



**Asia-Pacific
Economic Cooperation**

**SHANGHAI ACCORD
TRADE FACILITATION FINAL REPORT**

Sub-Committee on Customs Procedures

September 2006

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Introduction

The APEC Sub-Committee on Customs Procedures (SCCP) is pleased to present the Trade Facilitation Final Report (Shanghai Accord) to the APEC Committee on Trade and Investment (CTI).

Since 1994 the SCCP has been working towards the harmonisation and simplification of Customs procedures in the Asia-Pacific region. SCCP activities support the efficient, safe and effective movement of goods and services through the region.

In 2001, APEC Leaders committed to implementing the APEC Trade Facilitation Principles with a view to reducing trade transaction costs by 5% by 2006. In response the Framework for APEC Trade Facilitation Action Plan was developed. The Plan includes 4 keys elements of which the SCCP participates in the 'movement of goods' component.

When reviewing mid-term report options, in early 2004, it was agreed that given the ongoing work of the CTI to develop a quantitative methodology to measure transaction costs the SCCP would concentrate efforts on providing a qualitative report. Further, it was agreed that the qualitative report would be a compilation of initiatives implemented since 2001. These examples, or case studies, formed the basis of the SCCP trade facilitation mid-term report.

The final report is an extension and more comprehensive version of the mid-term report. It provides qualitative examples of initiatives undertaken by SCCP members to reduce trade transaction costs. To make the report more relevant to business, the final report links the examples of SCCP members with the priorities for customs administrations that have been identified by the APEC Business Advisory Council.

Customs administrations from the APEC region have achieved significant progress in streamlining, upgrading and harmonizing their activities. The case studies that follow demonstrate SCCP members' commitment to improved trade facilitation arrangements in an environment of increased security scrutiny.

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|---|---|---|---|
| APEC member economy: | Australia | | |
| Initiative title: | Cargo Management Re-engineering | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input checked="" type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings </td> </tr> </table> | <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input checked="" type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input checked="" type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
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| Description: | <p>Australian Customs has modernised the way businesses report the movement of goods across Australia's borders. These changes, a result of the Customs Cargo Management Re-engineering (CMR) project, have involved a major review of Customs practices. The CMR project includes the introduction of a new Information Technology (IT) system and new legislation.</p> <p>Customs new IT system, the Integrated Cargo System (ICS), has replaced existing reporting and processing procedures with one integrated IT system. The ICS has significantly enhanced Customs risk management assessment at the border and assists industry to track cargo movements more efficiently.</p> <p>A key feature of the ICS is improved security. Users and transactions are protected by public key infrastructure. This involves the use of digital certificates, which are a proven way of providing confidentiality, authentication, non-repudiation and message integrity over open networks such as the Internet. All transactions are encrypted so that the data cannot be read by anyone other than the intended recipient.</p> <p>The implementation of CMR's major legislative changes coupled with the introduction of new technologies, such as the ICS, provide for the largest change in Australian Customs in over 100 years.</p> | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Increased electronic reporting of import and export declarations. A 39% decrease in manual declarations was recorded in the period from July 2005 to February 2006. ▪ Enhanced security around the transmission of electronic messages to and from Customs. ▪ Greater flexibility with respect to communication options. ▪ Greater certainty as to the status of cargo through improved diagnostic facilities. ▪ Benefit of 'early report, early status' for import cargo reporters. ▪ Special provisions for Customs accredited clients. | | |

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| APEC member economy: | Australia | | |
| Initiative title: | Other Trade Facilitation Measures | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Transparency <input type="checkbox"/> Release of Goods <input type="checkbox"/> Automation <input type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input checked="" type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input checked="" type="checkbox"/> Advance rulings </td> </tr> </table> | <input checked="" type="checkbox"/> Transparency <input type="checkbox"/> Release of Goods <input type="checkbox"/> Automation <input type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input checked="" type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input checked="" type="checkbox"/> Advance rulings |
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| Description: | | | |
| <p>Service Standards Australian Customs has committed to achieving certain standards of client service under its Client Service Charter. Some examples of trade-related standards include:</p> <ul style="list-style-type: none"> ▪ determination of specific response times to client inquiries ▪ availability of Australian Customs cargo reporting systems ▪ expected time frames for the finalisation of internal reviews of decisions relating to Tariff, Valuation, Origin and Tariff Concession Orders ▪ advising an affected trader of the internal or external review or appeal mechanisms available to them at the time they receive written notification of a decision. <p>Australian Customs aims to be professional, accountable and transparent in all dealings with clients. It regularly monitors and annually reports on its performance against the standards detailed in its Client Service Charter. Performance information is available in its Annual Reports and on Australian Customs website.</p> <p>Review and Appeal The trade industry has access to various internal appeal avenues should there be disagreement with decisions made by Australian Customs. Decisions regarding duty (including tariff classification, valuation and origin) are subject to full merits review upon application to the independent Administrative Appeals Tribunal (AAT). The main exceptions are decisions regarding anti-dumping and countervailing subsidy decisions. These decisions are only subject to judicial review in the Federal Court, where an error of law must be proved.</p> <p>Advance Rulings Australian Customs maintains a national database, known as TAPIN, to record tariff and valuation advices for use by Customs officers. A percentage of tariff decisions are subject to further, in depth examination by Customs and a selection of these “audited” decisions are kept in a separate PRECEDENT database, which is available to Customs officers and owners/agents for precedent purposes.</p> <p>Complaints and Compliments Australian Customs maintains a Complaints and Compliments feedback system. This is a national system for collecting and actioning client feedback by phone, email or in writing. A report is published quarterly on Customs performance. Information about Customs Complaints and Compliments System including how to make a complaint or compliment is readily available including on Australian Customs website.</p> | | | |

Free Trade Agreements

While the Department of Foreign Affairs and Trade (DFAT) is responsible for negotiating Free Trade Agreements (FTAs), Australian Customs assists by participating in whole-of-government discussions, negotiations and bilateral meetings. Australian Customs also provides technical advice on customs-related issues and develops draft text on these issues.

The economies that have established a FTA with Australia include United States of America, Singapore, Thailand and New Zealand. FTAs under negotiations are Association of South East Asian Nations (ASEAN), China, and Malaysia.

Key areas that Customs is responsible for, or has an interest in, includes:

- simplification and harmonisation of customs procedures and customs cooperation
- rules of origin and valuation
- anti-dumping measures
- electronic commerce
- enforcement of intellectual property rights.

For Customs, the implementation of an FTA generally requires changes to legislation, including amendments to *Customs Tariff Act* to allow preferential rates of duty amendments to the *Customs Act* to establish the rules of origin for the participating parties.

Publications

Australian Custom has a range of publications available to the public on its website regarding trade related procedures and requirements. Examples of these publications include:

- Australian Customs Notices
- State Notices
- Australian Customs Cargo Advices
- Australian Customs Dumping Notices
- Anti Dumping Booklet
- Dumping Investigations
- Trade Measures Policy Advice
- Intellectual Property - Notices of Objection
- Quality Assurance Policy
- Fact sheets
- Newsletters
- Manuals.

All of the above examples are accessible via Customs website at www.customs.gov.au

Benefits/cost savings:

- Simplified Customs procedures
- Increased clearance efficiency

| | | | |
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| APEC member economy: | Canada | | |
| Initiative title: | G7 Initiative for Import and Export Reporting | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings </td> </tr> </table> | <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input checked="" type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
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| Description: | <p>In July 2003, Canada implemented its G7 Import and Export service options, which were developed as part of the G7 Initiative to Standardize and Simplify Customs Procedures. These service options allow traders to use simplified and harmonized electronic data exchange (EDI) messages, utilizing the G7 import and export data sets, now managed by the World Customs Organization (WCO) and referred to as the WCO Data Model version 1.</p> | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Introduction of an EDI Export declaration reporting process ▪ G7 Import/Export data sets (WCO Data Model version 1) provides compatibility between Import and Export declarations ▪ Trader can submit both Import and Export declarations using paperless reporting ▪ Implementation of harmonized Import and Export data sets streamline reporting, reduce the burden on trade community and enhance competitiveness ▪ Simplified and international common procedures and data require less Customs resources to be devoted to facilitating low risk trade (e.g. correcting unintentional reporting and accounting errors) and thereby permitting resources to be focused on high risk and unknown trade. | | |

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| APEC member economy: | Canada | | |
| Initiative title: | Advance Commercial Information (Marine, Air Cargo Reporting) | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input checked="" type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings </td> </tr> </table> | <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input checked="" type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input checked="" type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
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| Description: | <p>In April 2004, Canada implemented the WCO version 1 cargo and conveyance data sets for marine as part of the first phase of the Advance Commercial Information (ACI) Initiative. In December 2005 ACI phase 2 introduced the WCO version 1 data sets for the air mode. Plans for other modes will follow as future phases of ACI are implemented.</p> <p>Under ACI, Canada Border Services Agency is replacing existing cargo and conveyance reporting and procedures with modernized reporting practices which support enhanced reporting and risk management procedures as part of a phased implementation.</p> <p>New regulations have been introduced to strengthen customs requirements for cargo reporting under the ACI Initiative. This includes mandatory advance reporting of cargo and conveyance prior to arrival for import shipments; mandatory electronic reporting (EDI); and, provision for monetary penalties against carriers for failure to comply.</p> <p>As part of modernization of customs processes, IT systems have been developed which involve the use of automated risk assessment tools to assist in identifying marine and air shipments of higher risk as part of an enhanced risk management strategy.</p> | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Introduce an EDI Air Cargo and Conveyance reporting process ▪ Expand EDI Marine Cargo and Conveyance reporting activities to include Transborder (Canada-U.S.) shipments and marine cargo export shipments ▪ Improved communications with carriers (EDI notification) on the status of goods of interest to Customs ▪ Advance reporting provides carrier benefits derived from greater certainty in the status of goods upon arrival at the border. ▪ Implementation of the '24 hour rule' requiring marine cargo shipments destined to Canada to be reported 24 hours prior to loading in the foreign seaport. ▪ Advance electronic reporting provides Customs with the opportunity to use automated risk assessment techniques to assist in identifying shipments of interest prior to arrival. ▪ Implementation of harmonized cargo data sets allows customs and traders to streamline systems and procedures. | | |

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| APEC member economy: | Chile | | |
| Initiative title: | Chile Foreign Trade Single Window Implementing Trade Facilitation measures by ICT. | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings </td> </tr> </table> | <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
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| Description: | <p>SINGLE WINDOW</p> <p>State Modernization In response to the development and opening strategy of the country, a process of State Modernization was introduced, including modernization of international trade-related agencies and the development of E-government, including the latter the use of ICTs to increase Chile's competitiveness.</p> <p>Single Window The Single Window can be found within the Digital Agenda of the Chilean Government and it comes to gather together all the foreign trade formalities at national level. It is a governmental priority led by Chile Customs Service, and it is based on the mutual co-operation between Customs and other government agencies.</p> <p>The Single Window is aimed at amalgamating in a unique portal, managed by Customs all trade entities allowing import-export procedures and formalities to be carried out electronically via the Internet.</p> <p>The Integrated Agencies to the Single Window system are Customs, Fishery, Transport, Treasury, Health, Forestry, Phyto-sanitary, and Zoo-sanitary. Together, they gather around 96% of foreign trade volume. During 2005, they were inter-connected but with different levels of connection. The goal for 2006 is a total connection and a standardized functioning among them.</p> <p>There are some other 10 agencies that represent 4% of foreign trade operations and are expected to connect the system as far as practicable.</p> <p>Some of the Challenges that the system has encountered are:</p> <ul style="list-style-type: none"> ▪ The "paper" culture, a symbol of bureaucracy worldwide; ▪ High percentage of manual formalities in some of the agencies involved which make restructuring somehow difficult; ▪ Disparity on the implementation of ICTs among participating agencies, which means higher expenses; ▪ Insufficient co-ordination among foreign trade stakeholders, each of them having their own processes, meaning sometimes duplication of controls and some formalities; ▪ Some destination countries have not yet implemented the use of electronic signature, which has in some way impeded the progress and speeding-up of certain formalities. | | |

Benefits/cost savings:

- Single Window focused to the Final User.
- Increased security standards of commerce.
- Customs formalities, times of clearance and operational expenses being reduced.
- Higher transparency in public management.
- Elimination of “paper” documents.
- Increased competitiveness of the country.

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|--|--|--|---|--|--|--|--|---|--|---|--|
| APEC member economy: | People's Republic of China | | | | | | | | | | |
| Initiative title: | China Customs' Efforts and Measures On Trade Facilitation | | | | | | | | | | |
| Relevant business priorities: | <table border="0"> <tr> <td><input checked="" type="checkbox"/> Transparency</td> <td><input checked="" type="checkbox"/> Confidentiality</td> </tr> <tr> <td><input checked="" type="checkbox"/> Release of Goods</td> <td><input type="checkbox"/> Express shipments</td> </tr> <tr> <td><input checked="" type="checkbox"/> Automation</td> <td><input type="checkbox"/> Review and appeal</td> </tr> <tr> <td><input checked="" type="checkbox"/> Risk Management</td> <td><input type="checkbox"/> Penalties</td> </tr> <tr> <td><input checked="" type="checkbox"/> Cooperation</td> <td><input type="checkbox"/> Advance rulings</td> </tr> </table> | <input checked="" type="checkbox"/> Transparency | <input checked="" type="checkbox"/> Confidentiality | <input checked="" type="checkbox"/> Release of Goods | <input type="checkbox"/> Express shipments | <input checked="" type="checkbox"/> Automation | <input type="checkbox"/> Review and appeal | <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties | <input checked="" type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings |
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| <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties | | | | | | | | | | |
| <input checked="" type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings | | | | | | | | | | |
| Description: | <p>In recent years, China Customs actively responds the challenges of economic globalisation and science and technology development. In step with the situation of highly increasing trade volume, China Customs pays more attention to balance between trade facilitation and efficient supervision. China Customs undertakes initiatives in many fields and applies advanced administrative methods. With unceasing endeavours China Customs has achieved expected results in trade facilitation and reducing transaction costs. The practices as follows:</p> <p>Implementing Faster Clearance Project</p> <ul style="list-style-type: none"> ▪ The management model of “one-stop declaration, one-stop inspection and one-stop release” is now in place to simplify the clearance procedures for goods transiting through different Customs Districts. ▪ Customs accepts pre-arrival declaration on import and export, calculates various duties and taxes in advance and, where necessary, conducts examination after the actual arrival of goods so as to minimize the time to enhance clearance efficiency. ▪ Risk management is introduced and enhanced by use of electronic data exchange, Universal Product Code (UPC) documents and electronic vehicle plate. The automation equipments are applied in order to improve Customs control efficiency, including computer and telecommunication network, Container Scanning Inspection System, GPS system, electronic weighting scale, electronic strobe and camera monitor and etc. Clearance and releasing of goods has been expedited to a significant extent. ▪ Customs adopts different management upon various types of processing trade, in the IT industry, such as, Customs implements supervision through computer networks instead of handmade supervision. ▪ Customs has promoting priorities classification and priorities evaluation systems to increase validity of declaration and shorten time that goods are detained at ports. ▪ 24 hours clearing systems, “order declaration” and “door to door” supervision enable private operator to meet the need for “zero stock” development. <p>"Green Channel" Clearance</p> <p>In cooperation with Ministry of Commerce, China Customs initiated 10 measures in 2001 to facilitate the export of products by large-scale and high-tech enterprises. The "Green Channel" was adopted to meet the requirements for faster clearance of their export. Any enterprise engaged in the production of high-tech products and have achieved an annual export value of over US\$100 million may apply to the Customs for these facilitation measures, which are pre-arrival declaration, on-line declaration, fast transit procedure, checking and release at the premises of exporters, urgent clearance, release with deposit and prioritised consultation.</p> | | | | | | | | | | |

Paperless Clearance

From 1 February 2001, a paperless clearance was first carried out on trial in Shanghai Customs. Now, the paperless clearance procedures come to be very successful and have been expanded to most of Customs Districts of China Customs. A comparative study of Qingdao Customs District indicates that the time used to clear goods after introducing paperless clearance procedures reduces to about 10% than before.

Comprehensive automation achieved by Hi-tech application

China Customs implements information-based management by means of “E-Customs”, “E-port” and “E-General Administration” projects, with cooperation of other governmental units and companies.

- “E-Customs” adopts H2000 clearing system that makes clearance management more efficient.
- Through information platform of “E-Port”, many related government authorities could achieve network interflow, share information and consult the electronic data. Traders could make declaration, on-line payment and apply for drawback paper.
- With the function of analysis and supervision, “E-General Administration” makes administrative decision more reasonable and operable.
- All data transmission processing needs IC card to enable confidentiality.

Providing greater transparency

Transparency is important to provide precise information and avoid undue formalities to trade community. It plays a key role in reducing transaction costs. In this regard, China Customs have undertaken measures, including:

- Revising or deleting the contents of customs laws and regulations, which contradict with the adopted international conventions.
- Circulating “General Administration of China Customs Bulletin” journal about latest laws and regulations.
- Publicizing customs procedures and time limits through Internet, gazettes and periodicals.
- Establishing enquiry telephone lines to reply clearance questions and setting up monitoring mechanism in all Customs districts.

Well-established Customs-Business partnership

- Several cooperation programmes have been implemented between Customs and Business in the area of enforcement, procedures facilitation, and security initiatives.
- Customs experts are usually sent to companies to provide advice on customs legal affairs and recommendations in improving clearance efficiency.
- Customs and Business signed more than 500 MOUs to support law compliance and purify trade environment.
- Customs has set up enterprise classification management systems and adopts “red and black list” assessment standards based on their compliance. Customs provides more simplified customs procedures for enterprises on the red list.

Benefits/cost savings:

- Decreased transaction cost
- Simplified Customs procedures
- Increased clearance efficiency
- Reinforced inter-governmental cooperation
- Make Customs administrative management more standardized and efficient

APEC member economy:**Hong Kong, China****Initiative title:**

Enhanced Facilities and Streamlined Clearance Procedures for Land Boundary Vehicular Crossings

Relevant business priorities:

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| <input checked="" type="checkbox"/> Transparency | <input type="checkbox"/> Confidentiality |
| <input checked="" type="checkbox"/> Release of Goods | <input type="checkbox"/> Express shipments |
| <input checked="" type="checkbox"/> Automation | <input type="checkbox"/> Review and appeal |
| <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties |
| <input checked="" type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings |

Description:

Hong Kong Customs has introduced a series of measures to streamline Customs clearance procedures at the three land boundary control points since March 2002 to shorten the clearance time and enhance Customs efficiency in processing goods vehicles passing through these control points.

Automatic Vehicle Recognition System (AVRS)

The installation of AVRS - a computer system equipped with digital cameras and infra-red detectors to capture and digitise the images of vehicle registration numbers for automatic inputting into the computer system for target matching - at the land boundary control points in May 2002 has significantly reduced Customs processing time.

| Type of Goods Vehicle | Customs Processing Time (in seconds) | | Time Reducing Rate |
|-----------------------|---|-----------|--------------------|
| | without AVRS | with AVRS | |
| Loaded goods vehicle | 45 | 30 | 33% |
| Empty goods vehicle | 20 | 16 | 20% |

Increase in the Number of Customs Kiosks

The daytime vehicular traffic at the Lok Ma Chau Control Point (LMCCP) has been on the constant increase over the past four years, and the need to cope with growing demands in the clearance of goods vehicles crossing the LMCCP between midnight and 0700 hours has increased correspondingly. The number of Customs kiosks to serve the cross-boundary vehicles has therefore been increased since 1 October 2002. More Customs kiosks have been operating at night-time to meet the rise in the demands of vehicular traffic since 2004. The table below shows the daily average vehicular throughput between midnight and 0700 hours and the percentage increase.

| Year | Daily Average Vehicular Throughput from midnight to 0700 hrs | Increasing Rate |
|----------------|---|-----------------|
| 2002 | 976 | - |
| 2003 | 1,519 | 55.6% |
| 2004 | 1,892 | 24.6% |
| 2005 | 2,039 | 7.8% |
| 2006 (Jan-Apr) | 1,812 | N.A. |

Besides, eight additional Customs kiosks, i.e. four on each side of departure and arrival, for the processing of private cars have commenced operation, by two stages, since 12 October 2004 and 8 September 2005 respectively. These kiosks provide the cross-boundary traffic with a “One-stop” service for clearance through the immigration and the customs. These additional kiosks also serve to segregate clearance of goods vehicles from private cars. More importantly, they have further facilitated the smooth flow of cross-boundary vehicular traffic.

Vehicle X-Ray Inspection System (VXRIS)

Two VXRISs were installed at the LMCCP in early 2003 (one each for inbound and outbound lanes) to enhance Customs clearance efficiency and strengthen Customs capability in detecting smuggled goods.

In contrast with the conventional manual search method, which requires about 4 hours, VXRIS takes only 20 minutes to completely check a 40-foot container. With VXRIS, the inspection time for the loaded goods vehicles is greatly reduced by nearly 92%.

| | Time required for Inspection | | Time Saving Rate |
|-------------------|------------------------------|-------------|------------------|
| | physical examination | Using VXRIS | |
| 40-foot container | 4 hours | 20 minutes | 91.7% |

Unified Road Cargo Manifest

Truck drivers are used to submitting two different sets of manifests to Hong Kong Customs and China Customs when crossing the land boundary between Hong Kong and Mainland China.

Since 1 January 2004, Hong Kong Customs and China Customs started a pilot scheme of accepting unified manifest jointly designed by both Customs administrations. This is a trade facilitation measure to save the manifest compiling time of truck drivers and transportation companies. Under the scheme, truck drivers only need to prepare and submit one set of manifest to the two Customs administrations. After a trial period of one year, Hong Kong Customs and the China Customs formally implemented the scheme on 1 January 2005. The percentage of truck drivers submitting Unified Road Cargo Manifest has been increased from 15.2% in January 2005 to 87.2% in April 2006.

Mutual Recognition of Customs Seal

To facilitate trade and to speed up the traffic flow at the land boundary, with effect from 1 January 2005, Hong Kong Customs and China Customs, use green Customs seals for indication of the cargo examination result to the other side.

Electronic Display Board at Customs Kiosk

Electronic display boards have been installed at the land boundary Customs kiosks for giving Customs directives to truck drivers to avoid any misunderstanding of oral communication and to speed up the traffic flow. In March 2005, the new mode of giving Customs clearance directives to cross-boundary drivers was implemented to enhance clearance efficiency.

Benefits/cost savings:

- The initiative provides more flexibility for movement of goods across the boundary to suit different business plans and has intangible benefits to business sector that may not be quantified in terms of trade transaction costs.

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|--|--|--|--|--|--|--|--|---|--|---|--|
| APEC member economy: | Hong Kong, China | | | | | | | | | | |
| Initiative title: | Implementation of Intermodal Transshipment Services | | | | | | | | | | |
| Relevant business priorities: | <table border="0"> <tr> <td><input checked="" type="checkbox"/> Transparency</td> <td><input type="checkbox"/> Confidentiality</td> </tr> <tr> <td><input checked="" type="checkbox"/> Release of Goods</td> <td><input type="checkbox"/> Express shipments</td> </tr> <tr> <td><input checked="" type="checkbox"/> Automation</td> <td><input type="checkbox"/> Review and appeal</td> </tr> <tr> <td><input checked="" type="checkbox"/> Risk Management</td> <td><input type="checkbox"/> Penalties</td> </tr> <tr> <td><input checked="" type="checkbox"/> Cooperation</td> <td><input type="checkbox"/> Advance rulings</td> </tr> </table> | <input checked="" type="checkbox"/> Transparency | <input type="checkbox"/> Confidentiality | <input checked="" type="checkbox"/> Release of Goods | <input type="checkbox"/> Express shipments | <input checked="" type="checkbox"/> Automation | <input type="checkbox"/> Review and appeal | <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties | <input checked="" type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings |
| <input checked="" type="checkbox"/> Transparency | <input type="checkbox"/> Confidentiality | | | | | | | | | | |
| <input checked="" type="checkbox"/> Release of Goods | <input type="checkbox"/> Express shipments | | | | | | | | | | |
| <input checked="" type="checkbox"/> Automation | <input type="checkbox"/> Review and appeal | | | | | | | | | | |
| <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties | | | | | | | | | | |
| <input checked="" type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings | | | | | | | | | | |
| Description: | <p>Hong Kong Customs endeavours to combat smuggling activities and maintain smooth flow of people and cargo at various control points in order to maintain Hong Kong as an important trading, transportation and logistics hub in Asia.</p> <p>To facilitate cargo transshipment, Hong Kong Customs has implemented enhanced clearance services for inter-modal transshipment cargo. All this transshipment cargo will only be cleared by Customs once (either at importation or re-exportation) instead of twice (at both importation and re-exportation).</p> <p>For air-land inter-modal transshipment cargo, they will be cleared by Customs at the Hong Kong International Airport (HKIA) upon importation and then loaded onto a specific truck with a seal affixed by the air cargo operators. In addition, a truck containing goods examined by HK Customs will be affixed with a green Customs seal. The cargo will not normally be examined again upon re-exportation at a designated land boundary control point if the seals are found intact.</p> <p>To further streamline the clearance procedure for air-land inter-modal transshipment cargo, Hong Kong Customs has enhanced the Air Cargo Clearance System (ACCS) since June 2004 to process electronic data of the transshipment cargo, which was formerly submitted in the form of paper manifest. This enhancement enables speedy transfer of cargo data between Hong Kong Customs and the cargo operators, thereby improving the efficiency of clearance service and speeding up the cargo flow.</p> <p>For air-sea/ sea-air inter-modal transshipment cargo, they will either be cleared by Customs at the air cargo terminals or the Marine Cargo Terminal (MCT) upon importation. The relevant cargo operator will then affix a seal to the cargo before onward delivery to MCT or the air cargo terminals for re-exportation. The cargo will not normally be examined again upon exportation if the seal remains intact.</p> <p>For containers imported from the Pearl River Delta via MCT to the Kwai Chung Container Terminals for subsequent re-exportation to overseas destinations, they will be screened by Customs upon importation. The selected containers will be affixed with Customs seals at MCT and examined at Kwai Chung Container Terminals before re-exportation.</p> | | | | | | | | | | |

| Mode of Inter-modal Transshipment | Handled Cargo (in tonnage) | |
|---|-------------------------------|--------|
| | 2004 | 2005 |
| Air-land (from Hong Kong International Airport to Lok Ma Chau Control Point) | 9,862 | 6,255 |
| Air-sea / Sea-air (from Hong Kong International Airport to Marine Cargo Terminal and vice versa) | 71,787 | 67,600 |
| Sea-land-sea (from Marine Cargo Terminal to Kwai Chung Container Terminals) | 28,941 | 18,099 |

Benefits/cost savings:

- The initiative has intangible benefits to the business sector by saving the transportation time and extra costs on Customs clearance across the boundary. However, they may not be quantified in terms of trade transaction costs.

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| APEC member economy: | Hong Kong, China |
| Initiative title: | Implementation of Open Bond System |
| Relevant business priorities: | <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Express shipments <input checked="" type="checkbox"/> Automation <input type="checkbox"/> Review and appeal <input checked="" type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Penalties <input checked="" type="checkbox"/> Cooperation <input type="checkbox"/> Advance rulings |
| Description: | <p>Hong Kong Customs implemented the Open Bond System (OBS) on 1 April 2003. Before the introduction of the new system, Customs officers attended bonded warehouses to supervise the movement, storage and processing of dutiable goods, namely tobacco, liquors, hydrocarbon oil and methyl alcohol therein. The warehouse operators had to pay attendance fees to Hong Kong Customs for the attendance of Customs officers.</p> <p>Under the OBS, no Customs officer is required to be employed to perform the above-mentioned job. Hong Kong Customs adopts risk management principles to monitor warehouse activities under the OBS. Monitoring measures include tightened licensing system, regular inspections and annual audits, etc. The new system has been well received by the industry.</p> <p>Apart from facilitation to the trade, this operation mode significantly reduces compliance costs of the industry and enhances their competitiveness. The system will enable warehouse operators and traders to save Customs attendance fees amounting to HK\$70 million per annum.</p> |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ The initiative has tangible benefits to the business sector and Hong Kong Customs. For the warehouse operators and traders, it saves Customs attendance fees amounting to HK\$70 million per annum. |

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| APEC member economy: | Hong Kong, China |
| Initiative title: | Implementation of Electronic Manifest Submission |
| Relevant business priorities: | <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Express shipments <input checked="" type="checkbox"/> Automation <input type="checkbox"/> Review and appeal <input checked="" type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Penalties <input type="checkbox"/> Cooperation <input type="checkbox"/> Advance rulings |
| Description: | <p>Hong Kong Customs makes its best endeavours to combat smuggling, while maintaining the smooth flow of people and cargo at various control points in order to maintain Hong Kong's important position as a major international trading, transportation and logistics hub in Asia. In 2005, the department cleared a total of some 22.6 million twenty-foot equivalent units (TEU) of cargo containers coming through Hong Kong and 14.88 million cross-boundary vehicles at the control points.</p> <p>The Electronic Data Interchange System for Cargo Manifest (EMAN) has been put into place to facilitate trade. It provides a channel for carriers of the air, rail and sea (except land) modes of transport to submit electronic cargo manifests to relevant government departments.</p> <p>Phase I of EMAN was launched in April 2003, and the government was then able to receive cargo manifests of air, rail and sea modes of transport submitted through electronic means.</p> <p>Phase II of EMAN, launched by two phases respectively in April and November 2005, fortifies the back-end processing capability of the relevant government departments.</p> <p>Hong Kong Customs has also developed a risk management tool, namely, the Customs and Excise Risk Assessment System (CERAS) in EMAN. Equipped with regularly updated risk indicators and profiles, the CERAS screens the electronic cargo manifests and assesses the risk of the cargo consignments for customs clearance. The tool has further strengthened Customs enforcement capability against high-risk cargo, without hampering the flow of legitimate consignments.</p> <p>Electronic submission of cargo manifest for air and rail modes of transport has become mandatory since 17 July 2004, and such requirement will be extended to cover the sea mode of transport with effect from 16 June 2006.</p> <p>In summary, the EMAN system provides an electronic platform for the acceptance of electronic cargo manifests, and greatly facilitates the Customs in the application of risk management in the electronic era.</p> |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ The initiative has tangible benefits to the business sector for saving the resources in filing and filling out the same return to different Government departments. However, they may not be quantified in terms of trade transaction costs. |

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| APEC member economy: | |
| Hong Kong, China | |
| Initiative title: | Introduction of the Sea Cargo Appointment Website |
| Relevant business priorities: | <input checked="" type="checkbox"/> Transparency <input type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Express shipments <input checked="" type="checkbox"/> Automation <input type="checkbox"/> Review and appeal <input type="checkbox"/> Risk Management <input type="checkbox"/> Penalties <input checked="" type="checkbox"/> Cooperation <input type="checkbox"/> Advance rulings |
| Description: | <p>To enhance the cargo clearance service for the sea cargo industry, an additional means was introduced in May 2006 through which appointments for cargo examination could be made with Hong Kong Customs electronically.</p> <p>Previously, the sea cargo industry could make telephone appointments with the Customs for the examination of detained cargo. Starting from May 2006, the Customs website provided an alternative means for the sea cargo industry to make cargo examination appointments through internet access to the website at www.customs.gov.hk/seacargoappt, at any time and any place. On making the appointment, they will need to enter the container number and the unique detention notice number, and follow the simple steps during the on-line booking. More importantly, the time slots available for cargo examination appointments are displayed for their choice and timely refreshed on the website, and they will receive an instant confirmation of the cargo appointment.</p> |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Convenient and efficient service to the sea cargo industry for making cargo appointments. ▪ Human efforts for receiving telephone calls for cargo appointments are alleviated. ▪ Transparency is assured as the sea cargo industry can view the available time slots for cargo appointments. |

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| APEC member economy: | Indonesia | | |
| Initiative title: | Implementation of Priority Channel | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings </td> </tr> </table> | <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
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| Description: | <p>Indonesia Customs has implemented a priority channel to import customs declaration since 1 January 2003. The priority channel is a channel for customs clearance produced from implementation of risk management techniques. This channel is provided for very low risk importers.</p> <p>Importers included in this channel enjoy facilities as follows:</p> <ol style="list-style-type: none"> 1. No examination for both goods and document To importers included on the priority channel, Indonesia Customs would not examine both their goods and document except any information subject to intelligence. Benefit: <ul style="list-style-type: none"> ▪ Goods can be released faster ▪ Reduced warehouse costs ▪ Reduced examination costs 2. Periodic payment This facility allows importers to pay duties and taxes at the end of the month that the goods were imported. Importers pay duty and taxes once a month for some importations during that month. This facility gives a chance to the importers to manage their budget Benefit: <ul style="list-style-type: none"> ▪ The budget can be managed more flexibly ▪ Opportunity for revenue from interest rate for importers ▪ Saving time 3. Truck lossing (Express release of goods) This facility allows importers to release the goods directly from the means of transport to their warehouse. Benefit: <ul style="list-style-type: none"> ▪ Goods can be released faster ▪ Reduced warehouse costs ▪ Reduced handling costs 4. Physical examination of the goods in the importer warehouse. In case of any intelligent information, the goods can be examined in the importer warehouse. Benefit: <ul style="list-style-type: none"> ▪ Reduced warehouse costs ▪ Reduced examination costs | | |

5. Pre notification

This facility allows importers to submit customs declaration before the goods arrive.

Benefit:

- The goods can be released soon after arriving in a port
- Reduced warehouse costs
- Saving time

Benefits/cost savings:

- Reduced transaction costs
- Goods can be released faster
- Opportunity for revenue from interest rate for importers
- Saving time
- Reduced handling cost

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| APEC member economy: | Indonesia | | |
| Initiative title: | Implementation of Online Payment | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings </td> </tr> </table> | <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
| <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings | | |
| Description: | <p>Online Payment is a payment system where an Information Technology system between Customs and Banks has been integrated. Therefore, the amount of payment of duties, taxes and fees paid by importers or exporters to the bank will automatically be reconciled with the amount of payment as written on the Customs Declaration by the system.</p> <p>This system also uses a single document for payment.</p> | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Automatic payment check ▪ Avoiding falsification of payment receipt ▪ Saving time ▪ Reduced transaction costs | | |

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| APEC member economy: | Indonesia | | |
| Initiative title: | Utilization of non Intrusive Inspection Equipment | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings </td> </tr> </table> | <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
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| Description: | <p>Indonesia Customs has utilized Hi-co Scan X-Ray Container equipment used to examine Shipping container since 1999 in the main seaports. By using this equipment, one container can be screened within 5 to 10 minutes. Indonesia Customs does not impose examination fees to importers or exporters for using this equipment to examine their goods.</p> | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Reduced examination cost ▪ Fostering examination process ▪ Expedited release of goods ▪ Avoiding goods defect caused by examination process | | |

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| APEC member economy: | Indonesia | | |
| Initiative title: | Implementation of EDI System for Export | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings </td> </tr> </table> | <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
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| Description: | <p>Indonesia Customs has implemented EDI System for export since 2002. This system uses UN EDIFACT standard consisting of CUSDEC, CUSREP, and CUSRES. By using this system Exporters can directly submit export declaration to Customs from his office through his computer equipped with a network system to Customs computer system. This system is mandatory for exporters in some main ports. Whereas in some low transaction trade ports, exporters use a diskette system to submit export declaration.</p> | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Paperless system ▪ Expedited export process (Customs clearance) ▪ Reduced costs associated with export process ▪ Easing to make export statistical data. ▪ Enhanced security of export data. | | |

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| APEC member economy: | Indonesia | | |
| Initiative title: | Implementation of Advance Ruling on Valuation | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Automation <input type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input checked="" type="checkbox"/> Advance rulings </td> </tr> </table> | <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Automation <input type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input checked="" type="checkbox"/> Advance rulings |
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| Description: | <p>Indonesia Customs has implemented an Advance Ruling on Valuation since September 2003. The advance ruling was established to assist importers in calculating the value of imported goods and to give a certainty regarding the amount of import duties and taxes paid by importers.</p> | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Avoiding additional payment issued by Customs because of miscalculation of duties and taxes ▪ Giving a certainty to Importers ▪ Expedited release of goods | | |

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| APEC member economy: | Indonesia | | |
| Initiative title: | Implementation of Risk Management Techniques | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings </td> </tr> </table> | <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
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| Description: | <p>Indonesia Customs has applied a Risk Management Techniques since 2003. These techniques are used to identify and to split between low risk and high risk of shipment, therefore only high risk shipment will be examined by Customs and customs will give the highest degree of trade facilitation for low risk shipment.</p> | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Avoiding state revenue evasion by Importers ▪ Giving the highest degree of trade facilitation for low risk shipment ▪ Expedited release of goods for low risk shipments ▪ Avoiding prohibited and restricted goods imported by Importers illegally. ▪ Reduced costs associated with customs clearance, i.e. examination cost, warehouse cost etc, for low risk importers. | | |

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| APEC member economy: | Japan | | | | | | | | | | |
| Initiative title: | Computerisation (NACCS, Single Window, CuPES, and WCO CDM) | | | | | | | | | | |
| Relevant business priorities: | <table border="0"> <tr> <td><input type="checkbox"/> Transparency</td> <td><input type="checkbox"/> Confidentiality</td> </tr> <tr> <td><input checked="" type="checkbox"/> Release of Goods</td> <td><input checked="" type="checkbox"/> Express shipments</td> </tr> <tr> <td><input checked="" type="checkbox"/> Automation</td> <td><input type="checkbox"/> Review and appeal</td> </tr> <tr> <td><input checked="" type="checkbox"/> Risk Management</td> <td><input type="checkbox"/> Penalties</td> </tr> <tr> <td><input type="checkbox"/> Cooperation</td> <td><input type="checkbox"/> Advance rulings</td> </tr> </table> | <input type="checkbox"/> Transparency | <input type="checkbox"/> Confidentiality | <input checked="" type="checkbox"/> Release of Goods | <input checked="" type="checkbox"/> Express shipments | <input checked="" type="checkbox"/> Automation | <input type="checkbox"/> Review and appeal | <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties | <input type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings |
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| <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties | | | | | | | | | | |
| <input type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings | | | | | | | | | | |
| Description: | <p><u>Background</u></p> <ol style="list-style-type: none"> 1. Japan began computerization in 1978 with the introduction of a customs data processing system, called Nippon Automated Cargo Clearance System or NACCS in short, for air cargo import procedures, then expanded its operation to clearance of export air-cargo and import/export sea cargo. Following several modifications, the system allowed us to handle nearly 98% of the total declarations in 2005. 2. Since late 1990's one-stop services have been implemented by interfacing NACCS with the following relevant systems of the government. <ul style="list-style-type: none"> ▪ Food Automated Import Notification and Inspection Network System (FAINS) managed by the Ministry of Health, Labour and Welfare ▪ Animal Quarantine Inspection Procedure Automated System (ANIPAS) and Imported Plant Inspection Procedure Computer Processing System (PQ NETWORK) managed by the Ministry of Agriculture, Forestry and Fisheries ▪ Japan Electronic Open Network Trade Control System (JETRAS) managed by the Ministry of Economy, Trade and Industry. 3. NACCS service via Internet connection commenced in March 2003, and it increasingly improved user convenience by offering an easy-access environment. To strengthen infrastructure linkages between NACCS and private-sector systems, an EDI specification of NACCS were published in November 2003. <p><u>Implementation of CuPES</u></p> <p>Since March 2003, Japan has introduced another system, called a Customs Procedure Entry System or CuPES in short, to cover all customs procedures not applicable to NACCS in order to further promote paperless procedures. This system also enables traders to electronically submit invoices to Customs. CuPES users can meet necessary procedures on the Internet.</p> <p><u>Implementation of Multi Payment Network</u></p> <p>Under e-Japan Priority Policy Program, the Multi Payment Network was established in 2003. The Network is a telecommunications linking between revenue authorities and private financial institutions, that enables users to pay taxes/duties through a variety of channels such as Internet banking, telephone banking, ATM, etc. In March 2004, NACCS and the Multi Payment Network were connected, and more flexible electronic payment became possible for customs duties and other related taxes.</p> | | | | | | | | | | |

Implementation of Single Window system

Since July 2003, Japan has upgraded and improved the one-stop service to the "Single Window" system, enabling users to complete all necessary import/export or port-related procedures with a single input and single transmission.

Adoption of WCO Customs Data Model

Japan Customs has adopted declaration procedures utilizing the WCO Customs Data Model in December 2005 initially for maritime export cargo to Canada declared through NACCS.

Benefits/cost savings:

NACCS

- Improvement of user convenience can be promoted, because users can meet necessary procedures through the Internet.

CuPES

- Improvement of user convenience can be promoted, because paperless procedures are further promoted.

Single Window

- Relevant procedures can be simplified, because all the necessary procedures can be processed in a single input and transmission under NACCS, resulting in less time and workload to submit documents to related agencies.

WCO CDM

- Harmonization of data elements would lead to significant reduction of transaction cost and would facilitate trade.

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| APEC member economy: | Japan | | |
| Initiative title: | Introduction of Simplified Clearance Procedures | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings </td> </tr> </table> | <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
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| Description: | <p>Japan has introduced the following simplified customs clearance procedures to further facilitate trade.</p> <ol style="list-style-type: none"> 1. In March 2001, Japan Customs introduced the Simplified Declaration Procedure for imports. The Procedure allows authorized importers who meet the criteria specified by Customs to follow simplified cargo release procedures, which enables the declaration for release of goods and declaration for customs duty payment to be filed separately. 2. Japan Customs adopts the Pre-Arrival Examination System, which allows importers to undergo documentary examination by Customs prior to the arrival of their goods so that an import permit can be issued immediately after the entrance of the goods into Customs areas, provided that physical inspection is not required. 3. Japan Customs adopts the Simultaneous Import Permit Upon Arrival System, which allows importers to obtain an import permit immediately after Customs confirmation of the arrival of cargo provided that a physical inspection is not required. 4. Japan Customs introduced the pre-arrival examination system in February 2004 for sea cargo to be exported, by which export permit is issued immediately after the export declaration is presented as long as the physical inspection is not required. Under this system, examinations are completed before cargo is brought into Customs area. 5. A new import declaration system for air cargo was introduced on December 17, 2004. Under the system, declaration items such as Statistical Item (statistical sub-division, quantity, etc), relationship to other laws and regulations, etc, are eliminated, in case air-cargo is declared less than JPY200,000 and the import declaration is made using Air-NACCS, and it incurs no duty and is not pertinent to any other laws or regulations. 6. In March 2006, Japan Customs has adopted specified export clearance procedures for exporters who have demonstrated high level of compliance. This procedure allows the exporters to declare and obtain export permissions without the cargo carried into Customs areas. | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Implementation of these measures had significant impact in the reduction of time and labour required for customs clearances; thereby reducing the transaction cost. | | |

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| APEC member economy: | Japan | | |
| Initiative title: | Time Release Survey | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings </td> </tr> </table> | <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
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| Description: | <p>The Ministry of Finance implemented Time Release Survey 7 times from 1991 to 2004. With cooperation from related agencies and private sectors, these surveys of lead time for foreign cargo from port arrival in Japan to import permit issuance are implemented based on sampling conducted over 1 week. The surveys focus on the required time for port arrival, carrying-in to bonded areas, import declaration to customs, documentary examination, cargo inspection and import permit issuance.</p> <p>According to the latest survey in 2004 that examined 2,700 cases on sea cargo, the average requisite time from port entry to permit issuance for all cargos was 67.1 hours (2.8 days), representing a major reduction compared with the first survey in 1991 (168.2 hours or 7 days).</p> <p>Various measures have so far been implemented by Japan customs, other relevant authorities, port operators and private sectors in order to reduce lead time for import procedures at ports.</p> <ol style="list-style-type: none"> 1. Computerization: As a result of the computerization of application works for import such as Nippon Automated Cargo Clearance System (NACCS) and the interfacing of various computerised systems, paper works have been simplified and costs have been cut for customs brokers, terminal operators etc. Moreover, the reduction of time and effort for implementing confirmation procedures at the government agencies is increasingly promoted. Consequently, it is indicated that lead-time is reduced by 1 to 2 days. 2. Institutional improvement: Lead time has been reduced as a result of the introduction of new customs clearance systems such as the pre-arrival examination system and the immediate import permit upon arrival system, the revision of inspection methods in animal quarantine, and also system revisions in response to needs for faster processing by private operators. It is pointed out that the total effects of these system revisions has brought a lead time to reduce approximately 1 day. 3. Equipment sophistication: As ships have become bigger in size, gantry cranes have become more sophisticated and inspection work has been sped up with the introduction of large-scale X-ray inspection equipment. This growing equipment sophistication has contributed to the shortening of lead-time by approximately 1 day. | | |

Benefits/cost savings:

Following beneficial direct/indirect effects seem to be identified:

- (1) Shipping companies
 - Reduction of quayside time (reduction of costs per port call)
 - Reduction of requisite container yard area (reduction of container yard rental costs)
- (2) Terminal operators
 - Higher work efficiency and reduction of work time (reduction of work costs)
 - Response to cargo owner needs for fast handling
- (3) Shipping forwarders
 - Higher work efficiency and reduction of work time (reduction of work costs)
- (4) Truck operators
 - Fixing of pickup time
 - Higher truck turnover rates through efficient operations lead to higher profits
- (5) Cargo owners
 - Reduction of lead time
 - Greater reliability of customs clearance time
 - Reduction of lost sales opportunities
 - Reduction of stock due to adoption of 'Just-In-Time'

As was indicated in the Time Release Survey, ports in Japan are undergoing major lead-time reduction. Since it is easily expected that there is a positive co-relation between lead-time reduction and costs reduction, efforts on trade facilitation surely bring positive economic impacts to Japan's trade environment. A private research institute estimates that the calculateable effects are more than US\$ 380 million for about 10 years.

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| APEC member economy: | Japan | | |
| Initiative title: | Large-scale X-ray inspection equipment | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings </td> </tr> </table> | <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
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| Description: | <p>Whereas it was previously necessary to open up containers in order to inspect goods inside, the introduction of large-scale X-ray inspection equipment has made it possible to inspect whole containers in the packed state. Following the first case of installation in Yokohama Port in February 2001, a total of 16 large scale X-ray inspection equipment has been installed at ports throughout Japan as of March 2006.</p> | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Inspection Work that previously required two hours can now be finished in around 10-20 minutes on the average. | | |

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| APEC member economy: | Japan | | |
| Initiative title: | Other Trade Facilitation Measures | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input checked="" type="checkbox"/> Advance rulings </td> </tr> </table> | <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Cooperation | <input checked="" type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input checked="" type="checkbox"/> Advance rulings |
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| Description: | <p><u>Public Availability of Information: Advance Rulings</u> Japan Customs adopts an advance ruling systems on tariff classification, customs valuation, tariff rates and origin of goods. Information on details of advance classification rulings, advance valuation rulings and items which IPR right holders have applied for import suspension is now available to the public through the Internet, subject to domestic confidentiality requirement.</p> <p><u>Creating a customs readiness outside of the regular office hours</u> Since there has been increasing demands for customs entry of container freight outside of working hours, both private and public sectors are working actively towards keeping ports fully open 24 hours a day.</p> <p>In response to this trend, at designated customs houses, customs officers are regularly on duty for predetermined days/hours outside of regular office hours to handle the import/export clearances. At other customs houses, a system has been adopted to process the out-of-hours Customs clearances upon request.</p> <p><u>Reduction of Overtime Service Fee</u> In accordance with the growing international trade, there has been increasing demands from the private sector to reduce the overtime service fee. Responding to the demands, Japan has reduced the overtime service fee.</p> <p><u>Advance Cargo Information</u> In March 2006, Japan amended the Customs Law in order to make it mandatory to report cargo information in advance of entry into port. The provisions are to be put into force within one year.</p> <p><u>Introduction of API system</u> Jointly with the National Police Agency and the immigration authorities, Japan customs introduced Advance Passenger Information System (API) in January. 2005. It is highly expected that API will improve the effectiveness of customs risk assessment, as well as facilitates the flow of passenger.</p> | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ These measures promote trade facilitation as well as secure trade. It is a very meaningful approach to meet both needs of private sector to facilitate trade and to ensure the necessity of customs control. | | |

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| APEC member economy: | Republic of Korea | | |
| Initiative title: | Less Number of Items Subject to Trade Control Requirements | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Automation <input type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings </td> </tr> </table> | <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Automation <input type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
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| Description: | <p>To maximally respond to the heightened realization that cargo logistics costs are increased as a result of a considerably excessive number of items, mainly of in-bound shipments, being subject to trade control verification process by customs on behalf of other border regulation--related government agencies, which are responsible for quarantine, sanitary & phyto-sanitary, IPRs, public safety, etc., drastic policy measures have unceasingly been taken to minimize the number of items subject to such, largely pre-release, requirements, resultantly maintaining only a limited number of commodities, which are directly related to public health & security, environmental protection, on the trade control schedule (May 15, 2004).</p> <p>These efforts led to increased facilitation of customs clearance and considerable reductions in cargo movement transaction costs. Based on the total number of HS Tariff (HSK) Code 10-digit-based 11,261 items, the number of items subject to customs' verification witnessed curtailment to 4,114 in 2004 from 4,810 in 1993, and from 5,435 in 1999, enabling 696 items to be restriction free trade.</p> | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Pecuniary and other tangible benefits arising from speedy customs clearance, in particular reduction in time required for goods' release, and lowered cargo logistics costs (e.g. warehousing costs) accruing to wide areas of business sectors, mainly importers, in particular of those trade-restricted shipments. ▪ Annual instances of customs verification of shipments against related trade regulations and restrictions dropped by 420,000 declarations, representing 29% of 1,450,000 cases. | | |

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| APEC member economy: | Republic of Korea |
| Initiative title: | Web-based Paperless Customs Clearance Portal |
| Relevant business priorities: | <input checked="" type="checkbox"/> Transparency <input type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Express shipments <input checked="" type="checkbox"/> Automation <input type="checkbox"/> Review and appeal <input type="checkbox"/> Risk Management <input type="checkbox"/> Penalties <input type="checkbox"/> Cooperation <input type="checkbox"/> Advance rulings |
| Description: | <p>In recognition that separately required submission to customs of related documentations after electronic entry lodgement adds to impediments to seamless logistics flow, and in continuous pursuit of rationalized and streamlined national cargo logistics to strengthen international business competitiveness, the KCS implemented the comprehensive Paper-Less Import Clearance System in January 2003.</p> <p>Forward looking, adapting to paradigm shift of business operation environment towards e-Business and well advanced & readily affordable internet infrastructure, the KCS introduced the Web-Based Export Declaration System in July 2004, in part satisfying clients' demand for diversified customs declaration interfaces. The Web-based Import Declaration System and Drawback System were launched in October 2005.</p> <p>For e-Declaration to be lodged with customs, under the co-existing EDI Clearance System, declarants should install specified hardware sets and a package of customized EDI-enabling softwares, incurring not insignificant up-front costs plus recurrent EDI user fees. However, the only cost factor under the Web-based Clearance System is internet connection charge.</p> |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Comprehensive P/L System led to reduction in time required for the release of goods, and decrease in logistics costs, e.g. warehousing charges. In particular, customs clearance lead-time was reduced to 2.5 hours in 2002, and further to one and a half hours in 2003. ▪ Under the EDI System, costs for program instalment, repair & maintenance, e-transmission and other related costs are incurred, whereas the Internet System doesn't generate these costs. |

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| APEC member economy: | Republic of Korea | | | | | | | | | | |
| Initiative title: | Reduction in Time Clearance (TRS) | | | | | | | | | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td><input checked="" type="checkbox"/> Transparency</td> <td><input type="checkbox"/> Confidentiality</td> </tr> <tr> <td><input checked="" type="checkbox"/> Release of Goods</td> <td><input type="checkbox"/> Express shipments</td> </tr> <tr> <td><input type="checkbox"/> Automation</td> <td><input type="checkbox"/> Review and appeal</td> </tr> <tr> <td><input checked="" type="checkbox"/> Risk Management</td> <td><input type="checkbox"/> Penalties</td> </tr> <tr> <td><input type="checkbox"/> Cooperation</td> <td><input type="checkbox"/> Advance rulings</td> </tr> </table> | <input checked="" type="checkbox"/> Transparency | <input type="checkbox"/> Confidentiality | <input checked="" type="checkbox"/> Release of Goods | <input type="checkbox"/> Express shipments | <input type="checkbox"/> Automation | <input type="checkbox"/> Review and appeal | <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties | <input type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings |
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| <input type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings | | | | | | | | | | |
| Description: | <p>With the objective of identification of inefficiencies in and around bottlenecks to cargo logistics in Korea and customs clearance procedures, the KCS measured the time required for the release of goods from the point of port entry to the release of goods, and its lead time analyses feature systematic diagnoses of node-by-node cargo flow line.</p> <p>Resultant logistics enhancement and facilitation measures are highlighted as follows:</p> <ul style="list-style-type: none"> ▪ 24-hour clearance & processing system at Incheon International Airport and around the clock cargo-handling operation at Busan Port ▪ Shortening the mandatory unloading reporting period to 3 days from 5 days for expedited unloading ▪ Reducing the maximum in bond wharf side warehousing period from one year to 3 months. ▪ Imposing administrative penalties on non-declaration cases within one month of port entry. ▪ Enforcing the de-warehousing (or carrying-out) period of 15 days for in-bonded shipments that are already customs-cleared. <p>As a result, the Korea Customs Service achieved reductions in clearance lead-time from port arrival to release 4.5 days as in December 2005 from 9.6 days as in March 2003.</p> | | | | | | | | | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ In addition to reductions in clearance lead-time, storage cost savings, increased port-side cargo-handling capacities and other cost-saving factors led to significant economical effects, which are approximately estimated at 1,683.4 billion in Korean Won. | | | | | | | | | | |

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| APEC member economy: | Republic of Korea |
| Initiative title: | Single Window System |
| Relevant business priorities: | <input checked="" type="checkbox"/> Transparency <input type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Express shipments <input checked="" type="checkbox"/> Automation <input type="checkbox"/> Review and appeal <input type="checkbox"/> Risk Management <input type="checkbox"/> Penalties <input type="checkbox"/> Cooperation <input type="checkbox"/> Advance rulings |
| Description: | <p>The Korea Customs Service (KCS) has implemented the Internet-based Single Window System that provides regulatory government agencies with simplified and harmonized common application data for Customs import declaration and import requirement assessment.</p> <p>Before the introduction of the integrated system in 2005, an importer filed separate applications for requirement assessment of inspection and quarantine to regulatory agencies such as the Korea Foods and Drug Administration, and for import declaration to Customs. However, one-stop service of the Single Window System allows importers to complete their business with regulatory government agencies and Customs in a single contact.</p> <p>The Single Window System provides a single entry point for an applicant, linking eight regulatory agencies including the Korea Food and Drug Administration and the Animal and Plant Health Inspection Service. The participating agencies process with more than 92% of import requirement assessment.</p> |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ With a one-screen system, importers are able to save logistics costs by shortening time on an average of one day that is taken to receive the results of requirement assessment from regulatory agencies and make import declaration to Customs. |

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| APEC member economy: | Malaysia | | |
| Initiative title: | Customs Golden Client | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings </td> </tr> </table> | <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
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| Description: | <p>Royal Malaysian Customs (RMC) implemented the Customs Golden Client (CGC) in 2004. The concept of the CGC is based on smart partnership between Customs and Private Sectors in order to achieve supply chain management and increase international trade facilitation. To be eligible for the CGC, certain criteria must be met.</p> <p>Those who benefit from this scheme will enjoy faster Customs clearance due to the change of Customs control based on transaction to control based on post-auditing. To successfully implement this system, selected traders must have tracked commercial record and detailed accounting system. Every transaction related to the movement, warehousing, supply, fiscal control must be documented and verified.</p> | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ The system can increase competitiveness of manufacturers and traders. ▪ Reduced business costs such as importation, exportation and movement of goods through Green Lane. ▪ Simplified customs procedures and bureaucracy. ▪ Minimised customs documentations and thus speed up movement of goods. | | |

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| APEC member economy: | Mexico | | | | | | | | | | |
| Initiative title: | Exprés: Certified Enterprises - FAST: Free and Secure Trade | | | | | | | | | | |
| Relevant business priorities: | <table border="0"> <tr> <td><input checked="" type="checkbox"/> Transparency</td> <td><input checked="" type="checkbox"/> Confidentiality</td> </tr> <tr> <td><input checked="" type="checkbox"/> Release of Goods</td> <td><input checked="" type="checkbox"/> Express shipments</td> </tr> <tr> <td><input checked="" type="checkbox"/> Automation</td> <td><input type="checkbox"/> Review and appeal</td> </tr> <tr> <td><input checked="" type="checkbox"/> Risk Management</td> <td><input type="checkbox"/> Penalties</td> </tr> <tr> <td><input checked="" type="checkbox"/> Cooperation</td> <td><input type="checkbox"/> Advance rulings</td> </tr> </table> | <input checked="" type="checkbox"/> Transparency | <input checked="" type="checkbox"/> Confidentiality | <input checked="" type="checkbox"/> Release of Goods | <input checked="" type="checkbox"/> Express shipments | <input checked="" type="checkbox"/> Automation | <input type="checkbox"/> Review and appeal | <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties | <input checked="" type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings |
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| <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties | | | | | | | | | | |
| <input checked="" type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings | | | | | | | | | | |
| Description: | <p>The Exprés/FAST program is a bilateral initiative between Mexico and the United States designed to ensure security and safety while enhancing the economic prosperity of both countries. In developing this program, Mexico and the United States have agreed to harmonize, to the maximum extent possible, their commercial processes for clearance of commercial shipments at the border. This will promote free and secure trade by using common risk-management principles, supply chain security, industry partnership, and advanced technology to improve the efficiency of screening and clearing commercial traffic at the shared border.</p> <p>Exprés/FAST is an ambitious program both in terms of its scope and its implementation dates. For the United States and Mexico, the initiative's objectives promise to revolutionize the processing of trans-border trade:</p> <ol style="list-style-type: none"> 1. The program aims to increase the integrity of supply chain security by offering expedited clearance to carriers and importers enrolled in Customs Trade Partnership Against Terrorism (C-TPAT). 2. It's designed to streamline and to integrate registration processes for drivers, carriers, and importers; minimizing paperwork and ensuring only low risk participants are enrolled as members. 3. The initiative seeks to expedite the clearance of trans-border shipments of compliant partners by reducing Customs information requirements, dedicating lanes at major crossings to Exprés/FAST participants, using common technology, and physically examining cargo transported by these low-risk clients with minimal frequency. 4. The program is a catalyst for both Customs administrations to participate in the enhanced technologies by using transponders, which would make it easier to clear low risk shipments, and would mitigate the cost of program participation for Exprés/FAST partners. | | | | | | | | | | |
| Benefits/cost savings: | <p>Exprés/FAST approved Mexico /U.S. highway carriers will benefit from:</p> <ul style="list-style-type: none"> ▪ Dedicated lanes (where available) for greater speed and efficiency in the clearance of Exprés/FAST trans-border shipments. ▪ Reduced number of examinations for continued compliance with Customs Exprés/FAST requirements. ▪ A strong and ongoing partnership with the Mexican and U.S Customs (C-TPAT) administrations. ▪ Enhanced supply chain security and safety while protecting the economic prosperity of both countries. | | | | | | | | | | |

- The knowledge that they are carrying shipments for a C-TPAT approved importer.
- A head start for the upcoming modifications to Exprés/FAST that will expand eligible electronic cargo release methods. The Exprés/FAST processing of Pre-Arrival Processing System (PAPS) is currently in use and will commence at locations along the U.S./Mexico border in 2006.

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| APEC member economy: | Mexico | | |
| Initiative title: | Gamma Rays System | | |
| Relevant business priorities: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings </td> </tr> </table> | <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
| <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings | | |
| Description: | <p>The Gamma Rays System is an auxiliary implement on the customs clearance, used in physical inspections of transporting goods in road and rail transportation.</p> <p>At August 2006, we have Gamma Rays equipment installed in the Railroad system, Unfilled and Load in North Border Customs and in Maritime Customs of Manzanillo and Veracruz.</p> <p>The main target is to prevent tax evasion, smuggling and auxiliary in the examination of merchandise for classification and Customs Clearance.</p> <p>With the implementation of Gamma Rays System we can obtain the detection of:</p> <ul style="list-style-type: none"> ▪ Goods not declared ▪ Drugs, weapons and explosives ▪ Walls, roof, conceal compartments and false platforms inside containers or cargo vehicle. ▪ Goods in vehicles that should be empty. <p>The Gamma Rays System is a High Tec System worldwide level.</p> | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Verification of authorized goods. ▪ 100% inspection in vehicles, no matter what the result of the automated selection system. ▪ Smuggling reduction; and ▪ Reduction in cost and time and certainty in the operations through efficiency of revision. | | |

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| APEC member economy: | New Zealand |
| Initiative title: | Automation |
| Business priorities relevant to the customs administration's initiative: | |
| <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input checked="" type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
| Description: | |
| <p>The New Zealand Customs Service's (NZCS) implementation of its electronic programme illustrates how a small customs service, working in a cost sensitive environment, can effectively implement the proposals relating to GATT Article VIII that advocate the need for greater automation of customs procedures.</p> <p>The NZCS computer system (CUSMOD) has enhanced the efficiency of customs clearance and made clearance procedures less resource intensive for both Customs and traders. For example, the institution of a multimedia electronic paperless clearance system has, over a four-year period, reduced processing times from ten days to an average of 12 minutes.</p> <p>In 2003, enhancements to the NZCS electronic programme made it possible for traders to lodge import entries via the Internet, and from March 2004, the ability to lodge export entries became operational.</p> <p>Customs systems enable the answers on container Quarantine Declarations (QDs) to be provided to MAF (Ministry of Agriculture & Forestry) electronically via a series of codes on Customs import entries and Cargo reports.</p> <p>Customs sends electronic response messages regarding the MAF status of the containers. The electronic response is also provided to the relevant Port Company enabling the port to either release the container or to position it for the required MAF action.</p> <p>The NZCS electronic programme is also being used as an information tool whereby traders can use the NZCS website as an inquiry point for ease of access to trade related information with linkages to other relevant sites e.g. The Ministry of Agriculture & Forestry.</p> | |
| Benefits/cost savings: | |
| <ul style="list-style-type: none"> ▪ This single electronic window for handling enquiries reduces the time taken to submit and process enquiries, reducing the cost to business of accessing specific advice or information. This accessibility to Customs information for traders (and the public in general) also goes some way towards the NZCS fulfilling its obligations under the APEC CAP programme for public availability of information. ▪ The electronic link between Customs and MAF regarding Quarantine Declarations (QD's) has provided efficiencies and cost savings for importers, MAF and Port Companies. ▪ For the June 2003 year, the total value of New Zealand's trade (export and import) was approximately NZ\$62.1 billion. NZCS goods clearance costs are | |

approximately NZ\$35 million or 0.06% of this trade. This very low percentage of customs related transaction costs, to the total value of trade, reflects the efficiencies relating to trading into and out of New Zealand, in particular to the success of the NZCS electronic programme.

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| APEC member economy: | Papua New Guinea |
| Initiative title: | Introduction of Post Clearance Audit System |
| Relevant business priorities: | <input type="checkbox"/> Transparency <input type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Express shipments <input type="checkbox"/> Automation <input type="checkbox"/> Review and appeal <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Penalties <input checked="" type="checkbox"/> Cooperation <input type="checkbox"/> Advance rulings |
| Description: | <p>As part of the Revised Kyoto Convention CAP, PNG Customs introduced legislation for implementation in 2006, the legal mechanisms for Post Clearance Audit (PCA) system to be adopted in respect of clearance of imported goods. Once the system becomes fully operational with organisational restructuring and training of staff, it is intended that the procedure will allow for goods consigned to traders' who meet criteria' to be cleared through Customs with minimum intervention. This will ensure that goods are released for home use in less time than what is currently the case. Restructure and/or reorganisation of current structures has been proposed and submitted for approval. Some training of key staff who will perform supervisory functions has been undertaken since 2004. The result of these changes will be measured once PNG Customs introduces the CAP on Time Release Survey later in the year.</p> |
| Benefits/cost savings: | <p>We are looking forward to bringing the following benefits to our traders:</p> <ul style="list-style-type: none"> ▪ Reduced time for the clearance of imported goods through Customs thus saving of costs normally associated with delays whilst goods remain in Customs control. ▪ Develop trust and confidence in the relationship between Customs and traders in the area of compliance whilst allowing Customs to concentrate resources on high-risk areas with the use of Risk Management tools. |

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| APEC member economy: | | | | | | | | | | | |
| Papua New Guinea | | | | | | | | | | | |
| Initiative title: | Electronic Data Interchange for Clearance System | | | | | | | | | | |
| Relevant business priorities: | <table border="0"> <tr> <td><input checked="" type="checkbox"/> Transparency</td> <td><input type="checkbox"/> Confidentiality</td> </tr> <tr> <td><input checked="" type="checkbox"/> Release of Goods</td> <td><input type="checkbox"/> Express shipments</td> </tr> <tr> <td><input checked="" type="checkbox"/> Automation</td> <td><input type="checkbox"/> Review and appeal</td> </tr> <tr> <td><input checked="" type="checkbox"/> Risk Management</td> <td><input type="checkbox"/> Penalties</td> </tr> <tr> <td><input type="checkbox"/> Cooperation</td> <td><input type="checkbox"/> Advance rulings</td> </tr> </table> | <input checked="" type="checkbox"/> Transparency | <input type="checkbox"/> Confidentiality | <input checked="" type="checkbox"/> Release of Goods | <input type="checkbox"/> Express shipments | <input checked="" type="checkbox"/> Automation | <input type="checkbox"/> Review and appeal | <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties | <input type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings |
| <input checked="" type="checkbox"/> Transparency | <input type="checkbox"/> Confidentiality | | | | | | | | | | |
| <input checked="" type="checkbox"/> Release of Goods | <input type="checkbox"/> Express shipments | | | | | | | | | | |
| <input checked="" type="checkbox"/> Automation | <input type="checkbox"/> Review and appeal | | | | | | | | | | |
| <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties | | | | | | | | | | |
| <input type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings | | | | | | | | | | |
| Description: | <p>Papua New Guinea's import and export clearance system was upgraded to accept electronic messaging for the clearance of import and export cargo since September 2005. The system is designed to enable Customs Brokers to communicate with Customs from their work locations using allocated modules to submit the goods declarations in order to clear goods under Customs control.</p> <p>As of May 2006, eleven (11) Customs Brokers in the major port of Port Moresby had signed individual Memorandum of Agreement to be bound by the conditions contained therein. The Project, once completed will be operational in all Customs ports and be available for access by all brokers who satisfy the requirements of Customs. The system will also have the capacity to use Risk Management for profiling and targeting of cargo and is currently being developed for implementation.</p> | | | | | | | | | | |
| Benefits/cost savings: | <p>Once fully implemented the system should bring about the following benefits to our traders:</p> <ul style="list-style-type: none"> ▪ It will not be necessary for brokers to front up at Customs Offices for lodgement of hard copies of the goods declaration and for issuing of assessment notices, this can be done from their offices. ▪ There is certainty as to the amount of duty to be paid once assessment has been issued electronically. ▪ Once the component for Risk Management is implemented, it will assist officers in their profiling for targeting. ▪ There is potential for quicker turn around times for clearance of goods, which will be formed in legislation to ensure shorter time frames. | | | | | | | | | | |

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| APEC member economy: | Peru |
| Initiative title: | Automated Value Control for Used Cars |
| Business priorities relevant to the customs administration's initiative: | |
| <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
| Description: | |
| <p>Peruvian customs has optimized the process to control the value of imported used cars from Japan (that represent more than the 90% of this kind of imports). This process is a result of the Automated Value Control for Used Cars (AVCUC) project. It has included the use of new technologies, activities and new laws that have improved the risk management assessment through a more efficient use of the channels (red, orange and green) as well as provided importers certainty about the values being used by Customs to verify the declared value.</p> <p>The use of the Optical Character Recognition (OCR) has allowed recognition and use of digitalized information from the publication called Red Book. This publication contains prices of used and new cars in the Japanese market and is only available in printed editions. Before the implementation of the AVCUC there was only a "manual control". Customs specialists used to compare the declared value with the price contained in the Red Book.</p> <p>With the AVCUC the process has changed and time release during clearance has been reduced. Importers, now, submit the complete information about used cars and all the relevant information contained in the Customs Declaration Form, automatically. The automated system compares and verifies automatically the declared value with the publication and if everything is under the range, there will be no objections referred to customs valuation.</p> | |
| Benefits/cost savings: | |
| <ul style="list-style-type: none"> ▪ Reduction of time release. ▪ Good risk management assessment. ▪ Predictability – the process to control the value is based on objective information. ▪ Uniform criterion for valuation of used cars from Japan | |

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| APEC member economy: | Peru |
| Initiative title: | Advanced Rulings |
| Business priorities relevant to the customs administration's initiative: | <input type="checkbox"/> Transparency <input type="checkbox"/> Confidentiality <input type="checkbox"/> Release of Goods <input type="checkbox"/> Express shipments <input type="checkbox"/> Automation <input checked="" type="checkbox"/> Review and appeal <input type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Penalties <input type="checkbox"/> Cooperation <input checked="" type="checkbox"/> Advance rulings |
| Description: | <p>Even though, we cannot say that we have full-implemented advance rulings for customs valuation, Peruvian Customs has an electronic mechanism that allows importers to consult customs not only for valuation matters but for other customs topics as well. Before submitting the Import Declaration, importers are able to query customs valuation matters through the website of Peruvian Customs. In this case, the query has to be answered electronically by the next 72 hours. Questions are usually referred to the application and interpretation of the WTO Valuation Agreement and the approved national regulations that relate to this agreement.</p> <p>It is also possible for importers to submit a written request when the matter to be analysed is more complex and requires additional information (usually adjustments from Article 8°, such as royalties). The Valuation Division does not establish the amount of the value to be declared but it identifies the concepts to be included as part of the customs value according to the WTO Valuation Agreement. At the same time, importers can be informed about the way to declare this value in the Value Declaration (e.g. royalties have to be declared as a “provisional value”).</p> |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Reduction of time release. Importers know in advance how to declare values. This reduces the possibility to have objections during clearance. ▪ Reduction of possibilities to be penalized generated in an incorrect declaration. |

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| APEC member economy: | Peru |
| Initiative title: | Annulment of Pre Shipment Inspection |
| Business priorities relevant to the customs administration's initiative: | <input checked="" type="checkbox"/> Transparency <input type="checkbox"/> Confidentiality <input type="checkbox"/> Release of Goods <input type="checkbox"/> Express shipments <input type="checkbox"/> Automation <input type="checkbox"/> Review and appeal <input type="checkbox"/> Risk Management <input type="checkbox"/> Penalties <input type="checkbox"/> Cooperation <input type="checkbox"/> Advance rulings |
| Description: | <p>Until May 2004 imports that were over US \$ 5000 were obliged to have Pre-shipment Inspection (PSI). Importers had to pay 5% of the FOB (export value) determined by PSI Companies. Since Law N° 27973 repealed this obligation, importers do not have to pay this fee any more.</p> |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Reduction of import costs. |

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| APEC member economy: | Peru |
| Initiative title: | Channel Selection System |
| Business priorities relevant to the customs administration's initiative: | <input checked="" type="checkbox"/> Transparency <input type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Express shipments <input checked="" type="checkbox"/> Automation <input type="checkbox"/> Review and appeal <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Penalties <input type="checkbox"/> Cooperation <input checked="" type="checkbox"/> Advance rulings |
| Description: | <p>Over the last years in Peru, the pursuit of raising efficiency and efficacy of concurrent control has been worked through the optimization of declaration selection to the control channels (orange or red), with the addition of the selection modality of risk profile in 2003 and in 2004 neuronal network.</p> <p>The administration has, to this end, the following selection modalities:</p> <ul style="list-style-type: none"> ▪ Statistical tools that contribute to the prediction of the operator's behavior according to historic register of his/her incidences. ▪ Implementation of risk profiles of multiple variables, that has permitted during the first semester of this year, the improvement of the effectiveness of control actions in the clearance process, especially in Maritime Customs Office. ▪ Selection Model supported by data mining techniques (neuronal networks), implemented from the end of June of this year (2006). ▪ At random, so that every operator could be susceptible of control actions. <p>Taking into account the different modalities explained, the aim is for an efficient system to detect suspected Customs fraud, but still work towards in trade facilitation.</p> |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ The level of incidence or finding in red channel that was almost 10% in 2001 has improved progressively and in 2005 it increased to approximately 25% of findings. ▪ The declarations of green channel in 2001 represented near 35% of the total of the declarations. It has been increased progressively and in 2005 has represented near 55% of the total of declarations. ▪ The new selection system has contributed both to improved facilitation and Customs control during the clearance. |

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| APEC member economy: | Peru |
| Initiative title: | Frequent Importer System |
| Business priorities relevant to the customs administration's initiative: | <input checked="" type="checkbox"/> Transparency <input type="checkbox"/> Confidentiality <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Express shipments <input checked="" type="checkbox"/> Automation <input type="checkbox"/> Review and appeal <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Penalties <input type="checkbox"/> Cooperation <input type="checkbox"/> Advance rulings |
| Description: | <p>Peruvian Customs has implemented facilitative measures, which will improve Customs clearance controls of imported goods through the implementation of transparent, facilitative procedures that employ risk management techniques and automated information, and apply to a segment or group of importers identified as frequent importers.</p> <p>It has been observed that valuation control done at points of entry can, in certain cases, result in a delay of up to two days. The new facilitative measures will allow frequent importers, which meet specific requirements relating to high volume, frequency, low risk in customs valuation and in general, to forgo verification of the declared value of goods, where previously submitted to an orange channel (document revision) or red channel (physical examination). This simplification of the customs clearance control process takes into account that, for frequent importers, valuation can be more effectively controlled when carried out as a post-clearance audit based on risk indicators, instead of at the time of entry of the goods.</p> <p>The Supreme Decree 193-2005-EF is the regulation that establishes the requirements that must be met in order to be considered a frequent importer. If an importer complies with the requirements or indicators established in the aforementioned regulation, they are automatically included, without guaranties or additional surcharges, in a list published on the Institutional Portal by Customs authority. This list of frequent importers states that companies whose indicators vary from the established regulations may withdrawn from the list, as the case may be.</p> <p>The initial list was automatically generated based on requirements set out in the regulations, which specify, among other things, that an importer must not use coercive collection methods in their Internal Revenue or Customs administrations, and must not have a history of patrimonial credit worthlessness, adjustments or value audits. This information can be found in a module called Frequent Importer System.</p> <p>In April 2006, the first list of frequent importers was published, containing 233 importers that together, contributed to nearly 60% of the total value of imported goods. Importation Declaration of frequent importers that are subject to customs clearance control (red channel – physical examination and orange channel – documentary revision). will not be subject to a verification of the value, nor will reasonable doubt be shed on the value for duty.</p> |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Frequent importers can now be certain that they will not experience delays nor experience problems as a result of verifications or uncertainty relating to value for duty for large volume of commerce (approximately 60% of total of importations). |

- Streamlined process of Customs valuation control, in which value control in frequent importers is privileged.
- There are transparent provisions of Customs facilitation for frequent importers, meeting requirements or indicators set out in regulations that are automatically evaluated.

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| APEC member economy: | Peru |
| Initiative title: | Electronic Transmission in Web |
| Business priorities relevant to the customs administration's initiative: | <input type="checkbox"/> Transparency <input type="checkbox"/> Confidentiality <input type="checkbox"/> Release of Goods <input type="checkbox"/> Express shipments <input type="checkbox"/> Automation <input type="checkbox"/> Review and appeal <input type="checkbox"/> Risk Management <input type="checkbox"/> Penalties <input type="checkbox"/> Cooperation <input type="checkbox"/> Advance rulings |
| Description: | <p><u>Electronic Transmission in Web</u> The improvement of our electronic system (SIGAD), for the facilitation of the users of the Maritime and Air Customs, with the implementation of the Web.</p> <p><u>Web Page</u> Electronic Warnings: it provides the foreign commerce operator (customs agents and importers) electronic tools (electronic mail and cellular with text capacity) to get information on:</p> <ul style="list-style-type: none"> ▪ Numeration of Declarations and channel assignment. ▪ Customs authorization for green channel. ▪ Channel Change (orange channel with physical inspection). ▪ Customs authorization for declarations (DUAS) without incidence in Web Page. ▪ Generation of Order of Deposit in the process of reasonable doubt. ▪ Notification of five days before the expiration of the term of regularization of the pre arrival declarations. <p><u>Definitive Import</u> Implementation of the electronic regularization of the arrival declarations and urgent goods, by electronic transmission of the complementary information needed for its regularization. The Customs Specialist only verifies the data transmitted against the documentation and if he agrees, proceed to register in the system his acceptance.</p> <p><u>Web – Definitive Import</u> Implementation of the Customs authorization (diligence) through the Web, results in the reduction of time because it can be done from any working place (office) with access to INTERNET, without necessity of the Customs Specialist to return to his customs office to register his diligence in the electronic system (SIGAD).</p> <p><u>Drawback</u> Implementation of the application of the benefit – Drawback, by electronic transmission.</p> <p><u>Intranet</u> Dossier of Goods: an objective is to gather dispersed information of the system in a single application to improve the time of the clearance. The user of this service will be the Customs Specialist that participates in the clearance process.</p> <p><u>Web Pages</u> The presentation of the information in the Customs web page about the restricted and forbidden goods based in its Tariff Classification has been improved.</p> |

Definitive Import – Electronic Transmission

Electronic Rectification: the improvement in this regard is that the customs agent will transmit the data of the rectification of the declaration (DUA) and will present the file with the documentation that sustains the rectification. The Customs Specialist evaluates the transmitted rectification with the documentation and if he agrees, registers the acceptance, which is notified by the web page; in case of a non-agreement he will notify the user with the corresponding Resolution.

Electronic confirmation: The improvement consists of the electronic transmission of information via the web by the user to make the physical recognition of the goods of those declarations selected to red channel in the schedule settled down by each Customs Intendance, without having to present the declaration (DUA) to the Customs office, instead he will go directly to the place indicated in the message of acceptance of the confirmation.

Benefits/cost savings:

Electronic Transmission

- For the facilitation of the transmission of the declarations from any working station (office) with access to Internet.
- Quicker process and pursuit of all the electronic transmissions and answer of the customs declarations.

Web Page

- To allow the commerce user (customs broker and importer) to obtain opportune information on the state of the declaration (DUA), keeping in mind that the information is on-line, it will avoid the user having to go or call the Customs Office for information.

Definitive Import

- Less work for the Customs Specialist.
- Registration of the electronic regularization in opportune time.

Web – Definitive Import

- Reduces the time of attention in the process of import clearance and consequently the reduction of the storage cost for the commerce user.

Drawback

- It optimizes the procedure of tariff restitution with the electronic transmission for the application of this benefit, which reduces the time of attention in the verification process, and also reduces the time of storage of the drawback applications.

Intranet

- Reduction of the time of the clearance allowing the Customs Specialist a quicker consultation through this new module speeding up the process of his diligence.
- It also allows a single module for all the applications of the system referred to the customs clearance.

Web Pages

- Diminish the time of search in the web, giving the appropriate information to the commerce users regarding the up-to-date information of the restricted and forbidden goods.

Definitive Import – Electronic Transmission

- It diminishes the time of attention of the rectification process from the declaration (DUA) because Customs Specialist will verify the information transmitted with the documentation.
- Reduction of the time of attention of customs clearance, because the Customs Brokers will go directly to the storage terminal with the declaration of goods (DUA) and its documentation, and also the Customs Specialist will be able to go directly to the warehouse assigned.
- Minimize time of the authorization for the user.
- Minimize the time of clearance, because declaration (DUA) has been validated automatically with the respective authorization documents.
- Minimize risks and red channel assignment for controlled goods.

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| APEC member economy: | Singapore |
| Initiative title: | Simplified Bank Guarantee System |
| Business priorities relevant to the customs administration's initiative: | |
| <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
| Description: | |
| <p>Under the previous Bank Guarantee System (BGS), traders are required to furnish a bank guarantee to Singapore Customs to cover the potential duty and tax payable for the transactions of specific categories of goods as a form of security.</p> <p>The BGS is designed with a debiting and crediting mechanism. It will automatically debit and credit the guarantee amount for each transaction made by the trader. However, traders who make high volume or high-value transactions over a short period of time may at times experience their trade declarations being rejected due to insufficient amount of bank guarantee held with Singapore Customs. The requirement of a guarantee is also an additional business cost to the traders.</p> <p>Following a review, a simpler and more effective multi-tiered system has been implemented since Nov 03. This revised Bank Guarantee system relies on risk profiling of individual companies and their compliance records.</p> <p>The key features of the new system are:</p> <ul style="list-style-type: none"> ▪ the debiting and crediting mechanism is removed; ▪ at each year-end review, Singapore Customs will assess the quantum of the guarantee required based on the existing average trade volume of the company; ▪ the risk profile of individual companies will be assessed – based on the compliance records of the company, the guarantee quantum required will be reduced accordingly; and ▪ companies who maintain exemplary compliance records for 2 consecutive years would be granted a complete waiver of the bank guarantee in their 3rd year. | |
| Benefits/cost savings: | |
| <ul style="list-style-type: none"> ▪ Using the bank commission rate of 1%, the projected cost savings to trade are about S\$300,000 in the 2nd year and over S\$400,000 in the 3rd year of implementation of the new system. ▪ Auto-approval of permits. Traders would not face permit rejections due to insufficient bank guarantee amount. ▪ Lower business operating costs for traders due to a lower bank guarantee quantum. ▪ Encourages traders to voluntarily comply with customs regulations. | |

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| APEC member economy: | Singapore | | | | | | | | | | |
| Initiative title: | Waiver of Bank Guarantee for Petroleum Companies | | | | | | | | | | |
| Business priorities relevant to the customs administration's initiative: | <table border="0"> <tr> <td><input type="checkbox"/> Transparency</td> <td><input type="checkbox"/> Confidentiality</td> </tr> <tr> <td><input checked="" type="checkbox"/> Release of Goods</td> <td><input type="checkbox"/> Express shipments</td> </tr> <tr> <td><input type="checkbox"/> Automation</td> <td><input type="checkbox"/> Review and appeal</td> </tr> <tr> <td><input checked="" type="checkbox"/> Risk Management</td> <td><input type="checkbox"/> Penalties</td> </tr> <tr> <td><input type="checkbox"/> Cooperation</td> <td><input type="checkbox"/> Advance rulings</td> </tr> </table> | <input type="checkbox"/> Transparency | <input type="checkbox"/> Confidentiality | <input checked="" type="checkbox"/> Release of Goods | <input type="checkbox"/> Express shipments | <input type="checkbox"/> Automation | <input type="checkbox"/> Review and appeal | <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties | <input type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings |
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| <input checked="" type="checkbox"/> Release of Goods | <input type="checkbox"/> Express shipments | | | | | | | | | | |
| <input type="checkbox"/> Automation | <input type="checkbox"/> Review and appeal | | | | | | | | | | |
| <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties | | | | | | | | | | |
| <input type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings | | | | | | | | | | |
| Description: | <p>Previously, Singapore Customs required petroleum companies handling duty- and GST-suspended petroleum products to lodge a bank guarantee to minimise revenue risk. The quantum of bank guarantee to be lodged was capped at S\$10 million depending on the potential duty and GST on the average volume of stocks handled by the company. As most of these petroleum companies handle large volumes of petroleum products, most lodge the maximum quantum of bank guarantee.</p> <p>The petroleum companies have to thus expend a lot of effort to secure the guarantee. They have to obtain management approval, liaise with banks and Singapore Customs, prepare the documents, etc. Moreover, depending on the companies' credit term with their banks, most companies have to pay hefty interests and service charges to the bank.</p> <p>On the other hand, Singapore Customs has to expend a considerable amount of effort to process the bank guarantee and to maintain the records for each company every year.</p> <p>In a move to cut red tape and to facilitate trade, Singapore Customs studied the petroleum industry and concluded that the industry posed little revenue risk. This is because they, among other reasons, have in place sophisticated inventory control systems, have not committed any fraud in the past; and have been able to comply with all customs regulations. On 1 January 2005, the bank guarantee requirement was lifted for all petroleum companies.</p> | | | | | | | | | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ An estimated S\$700,000 of interest payable to banks or financial institutions saved by petroleum companies each year. ▪ Elimination of additional costs incurred by the companies to secure the guarantees. ▪ Money saved can be channelled to finance other projects. ▪ Significant savings for the petroleum companies in terms of effort taken to secure the guarantee. | | | | | | | | | | |

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| APEC member economy: | Singapore | | | | | | | | | | |
| Initiative title: | Simplification Of Basis Of Duty Payment For Intoxicating Liquors | | | | | | | | | | |
| Business priorities relevant to the customs administration's initiative: | <table border="0"> <tr> <td><input type="checkbox"/> Transparency</td> <td><input type="checkbox"/> Confidentiality</td> </tr> <tr> <td><input checked="" type="checkbox"/> Release of Goods</td> <td><input type="checkbox"/> Express shipments</td> </tr> <tr> <td><input type="checkbox"/> Automation</td> <td><input type="checkbox"/> Review and appeal</td> </tr> <tr> <td><input checked="" type="checkbox"/> Risk Management</td> <td><input type="checkbox"/> Penalties</td> </tr> <tr> <td><input type="checkbox"/> Cooperation</td> <td><input type="checkbox"/> Advance rulings</td> </tr> </table> | <input type="checkbox"/> Transparency | <input type="checkbox"/> Confidentiality | <input checked="" type="checkbox"/> Release of Goods | <input type="checkbox"/> Express shipments | <input type="checkbox"/> Automation | <input type="checkbox"/> Review and appeal | <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties | <input type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings |
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| <input checked="" type="checkbox"/> Release of Goods | <input type="checkbox"/> Express shipments | | | | | | | | | | |
| <input type="checkbox"/> Automation | <input type="checkbox"/> Review and appeal | | | | | | | | | | |
| <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties | | | | | | | | | | |
| <input type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings | | | | | | | | | | |
| Description: | <p>Previously, all liquor products imported into Singapore for commercial purposes had to be bonded into a licensed warehouse and a sample extracted for analysis by the Health Sciences Authority (HSA). The purpose of liquor analysis was to determine the volume, classification and alcoholic strength for assessing the duty payable.</p> <p>With improved production technology, which enables consistency in the quality of the finished product and greater emphasis on risk management and voluntary compliance, Singapore Customs has reviewed the procedures and decided to accept the liquor duty payment based on the trader's declaration of volume, alcoholic strength and classification with effect from 1 April 2003. Therefore, there is no need to extract any liquor sample for analysis by HSA from 1 April 2003 onwards.</p> <p>In line with this simplified procedure, Singapore Customs has also accepted direct import of commercial quantities of liquor products without the need for the liquors to be bonded into a licensed warehouse.</p> | | | | | | | | | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Cost savings from analysis fee, cost of samples destroyed after each analysis, and warehousing, handling and other incidental charges. For instance, based on 4,951 samples extracted during the 12-month period (July 2001 to 30 June 2002), the following amounts were saved per annum: <ul style="list-style-type: none"> - about S\$474,600 of analysis fees; - about S\$120,800 of liquor sample costs; and - about S\$148,500 for despatching liquor samples to HSA. ▪ Simplified procedures for importing commercial liquor products, resulting in a more timely release of goods to customers and enhanced business opportunities. ▪ Reliance on risk management, improving Singapore Customs' efficiency. | | | | | | | | | | |

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| APEC member economy: | Singapore |
| Initiative title: | Revision of Licensed Warehouse Fees |
| Business priorities relevant to the customs administration's initiative: | |
| <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Automation <input type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
| Description: | |
| <p>Previously, the fee payable for the issue or renewal of a licence to warehouse intoxicating liquors, tobacco and all other dutiable goods except petroleum was set at a flat rate of S\$10,000 per annum.</p> <p>With effect from 1 January 2003, the fee structure has been revised to a three-tier structure. If the total duty of the projected maximum quantity of goods that can be stored at any one time in the warehouse (for application of issue of licence) or if average duty of all goods stored in the warehouse for the past 12 months (for application of renewal of licence) is:</p> <ol style="list-style-type: none"> a. S\$1 million or less, the licence fee per annum is S\$2,500. b. more than S\$1 million but less than S\$10 million, the licence fee per annum is S\$4,000. c. S\$10 million or more, the licence fee per annum is S\$21,000. | |
| Benefits/cost savings: | |
| <ul style="list-style-type: none"> ▪ Cost savings of up to S\$7,500 per annum for smaller warehouses, depending on the amount of dutiable goods stored or could be stored in the licensed warehouses. ▪ Greater flexibility in arranging their financing due to lower business operating costs. | |

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| APEC member economy: | Singapore | | | | | | | | | | |
| Initiative title: | Waiver of Customs Supervisions on Containers Carrying Duty-Suspended Cargo | | | | | | | | | | |
| Business priorities relevant to the customs administration's initiative: | <table border="0"> <tr> <td><input type="checkbox"/> Transparency</td> <td><input type="checkbox"/> Confidentiality</td> </tr> <tr> <td><input checked="" type="checkbox"/> Release of Goods</td> <td><input type="checkbox"/> Express shipments</td> </tr> <tr> <td><input type="checkbox"/> Automation</td> <td><input type="checkbox"/> Review and appeal</td> </tr> <tr> <td><input checked="" type="checkbox"/> Risk Management</td> <td><input type="checkbox"/> Penalties</td> </tr> <tr> <td><input type="checkbox"/> Cooperation</td> <td><input type="checkbox"/> Advance rulings</td> </tr> </table> | <input type="checkbox"/> Transparency | <input type="checkbox"/> Confidentiality | <input checked="" type="checkbox"/> Release of Goods | <input type="checkbox"/> Express shipments | <input type="checkbox"/> Automation | <input type="checkbox"/> Review and appeal | <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties | <input type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings |
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| <input type="checkbox"/> Automation | <input type="checkbox"/> Review and appeal | | | | | | | | | | |
| <input checked="" type="checkbox"/> Risk Management | <input type="checkbox"/> Penalties | | | | | | | | | | |
| <input type="checkbox"/> Cooperation | <input type="checkbox"/> Advance rulings | | | | | | | | | | |
| Description: | <p>Singapore Customs used to target and seal all imported containers containing duty-paid items and duty-suspended items. Affected traders had to apply (through e-filing) for supervision by Customs officers to un-stuff the containers. The traders would pay a time-based fee for such supervisions.</p> <p>Recognising that some containers are low-risk and need not be supervised during un-stuffing, Singapore Customs granted a waiver of customs supervisions to selected containers based on risk profiling. From 1 October 2005, traders could open such containers themselves, and were required to report any stock discrepancies to Customs by the next working day.</p> | | | | | | | | | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ More flexibility in planning their operations. ▪ Cost savings of about \$158,000 per year in customs supervision fees. ▪ Improvement of Singapore Customs' efficiency as officers can be redeployed for other functions. | | | | | | | | | | |

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| APEC member economy: | Singapore |
| Initiative title: | Zero-GST Warehouse Scheme (ZGS) |
| Business priorities relevant to the customs administration's initiative: | |
| <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
| Description: | |
| <p>The Bonded Warehouse Scheme (BWS) allowed traders to store imported non-dutiable goods in Customs-approved locations with suspension of GST. GST was not payable if the goods were re-exported; it was payable only when the goods were released for local consumption. However, BWS traders were required to re-export 80% of the imported goods to minimise revenue risk. This requirement restricted the number of traders who could benefit from BWS. As a result, traders who imported goods for local distribution could not benefit from GST suspension, pending local release.</p> <p>In addition, traders who had multiple warehouses were issued separate licences for each warehouse. If they wanted to move goods between their own warehouses, they had to declare customs removal permits as if they were moving goods to another trader's warehouse. This restricted traders in planning their operations and they could not optimise use of their warehouse space.</p> <p>With the advancement in technology and increasing reliance on sophisticated and robust internal processes and inventory systems by companies, Singapore Customs leveraged on these strengths by allowing such companies to enjoy both GST suspension on imports and greater flexibility in managing their goods. Hence, on 1 January 2006, Singapore Customs expanded the scope of the BWS and renamed it the Zero-GST Warehouse Scheme (ZGS).</p> <p>There are 3 licence types to suit different business needs. As a trader moves from Type I to Type III, the level of facilitation and flexibility accorded increases. At the same time, the trader is increasingly expected to have higher accountability and good inventory systems and internal controls. (The Type I licence is the same as the former BWS licence – this is for traders who maintain a simple inventory system.)</p> | |
| Benefits/cost savings: | |
| <ul style="list-style-type: none"> ▪ Reduction of warehouse-related compliance costs, improving cash flow. ▪ Greater flexibility in the storage and movement of goods between pre-approved warehouses. ▪ For Type II licences: Lifting of 80% export requirement (traders can release all the imported non-dutiable goods for local consumption subsequently). ▪ For Type III licences: As above, plus the ability to operate multiple warehouses under a single licence. | |

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| APEC member economy: | Chinese Taipei | | | | | | | | | | |
| Initiative title: | Computerized Cargo Clearance System | | | | | | | | | | |
| Business priorities relevant to the customs administration's initiative: | <table border="0"> <tr> <td><input checked="" type="checkbox"/> Transparency</td> <td><input checked="" type="checkbox"/> Confidentiality</td> </tr> <tr> <td><input checked="" type="checkbox"/> Release of Goods</td> <td><input checked="" type="checkbox"/> Express shipments</td> </tr> <tr> <td><input checked="" type="checkbox"/> Automation</td> <td><input checked="" type="checkbox"/> Review and appeal</td> </tr> <tr> <td><input checked="" type="checkbox"/> Risk Management</td> <td><input checked="" type="checkbox"/> Penalties</td> </tr> <tr> <td><input checked="" type="checkbox"/> Cooperation</td> <td><input checked="" type="checkbox"/> Advance rulings</td> </tr> </table> | <input checked="" type="checkbox"/> Transparency | <input checked="" type="checkbox"/> Confidentiality | <input checked="" type="checkbox"/> Release of Goods | <input checked="" type="checkbox"/> Express shipments | <input checked="" type="checkbox"/> Automation | <input checked="" type="checkbox"/> Review and appeal | <input checked="" type="checkbox"/> Risk Management | <input checked="" type="checkbox"/> Penalties | <input checked="" type="checkbox"/> Cooperation | <input checked="" type="checkbox"/> Advance rulings |
| <input checked="" type="checkbox"/> Transparency | <input checked="" type="checkbox"/> Confidentiality | | | | | | | | | | |
| <input checked="" type="checkbox"/> Release of Goods | <input checked="" type="checkbox"/> Express shipments | | | | | | | | | | |
| <input checked="" type="checkbox"/> Automation | <input checked="" type="checkbox"/> Review and appeal | | | | | | | | | | |
| <input checked="" type="checkbox"/> Risk Management | <input checked="" type="checkbox"/> Penalties | | | | | | | | | | |
| <input checked="" type="checkbox"/> Cooperation | <input checked="" type="checkbox"/> Advance rulings | | | | | | | | | | |
| Description: | <p>The Chinese Taipei Customs started to use the computerized cargo clearance system in 1995. Presently, almost all export and import declarations are being processed under this system. In recent years, in line with current business trends featuring high-tech, zero-inventory, just-in-time distribution and global logistics, the Customs has stepped up efforts to proceed with a series of modernization initiatives so as to create a barrier-free clearance environment. In addition to providing simple, predictable, and efficient Customs procedures for the clearance of goods, the Customs has also actively promoted the linkage of computer systems between the Customs and its clients as well as the application of internet-based services, in order to meet our goals of facilitation, transparency and paperless-clearance. At the same time, the Customs has also harmonized its operations according to the approaches initiated by international organizations such as the WTO, WCO, and APEC. The major areas in which the Chinese Taipei Customs has taken steps are as follows: pre-entry clearance, post-release duty payment, on-line duty payment, advance tariff rulings, simplification of clearance for bonded cargo, simplified declaration for express consignments, electronic gateway for clearance, web-based cargo declaration, web-based enquiry system, authorized traders system, and computerization of administrative fee collection.</p> | | | | | | | | | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ Diminished cargo clearance time ▪ Reduction in trading costs ▪ Saving of Customs' manpower ▪ Enhancement of transparency in clearance ▪ Provision of a diversity of modes for the filing of declarations ▪ Establishment of special provisions for Customs' accredited clients | | | | | | | | | | |

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| APEC member economy: | Thailand |
| Initiative title: | E- Customs |
| Business priorities relevant to the customs administration's initiative: | |
| <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
| Description: | |
| <p>The Royal Thai Customs has used Information and Communication Technology to support its administration and business needs. The Electronic Data Interchange (EDI) has now been fully implemented at the seaports and airports nationwide to control all Customs commercial operations. The systems for which EDI has already been applied are, for instance, e-declaration, e-payment and e-manifest.</p> <p>For e-declaration, Customs formalities can be conducted electronically via Value Added Network (VAN) or alternatively via the internet.</p> <p>For e-payment, Customs' clients can pay taxes, duties and fees electronically to the 9 commercial banks 24 hours a day/ 7 days a week. Greater convenience in the importation and exportation process has been achieved through this service. Additionally, e-refund provides the channel for electronically crediting amount back to the client's account.</p> <p>For e-manifest, this system is for the release of goods and cargo loading. In an automated cargo control system, manifest data and Customs declaration data can be matched automatically. The system allows electronic transfer of general data and consignments details related to each vessel or aircraft coming into the port or airport from the responsible carrier to Customs.</p> <p>When the message is accepted and responded to Customs by the computer system, the responsible carrier can discharge cargo from the vessel/ aircraft resulting in reduction of paper usage and costs of business transactions.</p> <p>Recently, the Royal Thai Customs has shifted its focus from EDI to an open system philosophy that would enable it to electronically exchange information by other means with all of its clients, partners and employees. This project requires the redesign of all existing client-server applications to shift the existing service delivery to a Web-based application.</p> | |
| Benefits/cost savings: | |
| <ul style="list-style-type: none"> ▪ The benefit from the implementation is time saving both for the Customs and service users. "Paperless Office" will be achieved through less or no paper document. E-Customs will produce "intelligence" to support decision making in the field of risk management, enforcement and Customs administration in order to finally achieve "Intelligence Office". | |

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| APEC member economy: | Thailand |
| Initiative title: | The Gold Card Privileges and Customs Partnership Activities |
| Business priorities relevant to the customs administration's initiative: | |
| <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
| Description: | |
| <p>In order to facilitate and expedite the Customs procedures for import and export clearance, drawback, and tax compensation for the maximum benefits of the reliable importers/exporters, the Royal Thai Customs has entitled Gold Card Class for importers/exporters that have qualifications as specified by the Royal Thai Customs. The Gold Card members will receive the Customs privilege rights for the exemption of inspections, and the approval rights at the time of submission for duty drawback and tax compensation.</p> <p>In addition, the Royal Thai Customs is in the process of developing the strategy to participate with the private sector and Customs stakeholder as follows:</p> <ul style="list-style-type: none"> ▪ Established the Transparency Unity Program under the signing in MOU project and ensured the transparency in Customs procedure with the fast-track services. ▪ Established the Customs Transparency Center to reduce the obstacles/barrier to the Customs stakeholder or complaints of private sector by reviewing the customs procedure. ▪ Established the Transparency Unity Sub-Center of the Transparency Unity Program in every import-export unit and assigned each Sub-Center to participate with the private sector and send the reports to the Customs Transparency Center ▪ Assigned the Formality and Valuation Standard Directorate to be the center for consulting and discussion on obstacles in Customs procedures, including comments and suggestions for reconsidering the Customs regulations/notifications. ▪ Setting up consultative meetings between the private sector and related divisions on matters such as the consideration of the rule of origin in the ASEAN free trade agreement and the consideration in the establishment of a One Stop Service around the border. | |
| Benefits/cost savings: | |
| <ul style="list-style-type: none"> ▪ The contribution of the stakeholder through various customs partnership activities will enhance customs efficiency and reduce transaction costs, which, in turn, promote trade in the Asia-pacific region as a whole. | |

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| APEC member economy: | Thailand |
| Initiative title: | Inspection Rate Reduction |
| Business priorities relevant to the customs administration's initiative: | |
| <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
| Description: | |
| <p>The Royal Thai Customs has established a Risk Management Process to best allocate available resources and facilitate the movement of goods across borders. Consequently, the inspection rate for imported goods is set lower thereby the operating time needed is as well reduced.</p> | |
| Benefits/cost savings: | |
| <ul style="list-style-type: none"> ▪ The benefit from the implementation is time saving both for the Customs Department and service users. However, it has not yet been quantified both in terms of time or cost reduction. | |

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| APEC member economy: | Thailand | | |
| Initiative title: | Container X-ray Technology Implementation | | |
| Business priorities relevant to the customs administration's initiative: | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings </td> </tr> </table> | <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
| <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings | | |
| Description: | <p>The Royal Thai Customs is introducing container examination facilities featuring container x-ray technology into major ports. New container x-ray machine are capable of detecting weapons, drugs and other prohibited items. This type of technology helps increase Customs' efficiency in the inspection of containerized cargo and, at the same time, reduces inspection time for the private sector.</p> | | |
| Benefits/cost savings: | <ul style="list-style-type: none"> ▪ The implementation helps reduce inspection time. However, it has not yet been quantified both in terms of time and cost reduction. | | |

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| APEC member economy: | Thailand |
| Initiative title: | One Day Clearance |
| Business priorities relevant to the customs administration's initiative: | |
| <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Automation <input type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
| Description: | |
| <p>The Royal Thai Customs has launched “One Day Clearance” project in cooperation with Port Authority of Thailand in reducing clearance times. The Department has also guaranteed the import-export clearance to be finished within 7 hours and complete on all tasks within one day.</p> <p>The MOU for the cooperation of working procedure, under the strategy for enhancing country competitiveness, established between the Customs Department, Port Authority of Thailand, Thai Airways International and Airports of Thailand, will generate cooperation in the exchange of information on the import and export clearance of goods. The Customs Department , being the main agency in the import-export system, has been revising Customs Procedures regulations and computer system to support the “One Day Clearance” project.</p> <p>The new system is implemented at the 3 major ports of entry: Bangkok Port, Laem Chabang Port and Bangkok International Airport.</p> | |
| Benefits/cost savings: | |
| <ul style="list-style-type: none"> ▪ The benefit from the implementation is time saving both for the Customs Department and service users. However, it has not yet been quantified in terms of cost reduction. | |

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| APEC member economy: | United States of America |
| Initiative title: | Automated Commercial Environment (ACE) |
| Business priorities relevant to the customs administration's initiative: | |
| <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input checked="" type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Cooperation | <input checked="" type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
| Description: | |
| <p>To further the U.S. Customs & Border Protection (CBP) mission of securing our nation's borders while facilitating legitimate trade, CBP is replacing its current automated system with the Automated Commercial Environment (ACE). ACE is revolutionizing the processing of goods imported into the United States. Through the implementation of ACE's integrated, fully automated information system, import and export data is being collected, processed, and analyzed more efficiently. CBP is replacing excessive and burdensome import procedures with a streamlined process, bolstered by better coordination among government agencies, and between CBP and the trade community.</p> <p>Delivery of ACE functions began in February 2003 with steady progress to date. There are four major business functions of ACE: 1) the ACE Secure Data Portal; 2) Account Management; 3) Cargo Processing; and 4) Border Security.</p> <ol style="list-style-type: none"> 1. <u><i>ACE Secure Data Portal</i></u> The Secure Data Portal will provide a single location for the U.S. Government to communicate and share information with the trade community. <u>Progress:</u> Participation in the ACE Secure Data Portal has grown. Several hundred CBP personnel and trade community users now have access to the portal. CBP officials with access to ACE are able to share information, and review the traffic and compliance records of participants. Participating accounts can improve their communications and collaboration with CBP officials and run reports to help track their own compliance and the entry of their shipments. 2. <u><i>Account Management</i></u> ACE will enable CBP to adopt modern, commercial business practices for managing transactions and revenue. ACE will process periodic payment of duties, resulting in significant savings for both CBP and the trade community. The account-based capabilities of ACE will enable CBP and its trade partners to truly enter into a new electronic age. Through the consolidation and integration of account-based processing, CBP will further streamline its operations, re-evaluate business needs, and either reduce or eliminate any redundant requirements to significantly decrease the amount of paper required. <u>Progress:</u> In July 2004, importers and brokers participating in ACE's pilot program began viewing monthly statements and making monthly payments to CBP. In July 2004 there were 6 importers who paid via monthly statements a total of \$84,000USD in duties and fees. As of April 2006, that number has increased to 2000 with \$510 million USD paid in duties and fees for that month. Total duties and fees paid since July 2004 has topped \$4 billion USD. ACE monthly payments now represent 25% of total collections. | |

3. Cargo Processing

Numerous U.S. government agencies require information on shipments entering and exiting the United States. Under the current system, traders (importers & exporters), carriers, and intermediaries (brokers, forwarders, etc.) must submit information to each agency separately. The process is time-consuming, costly and inefficient. ACE will allow the trade community to file one time through one source. Once fully implemented, the CBP officer will be able to access necessary information from all relevant participating government agencies through one consolidated release system at the point of entry instead of the four different cargo release systems currently in use.

Progress: The ACE electronic manifest (e-Manifest) for trucks was launched in December 2004. The e-Manifests are electronically submitted by carriers, which enable CBP to pre-screen the crew, conveyance, equipment, and shipment information before the truck arrives at the border. In addition, with transponder technology, ACE can identify trucks/drivers from a distance and activate the retrieval of manifest and entry data for CBP Officers. A design review for e-Manifest: Rail and Sea, the first phase of ACE Cargo Control and Release (CCR), has been successful. The new ACE CCR capabilities pave the way for all modes of transport to eventually make the switch to ACE e-Manifests and will provide a multi-modal manifest. The multi-modal manifest will allow CBP to phase out the four separate systems CBP currently uses. Importers, exporters, and transportation providers will eventually only have to use one system, ACE, to move goods into or through the United States using ships, planes, trains, trucks and pipelines.

4. Border Security

ACE is not just a trade system but will deliver important security functions. ACE will provide the capability to access data in the international supply chain that CBP needs to identify, track and intercept high-risk shipments. Just as the e-Manifests will facilitate the flow of goods into the United States, the advanced data on shipments will help with pre-screening and advanced targeting.

Progress: Since ACE's security benefits will flow from information sharing, as ACE becomes more operational the security benefits will increase.

Benefits/cost savings:

Benefits:

- Expedite legitimate trade by providing CBP with tools to efficiently process imports/exports and move goods quickly across the border.
- Allow trade participants access to and management of their trade information via reports.
- Improve communication, collaboration, and compliance efforts between CBP and the trade community.
- Facilitate efficient collection, processing, and analysis of commercial import and export data.
- Provide an information-sharing platform for trade data throughout government agencies.

Cost savings:

- Pursuant to U.S. law, major government-funded IT systems or projects must be studied to ensure the costs will not outweigh expected benefits. A government contractor performed a detailed Cost Benefit Analysis (CBA) to determine

whether implementation of ACE should move forward. The report was published in September 2002, and a group of U.S. government auditors closely scrutinized the 600-page study and questioned its authors at length.

- In February 2003 the CBA concluded that ACE would reduce transaction costs for companies by US\$22.2 billion over 20 years. Additionally, the CBA estimated that ACE would save CBP an estimated US\$4.4 billion.
- In 2005 those calculations were revised to: ACE would reduce transaction costs for companies by US\$17.2 billion over 20 years and save CBP US\$8.3 billion over that same 20 year period.

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|--|--|
| APEC member economy: | Viet Nam |
| Initiative title: | Enhanced Trade Facilitation |
| Business priorities relevant to the customs administration's initiative: | |
| <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Release of Goods <input type="checkbox"/> Automation <input checked="" type="checkbox"/> Risk Management <input checked="" type="checkbox"/> Cooperation | <input type="checkbox"/> Confidentiality <input type="checkbox"/> Express shipments <input type="checkbox"/> Review and appeal <input type="checkbox"/> Penalties <input type="checkbox"/> Advance rulings |
| Description: | |
| <p>Viet Nam Customs has been implementing a comprehensive trade facilitation program. The most important measure is to improve and perfect the Customs legal framework in order to facilitate trade through modern procedures as well as rapid and effective clearance process.</p> <p>Detailed measures include:</p> <ul style="list-style-type: none"> ▪ Applying risk management methods and information technology in customs procedures. ▪ Pilot implementation of e-customs clearance. ▪ Uploading information and legal documents on customs website (www.customs.gov.vn) to enhance the transparency of customs procedures. ▪ Making reports on the time of customs clearance to reduce clearance time and avoid burdens to businesses. ▪ Organizing regular dialogue with businesses to solve problems and difficulties. | |
| Benefits/cost savings: | |
| <ul style="list-style-type: none"> ▪ Harmonized and simplified customs procedures, hence enhanced trade facilitation. ▪ Reduced time for customs clearance. ▪ Reduced cost. ▪ Enhanced the integrity of customs officers. | |

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