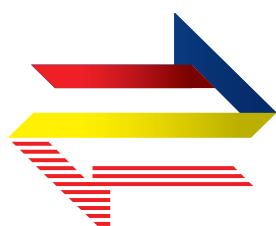




# ASEAN CUSTOMS TRANSIT SYSTEM (ACTS)

A Guide to ACTS for Transit Operators



**ACTS**

ASEAN CUSTOMS  
TRANSIT SYSTEM



one vision  
one identity  
one community



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# 1. Background of the ACTS

- 1.1 The ASEAN Customs Transit System (ACTS) is a harmonised system for the control of the movement of goods in transit through ASEAN Member States. It replaces the traditional paper based controls with electronic processing of data and messages that contain the information required for the transit procedure. This provides for a more efficient transit system; that facilitates trade at the same time reducing the risk of improper use of the transit system, the loss of goods and the prevention of revenue leakage.
- 1.2 Under the ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT) signed on 16 December 1998 in Ha Noi, Viet Nam, the Governments of Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, the Lao People's Democratic Republic, Malaysia, the Republic of the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand and the Socialist Republic of Viet Nam, Member States of the Association of South East Asian Nations (ASEAN) agreed, as Protocol 7, to establish the ACTS and to apply the provisions of this Protocol to the transit of goods in their territories.
- 1.3 Protocol 7 to AFAFGIT and its Technical Appendix establish the legal and technical provisions for the operation of ACTS to operate as an effective and efficient Customs transit system within ASEAN Member States.
- 1.4 These provisions are in line with international standards as recommended in the World Customs Organization Revised Kyoto Convention (RKC) and the World Trade Organization Trade Facilitation Agreement (TFA). Chapter 1 of the RKC under Specific Annex E provides the recommended standards for the facilitation of transit goods under Customs control and the requisite security and Customs guarantees. It also includes the standards concerning responsible persons, authorised consignors and consignees, the formalities at the office of departure, Customs seals and the time limit for transit.
- 1.5 The World Trade Organization Trade Facilitation Agreement includes a specific article on freedom of transit, and strengthens the key principle of freedom of transit as defined by Article V of the General Agreement on Tariffs and Trade (GATT). Article 11 introduces transit measures that have minimum documentation requirements and formalities, and the requirements for transit guarantees.
- 1.6 The TFA and the RKC both encourage the development of cooperation agreements that facilitate transit operations. This provides for the harmonization of Customs transit procedures, the exchange of information and common IT transit systems. The RKC recommends that Contracting Parties consider the possibility of acceding to international agreements relating to Customs transit.

## 2. Using ACTS as a transport operator (Principal)

The person, or authorised representative of that person, who places goods under the ACTS transit procedure is called the 'Principal'.

- 2.1 This paper gives an outline of the features of ACTS for the transport operator user. **The ACTS System User Manual** gives detailed instructions to a Principal on the hands-on workings of ACTS, in how to prepare the electronic transit declaration and to submit the declaration to Customs for validation, acceptance, and release of the movement into the transit regime.
- 2.2 Except for properly preparing and submitting the declarations, and any possible need for later amendment, there are no further fixed procedures required of a Principal.
- 2.3 However the Principal may need to respond to ACTS messages to progress the Customs release of the goods into transit; for example, request for presentation of the goods and supporting documents for Customs examination before release.

## 3. Basic prerequisites for ACTS transit Principal

- Have access to suitable ICT equipment
- Register as an ACTS user
- Undertake user training on the ACTS application
- Be aware of and have available the information needed for a valid ACTS transit declaration

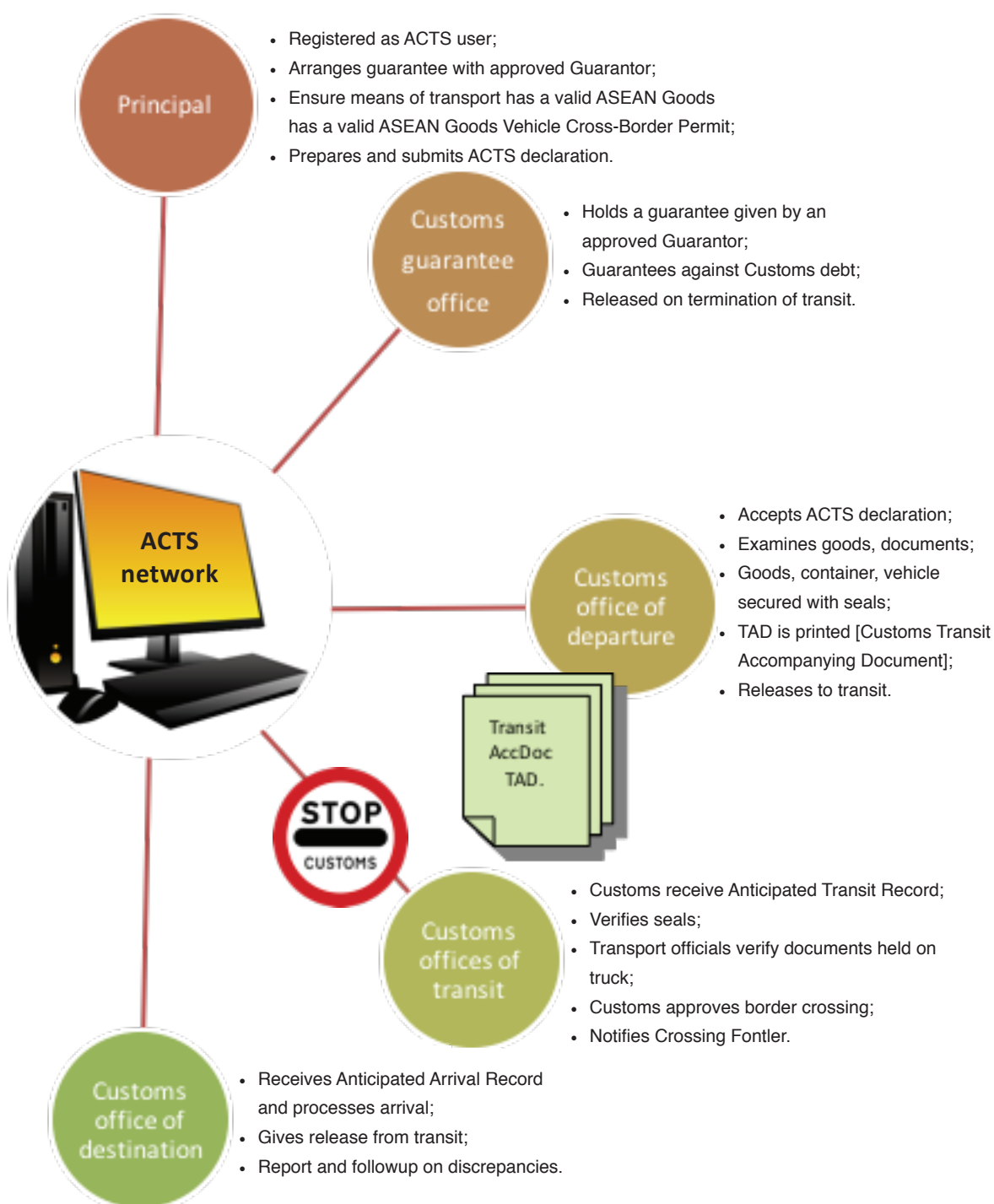
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DECLARATION DATA REQUIREMENTS AND SPECIFICATIONS ARE WITHIN ACTS  
SYSTEM USER MANUAL

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## 4. ACTS operates as a network connecting customs offices and registered transit operators across participating ASEAN Member States

- 4.1 It provides electronic communications between a transporter Principal and Customs and cross-border monitoring of the movement between the Customs offices responsible for the control of the transit.



## 5. Preparing for ACTS transit movement

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BE AWARE OF THE CLASSES OF GOODS THAT ARE RESTRICTED AND SUBJECT TO SPECIAL CONTROLS, OR PROHIBITED AND EXCLUDED FROM ACTS TRANSIT

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- 5.1 Obtain a guarantee from an approved financial institution - *though for the pilot phase of ACTS guarantees will initially be accepted only from a bank* - in a form prescribed by Customs for ACTS and present to your Customs office of guarantee for acceptance.
- The options are:
    - i Single journey guarantee; or
    - ii Multiple journeys guarantee
  - On acceptance of the guarantee, obtain a GRN (Guarantee Reference Number) from the office of guarantee.
- 5.2 Initiate movement, by preparing and lodging on-line the ACTS transit declaration, according to ACTS User Manual instructions.

## 6. Loading limitations

- 6.1 Those goods are loaded on to a single means of transport, being:
- a road vehicle that may be accompanied by its trailer or container; and
  - dispatched from the office of departure to the office of destination.
- 6.2 If a consignment is split between two means of transport, a separate transit declaration is needed for each means of transport, even though all the goods are transported between the same office of departure and destination.

## 7. Security sealing the goods in transit

- 7.1 Seals affixed to trucks and containers provide a physically secure mechanism to ensure the goods presented at the start of the transit movement will leave the transit country in the same quantities, form, and status.
- 7.2 Seals must conform to specified criteria that ensure their effective and secure operation and the means of transport must be regarded by the Customs office of departure as suitable for sealing.

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CUSTOMS CAN GIVE FULL DETAILS ON THE REQUIREMENTS FOR SEALS AND ACCEPTABLE METHODS OF SEALING

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## 8. Making a transit declaration

### 8.1 Lodgment and Initial Check

8.1.1 The transit declaration is lodged electronically through ACTS to the Customs office of departure.

- The declaration is validated by ACTS against the data requirements.

8.1.2 The declarant provides a 'Trader's Reference Number (TRN)' that allows the Principal or the office of departure Officer to reference the data in ACTS.

- ACTS checks that the provided TRN is uniquely identified within the departure AMS;
- Guarantee Reference Number(s) (GRN) quoted within the declaration are verified with Offices of guarantee to ensure that the guarantee(s) are valid and available.

### 8.2 Check Result

8.2.1 If the declaration is completed correctly and the goods are eligible:

- ACTS will automatically validate it as successful.

8.2.2 If the declaration is incorrect or incomplete:

- ACTS will reject the declaration; and
- The reason(s) for the rejection is notified to the trader, who can make the necessary changes in the declaration or to submit a new declaration;
- When the transit declaration is accepted, the system sends an electronic message to the trader and allocates an ACTS ASEAN Reference Number (ARN).

8.2.3 This reference number will identify the transit movement at the Customs offices of the ASEAN Member States involved in the transit movement.

### 8.3 ACTS Processes

8.3.1 If the declaration is rejected, the reasons can be accepted (and so possible options for transit approval outside of ACTS and in an alternative national transit regime can be pursued), or the declaration amended/corrected and resubmitted to ACTS

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**NOTE: AMENDMENTS MAY BE MADE AFTER A DECLARATION HAS BEEN ACCEPTED BY ACTS, BUT NOT AFTER CUSTOMS HAVE NOTIFIED THAT THE TRANSIT GOODS HAVE BEEN SELECTED FOR EXAMINATION**

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8.3.2 When the declaration is accepted, wait for a notification of status from the Customs Office of departure:

- If the Customs Office wishes to control the goods, the goods and supporting documents are to be made available for Customs examination.

8.3.3 With a 'satisfactory' control result:

- ACTS checks guarantee validity and registers the amount of potential Customs debt as usage of that amount of guarantee;
- Security seals are fixed to the goods/container/vehicle;
- A Transit Accompanying Document (TAD) is printed – example at the end of this brochure; and
- The goods are released to transit.

## **8.4 Route and Travel Time**

8.4.1 Customs may set the expected arrival and expected control times.

8.4.2 For example, when the route and length of time to reach the intended destination is longer than that defaulted by the system due to road closures; otherwise the arrival and control times are set automatically as a default in the system. The system takes into consideration the route and proposes a date of arrival based on this route.

8.4.3 This is required for monitoring purposes to ensure that any delays are promptly detected by the system and the Customs Officers are informed accordingly in order to start an enquiry procedure, if necessary.

## **8.5 The Transit Movement**

8.5.1 The goods are dispatched, with the vehicle's driver given clear instructions by the Principal on the presentation of goods and Transit Accompanying Document (TAD) at Customs offices of transit and Customs office of destination.

8.5.2 This includes any special conditions imposed by Customs, such as time allowed for transit and permitted route.

8.5.3 The driver should also be instructed on reporting actions to take in the case of unplanned diversions or other incidents en-route.

8.5.4 On satisfactory arrival at destination the goods are released from transit - with the movement terminated and the guarantee (or amount of guarantee usage) released.

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IF THE TRANSIT MOVEMENT IS NOT RECEIVED AS EXPECTED BY THE INTENDED OFFICE OF DESTINATION, (WITHIN THE PERMITTED TIME INTERVAL), THE PRINCIPAL WILL FIRST BE ASKED TO EXPLAIN.

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## 9. Diversions en route

- 9.1 In cases of diversion of the transit movement to an office of destination different than the office originally declared to ACTS, the new office of destination is notified of the arrival of a consignment by the consignee or by the Principal's representative.
- 9.2 Notification must also be given for diversion to different transit offices to the ones originally declared.
- ACTS checks for continuing validity of the transit movement; such as with the nominated offices of transit and destination, the route, and guarantee coverage or restrictions in a new country.
- 9.3 If the check fails, the transit operation must be terminated.

### 9.4 Other incidents en route

- 9.4.1 In the cases set out below, the carrier shall make the necessary entries in the Transit Accompanying Document – or have supporting evidence in the form of an official report - and present it for certification with the consignment and any other related transit documents to the competent authorities of the Contracting Party in whose territory the means of transport is located:
- if the itinerary prescribed by the competent authorities is changed;
  - if the seals are broken in the course of a transport operation for reasons beyond the carrier's control;
  - if goods are transferred to another similar means of transport for reasons beyond the carrier's control;
  - in the event of imminent danger necessitating immediate partial or total unloading of the means of transport; or
  - in the event of any incident or accident capable of affecting the ability of the Principal or the carrier to comply with his obligations.
- 9.4.2 In the case of accidents and similar incidents, the carrier should seek a report on the circumstances from a Customs or Transport official, or a Police officer.
- 9.4.3 The carrier must report the incident to a Customs office of transit at the first opportunity.
- 9.4.4 Where it is considered that the transit operation concerned may continue in the normal way, the designated box of the Transit Accompanying Document is endorsed by the competent Customs authority and ACTS updated accordingly.

## 10. Termination or write-off of transit movement

Any discrepancies found at the Customs office of destination will be followed up with the office of departure, and with the Principal if relevant.

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IN PLACING GOODS UNDER THE ACTS PROCEDURE, THE PRINCIPAL IS FIRST AND FOREMOST LIABLE FOR THE PAYMENT OF ANY CUSTOMS DEBT THAT 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 PROCEDURE BY THE PRINCIPAL'S AUTHORISED REPRESENTATIVE.

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## 11. Authorised transit trader simplifications

- 11.1 The aim of transit simplifications is to find a balance between customs control and the facilitation of trade, at a level appropriate to traders who have an established record of transit experience and reliability in transit operations.
- 11.2 Recognition that a trader uses the transit system on a regular basis and has a history of high compliance allows Customs authorities to relax normal controls, proportional to the lower levels of risk that the trader presents to Customs control responsibilities.

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THIS ALLOWS CUSTOMS TO ALLOCATE GREATER RESOURCES TOWARDS AREAS OF HIGH RISK, AND THE INCREASED FACILITATION CAN SIGNIFICANTLY REDUCE COSTS AND TRANSIT TIMES FOR TRADERS.

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- 11.3 The prerequisite is approval by Customs of an applicant for ASEAN Authorised Transit Trader (ATT) status. This gives access to concessions including:
- Reductions in the amount of guarantee required under multiple journey guarantees;
  - Nomination and approval of authorised consignors, consignees and locations, e.g., allowing movements warehouse to warehouse, rather than first reporting directly to Customs offices for inspection of goods; and
  - Ability to fix your own approved seals to vehicles and containers in transit.

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APPOINTMENT AS AN ASEAN AUTHORISED TRANSIT TRADER ALSO BRINGS ADDED RESPONSIBILITIES.

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- 11.4 Simplified Procedures are authorised under Article 8 of Protocol 7 to the ASEAN Framework Agreement on the Facilitation of Goods in Transit, and details of the simplified procedures and the responsibilities of such authorised traders are set out in the Technical Appendix to Protocol 7.

## **11.5 Authorised Transit Trader (ATT) applicants**

11.5.1 To be eligible for Authorised Transit Trader status and the use of simplified procedures, certain general conditions must be fulfilled. These include that the applicant:

- is established with a registered office, central headquarters or permanent business establishment in the territory of the Contracting Party where the application for authorisation is made; and
- regularly uses the ACTS procedure or, in the case of a first application for authorisation, demonstrate an intention to do so.

11.5.2 For proper management of the simplified procedures, approvals are only granted where the trader concerned keeps records which enable authorities to supervise the procedure and carry out effective controls.

11.5.3 In considering applications as an ATT, authorities will also take into account any convictions under Customs or tax legislation in the past five years.

# Transit Accompanying Document (TAD)

ACTS - ASEAN CUSTOMS TRANSIT SYSTEM				1 DECLARATION		ARN 0000000000089678145	
TRANSIT ACCOMPANYING DOCUMENT (TAD)	2 Consignor			TIN		Type	
	6 Consignee			TIN		3 Forms	
	10 Trader reference/Contact details			4 Total Items		5 Total packages	
	13 Identification of means of transport			14 Container		7 Total gross weight (Kg)	
	16 Nationality of means of transport			15 OFFICE OF DEPARTURE		8 Proposed date of departure	
	17 Mode of Transport			18 place of loading		9 Date of release for transit	
	19 Office of Exit			20 Location of goods		11 Proposed countries of transit	
	21 Container identifier, marks and number of packages, number and type of packages and description of goods			22 Item No		23 Commodity Code	
	31 Other information covering the liability of goods to specific requirements			24 Currency code		25 Invoice value	
	32 Change of conveyance / container			26 Gross weight (kg)		27 Net weight (kg)	
33 CERTIFICATION BY COMPETENT AUTHORITY			28 Supplementary Unit		29 Country of origin		
34 Principal			TIN		30 Country of origin code		
35 Other incidents during carriage; details and measures taken:			36 CERTIFICATION BY COMPETENT AUTHORITIES		37 Intended Customs offices of transit		
38 Guarantee details			39 Countries not valid for guarantee (code)		40 Customs Office of Destination		
41 CONTROL BY CUSTOMS OFFICE OF DEPARTURE			42 CONTROL BY CUSTOMS OFFICE OF DESTINATION		43 Receipt registration under No.		
Result:			Date of arrival:		Name and signature:		
Seals affixed (Number):			Examination of seals:		Stamp		
Serial number:			Remarks:		Stamp		
Time limit (date) & Itinerary:							
Name and signature:							







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