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CHAPTER TWO: THE PLAYERS IN ASEAN CROSS BORDER TRANSPORT OPERATION

Objectives:

- To identify the players in ASEAN Cross Border Transport system and their roles
- To understand the impact and influence of all concerned players
- To understand the characteristics of relevant essential issues when performing cross border transport

In the agreement and protocols has indicated the player for facilitating of moving goods as follows:

1. NATIONAL TRANSIT TRANSPORT COORDINATING COMMITTEE (AFAFGIT article 29 (1))

This committee shall be established in each ASEAN member states for the effective and efficient coordination and implementation of this Agreement. The role of committee is to supervise, identify the problem in own country when implementing the ASEAN Framework agreement and try to find the solutions in order to facilitate other players who operate cross border and transit transport. In extension, NTTCC will also receive complaint from local operators who face the problems when operate in other member states and will report to The Transit Transport Coordinating Board to further find the best solution in order to solve such problems.

2. TRANSIT TRANSPORT COORDINATING BOARD (AFAFGIT article 29 (2))

A Transit Transport Coordinating Board shall be established and composed of senior official nominated from each Contracting Party and a representative of the ASEAN Secretariat, to oversee the overall coordination and implementation of the Agreements. The Board is also authorized to invite and seek the assistance of other relevant ASEAN coordinating bodies, for all matters related to the implementation of this Agreement and, the Transit Transport Coordinating Board shall make periodic reports on the implementation of this Agreement, and seek appropriate guidance on significant issues as necessary, from the relevant ASEAN Ministerial bodies.

TTCB will look overall picture to facilitate movement of goods in transit and solve the problem that ASEAN member states are facing.

3. CUSTOMS OFFICES (Protocol 7, Article 1)

There are three customs office in the agreement which are

- a) Customs office of departure where a transit operation commences;
- b) Customs office of transit where is located at the point of exit from or entry into a contracting party in the context of a transit operation;
- c) Customs office of destination where transit operation is terminated.

4. PRINCIPAL (TA Article 2)

The principal is the person who places goods under ASEAN Customs Transit System procedure.

Obligation of the Principal is to be liable for the payment of any Customs Debt which may become due as a result of an irregularity occurring before the termination of the transit operation. This liability applies equally where the goods have been placed under the ACTS by the Principal's authorised representative.

In the concept of ACTS, the principal can apply to a Carrier, other legal or natural person who accepts the goods and has knowledge that such good are being transported under the ACTS procedure. (TA article 2 (3))

NOTE: Principal can be located in one territory and acts as Principal by appointing Principal's authorized representative in another territory

This is because in Technical Appendix article 2(1) allows Principal's authorized representative to perform placing goods under the ACTS and Article 5 (5) mentioned "where the office of guarantee and customs office of departure are located in the territories of different Contracting parties", which means that both offices can be located in different country.

In this case if Principal is located in Singapore and the shipment is ex Thailand to Vietnam, Singapore Principal can appoint Thai representative to perform ACTS by finding guarantor who is located in Singapore and get the approval from Office of guarantee in other country who will send message exchange of guarantee data to all related countries. (TA article 2 (1) and TA article 5 (5))

5. AUTHORISED TRANSIT TRADERS (TA Article 15)

Authorised Transit Trader is one of the Principals who is allowed and eligible for the usage of “Simplified Procedures” under ACTS.

To apply for ATT, the qualification of applicant is as follows:

- a) He shall be established with a registered office, central headquarters, or permanent business establishment in the territory of the country where the application is made;
- b) He must regularly use ACTS procedure, or in the case of a first application for authorisation, the demonstration of an intention is required;
- c) He shall keep records which enable the competent authorities to supervise the procedure and carry out effective controls;
- d) He shall not have any convictions under Customs and tax legislation in the past five years.

Criteria of application determination (Article 16)

1. An application for Authorised Transit Trader status shall be made in writing in a format to be agreed by the Contracting Parties and be signed and dated. It shall specify all the simplified procedures for which the trader has applied.

2. A person applying for Authorised Transit Trader status and related simplified procedures shall be responsible for:

- (a) the accuracy of the information given; and
- (b) the authenticity of the accompanying documents.

Authorisations found to have been granted on the basis of false or misrepresented information shall be revoked with immediate effect.

3. Applications shall be lodged with the competent authorities of the Contracting Parties in which, the applicant is established. Where an applicant is established in the territories of more than one Contracting Parties, nothing shall prevent him lodging applications in the territories of each of those Contracting Parties if he so wishes.

4. Authorisations shall be issued and applications shall be rejected in accordance with the current provisions of the Contracting Parties.

5. Decisions rejecting applications in total, or one or more of the simplified procedures applied for, shall be in writing and state the reasons for the rejection.

6. Decisions on applications, provided such applications contain sufficient information, shall be given within ninety days from the date of receipt by the competent authorities.

7. Decisions shall be communicated to the other Contracting Parties. Such decisions shall be subject to review by the other Contracting Parties, with comments to be received within a period not exceeding thirty days from the date of receipt of the communication, based on which the decisions may be modified or retained.

After being authorized the dated and signed original of an authorisation and one or more copies shall be given to the holder of the authorisation.

The authorisation shall be valid from the date of issue and specify the conditions relating to the use of any granted simplified procedures. (TA article 17(3,4))

BENEFIT OF AUTHORISED TRANSIT TRADER WHO ACTS AS PRINCIPAL (TA Article 17)

Authorised Transit Trader shall enjoy one or more of the following simplified procedures:

1. Use of a multiple journey guarantee within all territories related to in transit operation,
2. Exemption from the requirement to present the goods and means of transport at the Customs office of departure,
3. Use of approved special seals at the Customs office of departure,
4. Use other simplified procedures as determined by ASEAN member states,
5. Waiving guarantee if ATT is in command of transport operations and has sufficient financial resources to meet his obligation. (TA article 11(8))

DUTY, AMENDMENT, SURRENDER OF REVOCATION OF AUTHORISATIONS

1. The holder of an authorisation shall inform the competent authorities of any factor arising after being granted authorisation which may influence its validity or content.
2. The holder has right to relinquish his authorisation by written to the competent authorities of the reasons for any decision of revoking the authorisation.
3. The competent authorities shall revoke or amend.

6. GUARANTOR

The guarantor means any natural or legal third person who undertakes in writing to pay jointly and severally with the Principal any potential Customs debt up to the amount guaranteed. (Protocol 7 article 1)

The guarantor shall be established in the territory of the contracting parties where the guarantee is furnished and approved by the office of guarantee. Guarantor shall have address for service in every territories where the transit operation being done and for which he is acting as guarantor. In case there is no address of service, the guarantor shall appoint an again in every territories. Guarantor can be any business entity such as Bank, Insurance Company; however, it is subject to the agreement of ASEAN customs. (TA article 6 (3))

Before becoming guarantor, the guarantor shall apply for approval from the office of guarantee demonstrating that he is capable of ensuing payment of any Customs debt liable up to the maximum amount guaranteed. (TA article 6 (4))

LIABILITY OF GUARANTOR (TA Article 13)

The liability of the guarantor commence when a customs transit declaration which he guarantee is accepted by the customs office of departure until the in transit operation is discharged. Guarantor shall be liable, jointly and severally with the Principal.

The liability is not cover only Customs debts due under customs laws but also other relevant laws and regulations to competent authorities of each succeeding country at the time when the goods enter said succeeding country's territory.

Moreover, the liability of the guarantor shall cover any other legitimate goods which may be contained in the normal load compartment of the road vehicle or container and should have been declared, but not extend to any other goods.

CAUTION: Other legitimate goods which are not belonging to Principal are unknown to both Principal and Guarantor if Transit Transport Operator does not tell Principal. The Guarantor may issue insufficient guarantee when found legitimate goods after loading the goods into road vehicle and may create problem.

Any other goods can be determined as necessary items on the road vehicle for safety, personal effects of driver.

7. OFFICE OF GUARANTEE

Office of guarantee means the office(s) designed by a Contracting Party to manage arrangement in that country for the authorization of guarantors and supervision of guarantees covering transit operations. (Protocol 7 Article 1(I))

Office of Guarantee shall be established in ASEAN member states to make the approval for guarantee applied by guarantor. Office of Guarantee and customs office of departure can be located in the different countries (TA Article 6 (3))

Therefore, principal who enters into ACTS, can request guarantor where office of guarantee is located in territory other than Customs office of departure is located. (TA article 5 (5))

Office of guarantee has duty to supervise guarantee and shall refuse to approve a guarantor who does not appear to be capable of ensuring payment within the prescribed period of any Customs debt liable to be incurred up to the maximum amount guaranteed.

Moreover, the office of guarantee shall revoke its acceptance of the guarantor's guarantee if the conditions laid down at the time of issue are no longer fulfilled.

The office of guarantee also shall maintain evidence that it has accepted guarantor's guarantee and make this available electronically to Customs offices of departure on request. (TA Article 6)

8. TRANSPORT OPERATOR – THE CARRIER

Transit Transport Operator means owner, drivers and/or agents of road transport vehicles who (1) have the appropriate national permit or licence to operate transport services and who have a proven compliance record to the rules and procedures under the said permit or licence and (2) are duly registered as transport operators by the respective NTTCC. (Protocol 3 article 1(1))

Transit Transport Operator as a Carrier is able to act as Principal or act as subcontractor of principal and he shall be liable for the payment of any Customs debt if he accepts the goods and has knowledge that such goods are being transported under ACTS procedure. (TA Article 2 (3))

9. OTHER LEGAL (ENTITY) OR NATURAL PERSON

Any other legal entity or natural person who accepts the goods and has knowledge that such goods are being transported under the ACTS procedure shall be liable for the payment of any Customs debt including performing in according to principal duties. (TA Article 2 (3))

RELATED PROTOCOLS TO ASEAN FRAMEWORK AGREEMENT ON FACILITATION OF GOODS IN TRANSIT

1. PROTOCOL 1 – Designation of Transit Transport Routes and Facilities.

The main objective of this protocol is that ASEAN member states agree to formalise the initial respective road and highway routes, as basis for the designation of transit transport routes also to provide vehicle rest areas on their designated road or highway transit transport routes and adequate parking space for containers and for road vehicles awaiting goods clearance at duly designated frontier posts at border points.

**LIST OF TRANSIT TRANSPORT ROUTES
FOR PROTOCOL 1**

Country	AH. No.	Origin - Destination	Length (Km.)	Remarks
Brunei Darussalam	150	Sungai Tujoh/Miri (Brunei Darussalam / Malaysia Check Point) - Kuala Lurah / Limbang (Brunei Darussalam/Malaysia Check Point)	140	
	150	Puni/Limbang (Brunei Darussalam/Malaysia Check Point) - Labu/Lawas (Brunei Darussalam/Malaysia Check Point)	28	
Cambodia	1	Poi Pet (Cambodia/Thailand Border) - Sisophon - Phnom Penh - Bavet (Cambodia / Vietnam Border)	574	Below Class III = 48 km.*
	11	Trapeing Kreal (Cambodia / Lao PDR Border) - Stung Treng - Kampong Cham - Phnom Penh - Sihanoukville Port	764	Below Class III = 198 km. *
Indonesia	2	Merak - Jakarta - Surakarta - Surabaya - Denpasar	1,299	
	150	Pontianak - Entikong/Tebedu (Indonesia/Malaysia, Sarawak Border)	321	
	25	Banda Aceh - Medan - Palembang - Bakahuni	2,523	

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	25	Banda Aceh - Medan - Palembang - Bakahuni	2,523	

Country	AH. No.	Origin - Destination	Length (Km.)	Remarks
Lao PDR	3	Boten (Lao PDR/China Border) - Luang Namtha - Houi Sai (Lao PDR/Thailand border)	251	Below Class III = 194 km.*
	12	Natrey (J.R.AH.3)-Oudomsay - Luang Phrabang - Vientiane	682	Below Class III = 160 km.
	11	Vientiane (J.R.AH.12) - Ban Lao - Thakhek - Savannakhet - Pakse - Veunkhame (Lao PDR/Cambodia Border)	861	
	15	Namphao (Lao PDR/Viet Nam Border)- Ban Lao (J.R.AH.11)	136	Below Class III = 86 km.*
	16	Savannakhet (Lao PDR/ Thailand Border) – Danesavanh (Lao PDR/ Viet Nam Border)	240	
Malaysia	2	Bukit Kayu Hitam (Malaysia/ Thailand Border) - Kuala Lumpur - Seremban - Senai Utara - Tanjung Kupang	980	
	150	Entikong/Tebedu (Indonesia/ Malaysia Border) - Serian - Kuching	106	
	150	Serian - Sibul - Bintulu - Miri	861	
	150	Miri - Sg. Tujoh (Malaysia/ Brunei Darussalam Check Point)	24	

Country	AH. No.	Origin - Destination	Length (Km.)	Remarks
Myanmar	150	Kuala Lurah (Malaysia/Brunei Darussalam Check Point) - Limbang/Puni (Malaysia/Brunei Darussalam Check Point)	45	
	150	Lawas/Labu (Malaysia/Brunei Darussalam Check Point) - Kota Kinabalu	226	
	1	Tamu (Myanmar/India Border) - Mandalay - Meiktila - Payagyi (including Payagyi-Yangon) - Myawadi (Myanmar/Thailand Border)	1,665	Below Class III = 939 Kms.
	2	Meiktila - Loilem - Keng Tung - Tachileik (Myanmar/Thailand Border)	807	Below Class III = 644 Kms
	3	Kyaington (Keng Tung) - Mongla	93	Below Class III = 93 Kms.
Philippines	14	Muse (Myanmar/China Border) - Mandalay	453	
	26	Laoag City - Manila - Matnog - (Ferry Service) - San Isidro - Tacloban City - Liloan (Ferry Service) - Lipata - Surigao City - Davao City - General Santos City - Zamboanga City	3,073	Below Class III = 277 Kms.

Country	AH. No.	Origin - Destination	Length (Km.)	Remarks
Singapore		Designated Transit Transport Routes to be submitted at the time of deposit of Instrument of Ratification.		
Thailand	1	Mae Sot (Thailand/Myanmar Border) - Tak - Bangkok - Hin Kong - Nakhon Nayok - Aranyaprathet - Khlong Luek (Thailand/Cambodia Border)	702	
	2**	Mae Sai (Thailand/Myanmar border) - Chiang Rai - Lampang - Tak - Bangkok (West Outer Ring Road) - Nakhon Pathom - Pak Tho - Chumphon - Suratthani - Phattalung - Hat Yai - Sadao (Thailand/Malaysia Border)	1,923	
	3	Chiang Rai - Chiang Khong (Thailand/Lao PDR Border)	115	
	12	Hin Kong - Saraburi - Nakhon Ratchasima - Khon Kaen - Nongkhai (Thailand/Lao PDR Border)	533	
	16	Tak - Phitsanulok - Khon Kaen - Kalasin - Somdet - Mukdahan (Thailand/Lao PDR Border)	713	
	19	Nakhon Ratchasima - Kabinburi - Laem Chabung East Outer Bangkok Ring Road (Tub Chang) - Bang Pa In	491	

Country	AH. No.	Origin - Destination	Length (Km.)	Remarks
Viet Nam	1	Moc Bai (Viet Nam/Cambodia Border) - An Suong (Ho Chi Minh City) -	99	
	1	Dong Ha – Da Nang/Tien Sa	197	
	15	Keo Nua (Viet Nam/Lao PDR Border) - Bai Vot - Vinh - Cua Lo	123	
	16	Lao Bao (Viet Nam/Lao PDR Border) - Dong Ha	83	
	17	Dong Nai - Vung Tau	75	

Note: The existing standards of the designated transit transport routes are at least of class III standards, excepts those mentioned in the remarks

* Under construction/committed for construction

** Including length between Tak - Bangkok 363 kms. which is part of AH.– No.1

PROTOCOL 2 – DESIGNATION OF FRONTIER POSTS

This Protocol aims for the frontier posts where the clearance and examination of the means of transport and goods in transit shall be performed.

It further is agreed that Contracting Parties (ASEAN member states) may allow the clearance and examination of the means of transport and goods in transit at other frontier posts in addition to those duly designated. However, this provision is still under observation and subject to amend the details.

The affirmation of their designated frontier posts shall be with the mutual agreement of the immediate neighbouring Contracting Party (or Parties).

The Initial Frontier Posts: DRAFT
Brunei Darussalam

- Sungai Tujuh

Kingdom of Cambodia

- Poi Pet
- Bave
- Trapeing Kreal
- Sihanoukville International Port

Republic of Indonesia

- Entikong, West Kalimantan

Lao People's Democratic Republic

- Thananleng Customs Checkpoint, Vientiane Municipality
- Nampaow Customs Checkpoint, Bolikhamsay Province
- Thakhek Customs Checkpoint, Kammouan Province
- Daensavahn Customs Checkpoint, Savannakhet Province
- Vengtao Customs Checkpoint, Champasack Province
- Khanthaboury Customs Checkpoint, Savannakhet Province
- Houei Xai Customs Checkpoint, Bokeo Province

Malaysia

- Bukit Kayu Hitam
- Tanjong Kupang
- Tebedu
- Sungai Tujuh

Republic of the Union Myanmar

- Tachileik
- Myawaddy

Republic of the Philippines

- Nil

Republic of Singapore

- Woodlands Checkpoint
- Tuas Checkpoint
- Keppel Free Trade Zone
- Pasir Panjang Free Trade Zone
- Jurong Free Trade Zone
- Sembawang Free Trade Zone

- Changi Free Trade Zone

Kingdom of Thailand

- Mae Sai Boundary Post
- Mae Sot Boundary Post
- Aranyaprathet Boundary Post
- Nong Kai Boundary Post
- Sa Dao Boundary Post
- Mook Da Harn Boundary Post

Socialist Republic of Viet Nam

- Keo Nua (Cau Treo) Customs Checkpoint
- Lao Bao Customs Checkpoint
- Moc Bai Customs Checkpoint

Protocol 3 – Types and Quantity of Road Vehicles

This protocol aims for applying to all road transit transport vehicle engaging in transit transport and transit transport operator.

This protocol provides two important definitions which are;

1. Transit transport operator means owner, drivers, and/or agents of road transit transport vehicles who (1) have the appropriate national permit or licence to operate transport services and who have a proven compliance record to the rules and procedures under the said permit or licence, and (2) are duly registered as transit transport operators by the respective National Transit Transport Coordinating Committee (NTTCC).

NOTE: The consideration of granting licence shall be done by authorities' rules and regulation of each Contracting Party.

2. Road transit transport vehicle means the type of road vehicle specified under Annex 1 of this protocol Article 3 herein for the use of carrying goods across the territory of one or more Contracting Parties, when the passage across such territory or territories, with or without transshipment, warehousing, breaking bulk or change in the mode of transport, is only a portion of a complete journey beginning and terminating beyond the frontier of one or more Contracting Parties across whose territory the vehicle passes.

The quantity or number of road transit transport vehicle which shall be allowed to be used for transit transport shall be no more than five hundred (500) vehicles per Contracting Party. Original protocol was mentioned 60 vehicles, but it has been extended to 500 vehicles later.

NOTE: In GMS CBTA also grants number of permits for road transit transport vehicle at 500 permits, not the vehicles. And it seems that at first stage, there will be only 500 units of road transit transport vehicle run in GMS as well as in ASEAN.

Types of Vehicle:

Following types of vehicle are allowed:

1. “Rigid Motor Vehicle” means a motor vehicle other than an articulated vehicle, particularly a commercial vehicle carrying the payload on its own axles.
2. “Articulated vehicle” means a prime mover drawing a semi-trailer.
3. “Semi-trailer” means a vehicle drawn by a motor vehicle in such a manner that part of the trailer is superimposed on the motor vehicle and a substantial part of the weight of the trailer and its load is borne by the motor vehicle.

Rigid Motor and Articulated vehicle are classified into “Boxed”, “Refrigerate”, “Tanker”, and “Container”.

“Sealed Vehicle” is defined as a vehicle the load compartment of which is constructed and equipped in such a manner that;

- a) Customs seal can be easily and effectively affixed to it.
- b) No goods can be removed, or introduced into, the sealed part of the vehicle without leaving visible traces of tampering or without breaking the Customs seal.
- c) It contains no concealed space where goods may be hidden.
- d) All space capable of holding goods are readily accessible for Customs inspection.

Protocol 4 – Technical Requirement of Vehicles

This Protocol demonstrates necessary documents which shall be carried on the road transit transport vehicle at all time and technical requirement of Vehicles.

The Contracting parties shall ensure that each road transit transport vehicle shall be registered with the NTTCC and comply with the technical requirement hereunder:

Maximum Vehicle Dimension:

Maximum length of vehicle:

- Rigid Motor Vehicle: 12.2 meters.
- Articulated Vehicle: 16 meters.

Maximum width of vehicle:

- All Vehicle: 2.5 meters

Maximum height of vehicle:

- All Vehicle: 4.2 meters

Rear overhang:

- Three Axle Rigid Motor Vehicle = 60% of Wheel Base
“Wheelbase” means the distance between the centre line of the first axle and the centre of the rear tandem axle of three axle rigid motor vehicle.

Maximum Permissible Gross Vehicle Weight:

- Three Axle Rigid - 21 Tonnes
- Four Axle Rigid - 25 Tonnes
- Four Axle Articulated - 32 Tonnes
- Five Axle Articulated - 36 Tonnes
- Six Axle Articulated - 38 Tonnes

Emission Standard:

Exhaust emission (smoke) – 50% (Opacity or Bosch unit) or 50 HSU

Brake Efficiency:

50% of the axle weight

Side Slips:

Plus (+) or minus (-) 5m/km.

The vehicle shall display at the rear at all time, the detachable stickers representing the internationally recognized and designated insignia of the Contracting Party of which the vehicle is registered.

Necessary Documents on the Vehicle

- a) Motor Vehicle Registration Certificate containing the particulars of the vehicle and the owner
- b) Valid Certificate of Inspection
- c) Motor Vehicle Third Party Liability Insurance Cover
- d) Consignment Note/Waybill
- e) Customs Transit Accompanying Document

f) Carrier's Licence.

Protocol 5 – Compulsory Motor Vehicle Insurance

Contracting Parties agree to apply and establish an ASEAN Scheme of Compulsory Motor Vehicle Insurance to enable Transit Transport Operators and Road Transit Transport Vehicle from each of the Contracting Parties to be adequately insured against death or bodily injuries and/or property damage arising from road traffic accidents in the territories of the other Contracting Parties.

The insurance shall cover at least the minimum requirements prescribed by the laws and regulation governing vehicle insurance in force in the countries of transit and final destination.

The Blue Card scheme will be used for Transit Transport liability insurance with validity one year.

Protocol 6 – Railway Border and Interchange Station

The Contracting Parties agree to provide facilities on their designated railway border and interchange stations for the movement of goods in transit through simplified and harmonized documents and procedures, working hours in designated railway border and interchange station.

In this protocol, mostly mentions about the obligation and basic operation arrangement between contracting parties including type and quantity of rolling stock.

Contracting parties shall fix the number of through goods trains to be run and schedules, designated railway border and interchange station to and from which these trains shall run. The place at which locomotives shall be serviced and stopped is need to be discussed including the permissible speed and classes of rolling stock.

The discussion on this protocol is still in discussion to be agreed and the details shall be fixed in future.

Protocol 7 – Customs Transit System

This Protocol is the most important and full of details in operationalisation of Customs Procedure. It mentioned about Customs Transit Declaration using technology of electronic data exchange, security for customs debt.

Technical Appendix of this Protocol demonstrate overall operation and relevant issues, factors and how to operate under Customs Transit System.

Details of operation will be shown in topic of Characteristics of Essential issues when performing Cross Border Transport and Physical Operation of ASEAN Customs Transit System in Chapter Three.

Protocol 8 – Sanitary and Phytosanitary Measures to implement the ASEAN Framework Agreement on the facilitation of goods in transit

This protocol is concerned with the “Goods” which means any plant product or any other object or material capable of harbouring or spreading plant pests, any animals, animal products, food beverages and feedstuffs including prohibited or restricted for movement of some goods.

The international and regional organizations such as the Codex Alimentarius Commission, the International Office of Epizootics, the International Plant Protection Convention (IPPC) and ASEAN were guide for Contracting Parties to agree.

Contracting Parties shall ensure the availability of their national sanitary and phytosanitary laws, regulations and procedures for the transit of goods in their respective territories.

Also Contracting Parties shall provide the laws, regulations, procedures for the transit of goods in their respective territories to be listed in the Annex to this protocol.

Protocol 9 – Dangerous Goods

To implement this protocol, the Contracting parties agree to adopt the provisions of the UN Model Regulations, ADR and the Restructured ADR in particular relating to the following:

- a) detailed classes and divisions of dangerous goods
- b) packaging and labeling of dangerous goods,
- c) vehicle marking and method of packaging
- d) training
- e) precautions against Fire and/or Explosions.

Classification of Dangerous Goods have been divided into 9 classes.

Before carriage of dangerous goods, an application shall be made to the NTTCC of relevant Contracting Party and NTTCC shall liaise with NTTCC of the Contracting Party across whose territory the transit transport passes.

CHARACTERISTICS OF ESSENTAIL ISSUES WHEN OPERATING GOODS IN TRANSIT TRANSPORT

GOODS (Protocol 7 Article 3)

Each ASEAN member state has right to prohibit and /or restrict certain goods which is concerned to public morality, public policy and security, including protection of health and life of humans, animals or plants, protection of national treasures possessing artistic, historical or archaeological value or the protection of industrial or commercial property. Each ASEAN member state must make a list of prohibited and/or restricted goods and in case the list is need to be amend, member state should notify to ASEAN Secretary-General.

The goods are not subject to duty and taxes when moving in transit and subject to duties and taxes in the country of exportation and destination if any.

The goods shall be exempt from routine physical Customs inspections en route other than inspection of seals and non-intrusive inspection, customs escorts along the way and requirement to provide any security or bond in additional to guarantee amount.

GUARANTEE SYSTEM

Guarantee shall be done by Guarantor and get approval by the office of guarantee, and shall be furnished by the Principal. The amount of the guarantee is the maximum sum of potential Customs debt due. (Protocol 7 article 5) and liability of guarantor is limited to the maximum amount shown in the guarantee. (TA article 6(8))

The amount of the Customs debt liable to be incurred on the transit operation concerned shall be calculated on the basis of the highest rates of duties, taxes and charges applicable to the goods in the territories covered by the transit operation.

The guarantee can be both a single journey guarantee which covers only a single transit operation and multiple journey guarantees which cover a number of transit operations.

NOTE: Principal has to check relevant ASEAN countries where the transit operation being performed all duties, taxes and charges rate and select the highest customs tariff rate among those countries.

SINGLE JOURNEY GUARANTEE (TA article 7)

Single journey guarantee can be provided in the form of

a) Cash deposit

Cash deposit shall be lodged with the office of guarantee and must be equivalent to the value of the total amount of the Customs debt which may be incurred in the local currency

or submitted any other means of payment recognised by the office of guarantee and lodge in accordance with the regulation of country of departure.

Single journey guarantee in cash deposit form is valid for all countries where transit operation is done and will be refunded by the office of guarantee when transit operation has been discharged.

b) Guarantee vouchers issued to the Principal by a guarantor

The guarantee vouchers issued by guarantor shall be equivalent to the value of the total amount of the Customs debt and shall be indicated validity period and last date on which it may be used. The maximum validity is 90 days from the date of issuance. The voucher which is accepted by the customs office of departure on or before the final date of validity can be used until the transit operation has been discharged.

ASEAN Member States will fix the format of voucher which must be uniquely numbered. The guarantor shall provide the office of guarantee the required details relating to the vouchers he has issued.

c) Guarantee given by a guarantor

ASEAN member states shall fix a format of single journey guarantee given by a guarantor which will be different from vouchers. The guarantee contains the name of the Principal and its value which is equivalent to total amount of Customs debt and shall lodged with the office of guarantee and a copy of the guarantee will be retained by the Customs office of departure. It will be cancelled when transit operation is discharged. Guarantor shall be advised when it has been cancelled.

MULTIPLE JOURNEY GUARANTEE (TA article 11)

Principal can place multiple journey guarantee issued by a guarantor based on “reference amount” which shall be equivalent to the value of total amount of Customs debt which may be incurred during transit operation for a period of at least seven days.

Office of guarantee in collaboration with Principal shall establish the reference amount by taking into consideration of information of the goods in the past, estimate of number of consignment and value of goods including highest rates of duties, taxes and charges applicable in the countries of transit.

Office of guarantee shall review the reference amount at least once a year and make adjustment according to the information given by the Customs offices of departure. The Principal shall inform the office of guarantee if the reference amount falls below a level sufficient to cover his current or anticipated transit operation.

The office of guarantee shall issue the Principal with one or more multiple journey guarantee certificates conforming to a format to be agreed by ASEAN Countries. In case of usage of electronic guarantee certificate, it shall be entered into the Customs transit declaration and be printed on the Transit Accompanying Document. Whenever, there is no electronic guarantee certificate, the original guarantee certificate must be present to the Customs office of departure by Principal.

REDUCTION GUARANTEE AMOUNT FOR MULTIPLE JOURNEY GUARANTEE (TA article 11 (6))

If the Principal who has met criteria on his experience, reliability and sound financial, office of guarantee may be considered a reduced amount or to have a guarantee waiver but subject to the agreement of countries involved in the transit operation.

The amount of guarantee may be reduced to

- a) 50% of the reference amount where the Principal demonstrates he has sufficient experience of Customs procedures
- b) 25% of the reference amount where the Principal demonstrates he has sufficient experience of Customs procedures and closely cooperation with the competent authorities.

Guarantee waiver may be granted if Principle becomes Authority Transit Trader
However, to apply all above, the decision shall be communicated to the other countries involved in transit operation and shall be review or comment within not exceeding 30 days from the date of receipt of the communication. (TA article 16 (7)).

CANCELLATION AND REVOCATION OF GUARANTEES (TA article 14)

The office of guarantee shall revoke its acceptance of a guarantee or a Principal's guarantee waiver authorisation with immediate effect if the conditions are no long fulfilled and shall notify countries where in transit operation takes place.

Guarantor can cancel his guarantee at any time but the cancellation shall take place on the fourteenth day following the date of notification in writing to the office of guarantee.
Revocation or cancellation shall be without prejudice to any obligations incurred as a result of transit operations commenced prior to the date on which revocation or cancellation takes effect.

From the date of effective of revocation or cancellation, any **certificate** issued prior to that date shall not be valid for placing goods under ACTS procedure and the Principal must return any certificates in his possession to the office of guarantee without delay.

NOTE: any Certificate means single or multiple journey guarantees

SEAL

In general rule, the goods in transit must be secured by sealing at the space containing the goods or each individual package, if necessary.

Means of transport also can be considered as suitable for sealing if

- a) seals can be easily and effectively affixed to them,
- b) they are so constructed that no goods can be removed without leaving visible traces of tampering or without breaking the seals,
- c) there are no spaces where goods can be hidden,
- d) space for the goods is readily accessible for inspection by the Customs. (TA article 3 (2))

A means of transport is included road vehicle accompanied by its trailer(s) or semi-trailer(s) and containers loaded on a road vehicle.

Special types of seals on means of transport or packages can be used if the competent authorities approve and agreed by ASEAN member states where in transit operation is done. (TA article 20 (1))

In the normal case where the sealing could not be done due to the nature of the goods, the Customs office of departure may waive the requirement for sealing (TA Article 3(3)).

The Customs office of transit of each country shall accept the Customs seals of other country or other approved special seals, provided they are intact. The seal thus accepted shall have in the territory of that country the same legal protection as is accorded to their own Customs seals.

COMPUTERIZATION

ASEAN Customs Transit System is based on an exchange of electronic message. These messages replace the various paper documents and certain formality of in transit operation.

The electronic message exchange takes place at three levels:

- 1) Between Principal and Customs and Office of Guarantee
- 2) Between internal Customs offices and/or Office of guarantee (departure)
- 3) Amongst Customs office of departure, Customs office of transit and Customs office of destination.

The electronic messages and papers related to in transit operation are as follows:

- a) “The Transit declaration” which is presented in electronic form by Principal to Customs office of departure,
- b) “The Registration number” which is so called ‘The movement reference number’ (MRN) in EU given by the system to the declaration and printed on the Transit Accompanying Document.
- c) “The Transit Accompanying Document” (TAD) which can be printed at Customs office of departure or at Principal once a transit declaration is released and accompanies the goods from departure to destination.
- d) “The Anticipated arrival record” (AAR) message which is sent by the office of departure to the declared office of destination mentioned in the declaration.
- e) “The Notification of Crossing Frontier” (NCF) message which is sent by the actual or relevant Customs office of transit to the Customs office of departure used on the passage of the consignment.
- f) “The Arrival Advice” message sent by the Customs office of destination to the Customs of departure when the consignment has arrived.
- g) “The Destination Control Result” message sent by the Customs office of destination to the Customs office of departure after the goods have been examined.