



CUSTOMS AUTHORITY

Commissioner's Administrative Instruction



Standard Operating Procedure (SOP) for: “Streamlined Import Clearance Process for Tibar Bay Port - 2022”

This SOP Replaces SOP # 19 approved 26th May 2021 and
SOP # 116 approved 19th August 2022

SOP Number 117 of 23 / 09 / 2022

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PART A: SOP INTRODUCTION

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6. Integration with Other Government Agencies (OGAs)
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1. STANDARD OPERATING PROCEDURE TITLE

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

“Streamlined Import Clearance Process for Tibar Bay Port – 2022”

This new SOP supersedes all previous Import Clearance SOP’s and includes numerous changes to the previous SOP #19 approved 26th May 2021 and SOP # 116 dated 19th August 2022. These changes are reflected in the process narrative and flow charts in this document below.

2. SCOPE

This SOP is limited to the procedural aspects of the streamlined import clearance process applicable to goods arriving by sea at Tibar Bay Port, 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 Customs Revenue and Entry Processing office within the National Directorate of Customs Compliance Management will be responsible for and will perform most of the import clearance functions, except for:
 - The physical examination of goods by the automatically assigned examination officer from the National Directorate of Operations (NDO) at Tibar Bay Port;
 - Payment of customs duties, taxes and charges at the authorized banks;
 - Issuance of the Release Order;
 - Controls and Validation of Gate Out process.
- 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 (AW), 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;
- f) How goods will be Released by the Customs Cargo Control team at Tibar Bay Port;
- g) How the exit of goods will be electronically authorized and validated at Exit gates by the Port Operator.
- h) Further integration of OGA's and the Business sector into the Clearance Procedure

5. COMPLIANCE WITH NATIONAL AND INTERNATIONAL STANDARDS

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

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

include the organization principles of organizational flexibility;

- b) **The WCO Revised Kyoto Convention (RKC):**

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

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

Article 7, "Release and Clearance of Goods";

- i.) Pre arrival processing (*not yet implemented*);
- ii.) Separation of release (Exit Note) from final determination of Customs duties, taxes, fees and charges (*implemented*);
- iii.) Risk management (*Implemented*);
- iv.) Post clearance audit (*implemented, as desk audits*);
- v.) Establishment and publication of Release times (*not yet implemented*);
- vi.) Trade facilitation measures for Authorized Operators/Trusted traders (*not yet implemented*);
- vii.) Expedited shipments – air couriers (*partially implemented at Dili Airport*)



- viii.) Perishable goods (currently, a case by case manual procedure);

Article 8. Border Agency Cooperation

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

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

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

6. INTEGRATION WITH OTHER GOVERNMENT AGENCIES (OGAs)

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

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

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

7. APPLICABLE LEGISLATION

The following legislation applies to this procedure.

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

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

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

Specific provisions are, as follows:

- a) Article 108, paragraph 1 and 4. – presentation of electronic copy of manifest minimum 48 hours before the date of arrival at the Port of entry.
- b) 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);
- c) Article 139, paragraphs 1 and 2. - Goods are in temporary storage in authorized places while waiting for their processing into a Customs regime;
- d) Article 139, paragraph 4. - Persons who remove goods from areas under Customs control before exit authorization will be subject to an administrative penalty;
- e) 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.

- f) 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.
- g) 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”



- h) Article 157, paragraph 1.- The Customs declaration must be submitted at the Customs location of the goods arrival;
- i) Article 157, paragraph 2.- The Customs declaration can be submitted twenty-four (24) hours before the arrival of the goods;
- j) 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;
- k) 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;
- l) 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;
- m) Article 160, paragraphs 1 to 3.- Amendment and replacement of the Customs declaration before commencement of the clearance process;
- n) Article 161, paragraphs 1 to 3.- Cancellation of a Customs declaration at the request of the declarant;
- o) Article 162.- Verification and checking of the Customs declaration;
- p) Article 163, paragraphs 1 to 3.- Assessment of the Customs declaration;
- q) Article 164, paragraphs 1 to 9.- Notification to broker/declarant of physical inspection of goods and Customs proceeding with inspection if the broker/declarant does not intend to attending.
- r) 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;
- s) 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 National Director of Operations, Dili (NDO) and Municipal Director of Operations, Tibar Bay Port (MDO), who will be responsible for:

- a) The implementation and standardized application of all the provisions within this SOP, in all Customs areas under his/her control;
- b) Ensuring that National Director of Operations instructs the Municipal Director Operations Tibar Bay Port and examination officers to fully adhere to this SOP;
- c) Ensuring that officers in the operational areas under his/her control and Operations Tibar Bay 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 and Officers from Physical examination team at Tibar Bay Port 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 generated by TPSA system.

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

11. ADHERENCE TO THIS PROCEDURE

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

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

12. MINIMUM SUPPORTING DOCUMENTS AND/OR OTHER REQUIREMENTS

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

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

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

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

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

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

Annex 1

Annex 2



13. PROCESS NARRATIVE

This SOP is broken down into Five (5) 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: MANIFEST REGISTRATION

1. Cargo Manifest

The Cargo manifest is submitted and registered in the AW System by the Shipping Line.

The AW system will automatically forward the received manifest to the Tibar Bay Port operating system.

2. Registration of DAU

The Broker can register the DAU in AW system at the point of the Cargo Manifest being registered in the AW System.

STAGE 2: 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 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 "**Registration Number**" and will trigger selectivity by routing the DAU to one of four different Lanes: Red; Yellow; Blue or Green. AW will also send an automatic system email to authorized broker/declarant indicating that the DAU is "**Registered**".



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

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

STAGE 3: GREEN/BLEU LANE

DAUs routed to the Green or Blue lanes have an immediate short process, as follows:

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 are released without any further scrutiny;
6. Assessed Blue lane DAUs are 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 BNCTL).

Green/Blue lane DAUs are not checked or presented in electronic or hard copy to CREP and can therefore proceed to **Stage 4** in the electronic process: "Payment of Duties and Taxes" at the authorized Bank.

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

YELLOW AND RED LANE DAUs GO TO STAGE 3a or 3b.

STAGE 3A: YELLOW LANE - DOCUMENTARY EXAMINATION AT CREP

AW Selectivity – in this case the routing of a DAU to the Yellow lane – will trigger the “Automatic Allocation of Document Check Examiner” in AW and the process will be continued at CREP with the following tasks (task numbers continue from Stage 2-Nr 3)

The documentary check **must** start as soon as the DAU is assigned to a CREP Officer. This is an electronic procedure and there is no requirement for a hard copy of the DAU and supporting documents to be presented to Customs and used for completing this process.

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

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) Ensure that the Valuation Method used was done so in accordance with Table 1 of the Customs Code, Decree law 14/2017;
- e) Ensure that any additions or deductions to the Customs Value have been duly recorded within the AW Valuation Note;
- f) Ensure that authorization or certificates for OGAs requirement – if applicable – are present; and
- g) Complete the AW Inspection Act, and enter details of the document check. There are three 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 automatically 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 and validates any changes;
- v.) 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 and taxes at the authorized Bank (BNU or BNCTL). AW sends an automatic email to the broker/declarant indicating that the DAU status has changed to “Assessed”.
- 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 the DAU. This allows the broker/declarant to print the AN.

Option 3. If the DAU is being re-routed from Yellow to Red for Physical Inspection the examiner should complete the “**Information to Examiners**” text field to provide guidance and instructions on what is required from the physical examination of the goods to clarify any discrepancies in the DAU found during the documentary check. The AW system will automatically assign the DAU to Tibar Bay Port Physical Examiner.

GO TO STAGE 4 (Duty/Tax Payment at the authorized bank)

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

4. Inspection Act -Not Conform Physical Inspection required DAU amended as needed – Penalties applied if required – Information to Examiners completed – Re-routing to Red Lane for inspection	• AW electronic process • CREP Yellow lane allocated officer • Operations Physical Inspection allocated officer • Broker/declarant	• Non-compliance (“Not Conform”) identified • Red Lane for Physical Inspection • AW status message to broker/declarant “Red Lane”
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STAGE 3B: RED LANE DOCUMENTARY CHECK

The primary role of the Red lane documentary check officer at CREP is to conduct detailed scrutiny of the DAU and supporting documents, and then redirect the DAU to the electronically allocated physical examiner at Tibar Bay Port. To ensure clarity, these two different types of Red lane control actions have been listed under “Documentary Check” and “Physical Examination” below. The DAU can only be assessed by “Physical Examination officer” after completion of the goods inspection.

The documentary check **must** start as soon as the DAU is assigned to a CREP Officer. This is an electronic procedure and there is no requirement for a hard copy of the DAU and supporting documents to be presented to Customs and used for completing this process.

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

- 4b. At CREP, the electronically assigned Documentary Check **(RED)** officer receives an AW electronic notification of DAU to be checked;
- 5b. Officer performs a check of the DAU and supporting documents, quantities, tariff classification and values. Depending on his/her findings of the documentary check, or whether the DAU is being returned from Tibar Bay 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.) CREP Officer selects **“Documentary Check Done”** and AW notification is automatically assigned to Red Examiner at Tibar Bay Port.
- iv.) If it is a single container consignment AW system will send an automated message to TPSA system and they will automatically recover container from the storage area and place in Customs Inspection Area.

- v.) If the consignment is multi container (two or more) then the selection of the containers for physical inspection will be an automated process by AW which will randomly select a number of containers from the consignment. The AW system will send an automated message to TPSA system and they will recover the containers from the storage area and place in Customs Inspection Area.

See ANNEX 1 for the table of selection percentage rates

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

- iv.) selects the “**non-conform**” box on the AW Inspection Act;
- v.) ticks the reason for non-conformity from the numeric Error/infringement code and Action codes in the Inspection Act;
- vi.) liaise with broker/declarant to amend errors;
- vii.) makes any required amendments, validates any changes;
- viii.) The examiner should complete the “**Instruction to Examiners**” text field to provide guidance and instructions on what is required from the physical examination of the goods to clarify any discrepancies in the DAU found during documentary check.
 - i.) CREP Officer selects “**Documentary Check Done**” and AW notification is automatically assigned to Red Examiner at Tibar Bay Port.
- vi.) If it is a single container consignment AW system will send an automated message to TPSA system and they will automatically recover container from the storage area and place in Customs Inspection Area.
- vii.) If the consignment is multi container (two or more) then the selection of the containers for inspection will be an automated process by AW which will randomly select a number of containers from the consignment. The AW system will send an automated message to TPSA system and they will recover the containers from the storage area and place in Customs Inspection Area.

See ANNEX 1 for the table of selection percentage rates

Important Notes:

- Documentary check officer **(RED)** does not reroute to Green nor assess the DAU at this stage, as this will be done after physical examination at Tibar Bay.
- Quarantine Red Lane DAU checks are conducted at the Tibar Bay 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. Quarantine might complete their examination of the goods at the trader's premises after Customs clearance process is completed.

GO TO STAGE 3c, STEP 6c – Physical Examination Tibar Bay Port

Critical Stage Tasks	Who is involved	Impact
1. Documentary of RED lane DAUs conducted	<ul style="list-style-type: none"> • AW electronic process • CREP Red Lane allocated officer 	<ul style="list-style-type: none"> • Automatic allocation of CREP examiner • AW Status message to broker/ declarant
2. Inspection Act – <u>Conform</u> , <ul style="list-style-type: none"> – Complete instruction to examiners – Selects "Documentary Check Done" 	<ul style="list-style-type: none"> • AW electronic process • CREP Red lane officer 	<ul style="list-style-type: none"> • Compliance ("Conform") identified • AW message to TPSA for delivery of containers for physical inspection
3. Inspection Act – <u>Not Conform</u> , <ul style="list-style-type: none"> – DAU amended as needed – Penalties applied – Complete instruction to examiners – Selects "Documentary Check Done" 	<ul style="list-style-type: none"> • AW electronic process • CREP Red Lane allocated officer • Broker/declarant 	<ul style="list-style-type: none"> • Non-compliance ("Not Conform") identified • AW message to TPSA for delivery of containers for physical inspection

STAGE 3c: RED LANE PHYSICAL EXAMINATION

The Red Lane physical examination officer(s) is responsible for conducting a physical examination of the consignment, at Tibar Bay Port. This will include at least the following tasks (task numbers continue from Stage 3b – task 5b):

- 6c. AW assigned Red DAU are allocated to Physical Examination officers who receive an AW email indicating a DAU is waiting for an examination. The broker/declarant also receives an AW email about the examination;
- 7c. The AW system will automatically notify the TPSA system of the containers to be transferred from the Tibar Bay Port storage area to the Customs Inspection bays after the DAU Document Check has been completed by CREP.
- 8c. Tibar Bay Port cargo handling contractor will prepare the container ready for inspection.
- 9c. Before conducting the examination, the Examiner views in AW Selectivity the reason for the DAU selection (profile or random) and views the "Instructions to the 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 before starting the physical inspection:

- a) 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;
- e) If further containers are required in addition to those selected by the AW system for physical inspection, the Examination Officer can request for further containers to be produced from the storage area for this purpose within the AW system.

10c. 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) The DAU is re-routed to **Green** and assesses the DAU.
- d) The AW system sends an automated message to TPSA to remove the containers from the Inspection area and return them to the storage area;

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) adds additional information in the free text box explaining why the DAU is “non-conform”.
- d) If DAU non conformity involves the application of penalties, the examiner writes a note in AW Inspection Act for penalties to be applied;
- e) DAU is re-routed to “Query” in AW and an automated message is sent by the AW system to TPSA to return the container back to the storage area. The status of the DAU changes to “Query” whilst the penalty process is being undertaken.

- f) An AW automated message is sent to Risk Management Team to notify them the DAU is "Non-Conform" and has been re-routed to "Query" to start the penalty process and investigation;
- g) The Inspection Team examiner will prepare a report for the MDO outlining the irregularities identified during the inspection (not in AW system);
- h) The MDO will then dispatch the report to the NDRM so that an investigation can be made and a briefing note prepared for the Commissioner for approval;
- i) When the briefing note is approved, it is sent to the NDCCM for final action and application of penalties;
- j) DAUs re-routed to "Query" by Physical Examination officers noting penalties to be applied, the documentary check Officer in CREP must first resolve any errors with the importer that were identified by the physical examination officer in their report and ensure that penalties (if any) have been confirmed and notified to the broker/declarant for payment. Following this, the documentary check examiner reroutes the DAU to the **Green** lane;
- k) **Assess** the DAU. AW issues the **Assessment Notice** (AN) and sends a PDF copy automatically of the AN to broker/declarant in order to pay the duties and taxes. Simultaneously, the broker/declarant receive an AW status message "**Assessed**".
- l) 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 and taxes at the authorized Bank (BNU or BNCTL). AW sends an automatic email to the broker/declarant indicating that the DAU status has changed to "**Assessed**".

GO TO STAGE 4 – (DUTY/TAX PAYMENT AT THE AUTHORIZED BANK)

Critical Stage Tasks	Who is involved	Impact
1. Physical examination of RED lane DAUs conducted	<ul style="list-style-type: none"> • AW electronic process • Tibar Bay Port Red lane Physical Examination officer 	<ul style="list-style-type: none"> • AW Status message to broker/ declarant
2. Inspection Act – <u>Conform</u> – Re-route DAU to Green lane	<ul style="list-style-type: none"> • AW electronic process • Tibar Bay Port Red lane physical examination allocated officer 	<ul style="list-style-type: none"> • Compliance ("Conform") identified • Assessment Nr. Issued • AW Status message to broker/declarant: "Assessed"
3. Inspection Act – <u>Not Conform</u> – Re-route to "QUERY" in AW	<ul style="list-style-type: none"> • AW electronic process • CREP Red Lane allocated officer • Broker/declarant 	<ul style="list-style-type: none"> • Non-compliance ("Not Conform") identified • AW message to CREP Red lane allocated officer

STAGE 4: PAYMENT OF DUTIES AND TAXES AT AUTHORIZED BANK

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. This causes the DAU **status** to be changed to **"Paid"** and an electronic message is sent to broker/declarant confirming this status;
6. For general cargo, the AW system automatically generates the **"Release Order"** and an automated message is sent to the TPSA system notifying that the goods are "released";
7. For motor vehicles/trucks/buses/motorcycles/mopeds the AW system will not generate a release order for these goods until DNTT have registered the plate registration numbers of the vehicles in to the AW system and is validated. This will then trigger the issue of the Release Order. An automated message is sent to the TPSA system notifying that the goods are "released";

GO TO STAGE 5

(GATE OUT PROCEDURE AND VALIDATION)



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

STAGE 5. GATE OUT PROCEDURE AND VALIDATION

This Stage takes place when the declarant/broker is ready to collect the goods from the storage area in Tibar Bay Port.

At Tibar Bay Port, the Port Authority will issue a **"Gate Out"** pass upon payment of demurrage fees and other Port charges incurred during the clearance process. The **"Gate Out"** pass must be **"validated"** in the TPSA system at the time of the physical exit of the container from the **"Tibar Bay Port Gate Out"**. When the container is released from the **Gate Out** the TPSA Port System automatically sends a message to AW system and the Exit Note is generated which closes the DAU process in the AW system.

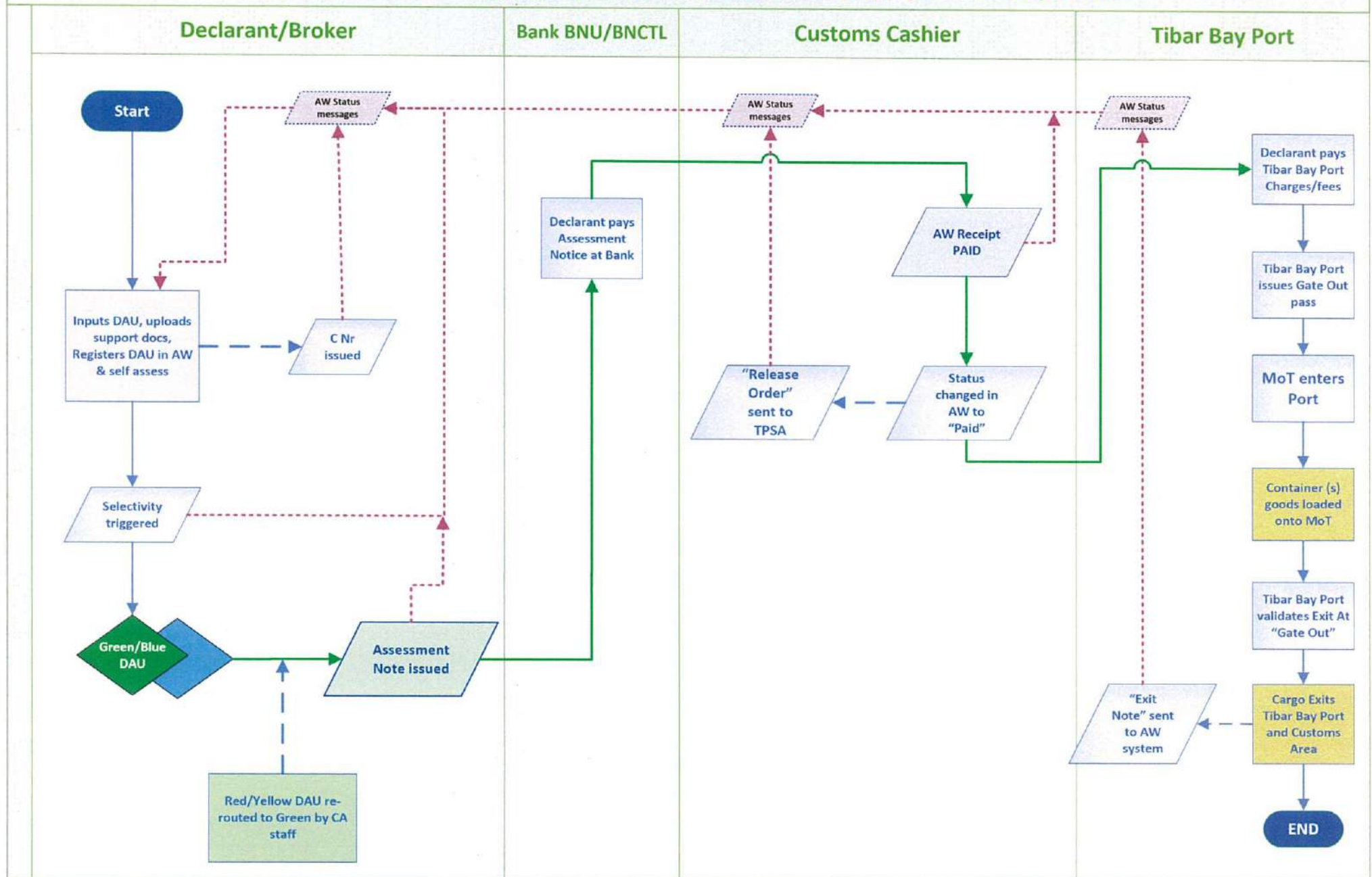
1. Broker/declarant proceeds to TPSA Customer Service for payment of demurrage and port charges/fees;
2. TPSA Customer Service confirm receipt of the **"Release Order"** from the AW system in TPSA system;
3. TPSA agent completes registration of transport/driver/company in TPSA system against container number being collected from the storage area and issue a **TPSA Gate Pass**;
4. Transport vehicle enters GATE IN Lane for controls by Gate Operator who confirms container status in TPSA system and notifies driver of container location for collection;
5. Transport vehicle drives to allocated location and is loaded with the container;
6. Transport vehicle proceeds to GATE OUT with container and TPSA agent checks system for container status and completes process for release of the container;
7. TPSA agent registers the movement and release of the container in the TPSA system which sends a **"real time"** message to the Customs AW system which generates the **"Exit Note"** and closes the DAU process in AW;
8. Transport vehicle leaves Tibar Bay Port with the container for delivery to the declarant.

Critical Stage Tasks	Who is Involved	Impact
1. At Broker/ declarant request Tibar Bay Port issue TPSA Gate Pass	<ul style="list-style-type: none"> • Broker/declarant • Port Authority staff (Tibar Bay Port) • TPSA electronic process 	<ul style="list-style-type: none"> • TPSA Gate Pass generated
2. Cargo presented at GATE OUT for Validation and Exit from the 3. 4. terminal. 5. Automated message sent from TPSA to AW for generation of Exit Note	<ul style="list-style-type: none"> • Port Authority (Tibar Bay Port) • AW electronic process, 	<ul style="list-style-type: none"> • AW Exit Note generated, DUA status changes to "Exited" • AW status message "Exited" sent to broker/declarant

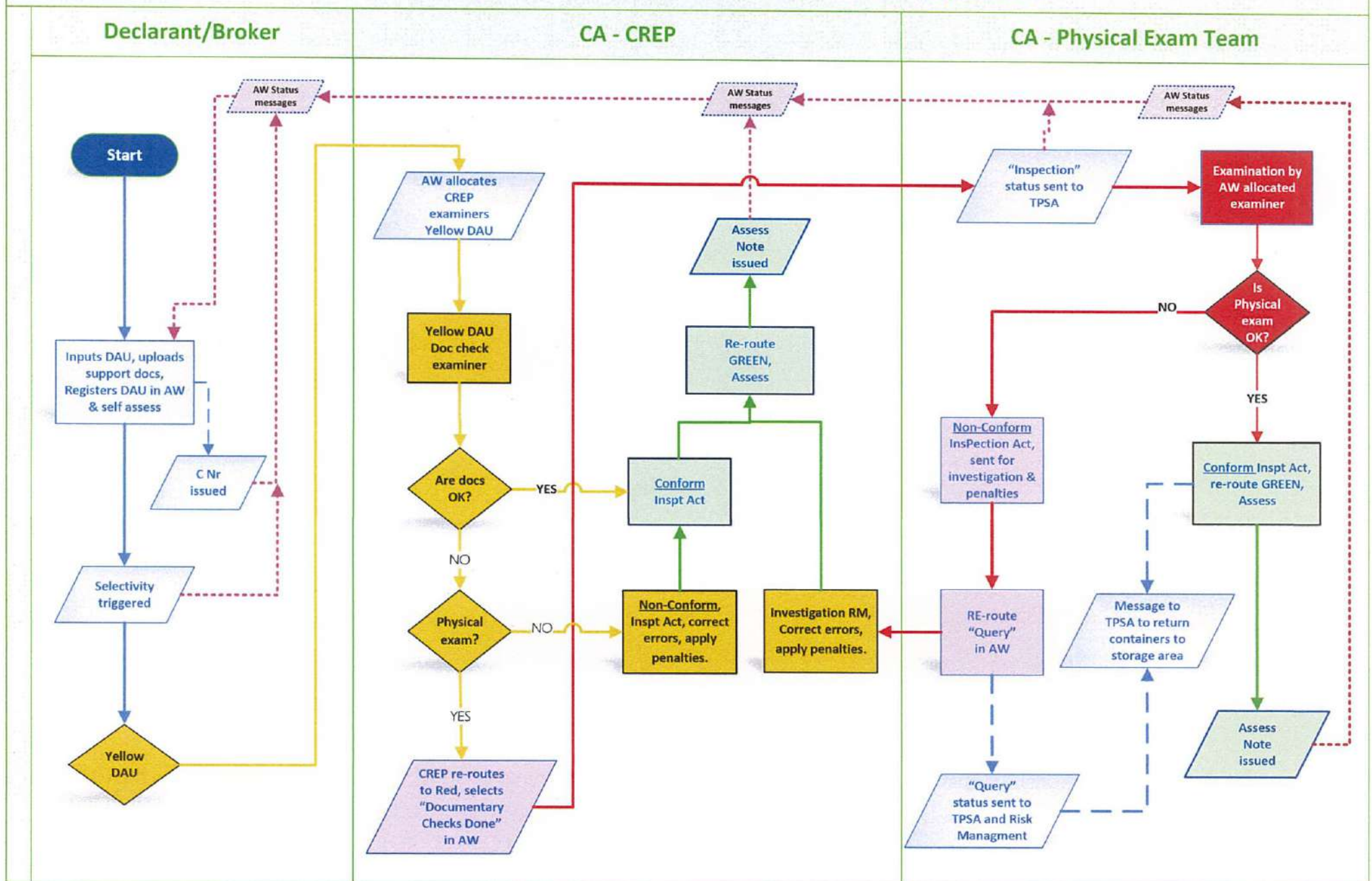
END OF CUSTOMS PROCESS



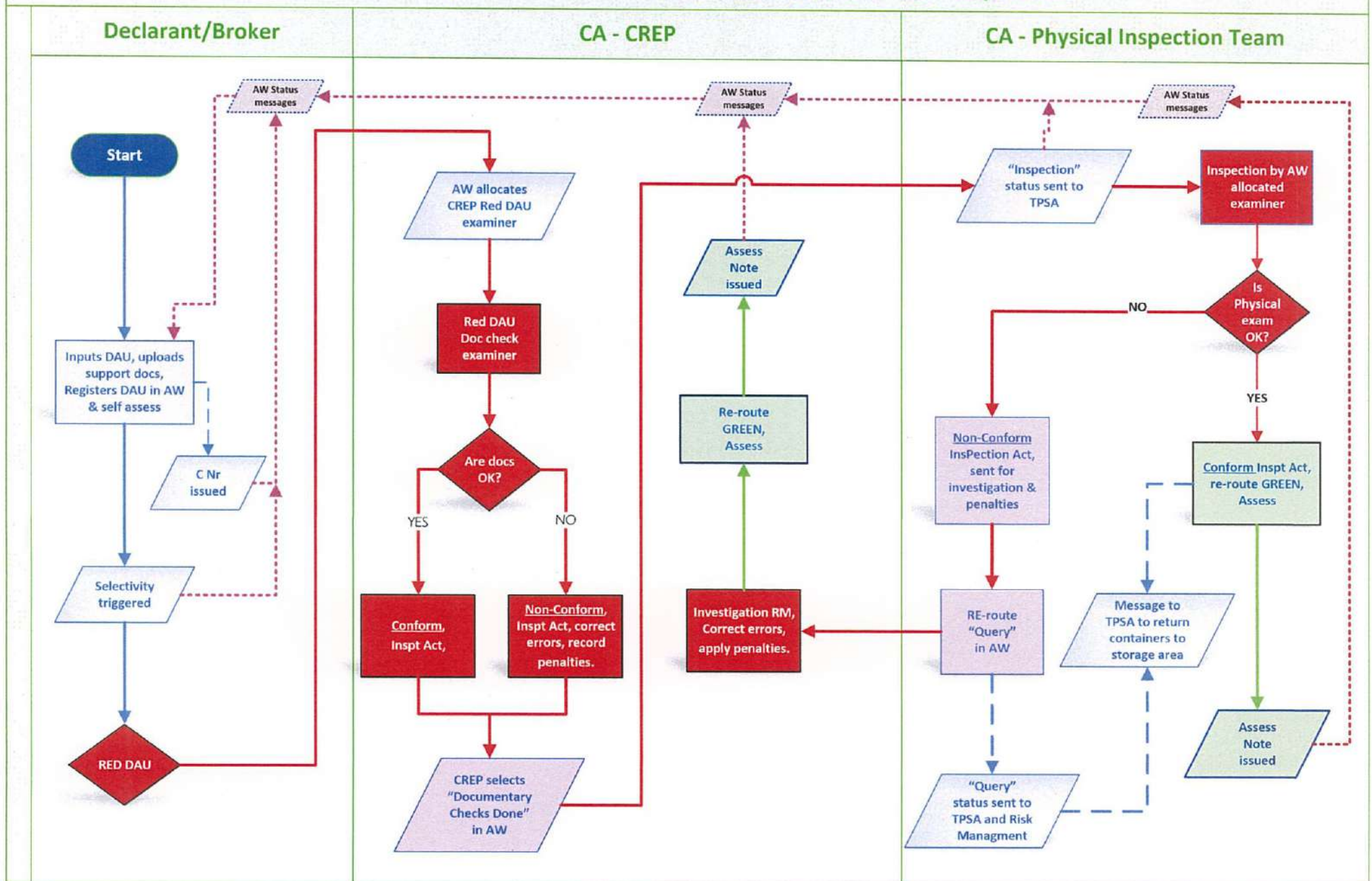
Green & Blue Lane Import Clearance Process Tibar Bay Port – 23rd Sept 2022



Yellow Lane Import Clearance Process Tibar Bay Port – 23rd Sept 2022 v2



Red Lane Import Clearance Process Tibar Bay Port – 23rd Sept 2022



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, "SOP – Streamlined Import Clearance Process for Tibar Bay Port– 2022";
- b) **Direct** that this SOP be communicated to all relevant CA staff, and for all CA staff to implement, apply and enforce all parts of this SOP as described; and
- c) **Direct** that this SOP shall come into effect the day after the signed date below.
- d) **Direct** that this SOP shall supersede and replace all previous SOPs for Clearance Procedures (specifically SOP #19 approved 26th May 2021 and SOP # 116 approved 19th August 2022)

Signed on the 23 day of sept 2022

The image shows a handwritten signature in blue ink over a circular official seal. The seal contains the text 'AUTORIDADE ADUANEIRA' at the top, 'Ministerio da Fazenda' in the center, and 'COMISSARIO' at the bottom. The signature is a cursive script that loops around the seal.

Jose Antonio Fatima Abilio

Commissioner
Customs Authority
Timor-Leste

(official Customs seal)

16. SOP AMENDMENTS RECORD

Approval Date	Version Number	Developer(s) name	Reviewer(s) name