



## CUSTOMS AUTHORITY

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# Commissioner's Administrative Instruction



Standard Operating Procedure (SOP) for:

“Streamlined Import Clearance  
Procedure for Commercial Goods  
Through Land Border Posts and  
Airports - 2024”

SOP Number 2 of 19 / 06 / 2024

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## PART A - SOP INTRODUCTION

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## 1. STANDARD OPERATING PROCEDURE TITLE

This Standard Operating Procedure (SOP) will be officially known as:

*"Streamlined Import Clearance Procedure for Commercial Goods Through Land Border Posts and Airports - 2024".*

## 2. SCOPE

This SOP is limited to the procedural aspects of the streamlined import clearance process applicable to commercial goods - not being passenger's baggage - above US\$1,000 in value, arriving by land at all Border Post or Airports.

## 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 mini CREP's within the National Directorate of Operations at Dili International Airport (and any other Airport in Timor Leste that is authorized by Customs to accept international flights), Batugade, Salele and Sakato Land Border Posts and any other Land Border Posts that are authorized, will be responsible for and will perform the import clearance functions, except for:
  - Payment of customs duties, taxes and charges which are at the authorized bank;
- b) How officers will perform each task in the import clearance process, from the time of the Goods Declaration is accepted by Customs by issuing a unique registration number, until the goods or cargo transport unit exit the Customs controlled area, after completing the relevant payment of duties, taxes and/or other charges;
- c) How the majority of procedural steps must be performed through the Customs system (ASYCUDA World), expressly avoiding external manual recording of any kind;



- d) 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;
- e) 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 office; and
- f) How goods will be Released;

## 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.) Electronic payment (not yet implemented)
- iii.) Separation of release (Exit Note) from final determination of Customs duties, taxes, fees and charges (*partially implemented*);
- iv.) Risk management (*implemented nationally*);
- v.) Post clearance audit (partially implemented, as desk audits);
- vi.) Establishment and publication of Release times (*not yet implemented*);
- vii.) Trade facilitation measures for Authorized Operators / Trusted traders (*not yet implemented*);
- viii.) Expedited shipments – air couriers (partially implemented at Dill Airport)
- ix.) 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 (Customs has implemented the Border Management Committee (BMC) with participation of 7 border agencies)*

## **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, at this stage lack computer resources and structure flexibility to have their personnel co-located at Customs offices, as first thought. For this reason, the Customs Authority is implementing two strategies:

- providing OGAs with access to ASYCUDA World on computers at Customs offices in the Border Posts, once they start participating in AW electronics process on a phased approach basis, and
- developing risk profiles on their key risks, in accordance with initial basic lists provided by participating OGAs (at this stage, Ministry of Health, Quarantine and certain prohibited goods controlled by PNTL)

## **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 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);
- b) Article 139, paragraphs 1 and 2.- Goods are in temporary storage in authorized places while waiting for their processing into a Customs regime;
- c) Article 139, paragraph 4.- Persons who remove goods from areas under Customs control before exit authorization will be subject to an administrative penalty;
- d) 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 Exit Note, after payment has been duly received at the Bank and entered into AW Accounting module.

e) 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.

f) 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”*

g) Article 157, paragraph 1. - The Customs declaration must be submitted at the Customs location of the goods arrival;

h) Article 157, paragraph 2. - The Customs declaration can be submitted twenty-four (24) hours before the arrival of the goods;

i) 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.

- j) 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;
- k) 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;
- l) Article 160, paragraphs 1 to 3.- Amendment and replacement of the Customs declaration before commencement of the clearance process;
- m) Article 161, paragraphs 1 to 3.- Cancellation of a Customs declaration at the request of the declarant;
- n) Article 162.- Verification and checking of the Customs declaration;
- o) Article 163, paragraphs 1 to 3.- Assessment of the Customs declaration;
- p) Article 164, paragraphs 1 to 9.- Examination of goods, including sampling and testing, and description of typical customs infractions;
- q) 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;
- r) Article 385, paragraph 2.- For calculation of time limits in this Code, any mention to days means “working days”.

### C. Reference to International Regulations

The **WTO Trade Facilitation Agreement (TFA)** aims to simplify and harmonize Customs procedures. Compliance with the TFA principles can help reduce the time and cost of customs clearance and increase transparency.

The GoTL formerly acceded to the WTO in February 2024, which means the provisions of the TFA become compulsory and part of the Customs Code DL 14/2017 as per Article 3 (oo) Customs Legislation.

- a) Article 3, paragraph (oo).- **Customs Legislation**:
  - i. This Code and respective enactment measures;
  - ii. The laws of Timor-Leste containing provisions imposing customs duties and other charges on the import or export of goods; and
  - iii. International agreements containing customs provisions to which Timor-Leste is a party.



## 8. VALIDITY AND CHANGES

This SOP comes into effect on the date the Commissioner signs it in **Section 15** 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 Operations (NDO) and Sub Directors of Operations, Dili International Airport, Batugade, Salele and Sakato, and any other airports that are authorized by Customs to accept international flights, 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 Sub Directors Customs Operations at the Airports and Border Posts and examination officers to fully adhere to this SOP;
- c) Ensuring that officers in the operational areas under his/her control and Operations at the Airports and Border Posts have access to a written or electronic copy of this SOP;
- d) Ensuring that officers in the operational areas under his/her control – mini CREP, and Officers from Physical examination at the Border Posts and any other physical examination area, have received appropriate training in how to apply this SOP;
- e) Obtaining and presenting monthly reports to the Commissioner on:
  - Number of Import IM4 DAUs, Export DAUs, and Warehouse IM7 DAUs cleared;
  - Number of Import IM4 DAU routed to,
    - Green lane,
    - Blue Lane,
    - Orange Lane
    - Yellow lane and,
    - Red lane
  - Number of Red, Yellow and Orange Lane selections resulting in penalties;

- Average Clearance Time: from DAU Registration to DAU Exit Note Validation.

The monthly report must be submitted to the Commissioner in first 5 days of each month, for the previous month.

- Taking corrective measures in the event that this SOP is not followed; and
- 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:

- All staff working within the mini CREP at Airports and Border Posts; and
- All staff from the National Directorate of Operations working in Airports and Border Posts and any other location where goods may be processed under the provisions of this SOP.

## 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:

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

## 12. MINIMUM SUPPORT DOCUMENTS AND/OR OTHER REQUIREMENTS

Any support documents that may be required must be uploaded electronically into AW by the Broker/ declarant. No hard copy DAUs or support documents are required to be submitted.

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

- Customs Declaration (DAU) for the Home Use Import regime (IMA)
- Bill of Lading (BoL), Airway Bill (AWB) or Perseetujuan Ekspor Barang (PEB - Indonesian Customs Export document at Border Posts)

- c) Commercial Invoice (a pro-forma invoice will not be accepted).

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
- c) Supporting documentation for processing goods under a non-IM4 related Customs regime.

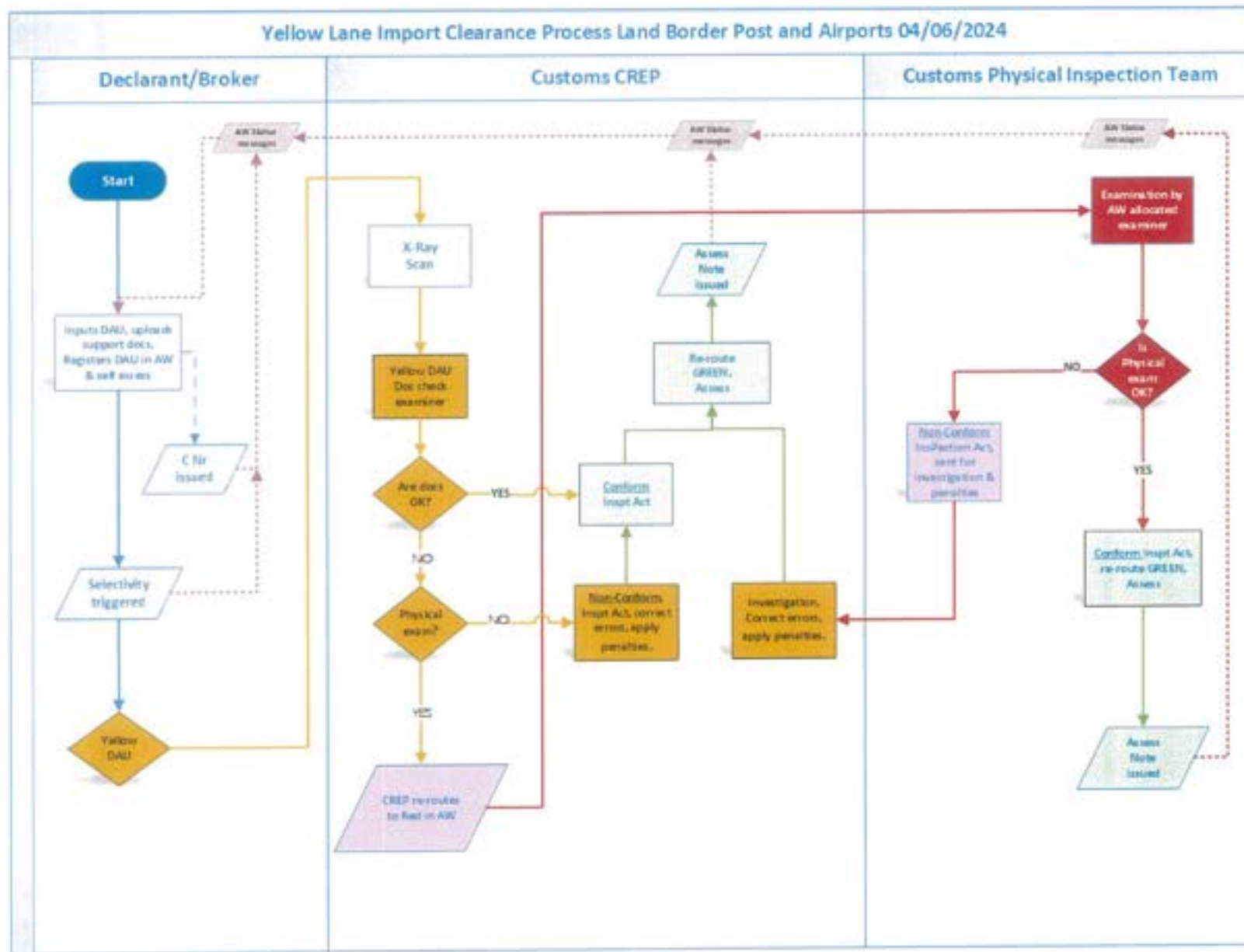
## **PART B - PROCEDURE DETAILS**

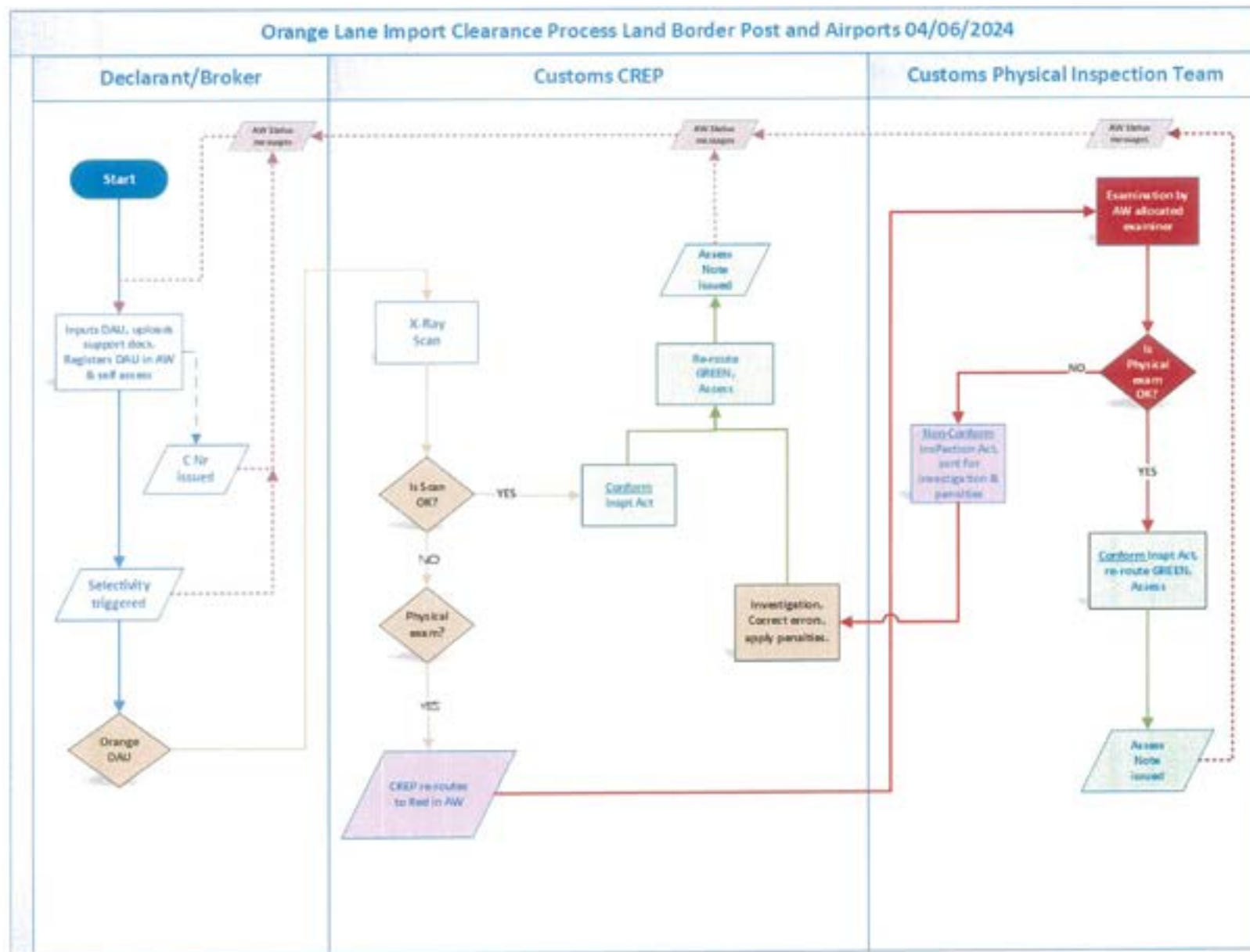
13. Process Cross Functional Flowchart
14. Standard Operating Procedure (SOP) Narrative
15. Director's General Approval, Directives and Dissemination
16. SOP Amendments Record

## 14.

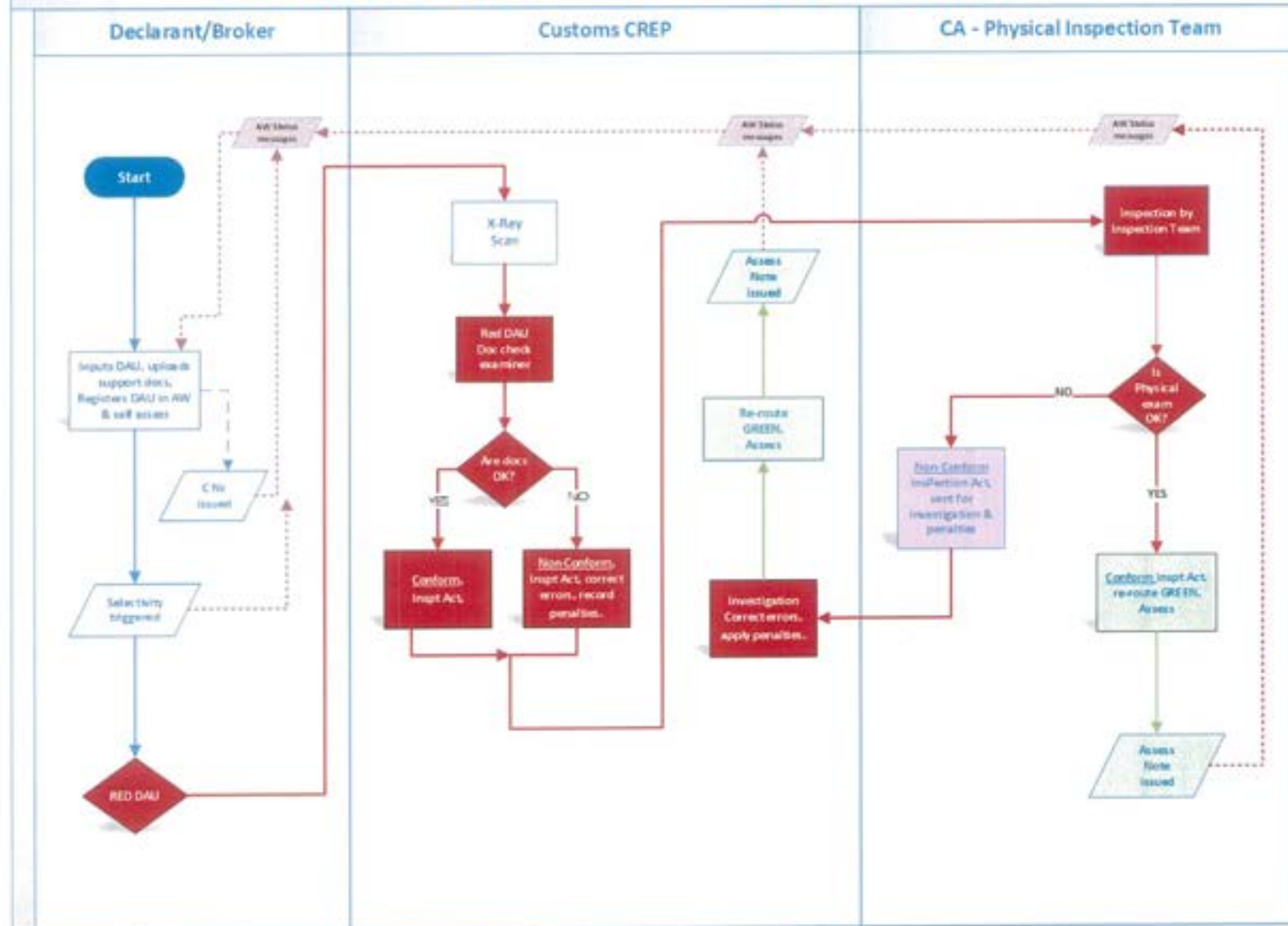








# Red Lane Import Clearance Process Land Border Post and Airports 04/06/2024



15. PROCESS NARRATIVE

This SOP 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 supporting documents, 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. 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;
- 3. 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 the authorized broker/declarant indicating that the DAU is "Registered" and the lane it has been routed to.

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

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 lane have an immediate short process, as follows (task numbers continue from Stage 1-Nr 3):

4. If the DAU is routed to the Green lane, 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 the mini 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"><li>• AW electronic process</li></ul>	<ul style="list-style-type: none"><li>• "Assessment Nr" issued;</li><li>• Pdf Assessment Note mailed to broker/declarant;</li><li>• AW status messages to broker/ declarant</li></ul>
2. AW Selectivity triggered – Selected for Yellow or Red lane control	<ul style="list-style-type: none"><li>• AW electronic process</li></ul>	<ul style="list-style-type: none"><li>• No further checking during clearance;</li><li>• Can proceed to duty/ tax payment</li><li>• Selection for documentary or documentary and physical control</li></ul>

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

## STAGE 2A: YELLOW LANE - DOCUMENTARY EXAMINATION

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 in the mini CREP, with the following tasks (task numbers continue from Stage 1-Nr 3):



4a. At the mini CREP, the electronically assigned Documentary Check (Yellow) officer receives an AW electronic notification of DAU to be checked. Simultaneously, the 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 for document check (profile or random selection);
- 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, as amended by DL 87/2022;
- 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 Noticee (AN)** and sends a pdf copy of the AN to the broker /declarant in order to pay the duties and taxes. Simultaneously, the broker/declarant receives an AW status message "Assessed".

**Option 2.** If the DAU does not conform, (discrepancies are found between the supporting 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 the Director of the Border Post or Airport to calculate any penalties, based on the "error/ infringement code" selected by the examiner. Penalties are to be added to the AN;
- vii. Once "**not conform**" and "penalties" are resolved the examiner re-routes the DAU to the **Green** lane and assess.

**Option 3.** If the DAU does not conform, (discrepancies are found between the supporting

documents & the DAU), the examiner does the following:

- i. selects the "non-conform" box on the AW Inspection Act;
- ii. ticks the reason(s) for non-conformity from the numeric Error/ infringement code and Action codes in the Inspection Act;
- iii. Updates free text box for specific reasons for physical examination and specific areas within the container that requires physical examination;
- iv. DAU is re-routed to **Orange Lane**;
- v. DAU is sent to the X-Ray Scanner Team for scanning of the transport/container /consignment.

**Option 4.** If the DAU does not conform (discrepancies are found between the supporting documents & the DAU), the examiner does the following

- i. selects the "non-conform" box on the AW Inspection Act;
- ii. ticks the reason(s) for non-conformity from the numeric Error/ infringement code and Action codes in the Inspection Act;
- iii. Updates free text box for specific reasons for physical examination and specific areas within the container that requires physical examination;
- iv. DAU is re-routed to **Red Lane**;
- v. DAU is sent to Inspection Team for physical examination of the transport/container/consignment.

Critical Stage Tasks	Who is Involved	Impact
1. Documentary examination of Yellow lane DAUs conducted	<ul style="list-style-type: none"> <li>• AW electronic process,</li> <li>• Mini CREP Yellow lane allocated officer</li> </ul>	<ul style="list-style-type: none"> <li>• Automatic allocation of mini CREP examiner,</li> <li>• AW Status message to broker/ declarant</li> </ul>
2. Inspection Act – Conform, – Rerouting to Green lane and Assessment	<ul style="list-style-type: none"> <li>• AW electronic process,</li> <li>• mini Yellow lane allocated CREP officer</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance ("Conform") identified;</li> <li>• Assessment Nr. Issued</li> <li>• AW Status message to broker/ declarant: "Assessed"</li> </ul>
2. Inspection Act – Not Conform, – DAU, as needed, – Penalties applied, – Rerouting to Green lane and Assessment – Rerouting to Orange lane and X-Ray scan – Rerouting to Red lane for physical inspection	<ul style="list-style-type: none"> <li>• AW electronic process,</li> <li>• Mini CREP Yellow Lane allocated officer</li> <li>• Broker/ declarant</li> </ul>	<ul style="list-style-type: none"> <li>• Non-compliance ("Not Conform") identified.</li> <li>• Assessment Nr. Issued</li> <li>• AW Status message to broker/ declarant: "Assessed"</li> </ul>

## STAGE 2b: ORANGE LANE – X-RAY SCANNING

The Orange Lane X-Ray Scanner officer(s) is responsible for conducting an X-Ray scan of the consignment, within the Customs controlled area. This will include at least the following tasks (task numbers continue from Stage 1 – Nr 3):

- 4b. AW automatically allocates DAU to Orange Lane for random Security Check and to confirm consignment conforms with invoice/packing list. Before conducting the X-Ray Scan, the X-Ray machine operator checks the details of the consignment in the DAU to confirm the type and quantity of goods within the container. After this, the examiner conducts the following checks:
  - a) Confirms that the consignment is placed in a suitable area that allows him/her to undertake the X-Ray Scanning 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;
  - b) Confirm the following:
    - The container number or seal number and truck Registration matches the associated DAU;
    - The transport registration matches the associated paperwork;
    - For containers the seal securing the rear doors is intact and free from signs of tampering or manipulation; and
  - d) In the event the consignment is at an Airport, then confirm that:



- The package information matches the airway bill or courier references.
  - The package is sealed and free from signs of tampering or manipulation; and
- e) Conduct the X-Ray Scanning ensuring that goods match those declared in the DAU and supporting documents and that there are no anomalies with the scan of the container.

5b. Upon completing the X-Ray Scanning, the Operator 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 X-Ray Scanning "conforms" (no discrepancies in the DAU and/or the goods), the examination officer:

- Selects the "conform" box in the AW Inspection Act;
- DAU is re-routed to **Green Lane**;
- Assess the DAU. AW issues the **Assessment Notice (AN)** and sends a PDF copy of the AN to broker/declarant. Simultaneously, the broker/declarant receive an AW status message "Assessed".

**Option 2:** If the X-Ray Scanning "does not conform" (i.e. there are discrepancies between goods & the DAU and the X-Ray Scan), the X-Ray examination officer:

- selects the "non-conform" box on the AW Inspection Act;
- ticks the reason(s) for non-conformity from the numeric Error/ Infringement code and Action codes in the Inspection Act;
- Updates free text box for specific reasons for physical examination and specific areas within the container that requires physical examination;
- DAU is re-routed to **Red Lane**;
- DAU is sent to Inspection Team for physical examination of the container.

Critical Stage Tasks	Who is Involved	Impact
1. X-Ray Scanning of ORANGE lane DAUs conducted	<ul style="list-style-type: none"> <li>• AW electronic process</li> <li>• Orange lane X-Ray Scanning examination officer</li> </ul>	<ul style="list-style-type: none"> <li>• Automatic allocation X-Ray Scanning Team</li> <li>• AW Status message to broker/ declarant</li> </ul>
2. Inspection Act – Conform – Rerouting to <b>Green lane</b> and Assessment	<ul style="list-style-type: none"> <li>• AW electronic process</li> <li>• Orange Lane X-Ray Scanning Officer</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance ("Conform") identified</li> </ul>
3. Inspection Act – Not Conform – Reroute to <b>Red Lane</b>	<ul style="list-style-type: none"> <li>• AW electronic process</li> <li>• Orange Lane X-Ray Scanning Officer</li> </ul>	<ul style="list-style-type: none"> <li>• Non-compliance ("Not Conform") identified</li> </ul>

## STAGE 2c: RED LANE DOCUMENTARY CHECK

The primary role of the Red lane documentary check officer at the mini CREP is to conduct a detailed scrutiny of the DAU and supporting documents, and then re-direct the DAU to the electronically allocated physical examiner at the Border Post or Airport. 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):

- 4c. At the mini CREP, the electronically assigned Documentary Check **(RED)** officer receives an AW electronic notification of DAU to be checked;
- 5c. 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 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 "to physical examination" for the DAU to be passed to the allocated physical examiner at the Airport or Border Post.

**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 "to physical examination" for the DAU to be passed to the allocated physical examiner. AW sends an **automatic message to the allocated physical examiner** at the Customs location.



**Important Notes:**

- Documentary check officer (**RED**) **does not** reroute to Green nor assess the DAU at this stage, as this will be done when the DAU is returned to him/her after physical examination.
- Quarantine Red Lane DAU checks are conducted at the same time the vehicle/consignment is examined by Customs. Notations are manually entered in the hard copies of DAUs that the Broker/Declarant submits to Quarantine.

**GO TO STEP 6d – Physical Examination**

**Option 3: DAUs returning to mini CREP from Physical Examination:**

- For DAUs returned with "**Conform**" within AW Inspection Act by the physical examiner, the Documentary Check Officer finalizes the Inspection Act, **re-routes** the DAU to the Green Lane, and **Assess**.
- For DAUs returned with "**not conform**" within AW Inspection Act and "penalties", the documentary check Officer first must resolve any raised by the physical examination officer and ensure that penalties (if any) had been processed and duly paid. Following this, the documentary check examiner reroutes the DAU to the **Green** lane and **assess**.
- For cases in i) and ii) above - Upon assessment, AW automatically issues the **Assessment Notice** and sends a pdf copy of the Assessment Notice (AN) to the broker/ declarant to effect payment of duties/ taxes at the authorized Bank (BNU or BNCTL).

AW sends an automatic email to broker/declarant indicating that the DAU status has changed to "**Assessed**".

Critical Stage Tasks	Who is Involved	Impact
1. Documentary and physical examination of RED lane DAUs conducted	<ul style="list-style-type: none"><li>• AW electronic process,</li><li>• Mini CREP Red lane allocated officer</li><li>• Border Post/Airport Red lane allocated officer physical examination</li></ul>	<ul style="list-style-type: none"><li>• Automatic allocation of mini CREP examiner,</li><li>• AW Status message to broker/ declarant</li></ul>
2. Inspection Act – <u>Conform</u> , – Rerouting to Green lane and <b>Assessment</b>	<ul style="list-style-type: none"><li>• AW electronic process,</li><li>• Mini CREP Red lane allocated officer</li></ul>	<ul style="list-style-type: none"><li>• Compliance ("Conform") identified;</li><li>• <b>Assessment Nr. Issued</b></li><li>• AW Status message to broker/ declarant: "<b>Assessed</b>"</li></ul>

3. Inspection Act – <u>Not Conform</u> , <ul style="list-style-type: none"> <li>- DAU, as needed,</li> <li>- Penalties applied,</li> <li>- Rerouting to Green lane and Assessment</li> </ul>	<ul style="list-style-type: none"> <li>• AW electronic process,</li> <li>• Mini CREP Red lane allocated officer</li> <li>• Broker/ declarant</li> </ul>	<ul style="list-style-type: none"> <li>• Non-compliance ("Not Conform") identified,</li> <li>• Assessment Nr. Issued</li> <li>• AW Status message to broker/ declarant: "Assessed"</li> </ul>
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## STAGE 2D: RED LANE PHYSICAL EXAMINATION

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

- 6d. 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;
- 7d. Before conducting the examination, the vehicle, consignment or container will pass through the x-ray machine as it moves to the Inspection area so that the physical examiner can identify any anomalies within the load.  
  
The Examiner also views in AW Selectivity the reason for the DAU selection (profile or random) and views the "Instructions to examiner" in the AW profile "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:
  - c) Broker/ declarant prepares the container, vehicle, consignment ready for examination and arranges the inspection time with the examiner;
  - d) Confirms that the consignment is placed in a suitable area that allows him/her to undertake the examination, safely and 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;
  - e) 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
  - f) 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;

- 8d. 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:

- i. Selects the "conform" box on the AW Inspection Act,
- ii. Ticks at least 4 standard checks performed;
- iii. Ticks the flag "to documentary examination officer Red Lane" for the DAU to be returned to the originally allocated documentary examiner at mini CREP.

AW sends an automatic system email to the Documentary Check officer at mini CREP indicating that the DAU has been transferred back to him/ her for finalization of the Inspection Act.

Important Note: The Physical examination officer is neither allowed to reroute to Green nor Assess the DAU.

**Option 2:** If the examination "does not conform" (there are discrepancies between goods & the DAU), the examination officer:

- i. selects the "non-conform" box on the AW Inspection Act,
- ii. ticks the reason (s) for non-conformity from the numeric Error/ infringement code and Action codes in the Inspection Act;
- iii. If DAU non-conformity involves the application of penalties, the examiner writes a note in AW Inspection Act for penalties to be applied by the Director;
- iv. Ticks the flag "to documentary examination officer" for the DAU to be transferred to the allocated documentary examiner Red lane at mini CREP.

AW sends an automatic system email to Red lane Documentary Check officer at mini CREP indicating that the DAU has been transferred to him/ her for finalization of the Inspection Act.

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



- Return DAU to mini CREP Red Lane allocated officer for finalization	• Broker/ declarant	• AW message to mini CREP Red lane allocated officer
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### STAGE 3: PAYMENT OF DUTIES AND TAXES AT AUTHORIZED BANK

Payment of Duties and Taxes is the continuation of Stage 1, Nr 3; Stage 2, Nr 6; Stage 2a, Nr 5a Option 1; Stage 2b, Nr 5b, Option 1; Stage 2d, Nr 8d, Option 1.

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 at the Bank office located in the Border Post or Airport or at a local branch of:

- Banco Nacional Ultramarino (BNU), or
- Banco Nacional de Comercio Timor Leste (BNCTL).

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 2 x copies of AW Assessment Notice (A.N.) to Bank cashier together with total amount of money for the duties and taxes indicated in the A.N;
2. Bank cashier verifies the amount being rendered with the amount in the AN and receives payment;
3. Bank 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 by Customs Cashier in mini CREP

4. Broker/ declarant presents to Customs Cashier (mini CREP) 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 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.

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

#### STAGE 4: ISSUING AND VALIDATION OF THE EXIT NOTE.

This is the final stage in the Customs clearance process.

The Exit Note is the legal instrument issued in AW, whereby Customs authorizes the release of the goods (containerized, consignment 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 Exit Note with Customs;
- clearing and finalizing all other non-Customs related formalities, such as payment to stevedore companies or for any demurrage charges,
- arranging appropriate transportation and movement out of the Customs Controlled area when needed;

The tasks in this Process Stage are as follows (Task numbers continue from Stage 3, Nr 6):

7. To obtain the Exit Note, the broker/declarant presents to the mini CREP, 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 Exit Note and provide a print to broker/ declarant. There is no need to present a hard copy of the DAU or supporting documents.
9. The mini CREP will validate the Exit Note in AW which authorizes the vehicle/container/consignment to exit the Border Post or Airport.
10. The DAU status in AW changes to "Exited" and an email is sent to broker/declarant automatically.



Critical Stage Tasks	Who is Involved	Impact
1. At Broker/ declarant request mini CREP officer to issue the Exit Note	<ul style="list-style-type: none"> <li>• Broker/declarant,</li> <li>• Mini CREP Officer Border Post or Airport</li> <li>• AW electronic process</li> </ul>	<ul style="list-style-type: none"> <li>• AW Exit Note generated for DAU,</li> </ul>
2. Exit Note validated by mini CREP.	<ul style="list-style-type: none"> <li>• AW electronic process,</li> <li>• Mini CREP at Border Post of Airport</li> <li>• Broker/ declarant, or driver</li> </ul>	<ul style="list-style-type: none"> <li>• AW Exit Note Validated, DUA status changes to "Exited",</li> <li>• AW status message "Exited" sent to broker/ declarant.</li> </ul>


**END OF CUSTOMS PROCESS**

## 16. COMMISSIONER'S APPROVAL, DIRECTIVES AND DISSEMINATION

By virtue of 9 (1c) of Decree Law 2/2020 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"*, I hereby:

- a) Approve this Standard Operating Procedure (SOP) known as, **"Streamlined Import Clearance Procedure for Commercial Goods Through Land Border Posts and Airports – 2024"**;
- 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.

Signed on the 19 day of 6 2024



Armindo dos Santos

Acting Commissioner  
Customs Authority  
Timor-Leste

(official Customs seal)

## 17. SOP AMENDMENTS RECORD

Approval Date	Version Number	Developer(s) name	Reviewer(s) name
	v.1 (version one)	R. Simmonds	