should include the officer drafting and submitting an ASYCUDA Profile Request utilizing the APR 1 form.

STAGE 1: BROKER UPLOADING OF DAU AND SUPPORTING DOCUMENTS, REGISTRATION AND

SELF-ASSESSMENT

The broker/declarant is responsible for making and uploading into AW the customs declaration (DAU) and support document, and in doing so he/she should follow the steps outlined below to reach the critical legal point of "Registration":

1. Accurately input relevant information for the DAU into ASYCUDA World (AW), and then Scan and upload clear and legible copies of all supporting documentation;
2. Check the correct "location code" has been entered for the ICD;
3. Press the "Check" function in AW to detect any input, consistency or validation errors, correct where necessary and "Check" again to ensure amendments were saved;
4. Press the "Assessment" option in AW;

AW will respond with a with a **"Registration Number"**, and will trigger selectivity by routing the DAU to one of four different Lanes: Red; Yellow; Blue or Green. AW will also send an automatic system email to authorized broker/declarant indicating that the DAU is **"Registered"**.

Critical Stage Tasks	Who is Involved	Impact
1. Uploading of DAU details into AW	<ul style="list-style-type: none"> • Broker/declarant • AW electronic process 	DAU Data captured in AW
2. Attempt to "Assess" DAU by broker/declarant	<ul style="list-style-type: none"> • Broker/declarant • AW electronic process 	DAU "Registration Nr issued." AW Selectivity triggered

From here onwards the next stages in the overall process would be slightly different for each lane.

STAGE 2: GREEN/BLUE LANE

DAUs routed to the Green or Blue lanes have an immediate short process, as follows (task numbers continue from Stage 1-Nr 3):

4. If the DAU is routed to either the Green or Blue lanes, AW will issue an **"Assessment Number"** and will send an automatic system message to the authorized broker/declarant indicating that the DAU is **"Assessed"**;
5. Assessed Green lane DAUs can be released without any further scrutiny;
6. Assessed Blue lane DAUs can be released without any further documentary or physical scrutiny during clearance, but are subject to post-clearance control (*);

(*) **Note:** Customs may conduct a Post Clearance Control within 5 years of Assessment of the Original DAU.

For both GREEN and BLUE lane DAUs, the Broker/Declarant receives an AW status message **"Assessed"** and a PDF copy of the AW Assessment Notice (AN) to proceed to duty/tax payment at the authorized bank (BNU or BCNTL).

Green/Blue lane DAUs are not checked or presented in electronic or hard copy to CREP and can therefore proceed to **Stage 3** in the electronic process: **"Payment of Duties and Taxes"** at the authorized Bank.

Critical Stage Tasks	Who is Involved	Impact
1. AW Selectivity triggered- Green/ Blue lane assessed	<ul style="list-style-type: none"> • AW electronic process 	<ul style="list-style-type: none"> • "Assessment Nr" issued; • PDF Assessment Note mailed to broker/declarant; • AW status messages to broker/declarant; • No further checking during clearance; • Can proceed to duty/ tax payment
2. AW Selectivity triggered – Selected for Yellow or Red lane control	<ul style="list-style-type: none"> • AW electronic process 	<ul style="list-style-type: none"> • Selection for documentary or documentary and physical control

YELLOW AND RED LANE DAUs GO TO STAGE 2a, or 2b and 2c.

STAGE 2A: YELLOW LANE - DOCUMENTARY EXAMINATION AT CREP

AW Selectivity – in this case the routing of a DAU to the Yellow lane – will trigger the "Automatic Allocation of Examiner" in AW and the process will be continued at CREP, with the following tasks (task numbers continue from Stage 1-Nr 3):

- 4a. At CREP, the electronically assigned Documentary Check (**Yellow**) officer receives an AW electronic notification of DAU to be checked. Simultaneously, broker/declarant also receives an AW message that the DAU has been allocated to a particular documentary examiner. It is the responsibility of the broker/declarant to check if the DAU is being processed.
- 5a. Documentary check Officer will:
 - a) Identify the reason as to why the DAU has been selected (profile or random);
 - b) Identify and undertake any specific control actions as described within the AW profile "documentation" section;
 - c) Confirm that the tariff classification, quantities, weight (if applicable), supplementary units, type of goods and values declared in the DAU are consistent with those in supporting documentation (e.g. Invoice, and/or packing list, other);
 - d) Perform a check of the DAU and supporting documents, tariff classification and values, invoiced quantities, and supplementary units (if applicable);
 - e) Ensure that the Valuation Method used was done so in accordance with Table 1 of the Customs Code, Decree law 14/2017;
 - f) Ensure that any additions or deductions to the Customs Value have been duly recorded within the AW Valuation Note;
 - g) Ensure that authorization or certificates for OGAs requirement – if applicable – are present; and

h) Write AW Inspection Act, and enter details of the examination. There are two options:

Option 1. If the DAU "conforms", (no discrepancies found in the DAU), the examiner completes the following functions in AW:

- i.) Selects the **"conform"** box in the AW Inspection Act,
- ii.) Ticks at least 4 standard checks performed;
- iii.) re-route the DAU to Green;
- iv.) **Assess** the DAU. AW issues the **Assessment Notice (AN)** and sends a PDF copy of the AN to broker/declarant in order to pay the duties and taxes. Simultaneously, the broker/declarant receive an AW status message **"Assessed"**.

Option 2. If the DAU does not conform (discrepancies are found between the documents & the DAU) the examiner does the following:

- i.) selects the **"non-conform"** box on the AW Inspection Act;
- ii.) selects the reason for non-conformity from the numeric Error/infringement code & description and Action codes in the Inspection Act;
- iii.) liaise with broker/declarant to amend errors;
- iv.) makes any required amendments, validates any changes and reroutes DAU to Green lane;
- v.) **Assesses** the DAU (provided no penalties are identified). This allows the broker/declarant to print the AN;
- vi.) If DAU non-conformity involves the application of penalties, then the DAU is sent to NDCCM (*) to calculate any penalties, based on the "error/infringement code selected by the examiner. Penalties to be added to the AN;
- vii.) Once **"non-conform"** and **"penalties"** are resolved the examiner reroutes the DAU to the **Green** lane and **assess**.

Critical Stage Tasks	Who is Involved	Impact
1. Documentary examination of Yellow lane DAUs conducted	<ul style="list-style-type: none">• AW electronic process• CREP Yellow lane allocated officer	<ul style="list-style-type: none">• Automatic allocation of CREP examiner• AW Status message to broker/declarant
2. Inspection Act – <u>Conform</u> , – Rerouting to Green lane and Assessment	<ul style="list-style-type: none">• AW electronic process• CREP Yellow lane allocated officer	<ul style="list-style-type: none">• Compliance ("Conform") identified• Assessment Nr. Issued• AW Status message to broker/declarant: "Assessed"
2. Inspection Act – <u>Not Conform</u> , – DAU, as needed	<ul style="list-style-type: none">• AW electronic process	<ul style="list-style-type: none">• Non-compliance ("Not Conform") identified

<ul style="list-style-type: none"> – Penalties applied – Rerouting to Green lane and Assessment 	<ul style="list-style-type: none"> • CREP Yellow lane allocated officer • Broker/declarant 	<ul style="list-style-type: none"> • Assessment Nr. Issued • AW Status message to broker/declarant: "Assessed"
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GO TO STAGE 3

(Duty/Tax Payment at authorized bank)

STAGE 2B: RED LANE DOCUMENTARY CHECK

The primary role of the Red lane documentary check officer at CREP is to conduct a detailed scrutiny of the DAU and supporting documents, and then redirect the DAU to the electronically allocated physical examiner at the ICD. To ensure clarity, these two different types of Red lane control actions have been listed under "Documentary Check" and "Physical Examination" below. Both controls are now linked, and the DAU can only be assessed by the originating "Documentary check officer" after completion of both controls.

The documentary check includes at least, the following tasks (tasks numbers continue from Stage 1-Nr 3):

- 4b. At CREP, the electronically assigned Documentary Check (**RED**) officer receives an AW electronic notification of DAU to be checked;
- 5b. Officer performs a check of the DAU and supporting documents, quantities, tariff classification and values. Depending on his/her findings of the documentary check, or whether the DAU is being returned from the ICD after physical examination, details of the examination may be written in the Inspection Act in either of three (3) ways:

Option 1. If the DAU "conforms", (no discrepancies found in the DAU), the examiner completes the following functions in AW:

- i.) Selects the **"conform"** box on the AW Inspection Act;
- ii.) Ticks at least 4 standard checks performed;
- iii.) Ticks the flag **"Documentary Check Done"** for the DAU to be passed to the allocated physical examiner in the ICD.

Option 2. If the DAU does not conform, (discrepancies are found between the support documents and the DAU), the examiner does the following:

- i.) selects the **"non-conform"** box on the AW Inspection Act;
- ii.) ticks the reason for non-conformity from the numeric Error/infringement code and Action codes in the Inspection Act;
- iii.) liaise with broker/declarant to amend errors;
- iv.) makes any required amendments, validates any changes; and

- v.) Ticks the flag **“Documentary Check Done”** for the DAU to be passed to the allocated physical examiner in the ICD. AW sends an **automatic message to the allocated physical examiner** at the ICD.

Important Notes:

- Documentary check officer (**RED**) **does not** reroute to Green nor assess the DAU at this stage, as this will be done after physical examination.

GO TO STAGE 2C, STEP 6c – Physical Examination at ICD

Critical Stage Tasks	Who is Involved	Impact
1. Documentary and physical examination of RED lane DAUs conducted	<ul style="list-style-type: none"> • AW electronic process • CREP Red lane allocated officer • ICD Red lane allocated officer physical examination 	<ul style="list-style-type: none"> • Automatic allocation of CREP examiner • AW Status message to broker/ declarant
2. Inspection Act – <u>Conform</u> , – Rerouting to Green lane and Assessment	<ul style="list-style-type: none"> • AW electronic process • CREP Red lane allocated officer 	<ul style="list-style-type: none"> • Compliance (“Conform”) identified • Assessment Nr. Issued • AW Status message to broker/ declarant: “Assessed”
3. Inspection Act – <u>Not Conform</u> , – DAU, as needed – Penalties applied – Rerouting to Green lane and Assessment	<ul style="list-style-type: none"> • AW electronic process • CREP Red lane allocated officer • Broker/declarant 	<ul style="list-style-type: none"> • Non-compliance (“Not Conform”) identified • Assessment Nr. Issued • AW Status message to broker/ declarant: “Assessed”

GO TO STAGE 3 – (DUTY/TAX PAYMENT AT AUTHORIZED BANK)

STAGE 2C: RED LANE PHYSICAL EXAMINATION

The Red lane physical examination officer(s) is responsible for conducting a physical examination of the consignment, at the ICD or other Customs controlled areas. This will include at least the following tasks (task numbers continue from Stage 2b – task 5b):

- 6c.** AW automatically allocated Physical Examination officer receives AW email indicating a DAU is waiting for examination. The broker/declarant also receives an AW email about the examination;
- 7c.** Before conducting the examination, the Examiner views in AW Selectivity the reason for the DAU selection (profile or random) and views the **“Instructions to examiner”** in the AW profile under “documentation”, as well as any notes or further instructions the Documentary Check officer has made in the Inspection Act to guide the physical examiner. After this, the examiner conducts the following checks:

- a) Broker/declarant prepares the container/consignment ready for examination and arranges inspection time with the examiner;
 - b) Confirms that the consignment is placed in a suitable area that allows him/her to undertake the examination in accordance with health and safety rules or regulations. In the event that this is not the case, then the examination officer shall inform the broker/declarant accordingly;
 - c) In the event that the consignment is containerized, then confirm that:
 - The container number matches the associated DAU;
 - The seal securing the rear doors is intact and free from signs of tampering or manipulation; and
 - d) Conduct the examination ensuring that goods and quantities examined match those declared in the DAU and supporting documents. To this effect the examiner will make appropriate notations in an AW connected tablet;
- 8c. Upon completing the physical check, the Examiner enters the results of the examination in the Inspection Act. Depending on the results of the examination, there are two options:
- Option 1:** If the examination “conforms” (no discrepancies in the DAU and/or the goods), the examination officer:
- a) Selects the “conform” box in the AW Inspection Act;
 - b) Ticks at least 4 standard checks performed;
 - c) re-route the DAU to Green;
 - d) Assess the DAU. AW issues the Assessment Notice (AN) and sends a PDF copy of the AN to broker/declarant in order to pay the duties and taxes. Simultaneously, the broker/declarant receives an AW status message “Assessed”.
- Option 2:** If the examination “does not conform” (i.e. there are discrepancies between goods & the DAU), the examination officer:
- a) selects the “non-conform” box on the AW Inspection Act,
 - b) ticks the reason(s) for non-conformity from the numeric Error/ infringement code and Action codes in the Inspection Act;
 - c) If DAU non conformity involves the application of penalties, the examiner writes a note in the free text box in AW Inspection Act for penalties to be applied by NDCCM;
 - d) Selects “Query” for the DAU to be transferred to Risk Management Team for Investigation.
 - e) After Investigation is completed by Risk Management, CREP will liaise with broker/declarant to amend errors;

- f) make any required amendments and validate any changes;
- g) If DAU non-conformity involves the application of penalties, then the DAU is sent to NDCCM (*) to calculate any penalties, based on the "error/infringement" code selected by the examiner. Penalties to be added to the AN;
- h) Once "non-conform" and "penalties" are resolved the CREP reroutes the DAU to the Green lane;
- i) CREP assesses the DAU. This allows the broker/declarant to print the AN;

Critical Stage Tasks	Who is Involved	Impact
1. Physical examination of RED lane DAUs conducted	<ul style="list-style-type: none"> • AW electronic process • ICD Red lane physical examination allocated officer 	<ul style="list-style-type: none"> • Automatic allocation of CREP examiner • AW Status message to broker/ declarant
2. Inspection Act – <u>Conform</u> <ul style="list-style-type: none"> – Return DAU to CREP Red lane allocated officer for finalization 	<ul style="list-style-type: none"> • AW electronic process • ICD Red lane physical examination allocated officer 	<ul style="list-style-type: none"> • Compliance ("Conform") identified • AW message to CREP Red lane allocated officer
3. Inspection Act – <u>Not Conform</u> <ul style="list-style-type: none"> – Return DAU to CREP Red Lane allocated officer for finalization 	<ul style="list-style-type: none"> • AW electronic process • CREP Red lane allocated officer • Broker/declarant 	<ul style="list-style-type: none"> • Non-compliance ("Not Conform") identified • AW message to CREP Red lane allocated officer

RETURN TO STAGE 2B - STEP 5b, OPTION 3 (DAU EXAMINATION COMPLETION)

STAGE 3: PAYMENT OF DUTIES AND TAXES AT AUTHORIZED BANK

Payment of Duties and Taxes is the continuation of **Stage 1**, Step 3; **Stage 2**, Step 6; **Stage 2a**, Step 5a, and **Stage 2b**, Step 5b, Option 3.

Brokers/declarants are responsible for paying duties and taxes owed on the DAU within a maximum of five (5) days from the date of the Assessment Notice (AN). They can do their payments either in cash or by electronic transfer from their accounts held at either:

- Banco Nacional Ultramarino (BNU) located at Rua José Maria Marques, Díli; or
- Banco Nacional de Comercio Timor Leste (BNCTL) located at 201 Av. Nicolau Lobato, Mandarin, Díli.

Note: There is an option to pay duties and taxes at PoS terminals using BNU Bank Card or Visa International Card.

Payment has two main stages, as described in a) and b) below:

a) Payment at the Authorized Bank Head Office (BNU or BNCTL)

1. Broker/declarant presents a copy of AW Assessment Notice (A.N.) to Bank cashier together with the total amount of money for the duties and taxes indicated in the AN;

2. BNU's cashier verifies the amount being tendered with the amount in the AN and receives payment;
3. BNU's cashier enters details of payment in the Bank system, issues 2 printed, stamped, and signed Bank Receipts, and gives them to the broker/ declarant.

b) Uploading Payment into AW at Customs Cashier at Customs HQ Building

4. Broker/declarant presents to Customs Cashier the stamped and signed payment Bank Receipts;
5. Customs Cashier enters the payment from Bank Receipts into AW and prints 2 x AW Receipts, signed and stamped. This causes the DAU **status** to be changed to **"Paid"** and an electronic message is sent to broker/declarant confirming this status;
6. Customs Cashier gives 1 copy of the Bank Receipt and 1 copy of AW Receipt to Broker/declarant for presentation to Customs at the ICD for issuing the Release Note.

Critical Stage Tasks	Who is Involved	Impact
1. Payment of duties and taxes at authorized bank	<ul style="list-style-type: none"> • BNU or BNCTL bank cashier • Bank's electronic system • Broker/declarant 	<ul style="list-style-type: none"> • Government Revenue collected • Bank's Receipt for Payment issued
2. Uploading onto AW duty/ tax payment made at authorized bank.	<ul style="list-style-type: none"> • AW electronic process • Customs cashier • Broker/ declarant 	<ul style="list-style-type: none"> • Payment recorded in AW DAU file • AW status message "Paid" to broker/declarant • AW Receipt for Payment issued

GO TO STAGE 4

ISSUING OF THE RELEASE ORDER

STAGE 4: ISSUING OF THE RELEASE ORDER.

This is the final stage in the Customs clearance process and is performed at the ICD premises or, at times, in other Customs controlled areas (e.g. bonded warehouse, temporary storage premises, petroleum products terminals).

The Release Order is the legal instrument issued in AW, whereby Customs authorizes the release of the goods (containerized or loose cargo) on completion of all clearance formalities.

In this Process Stage, the broker/declarant is the key actor and is responsible for:

- arranging the issuing of the Release Order with Customs;
- clearing and finalizing all other non-Customs related formalities, such as payment to the ICD Operator for handling fees and demurrage charges;
- arranging the issuing of the Exit Note with the ICD Operator;

- arranging appropriate transportation and movement of the container(s) or goods to the ICD Exit Gates.

Some of the tasks performed in this Process Stage may vary depending on whether the cargo is a Full Container Load (FCL) or Less than Container Load (LCL), which would typically be loose cargo. The tasks in this Process Stage are as follows (Task numbers continue from Stage 3, Step 6):

7. To obtain the Release Order, the broker/declarant presents to the Customs staff at the ICD a copy of the AW Receipt for the payment of duty and taxes.
8. Upon presentation of the AW Payment Receipt, the Customs officer will confirm the validity of the AW Payment Receipt within AW and will then generate the **AW Release Order** and provide a print to broker/declarant. There is no need to present a hard copy of the DAU or supporting documents.

Note: If there is a "Hold" request from Risk Management Directorate for the DAU, the ICD Customs officer informs the broker/declarant, and a release order will not be generated until the reasons for the "Hold" request are resolved.

Critical Stage Tasks	Who is Involved	Impact
1. At Broker/declarant request ICD Customs Officer to issue the Release Order	<ul style="list-style-type: none"> • Broker/declarant • ICD Customs Officer • AW electronic process 	<ul style="list-style-type: none"> • AW Release Order generated for DAU

GO TO STAGE 5

EXIT NOTE ISSUE AND VALIDATION OF THE EXIT NOTE

STAGE 5. EXIT NOTE ISSUE AND VALIDATION OF THE EXIT NOTE

This Stage takes place when declarant/broker is ready to collect the goods from the place of storage (e.g. ICD, place of temporary storage or other Customs controlled area).

At the ICD, after receiving the Release Order generated in the AW system, the facility operator will issue an AW Exit Note upon payment of any demurrage fees and handling charges incurred during the clearance process. The Exit note must be "validated" in the AW system at the time of the physical exit of the goods from the Customs controlled area.

To obtain the AW Exit Note, the broker/declarant presents to the ICD operator, a copy of the AW Release Order.

9. Upon presentation (or receiving the AW Release Order via the AW system) of the AW Release Order, the ICD operator will calculate the amount for the handling charges and demurrage fees for payment. There is no need to present a hard copy of the DAU or supporting documents.
10. The broker/declarant arranges for registered transport to come to the ICD and for the loading of the container onto transport.
11. Upon completion of payment of the handling fees and demurrage charges, the ICD operator will then generate the **AW Exit Note** within AW and provide a print to the broker/declarant.
12. When removing the goods, the driver or broker/declarant presents the Exit Note to Customs, who will:

- identify the Exit Note within AW
- check the container number/consignment against the Exit Note
- enter the drivers name and truck registration in the relevant text box
- validate the Exit Note in AW
- authorizes the vehicle and container to exit the ICD area

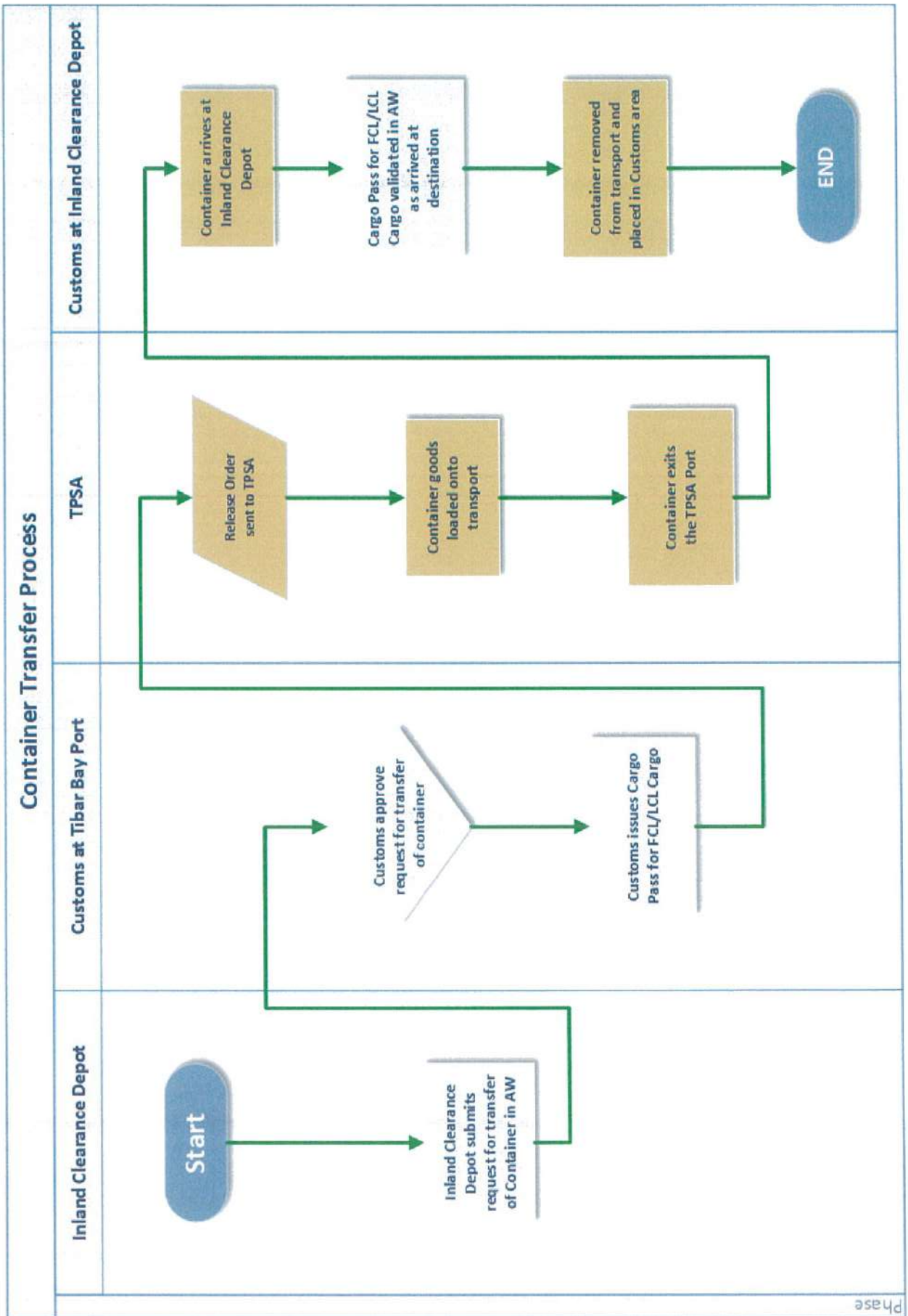
The DAU status in AW changes to **"Exited"** and a system email is sent to broker/declarant automatically.

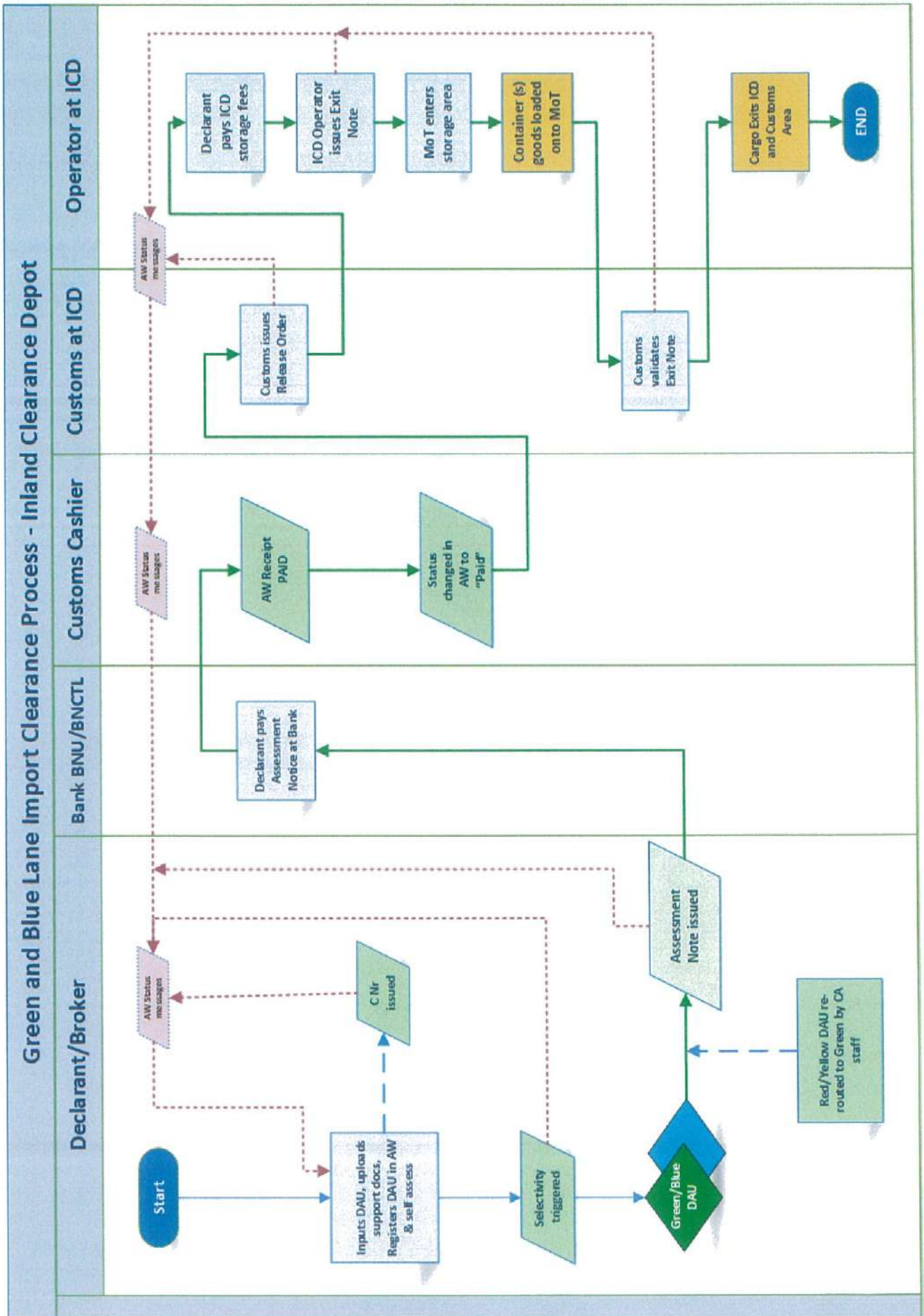
13. Truck/cargo leaves the ICD.

Critical Stage Tasks	Who is Involved	Impact
1. At Broker/ declarant request ICD Operator to issue the Exit Note	<ul style="list-style-type: none"> • Broker/declarant • ICD Operator • AW electronic process 	<ul style="list-style-type: none"> • AW Exit Note generated for DAU
2. Cargo presented for Exit Note Validation and Exit	<ul style="list-style-type: none"> • AW electronic process, • ICD Customs officer at Exit • Broker/ declarant, or driver 	<ul style="list-style-type: none"> • AW Exit Note Validated, DUA status changes to "Exited" • AW status message "Exited" sent to broker/declarant

END OF PROCESS

16. Process Cross Functional Flowcharts



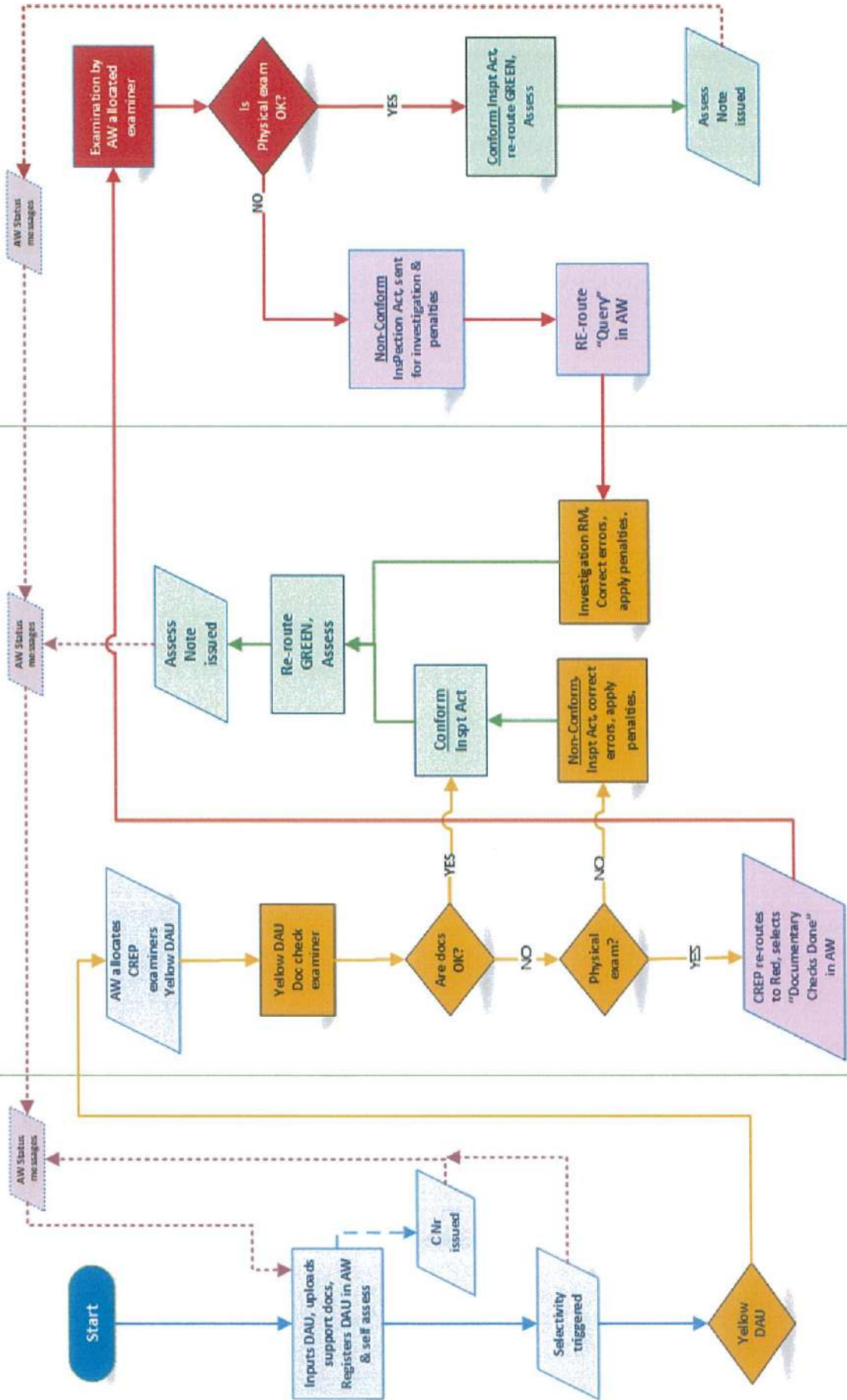


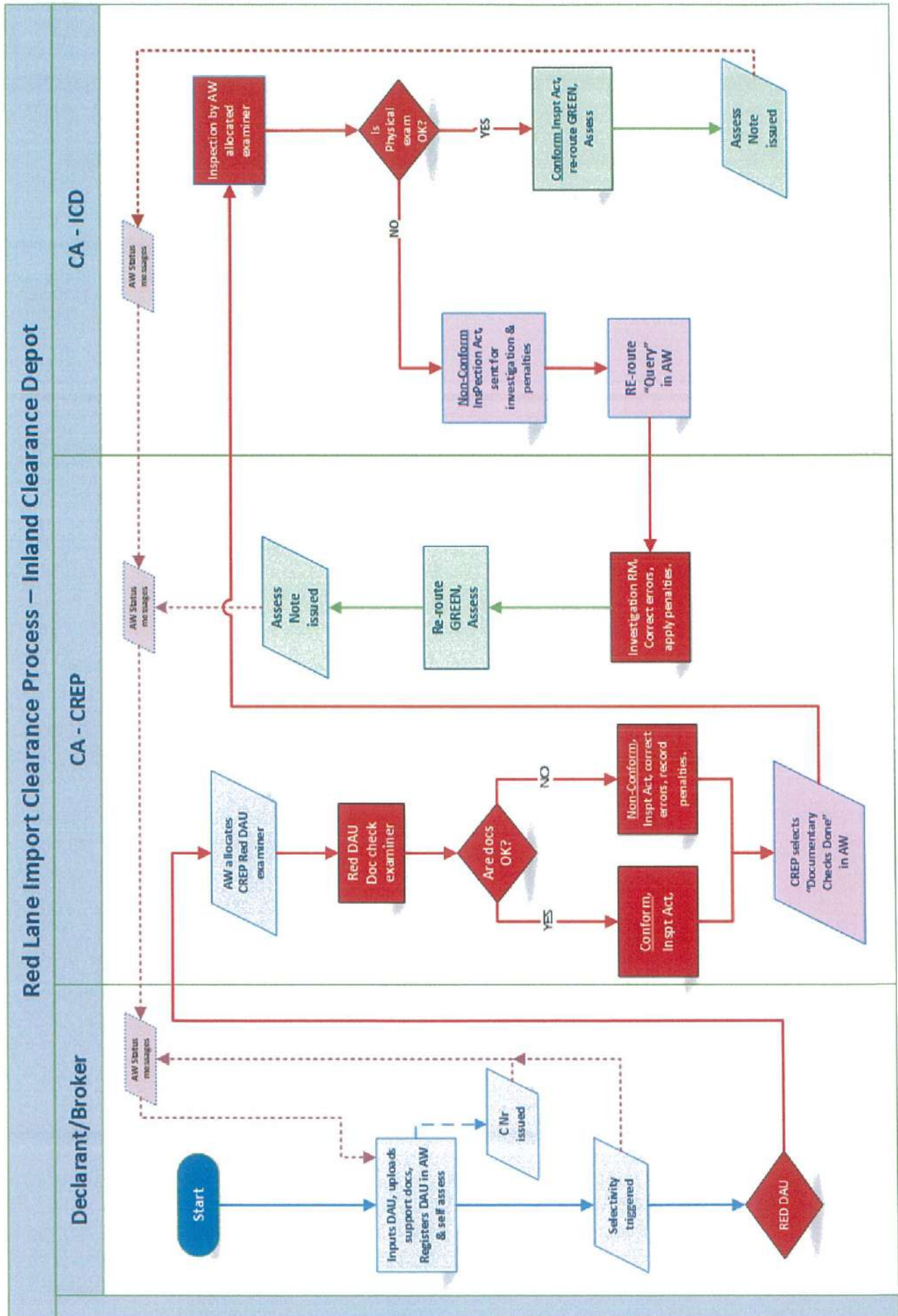
Yellow Lane Import Clearance Process - Inland Clearance Depot

Declarant/Broker

CA - CREP

CA - ICD





17. Commissioners Approval, Directives and Dissemination

By virtue of 9 (1c) of Decree Law 2/2020 which allows the Commissioner to: *“approve the administrative rules and/or instructions necessary for the operation of the Customs Authority, including the application of Customs legislation”*, I hereby:

- a) **Approve** this Standard Operating Procedure (SOP) known as, “SOP – Inland Clearance Depot Container Transfer and Clearance– 2023”;
- b) **Direct** that this SOP be communicated to all relevant CA staff, and for all CA staff to implement, apply and enforce all parts of this SOP as described; and
- c) **Direct** that this SOP shall come into effect the day after the signed date below.
- d) **Direct** that this SOP shall supersede and replace all previous SOPs for Container transfer between Customs Controlled areas (specifically SOP #003 approved 24th July 2019)

Signed on the.....12.....day of June.....2023



(official Customs seal)

Jose Antonio Fatima Abilio

Commissioner
Customs Authority
Timor Leste

18. SOP Amendments Record

Amendments

Date Approved by Commissioner	Version Number	Developer (s) name	Reviewer(s) name

END OF SOP

ANNEX 1 - Electronic AW Container Pass Request

ASYCUDA

Container Pass Number

SAD Information

Customs Office

SAD Reg Number

SAD Reg Date

Importer

Declarant

Container No.

Location

Truck No.

Vessel Name

Destination

Trailer No.

I acknowledge receipt of Customs Container Pass

Issued By:

Importer's Representative

Name & Signature

Customs Officer

Seals No.

Expected Arrival Time to Yard

Seals Affixed / Container Released By:

Cargo Agent

Seals Intact

Seals Examined By:

Customs Officer



ANNEX 2 - Printout of AW Container Pass



Container Pass for Movement Under Customs Control

Container Pass Number

P 6 20/07/2018

B/L Information

Customs Office *DIL 01 – Dili Seaport*

Voyage Number *1017N*

B/L Reference *AEL0654062*

Departure Date *26/07/2018*

Container Number *CMAU1962600*

Vessel Name *MCP London*

Truck No *TRUCK01*

Destination *AREA01*

Driver Name

Driver ID

I confirm that above information is correct.

Issued By *Name*

Warehouse Operator/Shipping Agents Representative

Name & Signature *Agent*

Administrator:

Seal No *123456*

Seals Intact *Yes*

Expected Arrival Time to Warehouse Facility

26/07/2018 13:10:00

Seals Affixed / Container Released By

Seals Examined By

Cargo Agent

Customs Officer

Name

Name



00018-090-000-012