



**AUTORIDADE ADUANEIRA**



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# **Director General Customs Authority**

## **Administrative Instruction**



**Standard Operating Procedure (SOP) for:**

**“Application of Risk Management to the  
Clearance of Goods in Timor-Leste -  
2019”**

Number \_\_\_\_\_ of \_\_\_\_/\_\_\_\_/ 2019

## 1. Standard Operating Procedure (SOP) Title

This SOP will be officially known as: ***“Application of Risk Management to the Clearance of Goods in Timor-Leste - 2019”***.

## 2. Scope

The provisions and associated annexes contained within this SOP apply to all Customs regimes, including, but not limited to: export; temporary export; re-export; transit to export; other export procedures; entry for home use; temporary import; re-importation; entry for warehousing; other import procedures and transit.

## 3. Authorization

This SOP is issued by the Director General of the Customs Authority in accordance with the following provisions:

- a) the Customs Organic Law, Decree Law 9/2017, Chapter V, (Powers of Management and Leadership Positions), Article 59 (1c) “Powers of the Director General”, that allows the DG to: *“approve the administrative rules and/or instructions necessary for the operation of the Customs Authority, including the application of Customs legislation”*.
- b) the Customs Code, Decree Law 14/2017, Article 53 (Customs Controls), which states, *“All customs controls based on risk analysis using electronic data-processing techniques, have the purpose of identifying and assess the risks and developing the necessary counter-measures, on the basis of criteria developed at national and international level.”*

## 4. Objectives of this SOP

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

- a) Who is responsible for applying the provisions contained within this SOP;
- b) Use of standard risk management definitions, process models, template forms, standard operating procedures, and registers;
- c) Processes that must be followed; and
- d) Minimalizing opportunities for procedural abuse or malfeasance.

## **5. When this Procedure Applies**

The provisions and associated annexes contained within this SOP apply to the processing and clearance of all imported and exported goods, entering or leaving the territory of Timor-Leste.

## **6. Procedure Owner**

The owner of this procedure is the National Director Risk Management (NDRM), who is responsible for:

- a) The implementation and standardized application of all the provisions in this SOP, in all relevant Customs areas nationally;
- b) Ensuring that all officers have access to a written copy of this SOP;
- c) Ensuring that all officers receive appropriate training in the content of this SOP at the relevant level;
- d) Ensuring that ASYCUDA World is available at the locations where it is required;
- e) Taking corrective measures in case the provisions contained within this SOP are not followed strictly as described;
- f) Proposing to the Director General, any changes or amendments to this SOP when operational circumstances so demand.

## **7. Changes**

Any changes to this SOP must be approved and signed by Director General, and the SOP properly updated and circulated to relevant Customs personnel prior to any changes taking effect.

## **8. Enforcing this SOP**

All relevant staff shall apply and enforce this procedure, as per the following laws:

- a) Public Service Statute Law No. 8/2004, article 40 (c);
- b) Public Service Statute Law No. 8/2004, article 43;
- c) Customs Organic Decree Law No. 9/2017; and
- d) Customs Code Decree Law No. 14/2017.

## 9. Provisions of this SOP

In pursuance with Article 53 of the Customs Code, the Director General issues this SOP hereby requiring the Customs Authority (herein referred to as Customs) to adopt, maintain and apply automated selectivity to the processing of all goods, entering or leaving the territory of Timor-Leste, as follows:

1. In order to apply appropriate controls that balance regulatory obligations against trade facilitation measures, Customs will utilize ASYCUDA World as the primary tool for the automated selection of consignments either at the point of cargo declaration (manifest), or at the point of goods declaration (submission of the DAU).
2. Provided that the information has been assessed and supplied in the appropriate format, Customs will apply automated selectivity controls upon consignments on behalf of other relevant government agencies, where appropriate to do so.
3. This SOP is compliant with the relevant international provisions and standards contained within:
  - a) Article 7 (Release and Clearance of Goods) – World Trade Organization Trade Facilitation Agreement (2013);
  - b) Chapter 6 (Customs Control) – World Customs Organization, Revised Kyoto Convention (2001); and
  - c) World Customs Organization SAFE Framework of Standards to Facilitate Global Trade (2012).
4. At the point of cargo declaration (manifest), automated selectivity will be accomplished through the setting of available filters.
5. At the point of goods declaration (submission of the DAU), automated selectivity will be accomplished through the coding of Risk Profiles (selectivity criteria), and the setting of random selectivity parameters.
6. Where there is a documented history of supply-chain stakeholders being compliant with relevant laws and regulatory requirements, then intervention activity, such as physical examinations, documentary checks, scanning, post clearance controls and routine investigations will be minimal. Supply-chain stakeholders may include (but shall not be limited to), importers, exporters, carriers, warehouse licensees, and clearing and forwarding agents (brokers).

7. Trade facilitation will be afforded to compliant supply-chain stakeholders through the routing of relevant consignments to the 'Green Lane' (non-intervention), and/or the "Blue Lane" (post release control) within the ASYCUDA World system, at the point of cargo declaration (manifest) and/or goods declaration (submission of the DAU).
8. Supply-chain stakeholders that engage in non-compliant activities will be targeted for appropriate intervention and subsequent enforcement action by Customs. Such intervention shall be primarily achieved through the routing of relevant consignments to the 'Red Lane' (physical and documentary examination), and/or 'Yellow Lane' (documentary examination), and/or 'Blue Lane' (post release controls) within the ASYCUDA World system at the point of cargo declaration (manifest) and/or goods declaration (submission of the DAU).
9. In the event that specific, credible information is received concerning a particular consignment or supply-chain stakeholder, then Customs reserves the right to apply appropriate control action irrespective of which processing lane the ASYCUDA World system may have directed the consignment to (i.e. Red, Yellow, Blue or Green Lane). Customs will adopt and maintain a procedure that clearly identifies when such action has been taken, and the reasons for doing so.
10. Customs reserves the right to re-route any consignment to a different lane within the ASYCUDA World system should appropriate circumstances exist. Such re-routing should only take place where credible information or valid reasons exist. The reasons for re-routing must be clearly documented in every case and reported to the relevant manager.
11. In order to ensure a standardized national approach to the implementation and application of this SOP, Customs will adopt the key risk definitions detailed at **ANNEX 1**.
12. To ensure the standardized application of risk management principles to all goods, Customs will adopt and maintain the World Customs Organization (WCO) Risk Management Process Model, as identified and described at **ANNEX 2**.
13. To ensure the effective, transparent and auditable application of this SOP, Customs will operationalize and maintain the Risk Management Committee. The responsibilities of this committee are detailed at **ANNEX 3**.
14. In line with Article 20 of Decree Law no. 9/2017, Customs will operationalize and maintain a Risk Management Directorate. The responsibilities of this Directorate are detailed at **ANNEX 4**.

15. Where required, information and analytical support will be provided to the Risk Management Committee and Risk Management Directorate by other relevant Customs units.
16. Customs will adopt and utilize the 'ASYCUDA Profile Request form (APR 1)' template for the drafting, submission, authorization and subsequent review of all Risk Profile (selectivity criteria) requests, as detailed at **ANNEX 5**.
17. Customs will strictly adhere to the 'APR 1 Procedure' for the submission, authorization and review of all Risk Profile (selectivity criteria) requests, as detailed at **ANNEX 6**.
18. In the event of requiring a Risk Profile (selectivity criteria) to be submitted and authorized urgently, the Chairperson of the Risk Management Committee (or any member of the Committee assigned by the Chairperson) reserves the right to provide verbal approval without the completion of an APR 1 form. This verbal authorization must be followed up with a completed and authorized APR 1 document as soon as practicably afterwards, but no longer than 72 hours from the original date of verbal approval.
19. Where possible, Customs will utilize Risk Profiles (selectivity criteria) consisting of at least three different risk (selectivity) indicators.
20. The Risk Management Directorate will review all Risk Profiles (selectivity criteria) and random selectivity parameters on a regular basis, but no later than 90 days after initial activation within the ASYCUDA World system. Risk Profiles (selectivity criteria) that produce negative results will be amended or deleted as appropriate.
21. Customs will adopt and utilize the 'ASYCUDA Profile Request form (APR 2)' template for the drafting, submission, authorization and subsequent review of all Random Selectivity, as detailed at **ANNEX 7**.
22. Customs will strictly adhere to the 'APR 2 Procedure' for the submission, authorization and review of all Random Selectivity requests, as detailed at **ANNEX 8**.
23. Random Selectivity parameters within ASYCUDA World will be set as low as practicable whilst simultaneously maintaining a credible deterrence to non-compliance, and also allowing Customs to test the assessed risk.
24. Customs will include sufficient information within the “documentation field” (contained within ASYCUDA World) for all Risk Profiles (selectivity criteria) and random selectivity parameters. Such information must include pertinent guidance that will likely assist the examining officer in discharging his or her duties. Customs will ensure that this information is not made available to non-Customs personnel, such as supply-chain

stakeholders. The Risk Profiles and Random Selectivity Parameters is confidential information.

25. In the event that a consignment is selected for control action, Customs will undertake the following minimum control actions:

**Red Lane:** Conduct a general check on consignee and/or Clearing and Forwarding Agents compliance record; verify that supporting documents match the declared tariff classification, origin and value; physically examine goods until satisfied of compliance. Follow any additional guidance recorded within the ASYCUDA World 'documentation field'. This may involve examining only a part of the consignment.

**Yellow Lane:** Conduct a general documentary check of tariff classification, origin and value. Follow any additional guidance recorded within the ASYCUDA World 'documentation field'. In the event that examining officer doubts the accuracy or legitimacy of the documents then the consignment should be re-routed to the Red Lane within ASYCUDA World, and appropriate action subsequently taken.

**Blue Lane:** Conduct a documentary check on the consignment after it has been released and exited the relevant Customs office. In most cases, control action will be undertaken in line with Post Clearance Audit activities. Follow any additional guidance recorded within the ASYCUDA World 'documentation field'. In exceptional cases, a physical control on the consignment may be required on the consignment after it has been released and exited the relevant Customs office.

26. Customs will utilize the **"Inspection Act"** within ASYCUDA World to record compliance information for each and every consignment that has been selected for control action. In the event that the declaration (DAU) **is correct**, then the assessing officer (or any other person assigned) shall tick the field marked 'conform' within Inspection Act and complete any other information as required. In the event that the declaration (DAU) **is incorrect**, then the officer (or any other person assigned) shall select the appropriate 'error/infringement' code from the list provided in Inspection Act, and then enter the examination results within the free text box.

27. Customs will encode as user-defined reports within ASYCUDA World, appropriate report templates, and make the information available to the Risk Management Committee and Risk Management Directorate. These shall include, but shall not be limited to the templates identified at **ANNEX 9**.
28. Customs will generate all other relevant reports from data contained within ASYCUDA World and other relevant sources, that identifies selectivity performance and any associated results following control action. These reports will be generated periodically and made available to appropriate Customs counterparts involved within risk management, including: the Director General; National Directors; Risk Management Committee; Risk Management Directorate and other relevant counterparts.
29. Local managers will develop risk management plans in accordance with the overall Customs Strategic Plan, and further to any recommendations made by the Director General, National Directors, Risk Management Committee, or Risk Management Directorate. These plans will be drafted utilizing the 'Risk Register' template identified at **ANNEX 10**.
30. Customs will adopt and utilize the World Customs Organization Risk Assessment Matrix to quantify risks documented within the Risk Register template identified at **ANNEX 11**.
31. Customs response to non-compliant activity must be proportionate, and determined by the extent, frequency and nature of the activity identified. Any enforcement action or sanctions must be in accordance with the Customs Code (2017) and any other relevant laws, provisions or regulations. Where applicable, this will be achieved (but may not limited to) applying the principles of the World Customs Organization Compliance Management Model identified at **ANNEX 12**.
32. Every officer of Customs will be responsible for the application of sound risk management practices within their own operational or administrative areas of responsibility, and will be required to actively contribute in the task of identifying and reporting risk. This will include the drafting and submission of Risk Profiles (selectivity criteria) to the Risk Management Directorate as required.

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## 10. Director's General Approval, Directives and Dissemination

By virtue of Article 59 (1c) of Decree Law 9/2017 that allows the DG 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, “Application of Automated Selectivity to the Processing of Goods in Timor-Leste - 2019”; and
- 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;
- c) **Direct**, that this SOP shall come into effect in one day after the signed date below.

Signed on the.....day of ..... 2019

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**Jose Abilio**

Director General

Customs Authority

Timor-Leste

*(official Customs seal)*

## 11. Amendments Record

Original SOP Approval Date	Version Number	Developer(s) Name
	v.1 (version one)	

### 11.1 Amendments

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

## ANNEX 1: Key Risk Definitions

Customs will adopt and apply the following key definitions:

TERM	DEFINITION
<b>Assessment of duties and taxes</b>	The determination of the amount of duties and taxes payable.
<b>ASYCUDA selectivity</b>	Facility contained in ASYCUDA World for managing the flow of declarations (DAUs) and the type of scrutiny to be given when processed at Customs. Selectivity is configurable in the system and can be either random or selectivity criteria (risk profile) based, or a combination of both.
<b>Audit-based control</b>	Measures by which Customs satisfy themselves as to the accuracy and authenticity of declarations (DAUs) through the examination of the relevant books, records, business systems and commercial data held by persons concerned.
<b>Blue lane</b>	The selectivity lane within ASYCUDA World where declarations (DAUs) are routed for a specific post release control.
<b>Checking the goods declaration (DAU)</b>	The action taken by the Customs to satisfy themselves that the declaration (DAU) is correctly made out and that the supporting documents required fulfil the prescribed conditions.
<b>Clearance</b>	The accomplishment of the Customs formalities necessary to allow goods to enter home use, to be exported or to be placed under another Customs procedure.
<b>Consignment</b>	Any Bill of Entry or Bill of Export (also known as Single Administrative Document).
<b>Customs</b>	The Government Service which is responsible for the administration of Customs law and the collection of duties and taxes and which also has the responsibility for the application of other laws and regulations relating to the importation, exportation, movement or storage of goods.

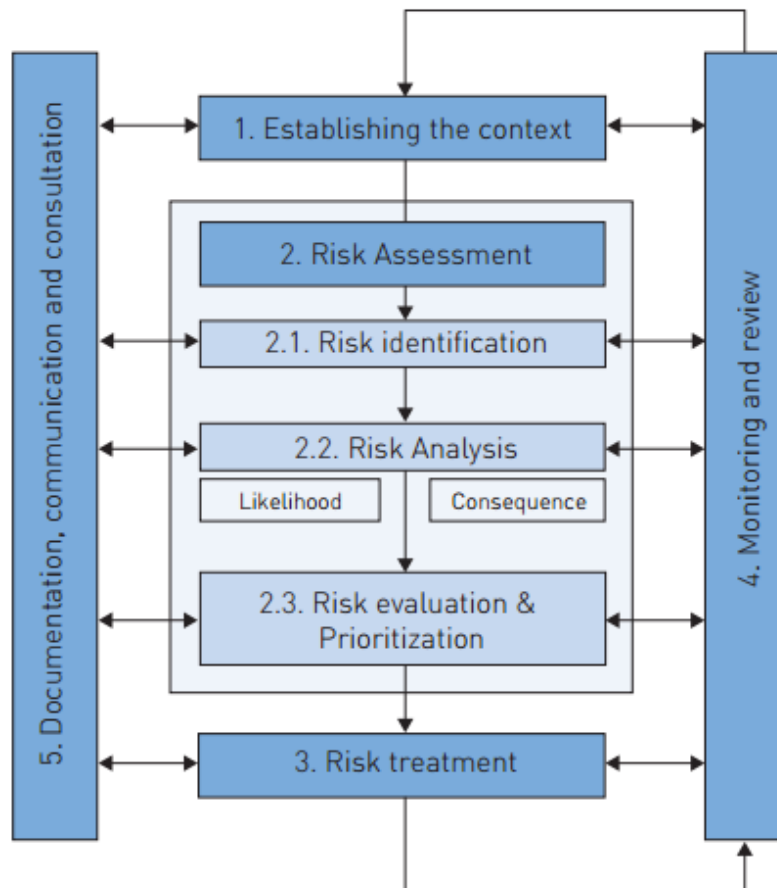
<b>Customs control</b>	Measures applied by the Customs to ensure compliance with Customs law.
<b>Customs duties</b>	The duties laid down in the Customs tariff and Tax and Duties Law to which goods are liable on entering or leaving the Customs territory.
<b>Customs formalities</b>	All the operations which must be carried out by the persons concerned and by the Customs in order to comply with the Customs law.
<b>Customs offence</b>	Any breach or attempted breach of provisions of the Customs Law or regulations.
<b>Document</b>	Any physical or electronic means designed to carry and actually carrying a record of data entries.
<b>Examination of goods</b>	The physical inspection of goods by the Customs to satisfy themselves that the nature, origin, condition, quantity and value of the goods are in accordance with the particulars furnished in the goods declaration (DAU).
<b>Goods declaration (DAU)</b>	A statement made in the manner prescribed by the Customs, by which the persons concerned indicate the Customs procedure to be applied to the goods and furnish the particulars which the Customs require for its application.
<b>Green lane</b>	The processing lane within ASYCUDA World to which consignments are routed for release without any scrutiny whatsoever.
<b>Red lane</b>	The selectivity lane within ASYCUDA World where consignments are routed for physical and documentary check.
<b>Release of goods</b>	The action by the Customs to permit goods undergoing clearance to be placed at the disposal of the persons concerned.
<b>Risk</b>	The potential for non-compliance with Customs laws or other relevant laws.

<b>Risk analysis</b>	Systematic use of available information to determine how often defined risks may occur and the magnitude of their likely consequences.
<b>Risk areas</b>	Those procedures and categories of international traffic which present a risk to Customs or other relevant agencies.
<b>Risk assessment</b>	The systematic determination of risk management priorities by evaluating and comparing the level of risk against predetermined standards, target risk levels or other criteria.
<b>Risk indicators</b>	Specific criteria which, when taken together, serve as a practical tool to select and target movements for the potential for non-compliance with Customs law or other relevant laws.
<b>Risk management</b>	The systematic application of management procedures and practices which provide Customs with the necessary information to address movements or consignments which present a risk.
<b>Risk profile</b>	A predetermined combination of risk indicators, based on information which has been gathered, analysed and categorized.
<b>Risk tolerance</b>	Customs readiness to bear the risk after risk treatment in order to achieve its objectives. i.e. the amount and type of risk that an organization is willing to take in order to meet their strategic objectives.
<b>Risk appetite</b>	Amount and type of risk that an organization is willing to pursue or retain.
<b>Supply-chain stakeholder</b>	Any non-Customs actor involved within the supply chain for import or export of consignments. Supply-chain stakeholders may include (but shall not be limited to), importers, exporters, carriers, warehouse licensees, and clearing or forwarding agents.
<b>Systems-based control</b>	Measures to ensure that a trader's system contains the checks and controls necessary for compliance with Customs laws or other relevant laws.

<b>Yellow lane</b>	The selectivity lane within ASYCUDA World where consignments are routed for documentary check.
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## ANNEX 2: Risk Management Process Model

The Timor-Leste Customs Authority will adopt and utilize the World Customs Organization (WCO) Risk Management Process model, as per the diagram shown below:



**Figure: WCO Risk Management Process Model**

The process involves the following sequential steps:

### **1. Establish the Context**

Defining the strategic, organizational and risk management context covering corporate objectives, criteria and key elements, issues and supply-chain stakeholders, to establish the administrative role of Customs. The risk management process can be applied across three levels, strategic, operational or tactical. A definition of each is provided below:

- a) **Strategic risk management:** By studying comprehensive information, Customs administrations can identify areas of risk, sift out those of minor importance, and intervene only where experienced and practical judgment indicates it is necessary. Risk areas in the Customs context can include social issues (exclusion of drugs, etc.),

import/export prohibitions and restrictions, public health, environment, commercial policy measures (e.g. Intellectual Property Rights), quotas, and duty and tax issues.

- b) **Operational risk management:** Is the determination of the level of control necessary to deal effectively with the assessed risk. An example of this is determining the audit controls applied to an importer or how to deploy limited staff and equipment effectively. Using this approach the Customs moves from being a "gatekeeper" checking every movement, to checking only selected movements which demonstrate the greatest risk.
- c) **Tactical risk management:** Is used by officers at their workplace in dealing with immediate situations. Using set procedures combined with intelligence, experience and skill, they decide which movements require greater controls.

## 2. **Risk Assessment**

### 2.1 **Risk Identification**

Determining all the risks that are involved in, and which might have an adverse impact on the activity or process, identifying how and why the risks may occur.

### 2.2 **Risk Analysis**

Determining the potential likelihood and consequences of identified risks.

### 2.3 **Risk Evaluation and Prioritization**

Determining the acceptable level of risks, and ranking unacceptable risks according to management's priorities.

## 3. **Risk Treatment**

Selecting and implementing the best possible options to deal with identified risks.

## 4. **Monitoring and Review**

Periodic monitoring and assessment of risks, the effectiveness of the treatments that have been adopted to mitigate these risks.

## 5. **Documentation, Communication and Consultation**

Continuous communication and consultation with other government counterparts and supply-chain stakeholders, including staff within the organization.



### **ANNEX 3: Terms of Reference - Risk Management Committee (RMC)**

Customs will establish and operate a standing committee to be named the “Risk Management Committee” (RMC).

#### **1. RMC MANDATE**

The RMC is responsible for the authorization of all risk based measures that ensure both compliance with, and enforcement of, the Customs Code, relevant national laws, and international Conventions or Agreements of which Timor-Leste is a signatory.

#### **2. SPECIFIC TASKS**

The RMC shall undertake the following tasks in fulfilment of its mandate:

- a) Review risk profile and random selectivity requests submitted via a completed APR 1 or APR 2 form, and make a balanced assessment of the perceived or identified risk taking into account administrative, logistical, financial, human resource, and other constraints;
- b) Approve or reject risk profile or random selectivity requests as appropriate;
- c) Authorise the input of risk profiles or random selectivity to the ASYCUDA World automated customs processing system;
- d) Obtain and review risk profile and random selectivity performance reports;
- e) Authorise the amendment, extension and cancellation of risk profiles and random selectivity parameters;
- f) Report operational results as required, and in a timely manner;
- g) Ensure that RMC decisions are implemented and adhered to throughout the CA;
- h) Review and approve Risk Registers completed by local Customs offices; and
- i) Ensure RMC meetings are convened at least monthly.

#### **3. COMMITTEE COMPOSITION**

The Committee shall comprise the following CA senior managers:

- |  |             |
|--|-------------|
| a) Director General  | Chairperson |
| b) National Director of Risk Management                        | Member      |
| c) National Director of Management and Customs Compliance      | Member      |
| d) Coordinator of Internal Audit and Ethics Unit               | Member      |
| e) Department of Risk Analysis                                 | Member      |
| f) Coordinator of Information and Customs Statistics (ASYCUDA) | Member      |

Relevant Customs staff, Customs reform technical advisers and ASYCUDA consultants may, upon invitation from Chairperson, attend any meeting of the RMC in an observer or technical capacity.

#### **4. GUIDELINES**

- a) The RMC will be solely responsible to determine which risk profiles or random selectivity parameters shall be created, approved and input into the ASYCUDA World processing system;
- b) Risk profiles may be created relating to any matter pertinent to the movement of goods entering or leaving the territory of Timor-Leste. Typically, but not exclusively, will be designed to:
  - i.) Prevent and detect the importation, exportation or unauthorized movement of prohibited or restricted goods;
  - ii.) Ensure customs revenues and taxes received reflect the true revenue and taxes due and payable;
  - iii.) Facilitate consignments through reduced levels of control action where there is a proven track record of compliance with the Customs Code and other relevant laws and regulations; and
  - iv.) Ensure compliance with Timor-Leste law generally, based upon the receipt of official requests referred to the CA from other relevant Ministries and Agencies.
- c) All RMC submissions, deliberations and decisions shall be treated strictly in confidence and must not be discussed in an inappropriate manner outside the committee environs except where absolutely necessary or for operational or legal reasons;
- d) All risk profiles and random selectivity parameters will be continually assessed to identify any potential impact upon legitimate trade;
- e) Authorized risk profile and random selectivity parameter details shall be deemed confidential at all times and should only be disclosed to relevant committee members, staff within the RMD, and authorized ASYCUDA technical team staff;
- f) All authorized risk profiles and random selectivity parameter shall be time bound, and performance monitored; and
- g) Risk profiles and random selectivity parameters shall be maintained in ASYCUDA, and regular reporting shall be provided to the RMC by the RMD.

#### **5. SECRETARIAT SUPPORT**

The Risk Management Directorate (RMD) will act as Secretariat for the RMC.

## **6. ASYCUDA TECHNICAL TEAM SUPPORT**

The Coordinator of Informatics and Customs Statistics (ASYCUDA) of the Customs Authority shall hold overall responsibility for:

- a) Advising the RMD and the RMC on the technical viability of implementing proposed risk profile and random selectivity parameters within ASYCUDA;
- b) The accurate input of authorised risk profiles and random selectivity parameters into the ASYCUDA system;
- c) Ensuring that all risk profiles and random selectivity parameters contained within ASYCUDA have been approved by the RMC;
- d) Ensuring that risk profile and random selectivity parameter information is kept confidential and only made available to those staff that require it for legitimate operational reasons;
- e) Providing additional special reports or statistics upon request of the RMC;
- f) Ensure that there is a secure audit trail within ASYCUDA capable of identifying all individual operator access to specific or collective risk profiles and random selectivity parameters; and
- g) Immediately notifying the RMC of any suspected or actual security breach of risk profile or random selectivity parameter integrity.

## **ANNEX 4: Terms of Reference - Risk Management Directorate**

Customs will operationalize and maintain the Risk Management Directorate (RMD) as per Decree Law no. 9/2017 (March, 2017).

### **1. MANDATE**

The RMD will support the Risk Management Committee (RMC), through the day-to-day collation, drafting and monitoring of all risk based measures that ensure both compliance with, and enforcement of, the Customs Code, relevant national laws, and international Conventions or Agreements of which Timor-Leste is a signatory.

### **2. SPECIFIC TASKS**

The tasks listed below are illustrative, and not intended to replace roles and responsibilities outlined within job descriptions. The RMD shall undertake the following tasks in fulfilment of its mandate:

- a) Collate risk profile requests (submitted via a completed APR 1 form) from other Customs offices, and analyse and develop as appropriate;
- b) Develop and maintain a central register for recording the receipt, submission and approval or rejection of all risk profile (APR 1) and random selectivity parameter (APR 2) requests;
- c) Collate and submit completed APR 1 requests to the RMC for review and approval;
- d) Draft risk profile and random selectivity requests via the completion of APR 1 or APR 2 forms, and submit to the RMC for review and approval;
- e) Monitor the performance of approved risk profile and random selectivity parameters and produce reports accordingly;
- f) Assist local Customs offices in the drafting of Risk Registers, and collate and submit to the RMC for review and approval;
- g) Develop and deliver risk management training to CA staff or other stakeholders as required or as directed by the RMD and Trade Facilitation Committee;
- h) Report operational selectivity results to the RMC as required, and in a timely manner;
- i) Ensure that RMC decisions are implemented and adhered to throughout the CA; and
- j) Provide secretariat support to the RMC as required.

### **3. GUIDELINES**

- a) The RMD will be responsible for ensuring that relevant risk profile or random selectivity parameters are developed and submitted for approval to the RMC;
- b) Risk Profiles (selectivity criteria) may be created relating to any matter pertinent to the movement of goods entering or leaving the territory of Timor-Leste. Typically, but not exclusively, will be designed to:
  - i.) Prevent and detect the importation, exportation or unauthorized movement of prohibited or restricted goods;
  - ii.) Ensure customs revenues and taxes received reflect the true revenue and taxes due and payable;
  - iii.) Facilitate consignments through reduced levels of control action where there is a proven track record of compliance with the Customs Code and other relevant laws and regulations;
  - iv.) Ensure compliance with Timor-Leste law generally, based upon the receipt of official requests referred to the CA from other relevant Ministries and Agencies.
- c) All RMD submissions, deliberations and decisions shall be treated strictly in confidence and must not be discussed in an inappropriate manner outside the committee environs except where absolutely necessary or for operational or legal reasons;
- d) All risk profiles and random selectivity parameters will be continually assessed to identify any potential impact upon legitimate trade;
- e) Authorized risk profile and random selectivity parameter details shall be deemed confidential at all times and should only be known to relevant committee members and authorized ASYCUDA staff;
- f) All authorized risk profiles and random selectivity parameter shall be time bound, and performance monitored; and
- g) Risk profiles and random selectivity parameters shall be maintained in ASYCUDA, and regular reporting shall be provided to the RMC by the RMD.

### **4. SECRETARIAT SUPPORT**

The Risk Management Directorate (RMD) will act as Secretariat for the RMC.

### **5. ASYCUDA TECHNICAL TEAM SUPPORT**

The Coordinator of Informatics and Customs Statistics (ASYCUDA) shall hold overall responsibility for:

- a) Advising the RMD and the RMC on the technical viability of implementing proposed risk profile and random selectivity parameters within ASYCUDA;
- b) The accurate input of authorised risk profiles and random selectivity parameters into the ASYCUDA system;
- c) Ensuring that all risk profiles and random selectivity parameters contained within ASYCUDA have been approved by the RMC;
- d) Ensuring that risk profile and random selectivity parameter information is kept confidential and only made available to those staff that require it for legitimate operational reasons;
- e) Providing additional special reports or statistics upon request of the RMC.
- f) Ensure that there is a secure audit trail within ASYCUDA capable of identifying all individual operator access to specific or collective risk profiles and random selectivity parameters;
- g) Immediately notifying the RMC of any suspected or actual security breach of risk profile or random selectivity parameter integrity.

## ANNEX 5: ASYCUDA Profile Request form (APR 1)

Customs will adopt and utilize the following standardized template for the submission, authorization and review of all Risk Profiles (selectivity criteria):

### ASYCUDA PROFILE REQUEST (APR 1)

<b>Name of Applicant:</b>	<b>Department:</b>
<b>Location:</b>	<b>Date of Request:</b> <a href="#">Click here to enter a date.</a>

PART A: TO BE COMPLETED BY REQUESTING OFFICER	
<b>1. WHAT DO YOU WANT TO SELECT?</b> <i>For example: Commodity; importer; Broker; country of origin; etc.</i>	
<b>2. WHAT ARE THE OBJECTIVES?</b> <i>Provide any information on current or past events which may influence your thoughts on the selection</i>	Choose an item.
<b>3. WHICH FIELDS OF THE CUSTOMS DECLARATION SHOULD BE USED FOR THE SELECTION?</b> <i>Give specific details of each and every field that should be considered in the selection. i.e. Tariff classification, Importer Code, Country of Origin, Consignee Code, Declarant Code</i>  <b>If the required field is not listed above or you wish to add additional fields, then provide details</b>	Choose an item. Choose an item. Choose an item. Choose an item. Choose an item. Choose an item. Choose an item. Choose an item. Choose an item. Choose an item. Choose an item.
<b>4. TYPE OF CUSTOMS PROCEDURE</b> <i>Select from the Drop Down Box</i> <i>If additional procedure codes are required, please specify</i>	Choose an item. Choose an item.  Additional (specify):

ASYCUDA PROFILE REQUEST (APR 1) - **CONFIDENTIAL** (ONCE COMPLETED)

<b>5. TYPE OF SCRUTINY</b> <i>What action should be taken as a result of the selection?</i>	<b>RED</b> lane      (physical inspection) <input type="checkbox"/> % = <b>YELLOW</b> lane      (documentary check) <input type="checkbox"/> % = <b>BLUE</b> lane      (post clearance control) <input type="checkbox"/> % =	
<b>6. TYPE OF PROFILE</b> <i>If Regional or Local, you must specify location(s)</i>	<b>NATIONAL</b> <input type="checkbox"/> <b>LOCAL</b> <input type="checkbox"/> Specify:	
<b>7. PROPOSED DATES</b>	<b>From:</b> Click here to enter a date. <b>To:</b> Click here to enter a date.	
<b>8. IMPACT ASSESSMENT</b> <i>You must consider what impact the proposed risk profile is likely to have. Where possible, you should consider a minimum of 12 months relevant data from ASYCUDA</i>  <i>Identify what intervention rates would have occurred in the event you had applied the selectivity percentages noted at Part 5</i>  <i>In the event you are unable to undertake this assessment, you must specify the reason(s)</i>	<b>Data Assessed:</b> ASYCUDA <input type="checkbox"/> Other (specify): <b>Duration Assessed:</b> 6 Months <input type="checkbox"/> 12 Months <input type="checkbox"/> 18 Months <input type="checkbox"/> Other (specify): <b>Total Number of Previous Declarations Identified:</b>  RED:    YELLOW: BLUE:    GREEN:  No Access to Relevant Data: <input type="checkbox"/> Other (specify):	
<b>9. SPECIFIC INSTRUCTIONS FOR EXAMINATION OFFICER</b> <i>You must include any information that may assist the officer in achieving the objective(s) of this request</i>		
<b>Requesting Officer</b>  Signature _____      Date: _____	<b>Authorizing Officer</b>  Signature _____      Date: _____	
<b>ONCE APPROVED YOU MUST EMAIL THIS FORM TO:      ADD ADDRES</b>		

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<b>PART B: APPROVAL AND ACTIVATION</b>		
<b>Risk Management Department</b>		<b>Date Received:</b>
<p>This profile request has been received and recorded within the central register. <b>REF:</b></p> <p>The content of this proposal has been assessed, analyzed and cross-referenced against all relevant material.</p> <p><b>Comments:</b></p>		
<b>Name:</b> _____ <div style="text-align: center;">Signature</div>	<b>Date:</b> _____	
<b>Risk Management Committee</b> <p>The Risk Management Committee has considered this request on (add date): _____ and it is hereby:</p> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 10px;"> <div style="text-align: center;"> <b>APPROVED</b>  <input type="checkbox"/> </div> <div style="text-align: center;"> <b>REJECTED</b>  <input type="checkbox"/> (see reasons below)         </div> </div> <p><b>Reason(s) for Rejection:</b></p> <p><b>Proposed Profile Details:</b></p> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 20px;"> <div style="width: 45%;"> <b>Name:</b>  <i>Member of the Risk Management Committee</i> </div> <div style="width: 45%; text-align: center;">           _____  <b>Signature</b> </div> <div style="width: 10%; text-align: center;"> <b>Date:</b>            _____         </div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 10px;"> <div style="width: 45%;"> <b>Name:</b>  <i>Member of the Risk Management Committee</i> </div> <div style="width: 45%; text-align: center;">           _____  <b>Signature</b> </div> <div style="width: 10%; text-align: center;"> <b>Date:</b>            _____         </div> </div>		
<b>ASYCUDA DEPARTMENT</b>		<b>Date Received:</b>
<p>This Profile has been coded, tested and activated.</p> <p><b>Location:</b></p>		
<b>Name:</b> _____ <div style="text-align: center;">Signature</div>	<b>Date:</b> _____	

ASYCUDA PROFILE REQUEST (APR 1) - **CONFIDENTIAL** (ONCE COMPLETED)

<b>PART C: FIRST REVIEW</b>																												
<p><b>PROFILE REVIEW BY THE RISK MANAGEMENT COMMITTEE</b></p> <p>After evaluating this profile, the Risk Management Committee has decided to:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 15%;"><b>RETAIN</b></td> <td style="width: 5%;"><input type="checkbox"/></td> <td style="width: 35%;">length of time:</td> <td style="width: 20%;"><b>FROM:</b></td> <td style="width: 25%;"><b>TO:</b></td> </tr> <tr> <td><b>DELETE</b></td> <td><input type="checkbox"/></td> <td>(see reasons below)</td> <td></td> <td></td> </tr> <tr> <td><b>DEVELOP</b></td> <td><input type="checkbox"/></td> <td>(see reasons below)</td> <td></td> <td></td> </tr> </table> <p><b>Reasons:</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 45%;"> <b>Name:</b>  <i>Member of the Risk Management Committee</i> </td> <td style="width: 10%; text-align: center;">           _____  <b>Signature</b> </td> <td style="width: 45%; text-align: right;"> <b>Date:</b> </td> </tr> <tr> <td style="height: 40px;"></td> <td></td> <td></td> </tr> <tr> <td> <b>Name:</b>  <i>Member of the Risk Management Committee</i> </td> <td style="text-align: center;">           _____  <b>Signature</b> </td> <td style="text-align: right;"> <b>Date:</b> </td> </tr> </table>					<b>RETAIN</b>	<input type="checkbox"/>	length of time:	<b>FROM:</b>	<b>TO:</b>	<b>DELETE</b>	<input type="checkbox"/>	(see reasons below)			<b>DEVELOP</b>	<input type="checkbox"/>	(see reasons below)			<b>Name:</b> <i>Member of the Risk Management Committee</i>	_____ <b>Signature</b>	<b>Date:</b>				<b>Name:</b> <i>Member of the Risk Management Committee</i>	_____ <b>Signature</b>	<b>Date:</b>
<b>RETAIN</b>	<input type="checkbox"/>	length of time:	<b>FROM:</b>	<b>TO:</b>																								
<b>DELETE</b>	<input type="checkbox"/>	(see reasons below)																										
<b>DEVELOP</b>	<input type="checkbox"/>	(see reasons below)																										
<b>Name:</b> <i>Member of the Risk Management Committee</i>	_____ <b>Signature</b>	<b>Date:</b>																										
<b>Name:</b> <i>Member of the Risk Management Committee</i>	_____ <b>Signature</b>	<b>Date:</b>																										
<b>SECOND REVIEW</b>																												
<p><b>PROFILE REVIEW BY THE RISK MANAGEMENT COMMITTEE</b></p> <p>After evaluating this profile, the Committee has decided to:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 15%;"><b>RETAIN</b></td> <td style="width: 5%;"><input type="checkbox"/></td> <td style="width: 35%;">length of time:</td> <td style="width: 20%;"><b>FROM:</b></td> <td style="width: 25%;"><b>TO:</b></td> </tr> <tr> <td><b>DELETE</b></td> <td><input type="checkbox"/></td> <td>(see reasons below)</td> <td></td> <td></td> </tr> <tr> <td><b>DEVELOP</b></td> <td><input type="checkbox"/></td> <td>(see reasons below)</td> <td></td> <td></td> </tr> </table> <p><b>Reasons:</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 45%;"> <b>Name:</b>  <i>Member of the Risk Management Committee</i> </td> <td style="width: 10%; text-align: center;">           _____  <b>Signature</b> </td> <td style="width: 45%; text-align: right;"> <b>Date:</b> </td> </tr> <tr> <td style="height: 40px;"></td> <td></td> <td></td> </tr> <tr> <td> <b>Name:</b>  <i>Member of the Risk Management Committee</i> </td> <td style="text-align: center;">           _____  <b>Signature</b> </td> <td style="text-align: right;"> <b>Date:</b> </td> </tr> </table>					<b>RETAIN</b>	<input type="checkbox"/>	length of time:	<b>FROM:</b>	<b>TO:</b>	<b>DELETE</b>	<input type="checkbox"/>	(see reasons below)			<b>DEVELOP</b>	<input type="checkbox"/>	(see reasons below)			<b>Name:</b> <i>Member of the Risk Management Committee</i>	_____ <b>Signature</b>	<b>Date:</b>				<b>Name:</b> <i>Member of the Risk Management Committee</i>	_____ <b>Signature</b>	<b>Date:</b>
<b>RETAIN</b>	<input type="checkbox"/>	length of time:	<b>FROM:</b>	<b>TO:</b>																								
<b>DELETE</b>	<input type="checkbox"/>	(see reasons below)																										
<b>DEVELOP</b>	<input type="checkbox"/>	(see reasons below)																										
<b>Name:</b> <i>Member of the Risk Management Committee</i>	_____ <b>Signature</b>	<b>Date:</b>																										
<b>Name:</b> <i>Member of the Risk Management Committee</i>	_____ <b>Signature</b>	<b>Date:</b>																										
<b>YOU MUST USE CONTINUATION FORMS FOR ANY ADDITIONAL PERIODICAL REVIEWS</b>																												

ASYCUDA PROFILE REQUEST (APR 1) - **CONFIDENTIAL** (ONCE COMPLETED)

## **ANNEX 6: ASYCUDA Profile Request form (APR 1) Process**

Customs will adopt and apply the following procedure for the submission, authorization and review of all Risk Profiles (selectivity criteria):

<b>STEP</b>	<b>ACTIVITY</b>	<b>RESPONSIBILITY</b>
<b>1.</b>	<p><b><u>Requesting a Risk Profile</u></b></p> <p>All Risk Profiles will be drafted and submitted utilizing the standard ASYCUDA Profile Request form (APR 1). If the request emanates from a different Government agency, then the Risk Management Directorate will be responsible to complete the APR 1 form on behalf of that agency after validating that request and inform that agency of the results achieved.</p>	<p><b>Requesting Customs Officer</b></p> <p><b>Or</b></p> <p><b>Other GOTL official</b></p>
<b>1.b.</b>	<p><b><u>Approval of Urgent Requests</u></b></p> <p>In the event that a Risk Profile needs to be submitted and authorized urgently, the Risk Management Committee will retain the right to provide approval without the completion of an APR 1 form. This verbal authorization must be followed up with a properly completed and authorized APR 1 form as soon as practicably afterwards (no longer than 72 hours from the original date of approval). This mechanism must only be utilized for requests that are genuinely urgent.</p>	<p><b>Risk Management Committee</b></p>
<b>2.</b>	<p><b><u>Risk Profile Request – Initial Approval</u></b></p> <p>Once drafted, the APR 1 form must be submitted to the requesting officer's line manager for initial approval. If the line manager does not approve the request, they must document the reasons why. If the requesting officer believes the request is still valid, they can submit it directly to the Risk Management Directorate. The requesting officer must include details of why the request was initially rejected, and reasons why he or she believes it remains valid.</p>	<p><b>Line Manager</b></p>

<b>3.</b>	<p><b><u>Submission of the Risk Profile</u></b></p> <p>All completed APR 1 forms must be sent via email to the Risk Management Directorate. There is no requirement for a physical signature on the APR 1 form.</p>	<b>Requesting Officer or Line Manager</b>
<b>4.</b>	<p><b><u>Recording the APR1</u></b></p> <p>The Risk Management Directorate will be responsible for the recording of all completed APR 1 forms in a central database.</p>	<b>Risk Management Directorate</b>
<b>5.</b>	<p><b><u>Analysis and Development</u></b></p> <p>The Risk Management Directorate will be responsible for analysing all APR 1 forms that are received. Where appropriate, the Risk Management Directorate will provide additional information in support of the request and commentary on the validity of the Risk Profile requested. Once completed, the Risk Management Directorate will pass the APR 1 form to the Risk Management Committee for review and approval.</p>	<b>Risk Management Directorate</b>
<b>6.</b>	<p><b><u>Approval of the Risk Profile</u></b></p> <p>Only nominated officials within the Risk Management Committee are authorized to approve an APR 1 request. This approval will require the signatures of at least two of the Risk Management Committee members. Where necessary, the Risk Management Committee may invite the requesting officer or any other unit, to explain an APR 1 request in more detail. All APR 1 requests must be considered by the Risk Management Committee and approved or rejected accordingly. All observations must be clearly marked on the APR 1 request form.</p>	<b>Risk Management Committee</b>
<b>7.</b>	<p><b><u>Updating the Central Database</u></b></p> <p>The Risk Management Directorate will update the central database to identify when the APR 1 was reviewed and the decision taken. All approved APR 1's will be sent to the ASYCUDA Technical Unit for testing and coding. The Risk Management Directorate will advise the requesting officer and Director whether the request was approved or rejected, but will not confirm the composition of the risk profile(s). All rejected or approved APR 1's must be securely stored in line with the CA's</p>	<b>Risk Management Directorate</b>

	Protective Marking policy on handling confidential material.	
<b>8.</b>	<p><b><u>Testing and Coding of the Risk Profile</u></b></p> <p>The appropriate ASYCUDA team will be responsible for assessing the technical viability of the Risk Profile and subsequently testing and coding it within the ASYCUDA World system. Only those APR 1 requests that have been authorized in line with this procedure may be implemented. The ASYCUDA team must explicitly follow the criteria documented within the authorized request. If coding of the criteria is not technically feasible, the ASYCUDA team must record their findings on the APR 1 form and return it to the Risk Management Directorate. Once the risk profile has implemented the ASYCUDA team should document the APR 1 form accordingly, and return it to the Risk Management Directorate.</p>	<b>ASYCUDA Technical Team</b>
<b>9.</b>	<p><b><u>Updating the Central Database</u></b></p> <p>The Risk Management Directorate will update the central database to show when the Risk Profile was tested and coded by the ASYCUDA team.</p>	<b>Risk Management Directorate</b>
<b>10.</b>	<p><b><u>Monitoring Review Dates</u></b></p> <p>The Risk Management Directorate will be responsible for monitoring the validity dates of all Risk Profiles to ensure that they do not lapse prior to being reviewed. This will include the analysis of all available information to identify the success of any single or group of Risk Profiles and should include any associated results. The Risk Management Directorate will ensure that all approved APR1 forms, along with any associated performance analysis, are provided to the Risk Management Committee a minimum of 10 days prior to the lapse of any validity date.</p>	<b>Risk Management Directorate</b>

<p><b>11.</b></p>	<p><b><u>Renewal, Deletion or Amendment of Risk Profiles</u></b></p> <p>The Risk Management Committee will be responsible for reviewing all Risk Profiles. These reviews must be undertaken prior to the validity date associated with the request lapsing. Where necessary, the Risk Management Committee may invite members of the Risk Management Directorate, ASYCUDA team, or any other unit to explain the background of the Risk Profile in more detail.</p>	<p><b>Risk Management Committee</b></p>
<p><b>12.</b></p>	<p><b><u>Updating the Central Database</u></b></p> <p>The Risk Management Directorate will update the central database to show when the Risk Profile was reviewed and the result. The Risk Management Directorate must then follow the steps outlined at from Step 8 of this procedure onwards.</p>	<p><b>Risk Management Directorate</b></p>

## ANNEX 7: ASYCUDA Profile Request form (APR 2)

Customs will adopt and utilize the following standardized template for the submission, authorization and review of all Random Selectivity parameters:

### ASYCUDA PROFILE REQUEST – RANDOM SELECTIVITY (APR 2)

<b>Name of Applicant:</b>	<b>Department:</b>
<b>Location:</b>	<b>Date of Request:</b> <a href="#">Click here to enter a date.</a>

PART A: TO BE COMPLETED BY RISK MANAGEMENT DEPARTMENT ONLY	
<b>1. TYPE OF CUSTOMS PROCEDURE</b> <i>Select from the Drop Down Box</i>  <i>If additional procedure codes are required, please specify</i>	Choose an item. Choose an item.  Additional (specify):
<b>2. RANDOM SELECTIVITY PARAMETERS</b> <i>What percentage should be selected?</i>	<b>RED</b> lane (physical inspection) <input type="checkbox"/> % = <b>YELLOW</b> lane (documentary check) <input type="checkbox"/> % = <b>BLUE</b> lane (post clearance control) <input type="checkbox"/> % =
<b>3. LOCATION</b> <i>If Local, you must specify location(s)</i>	<b>NATIONAL</b> <input type="checkbox"/> <b>LOCAL</b> <input type="checkbox"/> Specify:
<b>4. PROPOSED DATES</b>	<b>From:</b> <a href="#">Click here to enter a date.</a> <b>To:</b> <a href="#">Click here to enter a date.</a>
<b>5. IMPACT ASSESSMENT</b> <i>You must consider what impact the proposed parameters are likely to have.</i>  <i>Where possible, you should consider a minimum of 12 months relevant data from ASYCUDA</i>  <i>Identify what intervention rates would have occurred in the event you had applied the selectivity percentages noted at Part 5</i>  <i>In the event you are unable to undertake this assessment, you must specify the reason(s)</i>	<b>Data Assessed:</b> ASYCUDA <input type="checkbox"/> Other (specify):  <b>Duration Assessed:</b> 6 Months <input type="checkbox"/> 12 Months <input type="checkbox"/> 18 Months <input type="checkbox"/> Other (specify):  <b>Total Number of Previous Declarations Identified:</b>  RED: YELLOW: BLUE: GREEN:  No Access to Relevant Data: <input type="checkbox"/> Other (specify):

ASYCUDA PROFILE REQUEST (APR 2) - **CONFIDENTIAL** (ONCE COMPLETED)

<b>6. SPECIFIC INSTRUCTIONS FOR EXAMINATION OFFICER</b> <i>You must include any information that may assist the officer in achieving the objective(s) of this request</i>	
<b>Requesting Officer</b>  <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 60%;">             Signature _____           </div> <div style="width: 35%;">             Date: _____           </div> </div>	

<b>PART B: APPROVAL AND ACTIVATION</b>		
<b>Risk Management Committee</b>  The Risk Management Committee has considered this request on (add date): _____ and it is hereby:  <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 30%;"> <b>APPROVED</b> <input type="checkbox"/>  <b>REJECTED</b> <input type="checkbox"/> </div> <div style="width: 65%;">             (see reasons below)           </div> </div> <p style="margin-top: 10px;"><b>Reason(s) for Rejection:</b></p> <p style="margin-top: 10px;"><b>Proposed Profile Details:</b></p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;"> <b>Name:</b>  <i>Member of the Risk Management Committee</i> </div> <div style="width: 30%;">             Signature _____           </div> <div style="width: 20%;"> <b>Date:</b>              _____           </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> <b>Name:</b>  <i>Member of the Risk Management Committee</i> </div> <div style="width: 30%;">             Signature _____           </div> <div style="width: 20%;"> <b>Date:</b>              _____           </div> </div>		
<div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <div><b>ASYCUDA DEPARTMENT</b></div> <div><b>Date Received:</b> _____</div> <div><b>Location:</b> _____</div> </div> <p style="margin-bottom: 10px;">This Profile has been coded, tested and activated.</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <b>Name:</b>              Signature _____           </div> <div style="width: 50%;"> <b>Date:</b>              _____           </div> </div>		

ASYCUDA PROFILE REQUEST (APR 2) - **CONFIDENTIAL** (ONCE COMPLETED)



<b>PART C: FIRST REVIEW</b>																			
<p><b>PROFILE REVIEW BY THE RISK MANAGEMENT COMMITTEE</b></p> <p>After evaluating this profile, the Risk Management Committee has decided to:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 15%;"><b>RETAIN</b></td> <td style="width: 5%;"><input type="checkbox"/></td> <td style="width: 35%;">length of time:</td> <td style="width: 15%;"><b>FROM:</b></td> <td style="width: 30%;"><b>TO:</b></td> </tr> <tr> <td><b>DELETE</b></td> <td><input type="checkbox"/></td> <td>(see reasons below)</td> <td></td> <td></td> </tr> <tr> <td><b>DEVELOP</b></td> <td><input type="checkbox"/></td> <td>(see reasons below)</td> <td></td> <td></td> </tr> </table> <p><b>Reasons:</b></p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>Name:</b> <i>Member of the Risk Management Committee</i></p> </div> <div style="width: 40%; border-top: 1px solid black; text-align: center;"> <p><b>Signature</b></p> </div> <div style="width: 15%; text-align: center;"> <p><b>Date:</b></p> </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>Name:</b> <i>Member of the Risk Management Committee</i></p> </div> <div style="width: 40%; border-top: 1px solid black; text-align: center;"> <p><b>Signature</b></p> </div> <div style="width: 15%; text-align: center;"> <p><b>Date:</b></p> </div> </div>					<b>RETAIN</b>	<input type="checkbox"/>	length of time:	<b>FROM:</b>	<b>TO:</b>	<b>DELETE</b>	<input type="checkbox"/>	(see reasons below)			<b>DEVELOP</b>	<input type="checkbox"/>	(see reasons below)		
<b>RETAIN</b>	<input type="checkbox"/>	length of time:	<b>FROM:</b>	<b>TO:</b>															
<b>DELETE</b>	<input type="checkbox"/>	(see reasons below)																	
<b>DEVELOP</b>	<input type="checkbox"/>	(see reasons below)																	
<b>SECOND REVIEW</b>																			
<p><b>PROFILE REVIEW BY THE RISK MANAGEMENT COMMITTEE</b></p> <p>After evaluating this profile, the Committee has decided to:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 15%;"><b>RETAIN</b></td> <td style="width: 5%;"><input type="checkbox"/></td> <td style="width: 35%;">length of time:</td> <td style="width: 15%;"><b>FROM:</b></td> <td style="width: 30%;"><b>TO:</b></td> </tr> <tr> <td><b>DELETE</b></td> <td><input type="checkbox"/></td> <td>(see reasons below)</td> <td></td> <td></td> </tr> <tr> <td><b>DEVELOP</b></td> <td><input type="checkbox"/></td> <td>(see reasons below)</td> <td></td> <td></td> </tr> </table> <p><b>Reasons:</b></p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>Name:</b> <i>Member of the Risk Management Committee</i></p> </div> <div style="width: 40%; border-top: 1px solid black; text-align: center;"> <p><b>Signature</b></p> </div> <div style="width: 15%; text-align: center;"> <p><b>Date:</b></p> </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>Name:</b> <i>Member of the Risk Management Committee</i></p> </div> <div style="width: 40%; border-top: 1px solid black; text-align: center;"> <p><b>Signature</b></p> </div> <div style="width: 15%; text-align: center;"> <p><b>Date:</b></p> </div> </div>					<b>RETAIN</b>	<input type="checkbox"/>	length of time:	<b>FROM:</b>	<b>TO:</b>	<b>DELETE</b>	<input type="checkbox"/>	(see reasons below)			<b>DEVELOP</b>	<input type="checkbox"/>	(see reasons below)		
<b>RETAIN</b>	<input type="checkbox"/>	length of time:	<b>FROM:</b>	<b>TO:</b>															
<b>DELETE</b>	<input type="checkbox"/>	(see reasons below)																	
<b>DEVELOP</b>	<input type="checkbox"/>	(see reasons below)																	
<b>YOU MUST USE CONTINUATION FORMS FOR ANY ADDITIONAL PERIODICAL REVIEWS</b>																			

ASYCUDA PROFILE REQUEST (APR 2) - **CONFIDENTIAL** (ONCE COMPLETED)

## **ANNEX 8: Random Selectivity (APR 2) Process**

Customs will adopt and apply the following procedure for the submission, authorization and review of all Random Selectivity parameters:

<b>STEP</b>	<b>ACTIVITY</b>	<b>RESPONSIBILITY</b>
<b>1.</b>	<b><u>Requesting a Random Selectivity Parameter</u></b>  All requests for Random Selectivity will be drafted and submitted by a member of the Risk Management Directorate utilizing the standard ASYCUDA Profile Request – Random Selectivity form (APR 2).	<b>Risk Management Directorate</b>
<b>2.</b>	<b><u>Recording the APR 2</u></b>  The Risk Management Directorate will be responsible for the recording of all completed APR 1 forms in a central database.	<b>Risk Management Directorate</b>
<b>3.</b>	<b><u>Analysis and Development</u></b>  The Risk Management Directorate will be responsible for analysing all APR 2 forms that are received. Where appropriate, the Risk Management Directorate will provide additional information in support of the request and commentary on the validity of the parameters requested. Once completed, the Risk Management Directorate will pass the APR 2 form to the Risk Management Committee for review and approval.	<b>Risk Management Directorate</b>
<b>4.</b>	<b><u>Approval of the Random Parameter</u></b>  Only nominated officials within the Risk Management Committee are authorized to approve an APR 2 request. This approval will require the signatures of at least two of the Risk Management Committee members. Where necessary, the Risk Management Committee may invite the Risk Management Directorate, to explain an APR 2 request in more detail. All APR 2 requests must be considered by the Risk Management Committee and approved or rejected	<b>Risk Management Committee</b>

	accordingly. All observations must be clearly marked on the APR 2 request form.	
5.	<p><b><u>Updating the Central Database</u></b></p> <p>The Risk Management Directorate will update the central database to identify when the APR 2 was sent for approval and the decision taken. All approved APR 2's will be sent to the ASYCUDA Technical Unit for testing and coding. All rejected or approved APR 2's will be securely stored in line with the CA's Protective Marking policy on handling confidential material.</p>	<b>Risk Management Directorate</b>
6.	<p><b><u>Testing the Random Selectivity Parameter</u></b></p> <p>The appropriate ASYCUDA team will be responsible for assessing the technical viability of the Random Parameter and subsequently testing it within the ASYCUDA World system. Only those APR 2 requests that have been authorized in line with this procedure may be implemented. The ASYCUDA team must explicitly follow the procedure documented within the authorized request. If the random parameter is likely to add excessive selections when combined with set profiles, the ASYCUDA team must record their findings on the APR 2 form and return it to the Risk Management Directorate to reconsider the proposed parameter, as amend/withdraw, as required. Once any random parameter has been implemented the ASYCUDA team should document the APR 2 form accordingly, and return it to the Risk Management Directorate.</p>	<b>ASYCUDA Team</b>
7.	<p><b><u>Updating the Central Database</u></b></p> <p>The Risk Management Directorate will update the central database to show when the Random Selectivity parameter(s) was tested and coded by the ASYCUDA team.</p>	<b>Risk Management Directorate</b>

8.	<p><b><u>Monitoring Review Dates</u></b></p> <p>The Risk Management Directorate will be responsible for monitoring the validity dates of all Random Selectivity parameters to ensure that they do not lapse prior to being reviewed. This will include the analysis of all available information to identify the impact and any associated results. The Risk Management Directorate will ensure that all approved APR 2 forms, along with any associated performance analysis, are provided to the Risk Management Committee a minimum of 10 days prior to the lapse of any validity date.</p>	Risk Management Directorate
9.	<p><b><u>Renewal, Deletion or Amendment of Random Parameters</u></b></p> <p>The Risk Management Committee will be responsible for reviewing all Random Selectivity parameters. These reviews shall include the impact of random parameters, combined with profiles, on the whole selectivity make up, and must be undertaken prior to the validity date associated with the request lapsing. Where necessary, the Risk Management Committee may invite members of the Risk Management Directorate, ASYCUDA team, or any other unit to explain the background of the parameters in more detail.</p>	Risk Management Committee
10.	<p><b><u>Updating the Central Database</u></b></p> <p>The Risk Management Directorate will update the central database to show when the Random Selectivity parameter(s) reviewed and the result. The Risk Management Directorate must then follow the steps outlined at from Step 8 of this procedure onwards.</p>	Risk Management Directorate

## **ANNEX 9: ASYCUDA Template Reports**

Customs will encode the following reports within the ASYCUDA World processing system as user-defined reports, and make the data made available to the Risk Management Committee and Risk Management Directorate every two weeks, or upon request. Where appropriate, Customs may amalgamate these reports or expand to include additional information as required:

### **REPORT 1: PERFORMANCE SUMMARY**

This report should provide a summary of selectivity performance for the specified period of time in each Customs location.

Location Name			Period			
Total Nr. Declarations			Total Revenue in USD			
Lanes	Nr. Declarations	%	Nr. Declarations Changed	% Declarations changed	Amount of Additional Tax	% of Total Revenue
Red						
Yellow						
Blue						
Green						
Totals						

### **REPORT 2: RANDOM SELECTIVITY**

This report should identify what percentages random selectivity was set at for the three selectivity lanes. The report should include details of any changes in percentages during the requested period.

SELECTIVITY LANE	%	DATES
RED		
YELLOW		
BLUE		

### **REPORT 3: RISK PROFILE SUMMARY (ACTIVATED AND DEACTIVATED)**

This report should list all risk profiles that were activated or de-activated within ASYCUDA for the specific location requested in the period requested. This should include identifier (such as username) of any staff member.

Criteria Name	Date Activated	Identifier of Person that Coded and Activated Profile	Date De-activated (if applicable)	Identifier of Person that Coded and Deactivated Profile

#### **REPORT 4:**                **RISK PROFILE HITS**

This report should list all risk profiles that were ‘hit’ at that location in the period requested at the specific location in the period requested.

Criteria Name	Nr of Hits RED	Nr of Hits YELLOW	Nr of Hits BLUE	Total
<b>TOTALS</b>				

#### **REPORT 5:**                **RISK PROFILES WITH NOT HIT**

This report should list all risk profiles that were not ‘hit’ at that location in the period requested. (i.e. not appearing in list above) at the specific location.

Criteria Name

#### **REPORT 6:**                **RANDOM SELECTIVITY COUNT**

This report should list the total number of times each declaration (DAU) was selected by a random parameter in the period requested for the specific location.

CTR_COD (Random only)	Number of SADs
Random Red	
Random Yellow	
Random Blue	
Total	

**REPORT 7: RISK PROFILE CRITERIA (DETAILED)**

This report should provide detailed information about each risk profile active within ASYCUDA World within the period requested for that specific location. Information should include criteria name, all relevant criteria identifiers (such as TIN, commodity code etc.), selectivity percentages and notes to examiner.

Criteria Name	Dates Active	Criteria 1	Criteria 2	Criteria 3	Criteria 4	Criteria 5	Selectivity % RED	Selectivity % YELLOW	Selectivity % BLUE	Notes to Examiner

**REPORT 8: GREEN LANE DECLARATIONS – FIRST ASSESSMENT (NO REROUTING)**

This report should provide detailed information that identifies exactly which consignments were routed to **GREEN** Lane (first assessment with no re-routing)

SAD_NO	SAD_DATE	IMPORTER NAME	IMPORTER TIN	BROKER NAME	BROKER TIN	SAD_TOTAL_TAXES1 (Original Tax)	SAD_TOTAL_TAXES2 (additional Taxes)	Infringement details (if any)

**REPORT 9:**                    **RED LANE DECLARATIONS – FIRST ASSESSMENT (NO REROUTING)**

This report should provide detailed information that identifies exactly which consignments were routed to **RED** lane (first assessment with no re-routing)

SAD_NO	SAD_DATE	IMPORTER NAME	IMPORTER TIN	BROKER NAME	BROKER TIN	SAD_TOTAL_TAXES1 (Original Tax)	SAD_TOTAL_TAXES2 (additional Taxes)	Infringement details (if any)

**REPORT 10:**                    **YELLOW LANE DECLARATIONS – FIRST ASSESSMENT (NO REROUTING)**

This report should provide detailed information that identifies exactly which consignments were routed to **YELLOW** lane (first assessment with no re-routing)

SAD_NO	SAD_DATE	IMPORTER NAME	IMPORTER TIN	BROKER NAME	BROKER TIN	SAD_TOTAL_TAXES1 (Original Tax)	SAD_TOTAL_TAXES2 (additional Taxes)	Infringement details (if any)

**REPORT 11:**                    **BLUE LANE DECLARATIONS – FIRST ASSESSMENT (NO REROUTING)**

This report should provide detailed information that identifies exactly which consignments were routed to **BLUE** lane (first assessment with no re-routing)

SAD_NO	SAD_DATE	IMPORTER NAME	IMPORTER TIN	BROKER NAME	BROKER TIN	SAD_TOTAL_TAXES1 (Original Tax)	SAD_TOTAL_TAXES2 (additional Taxes)	Infringement details (if any)



**REPORT 12: SECOND ASSESSMENT (RE-ROUTED)**

This report should provide detailed information that identifies exactly which consignments were re-routed, including from which lanes (i.e. from yellow to red) and the identifier (i.e. username) of which official authorized the re-routing in the system.

SAD_ NO	SAD_ DATE	CTR_ COD (Criteria)	FROM (LANE)	TO (LANE)	STAFF IDENTIFIER	IMPORTER NAME	IMPORTER TIN	BROKER NAME	BROKER TIN	SAD_ TOTAL_ TAXES1 (Original Tax)	SAD_ TOTAL_ TAXES2 (additional Taxes)	Infringement details (if any)

**REPORT 13: RANDOM SELECTIVITY**

This report should provide detailed information that identifies exactly which consignments were selected as a result of random selectivity. This should include which lane the consignment was first routed before (i.e. to red).

SAD_ NO	SAD_ DATE	CTR_ COD (Random)	TO (LANE)	STAFF IDENTIFIER	IMPORTER NAME	IMPORTER TIN	BROKER NAME	BROKER TIN	SAD_ TOTAL_ TAXES1 (Original Tax)	SAD_ TOTAL_ TAXES2 (additional Taxes)	Infringement details (if any)

## **ANNEX 10: Risk Register Template**

Customs will adopt and utilize the following standardized templates for the creation of Risk Registers for all Customs Services at all locations:

### **PART A - COVER SHEET**

You must utilize this register to:

- Record all potential risks affecting a particular work area
- Analyze the risks and prioritize them
- Identify and propose appropriate risk treatments
- Monitor risk treatments and amend accordingly

You must complete all parts of this form. Once finalized and approved, you must submit a copy of this register to the Risk Management Directorate for review.

Further completion guidance is available at **Part F**.

FOR COMPLETION BY LOCAL CUSTOMS OFFICE			
Location Name:			
Assessor Name:		Position:	
Assessment Date:		Approved by:	
Total Nos. Pages:		Date Submitted:	
Comments:			
Review Date:			
FOR COMPLETION BY RISK MANAGEMENT DIRECTORATE			
Date Received:			
Comments:			

**PART B - ESTABLISH THE CONTEXT**

Step 1		
Nr.	Element	Describe how it affects your area of responsibility
1	Geographic	
2	Economic	
3	Political	
4	Environmental	
5	Social	
6	Technological	
7	Other	

**PART C - IDENTIFY THE RISKS**

Specific Area: \_\_\_\_\_ Risk Owner: \_\_\_\_\_ Assessor Name: \_\_\_\_\_ Date: \_\_\_\_\_

Step 2						
Nr.	Risk description	What	Where	When	Who	How

**PART D - ANALYZE AND QUANTIFY THE RISKS**

Specific Area: \_\_\_\_\_ Generic Risk Owner: \_\_\_\_\_ Assessor Name: \_\_\_\_\_ Date: \_\_\_\_\_

Step 2		Step 3 *		Step 4 *		
ACTUAL RISKS (description)	OWNER (name)	LIKELIHOOD	CONSE- QUENCE	RATING (number)	RATING (words)	ACCEPTANCE UNA or ACC

*\* You must use the Risk Assessment Matrix to quantify and describe the risks identified (See Part F)*

**PART E - RECOMMENDED RISK TREATMENTS**

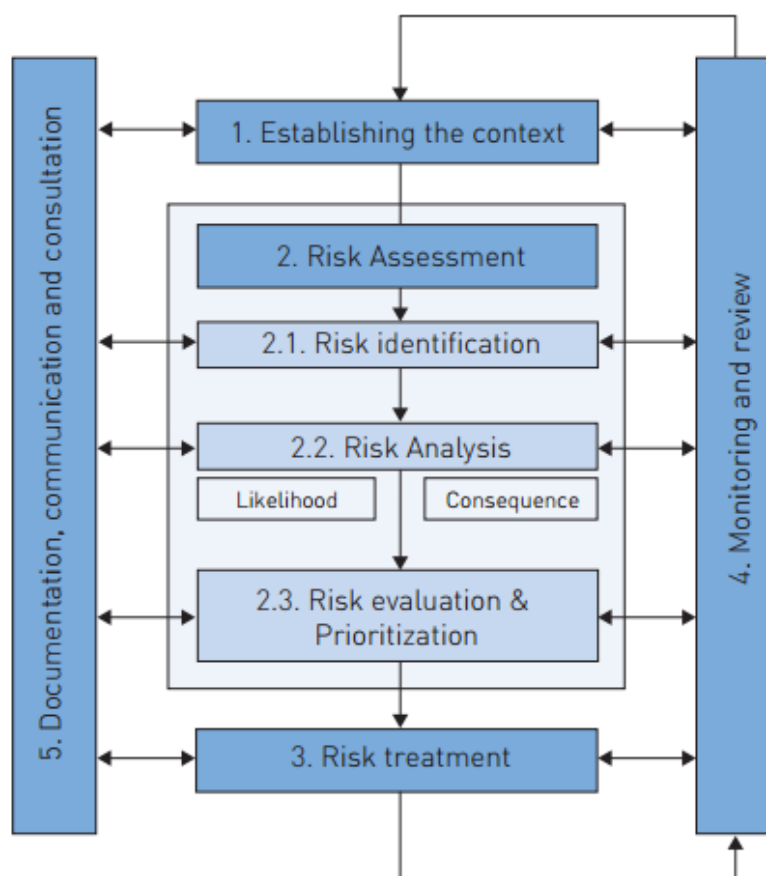
Specific Area: \_\_\_\_\_ Generic Risk Owner: \_\_\_\_\_ Assessor Name: \_\_\_\_\_ Date: \_\_\_\_\_

Step 5			Step 6	Step 7
RECOMMENDED RISK TREATMENTS (highest risks first)	RISK RANKING (words)	RISK OWNER (name)	MONITORING & REVIEW ACTIVITIES (details & dates)	DOCUMENT & COMMUNICATE RESULTS OF REVIEW

## **PART F - COMPLETION GUIDANCE**

### **WCO Risk Management Process Model**

When completing this register you must follow the steps documented within the WCO Risk Management Process Model (identified below):



The process involves the following sequential steps (fully explained in **ANNEX 2**):

1. Establish the Context
2. Assess the Risk
  - 2.1 Risk Identification
  - 2.2 Risk Analysis
  - 2.3 Risk Evaluation and Prioritization
3. Treat the Risk
4. Monitoring and Review
5. Documentation, Communication and Consultation

## ANNEX 11: WCO Risk Assessment Matrix

Customs will adopt and utilize the WCO Risk Assessment Matrix (displayed in numbers and words) and associated definitions, as per the diagram and tables shown below:

	Minimal 1	Minor 2	Moderate 3	Major 4	Severe 5
Almost Certain 5	5	10	15	20	25
Likely 4	4	8	12	16	20
Possible 3	3	6	9	12	15
Unlikely 2	2	4	6	8	10
Rare 1	1	2	3	4	5

**Diagram: WCO Risk Assessment Matrix (numbers)**

	Minimal	Minor	Moderate	Major	Severe
Almost Certain	MEDIUM	HIGH	HIGH	EXTREME	EXTREME
Likely	LOW	MEDIUM	HIGH	EXTREME	EXTREME
Possible	LOW	MEDIUM	MEDIUM	HIGH	HIGH
Unlikely	LOW	LOW	MEDIUM	MEDIUM	HIGH
Rare	LOW	LOW	LOW	LOW	MEDIUM

**Diagram - WCO Risk Assessment Matrix (words)**



## Definitions of Likelihood and Consequence Terms:

LIKELIHOOD	MEANING
<b>Rare</b>	It is highly unlikely that the event will occur
<b>Unlikely</b>	The event is not expected to occur
<b>Possible</b>	The event may occur at some time
<b>Likely</b>	The event will probably occur
<b>Almost certain</b>	The event is expected to occur

CONSEQUENCE	MEANING
<b>Minimal</b>	The event will have a low or negligible impact on objectives
<b>Minor</b>	The event will have a medium impact on objectives
<b>Moderate</b>	The event will have a high impact on objectives
<b>Major</b>	The event will have a major impact on objectives
<b>Severe</b>	The event will have an extreme impact on objectives

## Definitions of Risk Levels and Recommended Actions

RISK LEVEL	MEANING	RECOMMENDED ACTION
<b>Low</b>	May cause some disruption or impact on objectives.	Risk may be monitored regularly. Facilitation through minimal or zero intervention. Selection for intervention likely to be the result of random selectivity only. Control action focused upon documentary and post clearance control. Client education.
<b>Medium</b>	Will possibly cause considerable disruption or impact on objectives.	Risk may be treated. Limited facilitation. Many consignments selected for intervention, with high percentage being routed for documentary check. Remaining consignments routed for physical examination check or post clearance control. Periodic monitoring.
<b>High</b>	Likely to cause serious disruption or impact on objectives.	Risk must be treated. At least 60% of cargo selected for physical examination and 40 % for documentary check. Facilitation only in exceptional cases. Regular monitoring.
<b>Extreme</b>	Highly likely to cause serious disruptions or impact on objectives.	Risk must be treated as a priority. No facilitation. 100% of cargo selected for physical examination and inclusion of further controls as required. Continuous monitoring.

## ANNEX 12: WCO Compliance Management Model

Customs will adopt and utilize the WCO Compliance Management Model, as per the diagram shown below:

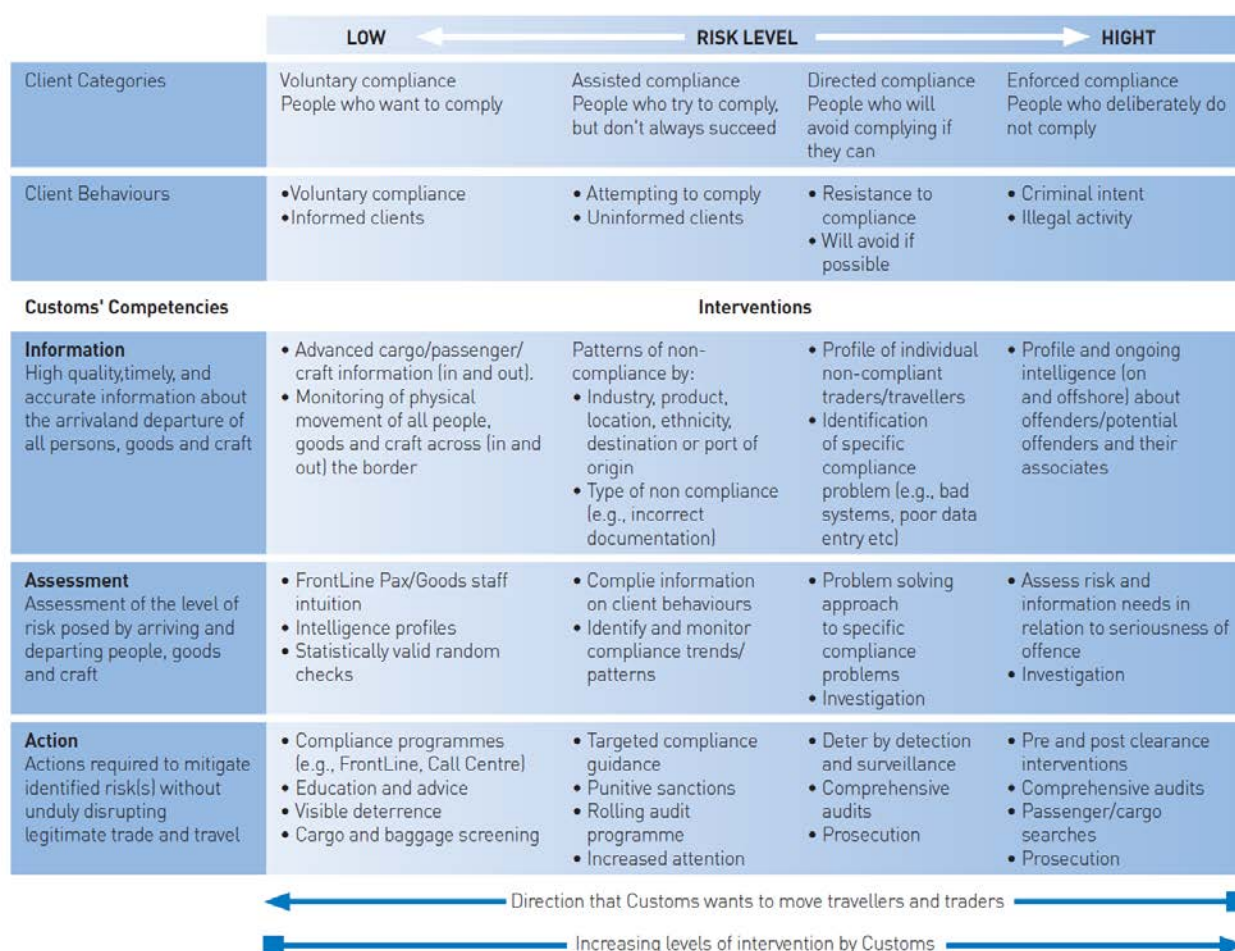


Diagram: WCO Compliance Management Model