



## CUSTOMS AUTHORITY

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# Commissioner's Administrative Instruction



Standard Operating Procedure (SOP) for:

“Streamlined Import Clearance Process  
for Dili Seaport and other Dili areas -  
2021”

SOP Number 19

of 26/ May / 2021

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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 Process for Dili Seaport and other Dili areas - 2021”.***

## 2. SCOPE

This SOP is limited to the procedural aspects of the streamlined import clearance process applicable to goods arriving by sea at Dili Seaport, and commercial goods - not being passenger’s baggage - above US\$1,000 in value arriving by air at Dili Airport, and commercial goods arriving at the Dili Post Office.

## 3. AUTHORIZATION

This SOP is authorized by 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 Integrated Clearance Services Office (ICSO) within the National Directorate of Customs Compliance Management will be responsible for and will perform most of the import clearance functions, except for:
  - The physical examination of goods by the automatically assigned examination officer from the National Directorate of Operations (NDO) at Dili Port or other Customs controlled area,
  - Payment of customs duties, taxes and charges which at the authorized bank;
  - Issuance of the Release Order by officers from the National Directorate of Operations (NDO) Cargo Control team at Dili Port; and
  - Issuance and validation of the Exit Note, by staff from Port Operations of APORTIL Port Authority at Dili Port.
- 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 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 by the Customs Cargo Control team at Dili Port;
  - g) How the exit of goods will be electronically authorized by APORTIL and validated in AW by the Customs Control team at Dili Port Exit Gates.

## 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 (implemented);
- iii.) Separation of release (Exit Note) from final determination of Customs duties, taxes, fees and charges (*not yet implemented*);
- iv.) Risk management (*being implemented in accordance to standards*);
- 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 Dili 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.***

## **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 Integrated Clearance Services Office (ICSO), 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 Dili Port, once they start participating in AW electronics process on 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, Ministry of Transport and Secretary of State for Environment - Ozone depleting substances)

## **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 Release Order and APORTIL issuing the Exit Note, after payment has been duly received at the BNU 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".

## 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 Sub Director of Operations, Dili (SDOD), 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 Director Customs Operations Dili Port and examination officers to fully adhere to this SOP;
- c) Ensuring that officers in the operational areas under his/her control and Operations Dili Port have access to a written or electronic copy of this SOP;
- d) Ensuring that officers in the operational areas under his/her control – CREP/ICSO, Customs Taxation and Warehousing – and Officers from Physical examination a Dili Port, Dili Airport 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,
    - Yellow lane and,
    - Red lane
  - Number of Red and Yellow lane selections resulting in penalties;
  - Average Clearance Time: from DAU Registration to DAU Exit Note Validation.

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

- f) Taking corrective measures in the event that this SOP is not followed; and
- g) Proposing to the Commissioner, any changes or amendments to this SOP when operational circumstances so demand.

## 10. ENFORCING THIS PROCEDURE

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

- a) All staff working within the Integrated Clearance Services Office (ICSO/CREP); and
- b) All staff from the National Directorate of Operations working in Dili Seaport, Dili Airport, Dili Post Office, ANL Temporary Storage Warehouse 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:

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

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

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

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

- a) Customs Declaration (DAU) for the Home Use Import regime (IM4)
- b) Bill of Lading (BoL) or Airway Bill (AWB); and
- 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. Standard Operating Procedure (SOP) Narrative
14. Process Cross Functional Flowchart
15. Commissioner's Approval, Directives and Dissemination
16. SOP Amendments Record

### 13. 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. In the event that any discrepancy is identified when undertaking Stage 3 (detailed below), or at any other time during the application of this procedure, then the officer dealing with the case must report their findings to the Risk Management Department. Where appropriate to do so, this should include the officer drafting and submitting an ASYCUDA Profile Request utilizing the APR 1 form.

#### STAGE 1: **BROKER UPLOADING OF DAU AND SUPPORTING DOCUMENTS, REGISTRATION AND SELF ASSESSMENT**

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

1. Accurately input relevant information for the DAU into ASYCUDA World (AW), and then Scan and upload clear and legible copies of all supporting documentation;
2. 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 authorized broker/declarant indicating that the DAU is "**Registered**".

Critical Stage Tasks	Who is Involved	Impact
1. Uploading of DAU details into AW	<ul style="list-style-type: none"><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 " <b>Registration Nr issued.</b> AW Selectivity triggered

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

## STAGE 2: GREEN/BLUE LANE

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

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

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

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

Green/Blue lane DAUs are not checked or presented in electronic or hard copy to ICSO 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- <b>Green/ Blue lane assessed</b>	<ul style="list-style-type: none"> <li>• AW electronic process</li> </ul>	<ul style="list-style-type: none"> <li>• <b>“Assessment Nr”</b> issued;</li> <li>• PDF <b>Assessment Note</b> mailed to broker/declarant;</li> <li>• AW status messages to broker/declarant;</li> <li>• No further checking during clearance;</li> <li>• Can <b>proceed to duty/ tax payment</b></li> </ul>
2. AW Selectivity triggered – <b>Selected</b> for Yellow or Red lane <b>control</b>	<ul style="list-style-type: none"> <li>• AW electronic process</li> </ul>	<ul style="list-style-type: none"> <li>• Selection for documentary or documentary and physical control</li> </ul>

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

## STAGE 2A: YELLOW LANE - DOCUMENTARY EXAMINATION AT ICSO

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

4a. At ICSSO, the electronically assigned Documentary Check (**Yellow**) officer receives an AW electronic notification of DAU to be checked. Simultaneously, broker/declarant also receives an AW message that the DAU has been allocated to a particular documentary examiner. It is the responsibility of the broker/declarant to check if the DAU is being processed.

5a. Documentary check Officer will:

- a) Identify the reason as to why the DAU has been selected (profile or random);
- b) Identify and undertake any specific control actions as described within the AW profile "documentation" section;
- c) Confirm that the tariff classification, quantities, weight (if applicable), supplementary units, type of goods and values declared in the DAU are consistent with those in supporting documentation (e.g. Invoice, and/or packing list, other);
- d) Perform a check of the DAU and supporting documents, tariff classification and values, invoiced quantities, and supplementary units (if applicable);
- e) Ensure that the Valuation Method used was done so in accordance with Table 1 of the Customs Code, Decree law 14/2017;
- f) Ensure that any additions or deductions to the Customs Value have been duly recorded within the AW Valuation Note;
- g) Ensure that authorization or certificates for OGAs requirement – if applicable – are present; and
- h) Write AW Inspection Act, and enter details of the examination. There are two options:

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

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

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

- i.) selects the "non-conform" box on the AW Inspection Act;
- ii.) selects the reason for non-conformity from the numeric Error/infringement code & description and Action codes in the Inspection Act;

- iii.) liaise with broker/declarant to amend errors;
- iv.) makes any required amendments, validates any changes and reroutes DAU to Green lane;
- v.) **Assesses** the DAU (provided no penalties are identified). This allows the broker/declarant to print the AN;
- vi.) If DAU **non-conformity** involves the application of **penalties**, then DAU is sent to NDCCM (\*) to calculate any penalties, based on the "error/infringement code selected by the examiner. Penalties to be added to the AN;
- vii.) Once "**nonconform**" and "**penalties**" are resolved the examiner reroutes the DAU to the **Green** lane and **assess**.

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

**GO TO STAGE 3 (Duty/Tax Payment at authorized bank)**

## **STAGE 2B: RED LANE DOCUMENTARY CHECK**

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

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

- 4b.** At ICSO, the electronically assigned Documentary Check (**RED**) officer receives an AW electronic notification of DAU to be checked;

5b. Officer performs a check of the DAU and supporting documents, quantities, tariff classification and values. Depending on his/her findings of the documentary check, or whether the DAU is being returned from Dili Port 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 Dili Port” for the DAU to be passed to the allocated physical examiner in Dili Port.

**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 Dili Port” for the DAU to be passed to the allocated physical examiner in Dili Port. AW sends an **automatic message to allocated** physical examiner at Dili Port.

**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 Port at the same time the container is examined by Customs. Notations are manually entered in the hard copies of DAUs that the Broker/Declarant submits to Quarantine.

**GO TO STAGE 2C, STEP 6c – Physical Examination Dili Port (or other area)**

**Option 3: DAUs returning to ICSO from Physical Examination:**

- i.) 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**.
- ii.) For DAUs returned with **“non-conform”** within AW Inspection Act and **“penalties”**, the documentary check Officer first must resolve any errors identified by the physical examination officer and ensure that penalties (if any) have been processed and duly paid. Following this, the documentary check examiner reroutes the DAU to the **Green** lane and **assess**.
- iii.) For cases in i) and ii) above - Upon assessment, AW automatically issues the **Assessment Notice** a sends PDF copy of the Assessment Notice (AN) to 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>• ICSO Red lane allocated officer</li> <li>• Dili Port Red lane allocated officer physical examination</li> </ul>	<ul style="list-style-type: none"> <li>• Automatic allocation of ICSO 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>• ICSO 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> , – DAU, as needed – Penalties applied – Rerouting to Green lane and <b>Assessment</b>	<ul style="list-style-type: none"> <li>• AW electronic process</li> <li>• ICSO Red lane allocated officer</li> <li>• Broker/declarant</li> </ul>	<ul style="list-style-type: none"> <li>• Non-compliance (“Not Conform”) identified</li> <li>• <b>Assessment Nr. Issued</b></li> <li>• AW Status message to broker/ declarant: <b>“Assessed”</b></li> </ul>

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

**STAGE 2C: RED LANE PHYSICAL EXAMINATION**

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

- 6c. AW automatically allocated Physical Examination officer receives AW email indicating a DAU is waiting for examination. The broker/declarant also receives an AW email about the examination;
- 7c. Before conducting the examination, the Examiner views in AW Selectivity the reason for the DAU selection (profile or random) and views the “**Instructions to examiner**” in the AW profile under “documentation”, as well as any notes or further instructions the Documentary Check officer has made in the Inspection Act to guide the physical examiner. After this, the examiner conducts the following checks:
- a) Broker/declarant prepares the container ready for examination and arranges inspection time with the examiner;
  - b) Confirms that the consignment is placed in a suitable area that allows him/her to undertake the examination in accordance with health and safety rules or regulations. In the event that this is not the case, then the examination officer shall inform the broker/declarant accordingly;
  - c) In the event that the consignment is containerized, then confirm that:
    - The container number matches the associated DAU;
    - The seal securing the rear doors is intact and free from signs of tampering or manipulation; and
  - d) Conduct the examination ensuring that goods and quantities examined match those declared in the DAU and supporting documents. To this effect the examiner will make appropriate notations in an AW connected tablet;
- 8c. Upon completing the physical check, the Examiner enters the results of the examination in the Inspection Act. Depending on the results of the examination, there are two options:
- Option 1:** If the examination “conforms” (no discrepancies in the DAU and/or the goods), the examination officer:
- a) Selects the “**conform**” box in the AW Inspection Act;
  - b) Ticks at least 4 standard checks performed;
  - c) Ticks the flag “**to documentary examination officer Red Lane**” for the DAU to be returned to the originally allocated documentary examiner at ICSO.
- AW sends an **automatic system email** to Documentary Check officer at ICSO indicating that the DAU has been transferred for finalization of the Inspection Act.
- Important Note:** The Physical examination officer cannot reroute to Green nor Assess the DAU.



**Option 2:** If the examination “does not conform” (i.e. there are discrepancies between goods & the DAU), the examination officer:

- a) selects the “**non-conform**” box on the AW Inspection Act,
- b) ticks the reason(s) for non-conformity from the numeric Error/ infringement code and Action codes in the Inspection Act;
- c) If DAU non conformity involves the application of penalties, the examiner writes a note in AW Inspection Act for penalties to be applied by NDCCM;
- d) Ticks the flag “**to documentary examination officer**” for the DAU to be transferred to the allocated documentary examiner Red lane at ICSO.

AW sends an **automatic system email** to Red lane Documentary Check officer at ICSO indicating that the DAU has been transferred for finalization of the Inspection Act.

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

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

### STAGE 3: PAYMENT OF DUTIES AND TAXES AT AUTHORIZED BANK

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

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

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

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

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

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

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

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

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

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 <b>"Paid"</b> to broker/declarant</li> <li>• <b>AW Receipt</b> for Payment issued</li> </ul>

**GO TO STAGE 4**

**ISSUING OF THE RELEASE ORDER**

**STAGE 4: ISSUING OF THE RELEASE ORDER.**

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

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

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

- arranging the issuing of the Release Order with Customs;
- clearing and finalizing all other non-Customs related formalities, such as payment to stevedore companies or to APORTIL for demurrage charges;
- arranging the issuing of the Exit Note with the APORTIL team;
- arranging appropriate transportation and movement of the container(s) to the Port Exit Gates.

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

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

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

**Note:** For Release procedure of DAUs from a Temporary Storage facility outside Dili Port see **ANNEXES 1 and 2.**

Critical Stage Tasks	Who is Involved	Impact
1. At Broker/declarant request Cargo Control officer to issue the Release Order	<ul style="list-style-type: none"> <li>• Broker/declarant</li> <li>• Customs Control team officer (Dili Port)</li> <li>• AW electronic process</li> </ul>	<ul style="list-style-type: none"> <li>• AW Release Order generated for DAU</li> </ul>

**GO TO STAGE 5**

**EXIT NOTE ISSUE AND VALIDATION OF THE EXIT NOTE**

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

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

At Dili Port, APORTIL will issue an AW Exit Note upon payment of any demurrage fees incurred during the clearance process. The Exit note must be “validated” in the AW system at the time of the physical exit of the goods from the Customs controlled area – in this case – at Dili Port Exit Gates 1 and 2. (Task numbers continue from Stage 4, Step 8):

9. To obtain the AW Exit Note, the broker/declarant presents to APORTIL at Dili Port, a copy of the AW Release Order.
10. Upon presentation of the AW Release Order, APORTIL will calculate the amount for the port charges and demurrage fees for payment at the bank. There is no need to present a hard copy of the DAU or supporting documents.
11. The broker/declarant arranges for registered transport to come to the Port and for the stevedoring company to load the container onto transport.
12. On entering the Port, the registered transport presents its **AW Transporter Registration and Port Entry document/barcode** which is scanned and ASYCUDA updated. Details of these documents are at **ANNEX 3**
13. Upon presentation of the payment receipt from the bank for the APORTIL port fees and demurrage charges, APORTIL staff will then generate the **AW Exit Note** within AW and provide a print to broker/declarant.
14. The broker/declarant provides the EXIT Note to the truck driver who proceeds to the Exit Gate.
15. At the Exit gate the driver or broker/declarant presents the Exit Note to Customs, who will:
  - identify the Exit Note within AW
  - check the container number against the Exit Note
  - enter the drivers name and truck registration in the relevant text box
  - validate the Exit Note in AW
  - AW Port Entry record for the vehicle is closed in system
  - authorizes the vehicle and container to exit the Dili Port area

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

16. Truck/cargo leaves the Customs Dili Port area

**Note:** For the Exit Note Procedure at Temporary Storage premises outside Dili Port, see **ANNEXES 1 and 2**

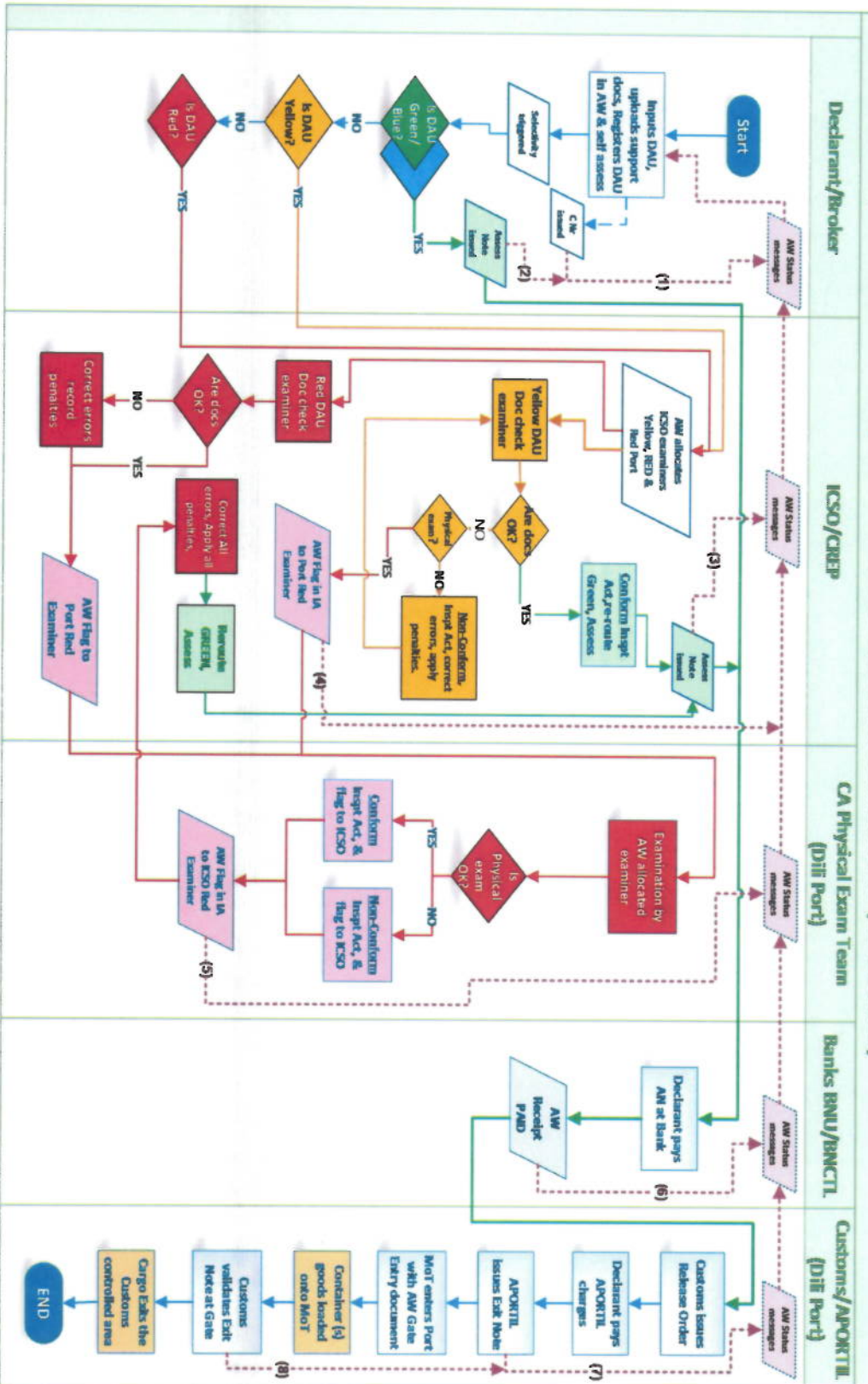
Critical Stage Tasks	Who is Involved	Impact
1. At Broker/ declarant request APORTIL to issue the Exit Note	<ul style="list-style-type: none"> <li>• Broker/declarant</li> <li>• APORTIL staff (Dili Port)</li> <li>• AW electronic process</li> </ul>	<ul style="list-style-type: none"> <li>• AW Exit Note generated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

### END OF CUSTOMS PROCESS



14. PROCESS FLOWCHART

Streamlined Import Process – ICSO /DIII Port Cross Functional Flowchart v9 (25-03-2021)

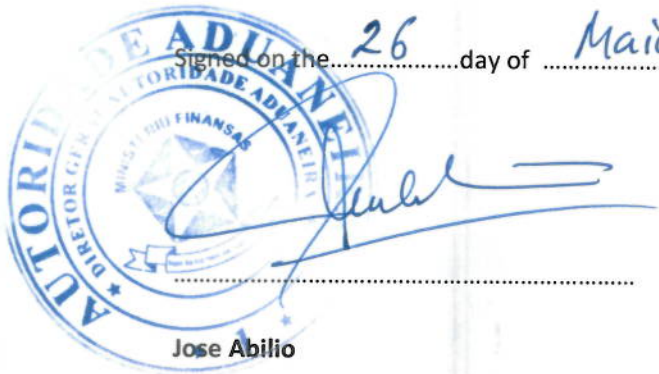


## 15. COMMISSIONER'S APPROVAL, DIRECTIVES AND DISSEMINATION

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 Dili Port and other Dili areas – 2021”;
- 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 26 day of Maio 2021



.....

**Jose Abilio**

Acting Commissioner  
Customs Authority  
Timor-Leste

*(official Customs seal)*

**16. SOP AMENDMENTS RECORD**

Approval Date	Version Number	Developer(s) name	Reviewer(s) name
	v.1 (version one)	CRP S Riveros	CRP Richard Simmons

**1. Cargo Transfer from Dili Port to Temporary Storage**

The Request for Movement of Container must be completed and sent to Customs before the DAU has been submitted. The process is completed within the AW system.

- a) The Temporary Storage representative submits the electronic **Request for Movement of Container** in AW to Customs Operations Administration at the Port to transfer the container from Dili Port to the Temporary Storage facility.
- b) Customs Port Administration will assess the request and authorize the request to transfer the container and print off the **Cargo Pass for Under Bond Cargo**.
- c) The Temporary Storage facility will collect the Cargo Pass for Under Bond Cargo from the Customs Port Administration office and arrange for transport to collect the container at the Port.
- d) The Temporary Storage representative will confirm the container removal with APORTIL to ensure any fees or charges are paid. This process normally happens within the five-day free demurrage period and therefore there is nothing to pay.
- e) Transport vehicle with container proceeds to the Port Exit Gate and the Cargo Pass for Under Bond Cargo is presented to Customs.
- f) Customs will confirm the container and seal number on the Cargo Pass and the seal is secure.
- g) The Cargo Pass for Under Bond cargo is validated in the AW system and the container is released from the Port.
- h) Upon arrival at the designated Temporary Storage facility, the Cargo Pass for Under Bond Cargo is validated a second time by Customs staff in AW to confirm it has arrived within the 2-hour time window for the transfer.
- i) This ends the process in AW and changes the location of the container in the AW manifest from Dili Port to the designated Temporary Storage facility.

**2. DAU Release Procedure at Temporary Storage**

After the DAU has been paid at the authorized bank and the payment has been entered into AW, the declarant/broker goes to Temporary Storage to obtain the Release of the goods.

- j) To obtain the Release Order, the broker/declarant presents to the Customs officer at the Temporary Storage facility a copy of the AW Receipt for the payment of duty and taxes.
- k) Upon presentation of the AW Payment Receipt, the Customs officer will confirm the validity of the AW Payment Receipt within AW and will then generate the **AW Release Order** and provide

a print to broker/declarant. There is no need to present a hard copy of the DAU or supporting documents.

- l) With the copy of the Release Order the broker/declarant goes to the Temporary Storage facility administration office to obtain the Exit Note

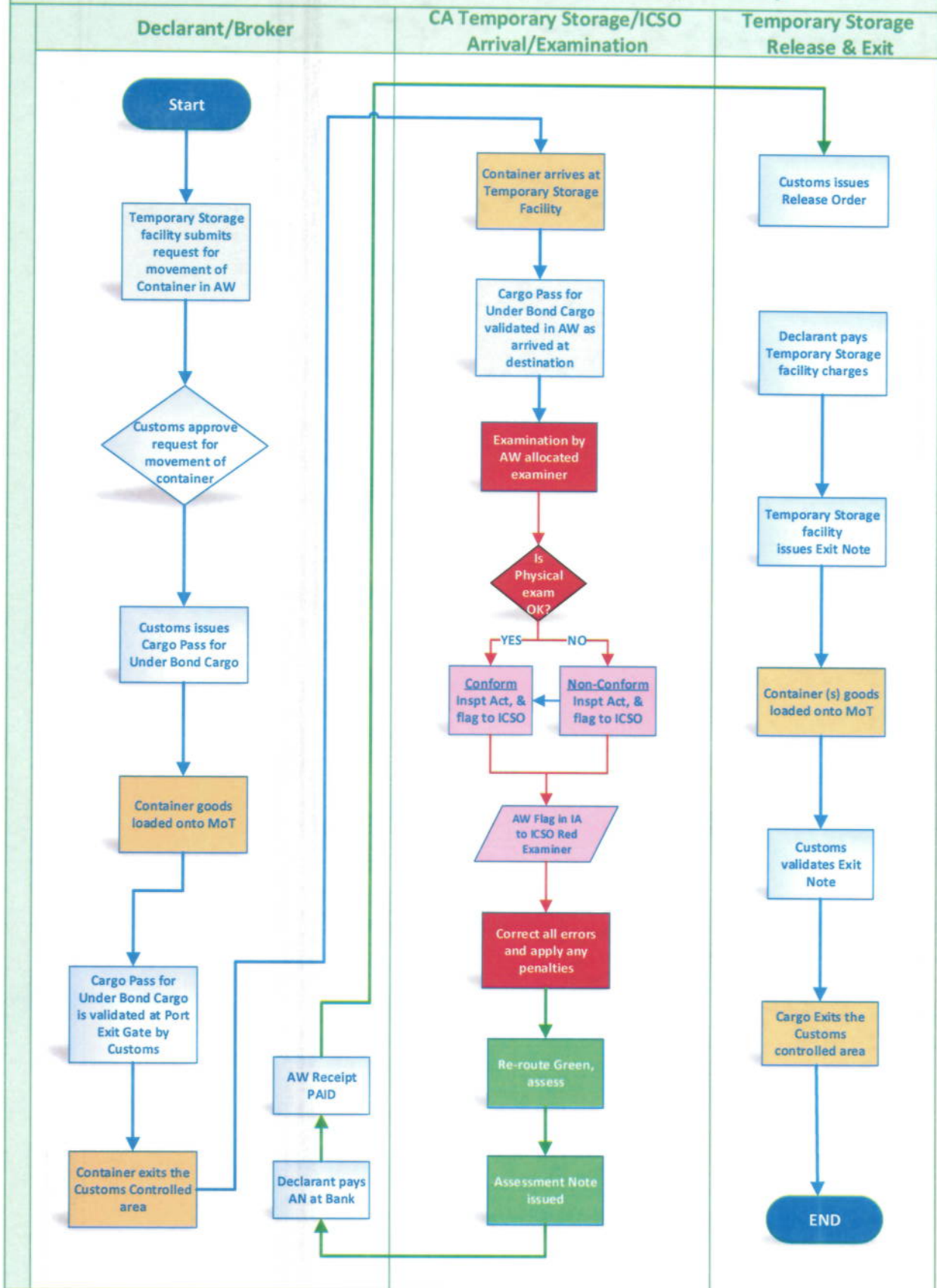
### **3. Exit of goods from Temporary Storage**

- a) The Temporary Storage administration office calculates the storage and handling charges and receives payment.
- b) Once storage and fees are paid, the Temporary Storage administration office issues the Exit Note for the goods included in the DAU.
- c) Once the goods come to the exit point of the Temporary Storage area, the Customs officer verifies the Exit Note details and validates the Exit Note.
- d) Goods then leave the Temporary Storage area.

### **END OF THE PROCESS**

**ANNEX 2. FLOWCHART - CARGO TRANSFER, DAU RELEASE AND EXIT FROM TEMPORARY STORAGE**

## Transfer, Release & Exit -Temporary Storage Facility



## ANNEX3 TRANSPORTER REGISTRATION AND PORT GATE ENTRY

With the need to control movement of trucks in and out of port and putting in place linkage between Exit note generation and pool of trucks which are inside the port area;

Two e-document have been created in ASYCUDA World, for handling truck registration and port entry/exit

### Transporter Registration

This will be done by customs. Truck owners will provide needed information for initial registration of their trucks. The following information will be required

No.	Data	Description	Mandatory
1	Company TIN	TIN for the company or individual owning the transport truck	NO
2	Vehicle Number	Registration Number of the Truck	YES
3	Chassis Number	Chassis Number for the truck being registered	YES
4	Weight	Weight of an empty truck being registered	YES
5	Color	Color of the truck	YES
6	Type	Type of the truck being registered (Trailer, Carrier)	YES
7	Validity	Period from which the registration is valid (from mandatory)	YES
8	Contacts	List of contact (Email, Phone Number)	NO

The screenshot shows the ASYCUDA 'Transporter Registration' form. It is divided into several sections:

- Single Window Agency:** 1. Agency: AATL | Autoridade Aduaneira; 2. Document: FPTRG | Transporter Registration.
- Registration Details:** 3. Registration 2021: F | 11; 23/03/2021; 4. Vehicle Number: A24700093. A barcode is visible next to the vehicle number.
- Trader Details:** 5. Trader: No. [Empty field].
- Other Details:** 6. Nationality: TL | Timor Leste; 7. Place: DILI; 8. Validity: from 01/03/2021 to [Empty field].
- Vehicle Details (Identity):** 9. Chassis No.: A24700093; 10. Type: TR | TRAIL.
- Vehicle Details (Others):** 11. Weight/color: 35,000.000 | WHITE; 12. Container:  Tick if Carrier.
- Email Address:** No, Email Address, Telephone, Telephone Number.
- Scanned Document(s):** A table with columns for Code, File name, and Status.

## Registration Print-Out



Republica Democratica de Timor-Leste  
**Autoridade Aduaneira**  
Transporter Registration



Vehicle Number **A24700091**

21/03/2021

Trader Code

Trader Name

Arajab Nabikambali  
Dili Timor-Leste

validity

21/03/2021



### Port entry and exit

This will be done whenever a truck needs to access port and it will only be allowed for trucks that are registered in the process above.

This will start with a request by brokers for a truck to access port for either imported or exportable goods. The truck driver presents his issued card (example – above image) to port/customs officer at the entry gate. The entry gate officer scans the bar-code on the card into the system to fill up following information in ASYCUDA and trucks enters seaport area.

No.	Data	Description	Mandatory
1	Declarant TIN	Declarant request for port entry	YES
2	Vehicle Number	Registration Number of the Truck	YES
3	Movement	Direction of movement of goods (Import/Export)	YES
4	Reference	User reference	YES
5	Date	Date for the request	YES
7	Goods Details	Declaration reference and or Container number <ul style="list-style-type: none"><li>• These details will be used for exit note generation</li></ul>	NO

