

MODULE 1

THE ASEAN CUSTOMS TRANSIT SYSTEM (ACTS)

This module is one in a series of modules that make up a training course for users of the ASEAN Customs Transit System – ACTS. The course is designed for the use of participating ASEAN Member States and developed with the assistance of ARISE.

It is to provide persons and organisations new to ACTS - such as regional Customs authorities and transit transport operators — with the knowledge to properly use ACTS and to meet their responsibilities.



ABOUT THIS MODULE:

The units that make up Training Module 1 explain the ASEAN Customs transit system (ACTS).

This introductory unit of Module 1 gives a basic overview for all persons new to the ASEAN Customs Transit System. It also lists the contents of the individual units that make up Module 1.

Module 1 provides an explanation of the purpose of ACTS. The other units of training module 1 give the detail of how the ASEAN Customs Transit System works, the principles and objectives of the system, the legal basis, and the roles and responsibilities of the users.

The units of Modules 2 cover the more practical aspects of ACTS, such as procedural or operating instructions for the transporters and Customs officers using the system.

BEFORE YOU START:

You should know why ‘transit’ occurs, what a ‘Customs transit’ operation is, and have an appreciation of the benefits to international trade of Customs facilitation measures.

If you are not familiar with transit, or would like a refresher, first complete Module 2 unit 1: [‘Customs Transit Operations’](#)



THE AIM OF THIS MODULE:

To give an introduction to the ASEAN Customs Transit System, so that you can: -

- Say what ASEAN Customs Transit System (ACTS) is;
- Name the legal or formal backing to the ASEAN Customs Transit System;
- Describe the main aim of the ACTS in relation to Customs transit and international/regional trade;

- List the 'actors' (i.e. the categories of organisations or individuals) that have a part in ACTS operations; and
- To know where to find a list of the contents and the main points explained within the units of training Module 1.



ESTIMATED STUDY TIME:

This module should take about 15 minutes to complete.

REFERENCES:

TO TEST YOUR KNOWLEDGE:

At the end of this unit you will find a short test. This allows you to check the knowledge that you have gained and to see if you should revisit any sections before you move on to the next training module in your course.

WHAT IS THE ACTS?

ACTS is the 'ASEAN Customs Transit System', which is based on the principles set out in an International Convention on the Simplification and Harmonization of Customs Procedures. The Convention's guideline recommendations on Customs transit have been realised by ASEAN Member States through agreement and in the development of a computerised system suited to the regional environment.

ACTS functions as a secure computer system that establishes communications over the internet between transit transport operators and national Customs authorities, including all Customs offices on the transit routes.

ACTS provides for goods to be carried by road transport across the international borders of participating ASEAN Member States, without excessive or unnecessary Customs inspections, or payment of any duties or taxes, at least until the vehicle and goods reach the final country of destination.

- Concessional Customs treatment under ACTS is set out and governed by terms and conditions coming from an Agreement of Member States of the Association of South East Asian Nations (ASEAN).
- Access to ACTS requires transit transport operators to be accepted and registered by Customs authorities within the participating ASEAN Member State.
- An essential part of ACTS is the provision by traders of an acceptable financial guarantee to cover potential duty and tax liabilities, i.e. 'Customs debt'. Concessions include reductions in the amount of guarantee for transporters of proven reliability.

Details of the [ASEAN agreements establishing ACTS](#) are in Module 1 unit 1.

Module 1 unit 2 explains the [Objectives, principles and benefits](#) in using ACTS.

WHY HAVE ACTS?

ACTS provides advantages for both Customs administrations and for the transport industry.

The recognition and acceptance by the Customs authorities of participating ASEAN Member States of standardised procedures, descriptions and documentation for goods in transit, and security measures to:

- Facilitate the movement of goods across borders;

- Encourage the development of international and particularly regional trade; and
- Reduce costs and unnecessary delays.

WHO IS INVOLVED IN ACTS?

- The Governments of ASEAN Member States (the 'Contracting Parties') and their Customs administrations.
- Participating transit transport operators.
- Financial institutions that provide to Customs authorities guarantees against Customs debt, on behalf of ACTS transit transport operators.
- The office of the Secretary-General of ASEAN.

The part played by these organisations or individuals, and their roles and responsibilities, and the way they work together is explained across several units of training Module 1, mainly [unit3 'Contracting Parties and ACTS Users'](#).

THE UNITS OF TRAINING MODULE 1: 'THE ASEAN CUSTOMS TRANSIT SYSTEM (ACTS)'

If you are viewing an electronic version of this training module, holding the Ctrl key and clicking with your mouse on the title of the Module 1 training unit (below) takes you directly to that unit.

Unit: (Lesson/Subject)		Topics covered:
ASEAN Agreements establishing ACTS	1.1	<ul style="list-style-type: none"> • International standards and recommendations. • Why ACTS was developed. • The formal and legal basis for ACTS as an ASEAN Customs Transit System.
Objectives and benefits of ACTS	1.2	<ul style="list-style-type: none"> • ACTS transit in participating ASEAN Member States. • Customs approach to transit risks. • The Objectives in establishing ACTS. • How ACTS manages transit risks. • Advantages for traders and Customs.
Contracting parties and ACTS users	1.3	<ul style="list-style-type: none"> • Explains who is a Contracting Party and who is a Participating Member State. • Identities administering national authorities. • How transit trader operators participate.
Authorised Transit traders (ATT's)	1.4	<ul style="list-style-type: none"> • Explains benefits of ATT status. • How to apply for approval as ATT.

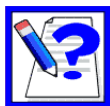
		<ul style="list-style-type: none"> • Facilitations – ‘Simplified procedures’ available to ATT’s.
Guarantees and guarantors	1.5	<ul style="list-style-type: none"> • Transit traders need a guarantee against Customs debt. • Single and Multiple journey guarantees. • Approved guarantors, who give a guarantee on behalf of trader.
Roles and responsibilities	1.6	<ul style="list-style-type: none"> • Explains the roles transit traders and Customs administration and control offices. • Lists the main areas of responsibility for each party.
The Transit Accompanying Document (TAD)	1.7	<ul style="list-style-type: none"> • Shows an example of the TAD format. • When the TAD is issued by Customs. • Its purpose in identification of the transit movement. • The ACTS Reference Number (ARN) and corresponding Barcode.
Secure vehicles and containers	1.8	<ul style="list-style-type: none"> • Requirements for sealing vehicle goods compartments and containers. • Seal identification. • Acceptable technical standards for ACTS seals.
The Completion (Termination) of the transit movement	1.9	<ul style="list-style-type: none"> • What ‘termination’ or ‘discharge’ of a transit operation means. • The importance of ‘discharge’ to the transit operator. • What can happen if transit operation is not correctly terminated and discharged.
Discrepancies and irregular transit movements	1.10	<ul style="list-style-type: none"> • What ACTS allows as a valid diversion en route. • Drivers to report any incidents or accidents. • If the transit is not correctly terminated, enquiry procedures are started, possibly leading to recovery of duties.

THE UNITS OF MODULE 2 '[USING THE ASEAN CUSTOMS TRANSIT SYSTEM](#)' COVERS THE MORE SPECIFIC USER INSTRUCTIONS.



SUMMARY

- ACTS is a Customs transit system that facilitates the movement of goods by road transport within participating ASEAN Member States.
- The formal basis for ACTS is an agreement between ASEAN Member States.
- ACTS provides secure internet based communications between transit transport operators and Customs, and between Customs offices en route.
- The system assists regional trade by simplifying Customs formalities at borders and reducing costs and delays.
- Access to ACTS requires prior acceptance of transit traders to the system and the provision of suitable guarantees against accruing Customs debt.
- This unit is an introduction to ACTS and lists the other units of training module 1. These following units give a detailed explanation of the principles and features of ACTS.
- Training Module 2 covers the more specific operational procedures for ACTS users.



KNOWLEDGE TEST

To test your knowledge of the content of this module, please answer the following questions.

You can write your answer in the boxes under the questions, or you can place a tick in the check box ☒ for the options within the multiple-choice questions.

Question 1: ACTS provides communications. Who do registered ACTS transit traders communicate with?

[See answer](#)

Question 2: How does ACTS provide communications between the parties involved?

- ☐ By phone – mobile/cell phone
- ☐ Messages – over the internet
- ☐ By fax messages – transmitted to offices involved

[See answer](#)

Question 3: ACTS is:

- ☐ Intended for all containerised movements
- ☐ Only for goods moved by road or rail
- ☐ Road transport only

[See answer](#)

Question 4: Where do you find a summary of the topics covered in Module 1 of this course?

[See answer](#)



ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

The trader's national Customs authorities; the Administration, the office of guarantee and offices of departure.

[Go back to Q](#)

Answer to Question 2:

ACTS communicates through a network by means of computer based messages transmitted over the internet.

[Go back to Q](#)

Answer to Question 3:

ACTS is restricted to road transport movement only.

[Go back to Q](#)

Answer to Question 4:

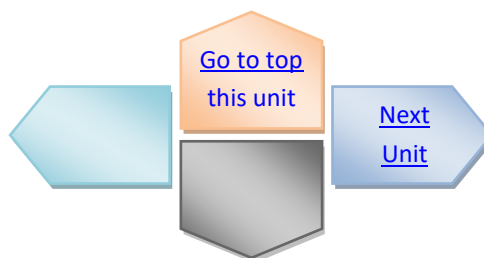
The summary of topics of all Module units is in this introductory unit at pages 4 and 5.

[Go back to Q](#)

AFTER COMPLETING THE KNOWLEDGE TEST:

If you are confident that you understand the content of this module, you can move on to the next module in your course.

However, if you are unsure of any points, before moving on you should take some time to go back and look again at those sections or topics in this module where you are unsure.



MODULE 1.1

ASEAN AGREEMENTS ESTABLISHING ACTS

This module is one in a series of modules that make up a training course for users of the ASEAN Customs Transit System – ACTS. The course is designed for the use of participating ASEAN Member States and developed with the assistance of ARISE.

It is to provide persons and organisations new to ACTS - such as regional Customs authorities and transit transport operators — with the knowledge to properly use ACTS and to meet their responsibilities.



ABOUT THIS MODULE:

ACTS derives from a formal trade facilitation agreement between ASEAN Member States, which included provisions for a regional Customs transit system.

This unit gives you a brief description of the intentions of the Agreement and also of the documents coming from that Agreement that provide the legal basis and the rules and procedures for implementation of ACTS.

BEFORE YOU START:

As a minimum, you should know what a '[Customs transit operation](#)' is, and have some understanding of the broad objectives behind the development and introduction of ACTS – as explained in Unit 1 of this training module, i.e., '[The ASEAN Customs Transit System](#)'.



THE AIM OF THIS MODULE:

Is to introduce you to the facilitation objectives of the Agreement between ASEAN Member States, so that you know:

- The existence of international standards giving recommendations for facilitation of Customs transit.
- Why ACTS was developed.
- Where to find the formal basis for establishing ACTS.
- The structure of the documents that set out the provisions of ACTS.



ESTIMATED STUDY TIME:

This unit should take about **20** minutes to complete.

REFERENCES:

- Protocol 7 to the AFAFGIT
- The Technical Appendix to protocol 7
- The ACTS Customs Procedures Manual

TO TEST YOUR KNOWLEDGE:

At the end of this unit you will find a short test. This allows you to check the knowledge that you have gained and to see if you should revisit any sections before you move on to the next training module in your course.

ACTS TRANSIT THROUGH ASEAN MEMBER STATES

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 messaging that contains the information required for the transit procedure.
- It provides for more efficient transit processes that facilitate trade and at the same time reduces the risk of improper use of transit.

INTERNATIONAL STANDARDS AND RECOMMENDATIONS ON CUSTOMS TRANSIT

The World Customs Organization Revised Kyoto Convention and the World Trade Organization Trade Facilitation Agreement recommended adoption of international standards for the facilitation of transit goods under Customs control and the requisite security and Customs guarantees.

Recommendations include standards concerning responsible persons, authorised consignors and consignees, the formalities at the office of departure, Customs seals and the time limit permitted for transits.

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.

These Organizations both encourage the development of cooperation agreements that facilitate transit operations including:

- The harmonization of Customs transit procedures; and
- Exchange of information and common IT transit systems.

ASEAN MEMBER STATES AGREEMENT ON CUSTOMS TRANSIT (AFAFGIT)

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.

Other Protocols under AFAFGIT also address important transport related facilitation issues, such as motor vehicle safety standards and registration, licensing and insurance coverage.

LEGAL BASIS FOR ACTS

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.

PROTOCOL 7

Is the formal agreed and signed document that establishes ACTS for the transit of goods in the territories of Contracting Parties. To that purpose Protocol 7 sets out the high level provisions of the scheme.

Protocol 7 includes the definition or meaning of terms used, and determines the roles of ASEAN Directors-General of Customs (implementation) and Secretary General of ASEAN (coordination).

A copy of the Protocol 7 definitions – of words and terms used in ACTS - is in the ACTS Customs Procedures Manual at Annex 1B.

THE TECHNICAL APPENDIX

The Technical Appendix to Protocol 7 contains the 'ASEAN Customs Transit Rules and Procedures'.

In addition, Technical Annexes to the Appendix may contain the specification of other requirements, forms or documents, as agreed by Contracting Parties, where such provision is made in the Protocol or Appendix.

Details of the practical application of the Protocol and Technical Appendix are within the ACTS Customs Procedures Manual. Similarly, Technical Annexes to the Appendix are generally included in the Procedures Manual as Annexes to the relevant Sections of that Manual.

THE DEVELOPMENT OF ACTS

The details of the ACTS rules and procedures contained within the Technical Appendix, the Technical Annexes and Customs Procedures Manual, have been developed as a collaborative project by Customs staff from Member States, specifically to meet ASEAN regional requirements and conditions.

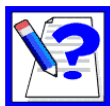


SUMMARY

- World Customs and World Trade Organizations recommend adoption of international standards for facilitation of transit goods.
- Recommendations include standards for recognised persons, consignors, consignees, the minimizing of Customs formalities and documentation.
- The ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT) was signed in 1998 by ASEAN Member States and included provisions for facilitating the transit of goods.
- Protocol 7 to AFAFGIT established a new computer based ASEAN Customs Transit System (ACTS).
- The Technical Appendix to Protocol 7 gives the Rules and Procedures for ACTS and is the basis for the ACTS Customs operational procedures.
- The intent and the practical operation of these rules are detailed in the ACTS Customs Procedures Manual; however the legal basis is within the text of Protocol 7, the Technical Appendix to Protocol 7, and any subsequent Technical Annexes.

Protocol 7 and Technical Appendix are available on request from your national Customs Authority.

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KNOWLEDGE TEST

To test your knowledge of the content of this module, please answer the following questions.

You can write your answer in the boxes under the questions, or you can place a tick in the check box ☒ for the options within the multiple-choice questions.

Question 1: ACTS is an international system for Customs transit that is provided by the World Customs Organization (WCO)?

☐ Yes

☐ No

[See answer](#)

Question 2: What influence has the World Trade Organization (WTO) and the GATT agreements had on ASEAN thinking on transit?

[See answer](#)

Question 3: Is it correct that the pilot project is implemented in Singapore, Malaysia and Thailand is because they are the only countries committed to an ASEAN Customs transit system?

☐ Yes

☐ No

[See answer](#)

Question 4: Where can you find the legal basis and the Rules and Procedures for ACTS?

[See answer](#)



ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

No. The WCO has provided recommendations and guidelines on international standards as to what a transit system should provide.

ACTS has been developed following agreement by ASEAN Member States to assist trade facilitation by having a modern regional Customs transit system.

[Go back to Q](#)

Answer to Question 2:

ASEAN Member States in developing ACTS have adopted recommendations on freedom of transit, including measures such as minimum documentation requirements and formalities, the harmonization of transit procedures and exchanges of information.

[Go back to Q](#)

Answer to Question 3:

No. All ASEAN Member States have signed the Agreement as 'Contracting Parties' to the ACTS.

[Go back to Q](#)

Answer to Question 4:

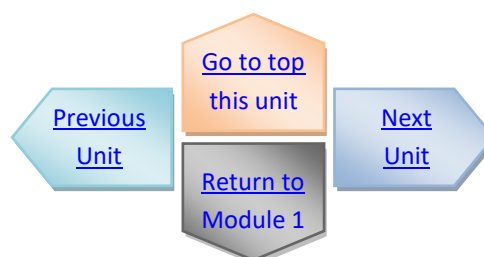
Protocol 7 to the Agreement and the Technical Appendix to Protocol 7.

[Go back to Q](#)

AFTER COMPLETING THE KNOWLEDGE TEST:

If you are confident that you understand the content of this module, you can move on to the next module in your course.

However, if you are unsure of any points, before moving on you should take some time to go back and look again at those sections or topics in this module where you are unsure.



MODULE 1.2

OBJECTIVES, PRINCIPLES AND BENEFITS OF ACTS

This module is one in a series of modules that make up a training course for users of the ASEAN Customs Transit System – ACTS. The course is designed for the use of participating ASEAN Member States and developed with the assistance of ARISE.

It is to provide persons and organisations new to ACTS - such as regional Customs authorities and transit transport operators — with the knowledge to properly use ACTS and to meet their responsibilities.



ABOUT THIS MODULE:

This unit introduces the basic principles behind the operation of the ASEAN Customs Transit System as they relate to the facilitation and Customs control of goods in transit.

It gives a summary of those principles, and also the objectives of the system, and directs you to reference material where you will find the details.

BEFORE YOU START:

You should know what a '[Customs Transit Operation](#)' is, and have read the ACTS introduction in unit 1 of this training module, and unit 1.1, 'ASEAN Agreements establishing ACTS'.



THE AIM OF THIS MODULE:

Is for you to be able to list and to briefly describe the basic principles on which the operation of ACTS relies.

For you to demonstrate an understanding of the objectives of the system by describing at least two benefits each that ACTS gives to:

- [International and regional trade](#)
- [Customs authorities](#)
- [Transport operators](#)



ESTIMATED STUDY TIME:

This module should take about **30** minutes to complete.

REFERENCES:

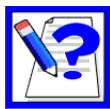
- Protocol 7 to the AFAFGIT ([Module 1 unit 1 'ASEAN Agreement establishing ACTS'](#)).
- The Technical Appendix to protocol 7
- The ACTS Customs Procedures Manual

TO TEST YOUR KNOWLEDGE:

At the end of this unit you will find a short test. This allows you to check the knowledge that you have gained and to see if you should revisit any sections before you move on to the next training module in your course.

At page 3 you will find a short prior knowledge test.

By answering these questions you can decide whether to go on with this module or to return to look again at the topics recommended in the 'Before You Start' section, above.



PRIOR KNOWLEDGE TEST

To test your knowledge of the content of this module, please answer the following questions.

You can write your answer in the boxes under the questions, or you can place a tick in the check box ☒ for the options within the multiple-choice questions.

Question 1:

- ☐ ACTS is system for transport of any container traffic internationally.
- ☐ ACTS can be used by a country for internal transit movements.
- ☐ ACTS is for movement only by road transport and between 2 countries, involving also a 3rd transit country.

[See answer](#)

Question 2: ACTS operates between ASEAN Member States as optionally a paper-based transit control system, depending on the communication facilities of a host country.

- ☐ Yes
- ☐ No

[See answer](#)

Question 3: Can any transit trader/transporter use ACTS?

[See answer](#)

Question 4: What is the main reason for going to the expense and trouble of setting up a computer based transit system?

[See answer](#)



ANSWERS TO THE PRIOR KNOWLEDGE TEST

Answer to Question 1:

ACTS as initially implemented is only for movements by road transport and between 2 countries, going through one or more transit countries.

[Go back to Q](#)

Answer to Question 2:

No. ACTS is an electronic transit declaration and control system only. In cases where the system is unavailable 'Fallback' procedures require that users wait until the system is again available, or use an alternative system.

[Go back to Q](#)

Answer to Question 3:

All transit traders must be registered to use ACTS. Registration may be refused if the applicant is considered an unacceptable risk.

[Go back to Q](#)

Answer to Question 4:

Increased facilitation and efficiencies, as a means of increasing regional trade and reducing costs.

[Go back to Q](#)

MAIN FUNCTIONS OF TRANSIT

Transit is a Customs facility available to transport operators who move goods across international borders without paying the charges otherwise due when the goods enter (or leave) the country thus requiring only one (final) Customs formality. It offers an administratively simple and cost advantageous procedure to carry goods across customs territories.

ACTS TRANSIT IN PARTICIPATING ASEAN MEMBER STATES

The ASEAN Customs Transit System (ACTS) is a control system designed to facilitate the transit process within participating ASEAN Member States (AMS). It offers:

- Lower transport costs for business, through reduced delays at borders and fewer physical inspections of goods en-route;
- Incentives to reliable traders for further efficiencies through procedural simplifications; and
- For Customs authorities, the means to effectively monitor and control transit movements.

CUSTOMS' VIEW OF TRANSIT RISK

The approval of any transit movement is determined by an assessment of overall risk, whether because of the:

- Nature of the goods in transit;
- Known reliability or otherwise of the applicant; or even
- The transit route nominated.

Risk comes in many forms; examples include prohibited goods, dangerous or hazardous goods, loss of goods in transit and so loss of potential national revenue.

MEANS OF MANAGING APPARENT RISKS

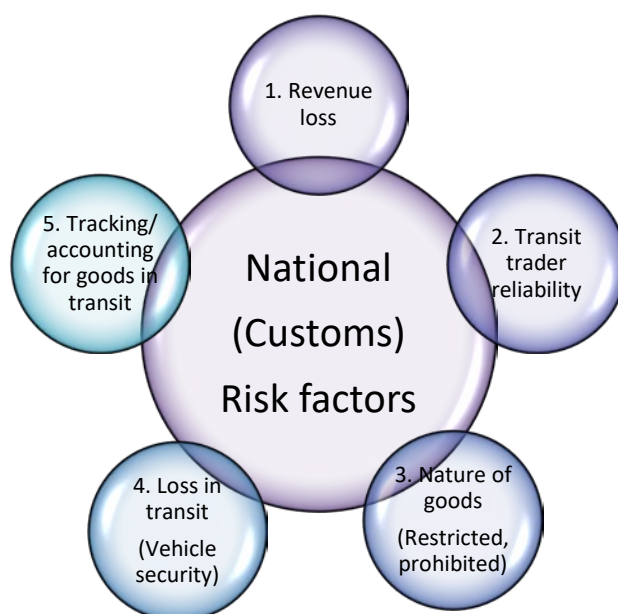
- Having knowledge of the applicant/transit operator.
- An ability to recover any duty/taxes due because of loss or diversion of goods.
- Identifying any goods presenting an unacceptable risk.
- Assuring that goods cannot be easily accessed or interfered with in transit.
- Having the capability to monitor a transit movement from start to finish.

THE OBJECTIVES OF ACTS

To provide maximum facilitation to the cross-border movement of goods in transit between and through participating ASEAN Member States, while

maintaining effective Custom controls that minimise risk and protect national interests.

RECOGNISING AND TREATING NATIONAL TRANSIT RISKS



The objective is to identify the risks to national interests in the transit movement of goods and to implement strategies and effective systems to counter those risks:

Perceived risks	Management measures to counter risk
1. Revenue loss	Secure, enforceable guarantees, with cross-border validity.
2. Transit trader reliability	Cross-border shared knowledge of trader through registration and monitoring of performance. Incentives for proven reliability.
3. The nature of goods in transit	Electronic declaration, with validity check of information and database access to identify prohibited or restricted goods.
4. Loss in transit (security)	Specifications for the means of transport as to the suitability for adequate enclosure and security sealing.
5. Tracking/accounting for goods in transit	Computer based messaging with specified transit routes, permitted transit times, recording of all activities and controlled follow up times.

PREVIOUS TRANSIT CONTROL PRACTICES

Many earlier Customs transit systems – for both internal (national) transit and international transit – have rightly recognised similar risk factors, but without the communications and data gathering options that now exist, have relied on paper based controls.

Difficulties in the proper identification of goods, the tracking of movements, receiving adequate and timely responses from Customs control points, have often led to improper diversion of goods and revenue loss.

A consequence has been a lack of confidence in transit systems and tightening of physical controls, such as frequent and often excessive examinations, requirements for Customs escort and cash deposits, border to border, for each country of transit – all measures that impede facilitation.

ACTS addresses these weaknesses in paper-based transit control systems.



HOW ACTS MANAGES TRANSIT RISKS

KNOWING THE TRANSIT TRANSPORT OPERATOR

Having an identified and approved applicant (called within ACTS the 'Principal') who under the Customs laws of the Member State takes responsibility for the transit movement.

- An additional category of regular transit operators called 'Authorised Transit Traders' (ATT), of proven reliability and who to gain approval and authorisation undergo a detailed and continuing scrutiny of business operations. Their benefit is additional facilitation concessions.

Authorised Transit Traders (ATT's), the conditions of application and approval, and the additional facilitation concessions available to ATT's – known as 'Simplified procedures' - are explained in Training Module 1 unit 4. ['Authorisations for Simplified Procedures'](#)

FULL PROTECTION FROM REVENUE LOSS

The trader applicant (Principal) provides an appropriate guarantee, obtained from an approved guarantor (normally from a financial institution such as a bank), for an amount covering the maximum potential tax/duty liability – the 'Customs debt'.

- A condition of the guarantee obtained and held by Customs is that it is acceptable in the country of issue and also acceptable to and enforceable by Customs authorities in each country of transit.
- Guarantees are explained further in [Module 1 unit 5 'Guarantees and Guarantors'](#).

DETAILED INFORMATION ON GOODS IN TRANSIT

- Customs transit declarations for ACTS must be prepared and lodged electronically by the registered transit trader.
- The registered trader in presenting a declaration to ACTS must meet ASEAN standardised declaration data needs.
- The declaration is checked and validated against the ACTS database, to identify prohibited, dangerous or restricted goods – or against other pre-determined criteria that may signify increased risk.

SECURED VEHICLES AND CARGO CONTAINERS

- Road transport vehicles and containers used to move goods under an ACTS procedure must meet standards on suitability and ability to be secured and then affixed with approved 'non-tamper' seals. This means that the vehicle or container should not be able to be opened or accessed without visual evidence that the seal has been damaged or removed.

COMMUNICATIONS BY A SECURE COMPUTER NETWORK

The ACTS computer network connects the transit trader declarants with the national Customs authority, and through internet based electronic messaging, connects to Customs offices of transit and Customs offices of destination throughout participating ASEAN Member States. This allows close and automatic monitoring of:

- The transit movement at each way-point along the designated and approved route between departure and arrival at destination.
- Compliance with the time interval allowed for the transit movement.
- Verification of safe arrival and acquittal of the transit movement at the intended destination.
- Quick identification of instances of non-compliance, such as unauthorised diversion or non-arrival.
- Pre-programmed prompts to initiate discrepancy enquiries or Customs debt recovery actions.

IN SUMMARY, THESE ARE THE MAIN COMPONENTS OF THE ACTS:

- ❖ APPROVAL AND REGISTRATION OF THE TRANSIT TRANSPORT OPERATOR
- ❖ GUARANTEES GIVE PROTECTION FROM REVENUE LOSS
- ❖ HOLDS DETAILED INFORMATION ON GOODS IN TRANSIT
- ❖ REQUIRES SECURED VEHICLES AND CARGO CONTAINERS
- ❖ COMMUNICATIONS BY A SECURE COMPUTER NETWORK

These ACTS principles or components, and their operation, are explained in more detail in the subsequent units of this module. These Related ACTS Training Modules/units are listed at page 10.

ADVANTAGES OF ACTS

BENEFITS FOR CUSTOMS

- Enforceable and jointly recognised guarantee protects against potential Customs debt.
- Access to accurate and up to date transit information, together with the required security standards, avoids the need for routine physical inspections of goods in transit.
- The computer network, providing effective and timely tools for monitoring and control of transit movements.
- Overall improvement of transit control, with reduced resources.

BENEFITS FOR TRANSPORT OPERATORS

- Vehicles and goods move across frontiers of participating ASEAN Member States with minimum interference.
- Delays and costs of transit are reduced.
- Potential further facilitation measures for transport operators of proven reliability, such as approval of door – to – door transport operations.
- Simplification of documentation. The transit movement proceeds with one validating document – the 'Transit Accompanying Document (the 'TAD')'.
- One guarantee, given in the country of departure, valid for the countries of transit.

BENEFITS FOR TRADE BETWEEN ASEAN MEMBER STATES

- Encourages the development of ASEAN trade by reducing transport costs through limiting formalities at borders and delays in transit
- Facilitates transit movements by the application of standardised transit declaration data requirements, controls & documentation.



SUMMARY

The basic principles of ACTS are: -

- **Knowing the transit transport operator.**
- **Guarantees, giving full protection from revenue loss.**
- **Detailed information on goods in transit.**
- **Vehicles standards and security of vehicle and containers.**
- **Connection and communications by a secure computer network.**

The benefits of ACTS include: -

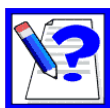
- Country to country and inter-office communications, permitting greatly improved monitoring and control capabilities.
- Reducing national risk of revenue loss, or the risks of the introduction of prohibited or restricted goods.
- Facilitated movement of goods, allowing more effective use of resources by both Customs authorities and transit transporters.
- Reduced delays and costs, by minimising the need for physical inspections.

RELATED ACTS TRAINING MODULES/UNITS

The principles of ACTS operations covered in this unit are explained in greater detail in the following units in this series.

1.3	Contracting Parties to Agreement and ACTS Users
1.4	Extra facilitation and Simplified Procedures (ATT's)
1.5	Guarantees and Guarantors of Customs Debt
1.6	Roles and Responsibilities of ACTS Users
1.7	The Transit Accompanying Document (TAD)
1.8	Securing Vehicles and Goods Containers
1.9	Completion of a Transit Operation
1.10	Diversions and other incidents in transit

Explanations of user's operational procedures are in the units of ACTS Training Module 2. ['Using the ASEAN Customs Transit System'](#)



KNOWLEDGE TEST

To test your knowledge of the content of this module, please answer the following questions.

You can write your answer in the boxes under the questions, or you can place a tick in the check box ☒ for the options within the multiple-choice questions.

Question 1: If Customs believe transit operations are a risk, why not examine in detail all movements?

[See answer](#)

Question 2: Can you name at least three of the perceived risk factors mentioned?

[See answer](#)

Question 3: Can you name also three of the measures taken to contain risks?

[See answer](#)

Question 4: What is the benefit of a harmonised Customs transit system for ASEAN Member States?

[See answer](#)



ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

Excessive examinations by Customs add delay and significantly increase costs, with the potential of loss and damage, and so discourage transit movements and regional trade. It also diverts Customs resources that should be directed to areas of proven risk.

[Go back to Q](#)

Answer to Question 2:

- Revenue loss
- Transit trader reliability
- The nature of goods in transit
- Loss in transit (security)
- Tracking/accounting for goods in transit

[Go back to Q](#)

Answer to Question 3:

- Approval and registration of the transit transport operator
- Guarantees give protection from revenue loss
- Holds detailed information on goods in transit
- Requires secured vehicles and cargo containers
- Communications by a secure computer network

[Go back to Q](#)

Answer to Question 4:

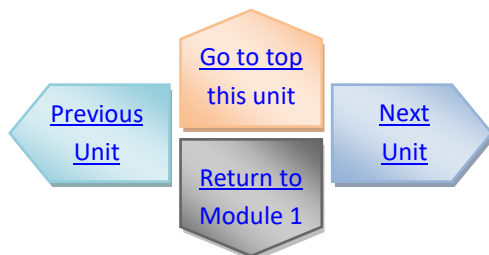
Encourages communication and cooperation between Member States in the development of ASEAN trade by reducing transport costs through standard procedures that limit formalities at borders and reduce delays in transit.

[Go back to Q](#)

AFTER COMPLETING THE KNOWLEDGE TEST:

If you are confident that you understand the content of this module, you can move on to the next module in your course.

However, if you are unsure of any points, before moving on you should take some time to go back and look again at those sections or topics in this module where you are unsure.



MODULE 1.3

ACTS CONTRACTING PARTIES TO THE AGREEMENT AND ACTS USERS

This module is one in a series of modules that make up a training course for users of the ASEAN Customs Transit System – ACTS. The course is designed for the use of participating ASEAN Member States and developed with the assistance of ARISE.

It is to provide persons and organisations new to ACTS - such as regional Customs authorities and transit transport operators — with the knowledge to properly use ACTS and to meet their responsibilities.



ABOUT THIS MODULE:

This unit explains the description ‘Contracting Parties’ in the context of Protocol 7 to the ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT), and outlines the roles of the various users of ACTS in transit operations.

BEFORE YOU START:

You should have read and have a reasonable understanding of prior units:

- The purpose of ACTS as explained in the introduction to Module 1, [‘ACTS Customs Transit System’](#)
- Module 1 unit 1, [‘ASEAN Agreements establishing ACTS’](#); and
- Module 1 unit 2, [‘Objectives, principles and benefits of ACTS’](#).



THE AIM OF THIS MODULE:

Is for you to understand and be able to explain:

- What (who) is a Contracting Party?
- Who is a participating Member State?
- Who is the administering national authority for ACTS?
- How does a transit trader participate in ACTS as a user?



ESTIMATED STUDY TIME:

This module should take about **15** minutes to complete.

REFERENCES:

The text of Protocol 7 to the ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT) and the Technical Appendix to Protocol 7.

The ACTS Customs Procedures Manual, Sections 1 and 2.

TO TEST YOUR KNOWLEDGE:

At the end of this unit you will find a short test. This allows you to check the knowledge that you have gained and to see if you should revisit any sections before you move on to the next training module in your course.

‘THE AGREEMENT’ (AFAFGIT)

Training Module 1 unit 1 – [‘ASEAN Agreements establishing ACTS’](#) describes the origins of the ASEAN Customs Transit System, in the intention of Member States to simplify and harmonize transport, trade and Customs regulations and to establish an effective, efficient, integrated and harmonized transit transport system in ASEAN.

‘CONTRACTING PARTIES’

The introductory paragraph to Protocol 7 under AFAFGIT, ‘Customs Transit System’, describes the signatories to the Agreement – the Member States of the Association of South East Asian Nations (ASEAN) – as “singularly as ‘Contracting Party’ and collectively as ‘Contracting Parties’”.

PARTICIPATING MEMBER STATES

While all Member States are ‘Contracting Parties’ in the terms of Protocol 7, not all are participating as an ACTS transit country. In some instances cross-border transit traffic by road transport is not relevant, for example, the Philippines.

At the time of writing, ACTS is to run as a pilot project on the Singapore – Malaysia – Thailand road corridor. In the experience gained from this pilot project it is expected that coverage will be progressively extended to neighbouring Member States, as infrastructure and resources allow.

COMPETENT AUTHORITIES

Protocol 7 assigns the responsibility for administration and operational control of ACTS to the ‘Competent authorities’ of the Contracting Parties.

“**Competent authorities**” are defined as meaning the Customs authority or any other authority responsible for applying the provisions of the Protocol.

- In practice, the Custom authority of each participating Member State administers ACTS.

The various roles of Customs in managing and operating ACTS is explained in detail in the training module 1.6 – [‘Roles and Responsibilities of ACTS Users’](#)

THE ACTS CLIENT – THE TRANSIT TRADER OPERATOR

The person or legal entity that places goods under the ACTS procedure for a transit operation is called for ACTS the ‘Principal’.

- The ACTS ‘Principal’ has specific obligations under Protocol 7 and its Technical Appendix.
- To place transit goods under an ACTS procedure the transport operator must apply and be registered by the national Customs authority.

- ACTS is a system where transit declarations (applications to move goods in transit) are only presented electronically.

TRANSIT TRADER APPLICATIONS AND REGISTRATIONS

In addition to registration of the transit trader as an ACTS 'Principal', electronic transit declarations are made, with a commitment to comply with the conditions of an ACTS transit movement approval, by physical persons – the 'declarant'.

- Persons who are employees or appointed representatives of the trader Principal, and who have authority to act on behalf of that Principal, are individually registered as ACTS users.

SPECIAL STATUS AS AUTHORISED TRANSIT TRADERS (ATT)

Protocol 7 and the Technical Appendix to Protocol 7 contain provisions for additional facilitation measures for regular transit traders of proven reliability.

The range of additional facilitations is grouped under the description 'Simplified procedures'.

Acceptance as an Authorised Transit Trader and eligibility for Simplified procedures is subject to application and then the applicant undergoing a vetting process by Customs authorities. See Module 1 unit 4 ['Authorisations for Simplified Procedures'](#).

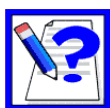
GUARANTEES AND GUARANTORS

While not directly involved with ACTS as users, financial institutions that provide guarantees of behalf transit trader Principals have an important role in the operation of the system. Details are given in Module 1 unit 5, ['Guarantees and Guarantors'](#).



SUMMARY

- 'Contracting Parties' are all the Member States of ASEAN.
- The participating Member States are those who have or are in the process of implementing ACTS. (The ACTS Pilot Project is for transit movements between Singapore, Malaysia and Thailand.)
- ACTS is administered by the Competent Authorities of the Contracting Parties – usually the national Customs Authority.
- To use ACTS transit traders must register with the national Customs Authority as an ACTS 'Principal' and also register physical persons authorised to act on their (the Principal's) behalf.



KNOWLEDGE TEST

To test your knowledge of the content of this module, please answer the following questions.

You can write your answer in the boxes under the questions, or you can place a tick in the check box ☒ for the options within the multiple-choice questions.

Question 1: Why are not all 'Contracting Parties' to the Agreement of the ASEAN Customs Transit System (ACTS) not also participating Member States?

[See answer](#)

Question 2: What national government agency normally administers ACTS in each country (Contracting Party)?

[See answer](#)

Question 3: Can a transit trader registered as a user submit ACTS transit declarations in any participating Member State?

[See answer](#)

Question 4: What is the difference between a regular transit trader that is registered as an ACTS user and a trader called an 'Authorised Transit Trader' (ATT)?

[See answer](#)



ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

While all Member States of ASEAN have signed the Agreement on establishing the computerised Customs transit system, not all have at this time the capacity to do so. Limitations include currently available national resources and sufficient communications capabilities at offices. Participating Member States are those that have currently installed and are operating ACTS transit.

[Go back to Q](#)

Answer to Question 2:

Usually the national Customs authority.

[Go back to Q](#)

Answer to Question 3:

No. ACTS transit traders must be registered with the Custom authority in the participating Member State in which they intend to submit a transit declaration.

[Go back to Q](#)

Answer to Question 4:

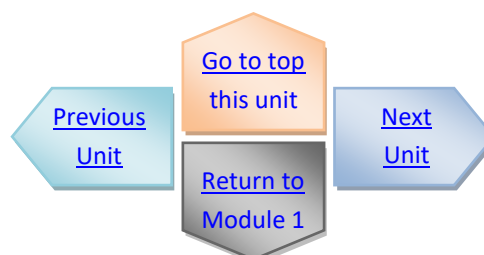
An Authorised Transit Trader (ATT) is subject to closer scrutiny and to meet higher standards in experience and reliability before approval, and is given greater facilitation concessions in return.

[Go back to Q](#)

AFTER COMPLETING THE KNOWLEDGE TEST:

If you are confident that you understand the content of this module, you can move on to the next module in your course.

However, if you are unsure of any points, before moving on you should take some time to go back and look again at those sections or topics in this module where you are unsure.



MODULE 1.4

AUTHORISATIONS FOR SIMPLIFIED PROCEDURES

This module is one in a series of modules that make up a training course for users of the ASEAN Customs Transit System – ACTS. The course is designed for the use of participating ASEAN Member States and developed with the assistance of ARISE.

It is to provide persons and organisations new to ACTS - such as regional Customs authorities and transit transport operators — with the knowledge to properly use ACTS and to meet their responsibilities.



ABOUT THIS MODULE:

This unit outlines the provisions of ACTS that allow for further facilitation measures to be extended to traders who frequently move goods in transit and who have a proven record of reliability and assessed by Customs authorities to be of low risk.

BEFORE YOU START:

You should have read and have a reasonable understanding of the preceding units:

- The purpose of ACTS as explained in the introductory unit of Module 1, [‘ACTS Customs Transit System’](#)
- Module 1 unit 1, [‘ASEAN Agreements establishing ACTS’](#)
- Module 1 unit 2, [‘Objectives, principles and benefits of ACTS’](#)
- Module 1 unit 3, [‘Contracting Parties to the Agreement and ACTS Users’](#)



THE AIM OF THIS MODULE:

For you to be able to demonstrate an awareness of additional concessions (Simplified procedures) made available to regular transit traders of proven reliability, by naming:

- The ACTS status (name) given to these traders.
- How a trader attains this ACTS status.
- Three of the types of additional facilitation provisions allowed to these approved traders.



ESTIMATED STUDY TIME:

This module should take about **25** minutes to complete.

REFERENCES:

The text of Protocol 7 to the ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT) and the Technical Appendix to Protocol 7.

The ACTS Customs Procedures Manual, Sections 3 and 4.

TO TEST YOUR KNOWLEDGE:

At the end of this unit you will find a short test. This allows you to check the knowledge that you have gained and to see if you should revisit any sections before you move on to the next training module in your course.

THE BASIS FOR SIMPLIFIED PROCEDURES

Article 8 to Protocol 7 allows for authorisation of certain traders to use Simplified procedures for transit operations.

Details of the permitted Simplified procedures and the responsibilities of those authorised traders are set out in the Technical Appendix to Protocol 7.

THE AIMS OF SIMPLIFICATIONS

Is to achieve a good balance between Customs control and facilitation, at a level appropriate to traders with an established record of transit experience.

- A trader that uses the transit system on a regular basis and has a history of good compliance allows Customs authorities to relax normal controls proportional to the lower levels of risk that the trader presents to Customs control responsibilities.
- 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.

ACTS AUTHORISED TRANSIT TRADERS (ATT)

Access to Simplified procedures is by application to Customs authorities. Approved transport operators are given the status of ACTS 'Authorised Transit Trader' or 'ATT'. Approval is subject to:

- The applicant is a regular user of ACTS and is established with a registered office, central headquarters or permanent business establishment in the territory of the Contracting Party where the application is made; and
- A Customs evaluation of the applicant's suitability, including transit business standing, security of premises and proven record of reliability.

Examples of ATT application forms and of aspects considered in the Customs evaluation of suitability are within the Annexes to Section 3 of the ACTS Custom Procedures Manual.

THE SCOPE OF ATT STATUS

The status of Authorised Transit Trader and the authorisations of any particular procedural simplifications are limited to the territory of the authorising authority.

For example, if the trader, or freight forwarder has an established presence in both the transit country of departure (Country A), and the country of destination (Country C), maximum benefit is achieved by having ATT status and authorisations given in both countries A and C.

SIMPLIFIED PROCEDURES

EXEMPTION FROM PRESENTATION OF GOODS AT THE CUSTOMS OFFICE OF DEPARTURE

An Authorised Transit Trader may be authorised to carry out transit operations without first presenting the goods and the corresponding documentation at the Customs office of departure.

- The Customs electronic transit declaration must be lodged with the Customs office of departure before release of the goods.
- The authorisation includes a time limit within which the Customs can intervene, by indicating an intention to carry out checks. If Customs choose not to, on expiry of the set time interval, the goods are automatically released.

USE OF APPROVED SPECIAL SEALS

Customs may authorise an ATT Principal to use special types of seals on means of transport or packages, provided the seals comply with the features agreed by the Contracting Parties.

- The ATT Principal enters the seal number in the in the electronic Customs transit declaration.
- The seals are affixed by the Principal before the goods are released into transit

MULTIPLE JOURNEY GUARANTEES AND REDUCTIONS IN GUARANTEE

The ATT Principal uses a multiple journey guarantee based on a Reference amount, with the option of the amount being reduced significantly from that applying to a regular ACTS user.

The reference amount is equivalent to the value of the total amount of the Customs debt which may be incurred in respect of the goods which the Principal places under the ACTS procedure for a period of at least seven days. See Module 1 unit 5 [‘Guarantees and Guarantors of Customs Debt’](#) for an explanation of single and multiple journey guarantees.

An ATT Principal that satisfies criteria regarding experience, reliability and financial standing may be authorised to provide a guarantee for a reduced amount or to have a guarantee waiver, subject to the agreement of the Contracting Parties involved in the transit operations.

AUTHORISATION TO END A PROCEDURE AT A TRADER'S PREMISES

Traders may be authorised to take delivery of goods in ACTS transit without the goods and the corresponding Transit Accompanying Document having to be presented at the Customs office of destination.

- Such authorisations place conditions on the Authorised Transit Trader, including reporting arrival and the condition of the goods as received.

Important note:

This unit gives an outline only of the additional facilitation measures available to qualified transit transport operators – as approved by Customs through ATT authorisations. Much more detail is given in Section 3 of the ACTS Customs Procedure Manual; however the formal and legal basis for the authorisations and the conditions applied to Simplified Procedures are found in the Technical Appendix to Protocol 7.

If you have a personal need for a greater understanding of the Simplified Procedures provisions, please refer to the above mentioned sources.



SUMMARY

- Additional transit facilitation is available to regular users of ACTS with a proven reliability record.
- Such transit traders can apply to Customs, in the country where the trader is established, for the ACTS status of 'ATT' or Authorised Transit Trader.
- On approval, an ATT can also apply for authorisation to use specified 'Simplified procedures'.
- ATT status and Simplified procedure authorisations are only valid within the country of application and approval.
- The categories of Simplified Procedures are:
 - Exemption from presentation of goods at the Customs office of departure before commencing transit.
 - The use and affixing of the ATT's own approved special seals.
 - Significant reductions in or waiving of amounts of multiple journey guarantee.
 - Authorisation to end at destination a transit movement (procedure at a trader's premises).

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KNOWLEDGE TEST

To test your knowledge of the content of this module, please answer the following questions.

You can write your answer in the boxes under the questions, or you can place a tick in the check box ☒ for the options within the multiple-choice questions.

Question 1: For a transporter to gain approval as an ATT requires a much closer scrutiny of the transporter's transit operations, so why do they go to this trouble and effort?

[See answer](#)

Question 2: Does having applied and been approved as an ATT mean that the transit trader's status as 'ATT' now is valid in every participating Member State?

- ☐ Yes
- ☐ No
- ☐ Yes, but only certain rights.

[See answer](#)

Question 3: ATT's must have a Multiple Journey guarantee, How is the amount of the guarantee normally calculated?

[See answer](#)

Question 4: If the ATT has an authorisation to end a transit movement at an authorised location, (such as their own premises), do they have any further responsibility to Customs in discharging the movement?

[See answer](#)



ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

Depending on the nature of trader's transit operations, ATT status and authorisation to use of Simplified procedures can give very significant benefits by reducing travel times and costs. For example, the option of moving goods door – to – door, without needing to produce the goods and vehicle at Customs offices either before departure or at destination. Also reductions in guarantee.

[Go back to Q](#)

Answer to Question 2:

No. ATT status only applies in the participating Member State that has given the approval. This does not prevent the trader operating as an ATT in other Member States, provided the trader has a permanent presence in that State, and applies in that State and is approved as an ATT.

[Go back to Q](#)

Answer to Question 3:

It is called the 'Reference amount', calculated as equivalent to the total amount of the potential Customs debt on the goods which the Principal places under the ACTS procedure for a period of at least seven days. ATT's qualify for reductions.

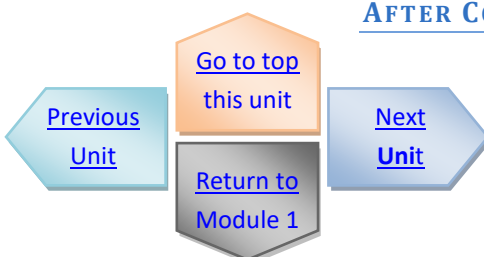
[Go back to Q](#)

Answer to Question 4:

Yes. In issuing authorisations to ATT's Customs may specify conditions. The basic requirements here are that the trader notifies arrival of the movement and an intention to unload. Given normally an automatic permission to unload, the ATT must forward a report of 'unloading remarks' to Customs and ACTS.

[Go back to Q](#)

AFTER COMPLETING THE KNOWLEDGE TEST:



If you are confident that you understand the content of this module, you can move on to the next module in your course.

However, if you are unsure of any points, before moving on you should take some time to go back and look again at those sections or topics in this module where you are unsure.

MODULE 1.5

GUARANTEES AND GUARANTORS

This module is one in a series of modules that make up a training course for users of the ASEAN Customs Transit System – ACTS. The course is designed for the use of participating ASEAN Member States and developed with the assistance of ARISE.

It is to provide persons and organisations new to ACTS - such as regional Customs authorities and transit transport operators — with the knowledge to properly use ACTS and to meet their responsibilities.



ABOUT THIS MODULE:

Financial guarantees, given as a protection against the risk of loss of national revenue, are an essential part of any international Customs transit system. This unit explains the types of guarantee expected of transit traders using ACTS and how those guarantees are managed.

BEFORE YOU START:

You should have an understanding of the principles of international Customs transit systems and read the preceding units of module 1, in particular:

- Module 1 unit 2, '[Objectives, principles and benefits of ACTS](#)'; and
- Module 1 unit 3, '[Contracting Parties to the Agreement and ACTS Users](#)'.



THE AIM OF THIS MODULE:

Is for you to be able to say:

- What types of guarantee to Customs are specified for ACTS?
- Who may provide a guarantee and in what form is it given.
- How a guarantee amount, called a 'reference amount' is normally calculated.



ESTIMATED STUDY TIME:

This module should take about **20** minutes to complete.

REFERENCES:

The text of Protocol 7 to the ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT) and the Technical Appendix to Protocol 7.

The ACTS Customs Procedures Manual, Sections 1 to 4.

TO TEST YOUR KNOWLEDGE:

At the end of this unit you will find a short test. This allows you to check the knowledge that you have gained and to see if you should revisit any sections before you move on to the next training module in your course.

THE GUARANTEE IS SECURITY FOR CUSTOMS DEBT

The legal basis for Customs to ask transit traders for a guarantee is within Article 5 of Protocol 7:

“... a transit operation shall be covered by a guarantee valid for all Contracting Parties involved in that operation.”

The guarantee is an amount held by or available to Customs if the terms of the transit approval are not met, such as the loss or improper diversion of the goods.

The amount of guarantee for the transit operation is held by Customs (the ‘**office of guarantee**’) in the country of departure until released upon notice of discharge (satisfactory termination) at destination of the transit movement.

WHAT IS THE AMOUNT OF GUARANTEE REQUIRED?

For a single transit operation by an ACTS user, the starting point for the amount of guarantee is a calculation of the highest rates of duty/taxes potentially payable on those goods (with rates based on AHTN commodity code) through the countries of intended transit.

For frequent ACTS users, in particular, those with the status of ‘Authorised Transit Trader (ATT)’, another method is used to calculate the amount of guarantee. These are called ‘Multiple Journey Guarantees’ and are explained below.

Authorised Transit Traders (ATT), the qualifications and application process to gain that ACTS status, including additional facilitation opportunities available, are explained in Module 1 unit 4 – [‘Authorisations for Simplified Procedures’](#).

WHO GIVES THE GUARANTEE?

Article 5 requires that:

“The guarantee shall be furnished by the Principal...”

The ‘Principal’ being the transit trader registered as an ACTS user and who will have responsibility for the transit movement.

An option for a Principal intending a single transit movement is to lodge with the Customs office of guarantee in the country of departure a cash deposit. The deposit is returned to the transit Principal on completion (termination) of the transit movement at the Customs office of destination.

For regular ACTS users it is usually more convenient to arrange a guarantee through a Guarantor acceptable to Customs.

- In this case the authorised Guarantor (a financial institution) provides a guarantee to the Customs office of guarantee in the form of an undertaking - a legal and enforceable document.
- This service is a business arrangement between the trader applicant and the Guarantor, for which the trader would usually provide some security and pay a fee to the Guarantor.
- Such guarantees may be reusable, by covering more than one transit movement – with the amount calculated as potential liability for Customs debt being reinstated on completion of each transit movement.

GUARANTORS

A **Guarantor** is a legal ‘person’, an approved financial institution such as a bank. The Guarantor undertakes to pay the duties and taxes that will be due if a transit movement is not discharged properly and the Principal trader is not able to pay for the duties and taxes due to Customs.

Guarantors must be established in and approved by the Customs office of guarantee in the country where the guarantee is furnished.

For the pilot phase of ACTS, participating Member States will only accept guarantees issued by a bank.

FORM OF GUARANTEE

Guarantees are given as an undertaking document in the ACTS agreed format, which is in a Technical Annex to Protocol 7. A copy of the undertaking format is in the ACTS Customs Procedures Manual in an Annex to Section 4.

PROTOCOL 7 PROVIDES FOR TWO TYPES OF GUARANTEE

- Single journey guarantee; and
- Multiple journey guarantee

SINGLE JOURNEY GUARANTEES

A single journey guarantee is used to cover a single transit movement.

Individual guarantees are calculated so they cover the actual (100%) amount of Customs debt that is at risk for the particular transit movement.

MULTIPLE JOURNEY GUARANTEES – REFERENCE AMOUNTS

The calculated amount for multiple journey guarantees is not necessarily the actual amount at risk (as above), but a calculation called the ‘Reference amount’.

The Reference amount is equivalent to the value of the total amount of the Customs debt that may be incurred in respect of the goods that the Principal places under the ACTS procedure for a period of at least seven days.

This figure is arrived using two criteria:

1. The calculated reference amount is based on the Customs debt value of all the declarations made by the Principal over one year and averaged as an amount for one week, i.e., the total potential duty and tax for one year divided by the number of weeks in a year.
2. The status of the trader in terms of experience, resources and reliability – i.e., does the trade have a good compliance history?

Under 'Simplified procedures' the option exists to reduce the guarantee to a proportion of the calculated Reference amount, such as 50% or 25% - or waived completely in some circumstances, according to national policy.

The provisions for setting and review of 'Reference amount' for Multiple Journey Guarantees are detailed in the Technical Appendix to Protocol 7; also in Section 4 of the ACTS Customs Procedures Manual.

GUARANTEE REGISTRATION AND VALIDATION

The transit Principal produces a guarantee to the office of guarantee to be registered in the Guarantee Management System (GMS).

The Principal is notified if the guarantee submitted is valid or not valid.

The valid guarantee details are then entered into the GMS, which generates a Guarantee Reference Number (GRN).

USING THE GUARANTEE FOR A TRANSIT MOVEMENT

The Guarantee Reference Number is communicated by the Customs office of guarantee to the Principal, who may then apply that guarantee when lodging an electronic ACTS transit declaration with Customs.

In accepting a transit declaration ACTS validates the details of the guarantee quoted and registers the calculated potential Customs debt against the amount of guarantee.

On successful completion of the transit, ACTS communicates to the Customs office of guarantee that the guarantee may be released (returned to Principal – Single Journey), or the amount re-credited (reference amount – Multiple Journey).



SUMMARY

- Guarantees are given to Customs in amounts to cover any potential loss – Customs debt – if the terms of a transit approval are not met.
- The amount of guarantee is calculated as equal to the highest rates of duties and taxes through the countries of intended transit.
- Guarantees are given by approved financial institutions (only banks initially) as a legal document that undertakes to pay if the trader Principal does not pay amounts due to Customs.
- ACTS allows for both Single Journey and Multiple Journey Guarantees.
- Multiple Journey Guarantees are based on calculated Reference amounts. This applies mainly to frequent users of ACTS and is calculated as the equivalent of the average potential Customs debt on goods under ACTS procedure over a period of 7 days.
- The Principal lodges guarantees the Customs office of guarantee, who register the guarantee and enter detail in the ACTS Guarantee Management System (GMS).
- More detailed explanation on Guarantees and Guarantors is found in the Technical Appendix to protocol 7 and in Section 4 of the ACTS Customs Procedures Manual.



KNOWLEDGE TEST

To test your knowledge of the content of this module, please answer the following questions.

You can write your answer in the boxes under the questions, or you can place a tick in the check box ☒ for the options within the multiple-choice questions.

Question 1: Traders using ACTS need to obtain a guarantee. How is the amount of guarantee calculated?

- ☐ As a fixed amount, for each transit movement.
- ☐ Calculated according to the Customs laws of the country of departure
- ☐ Calculated as the maximum amount according to route - by the Customs laws across the transit countries.

[See answer](#)

Question 2: What are the two categories of ACTS guarantee provided for within Protocol 7 and its Technical Appendix?

[See answer](#)

Question 3: What is a 'Reference amount' and how is it normally calculated?

[See answer](#)

Question 4: Who can give a guarantee that is acceptable to the ACTS Customs office of guarantee?

[See answer](#)



ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

The amount of Single journey guarantee is calculated as the maximum amount according to route. ACTS selects the maximum duties and taxes that can potentially apply within the countries of that transit.

[Go back to Q](#)

Answer to Question 2:

Single journey guarantee.

Multiple journey guarantee.

[Go back to Q](#)

Answer to Question 3:

A Reference amount is the 'Multiple journeys' equivalent of the guarantee amount and applies to frequent users of ACTS transit. The calculated reference amount is based on the Customs debt value of all the declarations made by the Principal over one year and averaged as an amount for one week.

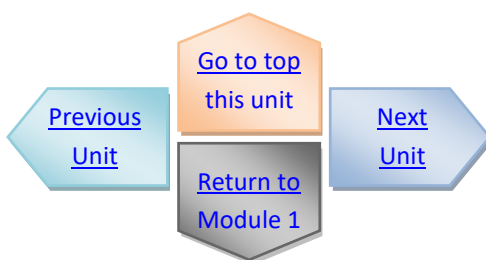
[Go back to Q](#)

Answer to Question 4:

Guarantees are given as an undertaking document – in the specified format – and accepted from approved financial institutions. (For the pilot ACTS project, this is only from a bank.)

[Go back to Q](#)

AFTER COMPLETING THE KNOWLEDGE TEST:



If you are confident that you understand the content of this module, you can move on to the next module in your course.

However, if you are unsure of any points, before moving on you should take some time to go back and look again at those sections or topics in this module where you are unsure.

MODULE 1.6

ROLES AND RESPONSIBILITIES OF ACTS USERS

This module is one in a series of modules that make up a training course for users of the ASEAN Customs Transit System – ACTS. The course is designed for the use of participating ASEAN Member States and developed with the assistance of ARISE.

It is to provide persons and organisations new to ACTS - such as regional Customs authorities and transit transport operators — with the knowledge to properly use ACTS and to meet their responsibilities.



ABOUT THIS MODULE:

This unit will increase your understanding of the roles of the Contracting Parties, their Customs authorities, who are normally the national administrators of the ACTS, and the traders who use the system for the movement of goods in transit.

It follows on from Module 1 unit 3 '[ACTS Contracting Parties to the Agreement and ACTS Users](#)', which explains the formal or legal basis for the relationships inherent in the system.

BEFORE YOU START:

To best understand the expectations of users of ACTS, you should have completed and now have a good understanding of the preceding units numbered 1 to 1.5 in training Module 1.



THE AIM OF THIS MODULE:

This unit doesn't list all responsibilities of parties involved in ACTS operations but is intended to give you an idea of the extent and to point you towards reference sources where you can find details.

This unit is to: -

- Increase your understanding of the roles of the parties involved in ACTS transit operations – traders and administering and controlling authorities - so that you are able to explain, in a sentence or two, the basic role of each group.
- Enable you to list the main areas of responsibility for each party; and
- Assist you in using reference sources to find specific details on responsibilities.



ESTIMATED STUDY TIME:

This module should take about **30** minutes to complete.

REFERENCES:

The text of Protocol 7 to the ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT) and the Technical Appendix to Protocol 7.

The ACTS Customs Procedures Manual, Sections 1 to 4

Training module 2 unit 1 [‘Customs Transit Operations’](#)

Training module 1 [‘The ASEAN Customs System \(ACTS\)’](#)

- Training module 1 unit 1 [‘ASEAN Agreements Establishing ACTS’](#)
- Training module 1 unit 2 [‘Objectives, Principles and Benefits of ACTS’](#)
- Training module 1 unit 3 [‘ACTS Contracting Parties to the Agreement and ACTS Users’](#)
- Training module 1 unit 4 [‘Authorisations for Simplified Procedures’](#)
- Training module 1 unit 5 [‘Guarantees and Guarantors’](#)

TO TEST YOUR KNOWLEDGE:

At the end of this unit you will find a short test. This allows you to check the knowledge that you have gained and to see if you should revisit any sections before you move on to the next training module in your course.

CONTRACTING PARTIES TO THE AGREEMENT AND PARTICIPATING MEMBER STATES

Under the 1998 ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT) Member States proposed regional trade facilitation measures, to be implemented through a number of Protocols.

Protocol 7 established ACTS as a regional Customs transit system and the Contracting Parties to the Agreement have set out in the Technical Appendix the Rules and Procedures for ASEAN Customs Transit, which are the basis for defining the obligations for those operating and using ACTS.

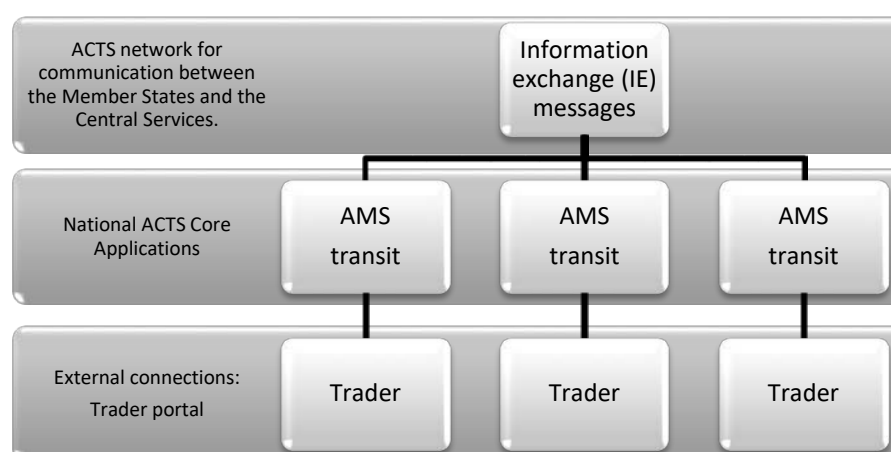
The Participating Member States are those Contracting Parties that have the necessary communications infrastructure and the systems installed to enable operation as an ACTS transit country.

For the initial pilot ACTS project and transit route the participating Member States are Thailand, Malaysia and Singapore.

NATIONAL ADMINISTERING 'COMPETENT AUTHORITY'

The responsible administrator is normally the national Customs authority.

The national Customs authority sets up and maintains the ACTS computer network. This network communicates between Customs offices and registered transit traders and with ACTS central Services, which provides communications with Customs offices in other participating Member States (AMS).



CUSTOMS ROLES AND RESPONSIBILITIES AS ACTS ADMINISTRATORS

In addition to the national Customs authority's role in maintaining the ACTS network and communication with other participating AMS, Customs provides services, such as:

- **Transit trader registration**, including the processing of applications for 'Authorised Transit Trader (ATT)' status and 'Simplified Procedures' authorisations;
- An **office of guarantee** – for ACTS guarantee registration and management; and
- **Evaluation of system use** and assess transit risk – to maximise facilitation opportunities and benefits for traders of proven reliability.

ACTS USER REGISTRATION

The ACTS Customs national office:

- Registers all ACTS transit users and provides a help desk facility.
- Manages **Authorised Transit Trader (ATT)** facilitation concessions:
 - Evaluate and decide on suitability of applicants for simplifications;
 - Decide on eligibility for specific simplification provisions;
 - If eligible, determine an initial **Reference amount** for guarantee purposes;
 - If approved, notify applicant of permitted simplifications, e.g. authorised consignors, consignees, locations, and conditions;
 - If rejected, notify applicant and give reasons;
 - Notify other participating AMS of approval/rejection of ATT status; and
 - Regularly review performance of ATT.

CUSTOMS OFFICE OF GUARANTEE

The transit Principal obtains a guarantee document issued by an approved Guarantor, (initially for ACTS a bank), and presents the document to the ACTS Office of guarantee. The Office verifies the authenticity of the guarantee, i.e.

- The guarantee is genuine and issued by an approved guarantor;
- Correctly drawn, and signed by persons authorised to do so;
- Registers the guarantee by entering the details within the ACTS Guarantee Management System (GMS);
- Receives from ACTS a Guarantee Reference Number (GRN) which is notified to the Principal;
- Ensures safe handling and secure storage of the guarantee document, according to national procedures; and
- Manages the on-going validation, registration of usage and eventual release and return of guarantees.

REVIEW AND EVALUATION

The Customs ACTS administrators review and report on the effectiveness of ACTS processes by using data search and extraction facilities.

By analysing findings, the objective is to find the best balance between control of movements and national interests in maximum facilitation to encourage regional trade.

ROLE AND RESPONSIBILITIES IN CUSTOMS OPERATIONAL OFFICES

Customs offices, designated by Protocol 7 as ‘Customs offices of departure’, ‘Customs offices of transit’ and ‘Customs offices of destination’, have specific responsibilities in both controlling and facilitating the transit movement of goods.

Details are given in the ACTS Customs Procedures Manual on how these Customs offices are to handle goods moved under an ACTS approval. The units of Module 2 explain the steps and the office – by – office operational procedures.

Customs office responsibilities extend to recognising the authority and having trust in decisions and actions taken by other participating Member States, unless they have firm evidence to the contrary. This includes an acceptance of declaration details as given and not unnecessarily breaking seals and opening vehicles or containers to examine contents en route.

This lessens delays for the transporter and reduces likely costs through possible loss or damage of goods.

The computerised system includes messaging prompts and time interval/delay settings. This is to monitor activities so as to ensure all controls are carried out in a timely manner.

RESPONSIBILITIES OF ACTS TRANSIT TRADER USERS

The basic responsibilities of the ACTS registered transit trader (the ‘Principal’) include:

- Recognising when placing goods under the ACTS procedure, liability 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;
- To present the goods intact with the necessary documents, at the Customs office of destination, within any prescribed time limits; and
- To present to Customs, upon request and within any stipulated deadline, all documents and other information relevant to the transit operation

Another unstated but assumed responsibility is when lodging the electronic transit declaration to accurately describe the goods to be moved.

ADDITIONAL RESPONSIBILITIES OF AUTHORISED TRANSIT TRADERS (ATT's)

ATT's benefit from additional facilitation measures through being authorised to use specific Simplified procedures. The status and authorisations are given on Customs's trust of the ATT, based on factors such as proven reliability, the keeping of accurate records and financial stability.

Facilitations including departure without presentation to a Customs office of departure, receiving goods at destination without presentation at a Customs office of destination, rely heavily on maintaining this trust.

ATT's have the responsibility to comply fully with the terms of their authorisations, and on their own initiative report to Customs authorities any discrepancies that come to notice in relation to transit movements.



SUMMARY

The parties involved in ACTS are:

- The **'Contracting Parties'** of the Agreement who have signed to implement the ACTS as an ASEAN transit system.
- The **Participating Member States** who have installed and have an operating ACTS (first, the pilot countries, being Thailand, Malaysia and Singapore).
- **Customs authorities**, who administer and operate a national ACTS installation, including trader registration, guarantee management and offices for ACTS transit movements.
- **ACTS registered transit traders** and those having access to Simplified procedures as Authorised Transit Traders (ATT).

Responsibilities include:

- For Customs – to ensure facilitation of movements by traders of proven reliability, and mutual recognition of documents, decisions, actions, etc. between participating Member State authorities.
- For traders – to fully comply with ACTS Rules and Procedures of the Technical Appendix to Protocol 7.
- For ATT's – comply with any conditions or provisions included in authorisations giving access to Simplified procedures.



KNOWLEDGE TEST

To test your knowledge of the content of this module, please answer the following questions.

You can write your answer in the boxes under the questions, or you can place a tick in the check box ☒ for the options within the multiple-choice questions.

Question 1: The legal basis for ACTS, Protocol 7, talks about the 'Competent authority'. Who is normally the national 'Competent authority' for ACTS?

[See answer](#)

Question 2: Can you name two responsibilities of the national office of the ACTS 'Competent authority'?

[See answer](#)

Question 3: Where would find specific details of operational procedures for the offices with the responsibility of controlling ACTS transit movements?

[See answer](#)

Question 4: Authorised Transit Traders (ATT) have lesser responsibilities than regular ACTS transit traders?

☐ Yes

☐ No

[See answer](#)



ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

The 'Competent authority' for ACTS is in practice the national Customs Administration.

[Go back to Q](#)

Answer to Question 2:

The Customs Administration maintains the national ACTS network and communications with other participating Member States.

Additionally, Customs manage ACTS user registrations and ATT authorisations; they also control user access through the Trader Portal, provide help desk facilities, operate an ACTS office for guarantee management, plus monitoring and reporting functions on ACTS use.

[Go back to Q](#)

Answer to Question 3:

Operational procedures for Customs offices are described in the ACTS Customs Procedures Manual, which may be supplemented by national instructions.

[Go back to Q](#)

Answer to Question 4:

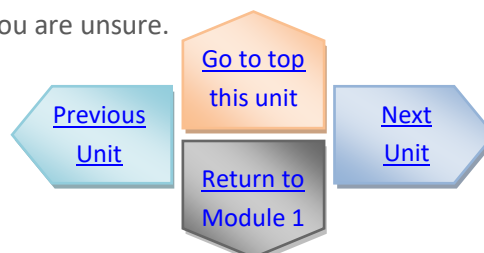
No. ATT's have greater responsibilities, having been rated as 'low risk' because of their proven experience and reliability, and the trust placed in them by Customs.

[Go back to Q](#)

AFTER COMPLETING THE KNOWLEDGE TEST:

If you are confident that you understand the content of this module, you can move on to the next module in your course.

However, if you are unsure of any points, before moving on you should take some time to go back and look again at those sections or topics in this module where you are unsure.



MODULE 1.7

THE ACTS TRANSIT ACCOMPANYING DOCUMENT (TAD)

This module is one in a series of modules that make up a training course for users of the ASEAN Customs Transit System – ACTS. The course is designed for the use of participating ASEAN Member States and developed with the assistance of ARISE.

It is to provide persons and organisations new to ACTS - such as regional Customs authorities and transit transport operators — with the knowledge to properly use ACTS and to meet their responsibilities.



ABOUT THIS MODULE:

This unit explains the use of the Transit Accompanying Document, called the 'TAD', which is printed by ACTS when a transit movement is approved and goes with the driver of the vehicle carrying the transit goods.

The unit discusses the general function of the TAD, the part that it plays in the control of ACTS transit movements and the formal provisions within Protocol 7 to the AFAFGIT.

BEFORE YOU START:

You should know why 'transit' occurs, what a 'Customs transit' operation is, and have an appreciation of the benefits to international trade of Customs facilitation measures. If you would like a refresher first complete the Module 2 unit 1: ['Customs transit operations'](#)

You should have also read at least the Module 1 introduction, ['The ASEAN Customs Transit System \(ACTS\)'](#), and Module 1 unit 2 ['Objectives, Principles and Benefits of ACTS'](#), to understand the context in which the TAD is used.



THE AIM OF THIS MODULE:

For you to be able to: -

- Explain what a Transit Accompanying Document is and the purpose it serves in an ACTS transit operation
- Say where to find in the TAD the identifier used to match the transit movement to the ACTS computer record.
- Identify where other information may be found within the document



ESTIMATED STUDY TIME:

This module should take about **20** minutes to complete

REFERENCES:

Mentions in Article 4 to Protocol 7, Article 24 of the Technical Appendix to Protocol 7 and a Technical Annex prescribes the format of the Transit Accompanying Document.

The ACTS User Manual (National Application)

The ACTS Customs Procedures Manual, in Section 5, Annex 5C.

Also instructions for operational use contained in Sections 6 to 8 and within ACTS flowcharted processes explained in Section 12 of the Manual.

TO TEST YOUR KNOWLEDGE:

At the end of this unit you will find a short test. This allows you to check the knowledge that you have gained and to see if you should revisit any sections before you move on to the next training module in your course.

THE PROVISION FOR A TRANSIT ACCOMPANYING DOCUMENT

ACTS rules and procedures require that where an electronic Customs transit declaration is processed at a Customs office of departure by ACTS, that office shall retain the declaration and authorise release of the goods by issuing to the Principal a Transit Accompanying Document.

- “Where appropriate, the Transit Accompanying Document shall be supplemented by a list of items which shall form an integral part thereof”.

Where Simplified procedures are authorised for a transit Principal (see Module 1 unit 4 [‘Authorisations for Simplified procedures’](#) for details).

- “The Transit Accompanying Document may be printed out from the Principal's own premise or other authorised computer system after the Customs transit declaration has been approved by the Customs office of departure”.

THE ISSUE OF THE TRANSIT ACCOMPANYING DOCUMENT

The TAD may only be printed from ACTS when:

- The electronic transit declaration has been accepted;
- Any guarantee validated and the amount registered;
- Customs controls completed;
- Identifying details of security seals affixed to vehicle or container are added to declaration data; and
- The goods released to transit.

The TAD is given to the Principal (or Principal’s representative) and is held by the driver of the vehicle moving the transit goods, so as to identify the goods en route as being under an ACTS transit procedure.

THE DRIVER PRODUCES THE TAD TO CUSTOMS CONTROL OFFICES

At all Customs control offices en route – border posts, offices within transit countries, offices within country of destination – the driver presents the vehicle with the goods and the Transit Accompanying Document.

Declared and approved Customs offices en route have received advanced notice of transit and arrival - ACTS messages generated from the Customs office of departure at the time of the release of the goods into transit.

- Anticipated Transit Record (ATR) to all offices of transit
- Anticipated Arrival Record (AAR) to the office of destination

On presentation at the Customs offices of transit and office of destination the movement’s TAD is matched to the ACTS computer record.

- The transit movement and TAD is referenced by the ARN (ACTS Reference Number), which is repeated in the computer bar code at the top right hand side of the form.

Verification by the computer of the ARN – by number or bar code – validates the ACTS movement.

DETAILS CONTAINED WITH THE TAD

The details within the Transit Accompanying Document are a sub-set of the details given with the electronic Customs transit declaration, meaning that the details are as declared, but limited to those necessary to properly identify the goods in transit.

Details also include:

- The parties involved – the responsible transit Principal, consignor, consignee;
- Identification of the vehicle and the transit route; and
- Descriptions of the goods in transit and of the packaging in which those goods are contained.

LIST OF ITEMS

The TAD only makes provision for a single goods description based on the ASEAN Tariff coding (AHTN). Where the movement contains goods with different tariff coding and separate packaging descriptions, ACTS will print those details within an attached 'List of Items' – which is part of the Transit Accompanying Document,

PROVISIONS FOR MANUAL ENDORSEMENTS OF TAD REGARDING INCIDENTS EN ROUTE

The TAD format has provision for details to be added in instances where, for example, the container is transferred to another motor vehicle en route, or for any reason the container or vehicle load compartment is opened and resealed with another security seal.






In such instances the details or changes are entered on to the TAD and then certified at the time by an appropriate competent authority.

See also Module 1 unit 10, [‘Handling Diversions and Other Incidents En-Route’](#).

THE ACTS TRANSIT ACCOMPANYING DOCUMENT

ACTS - ASEAN CUSTOMS TRANSIT SYSTEM				ARN 000000000089678145	
TRANSIT ACCOMPANYING DOCUMENT (TAD)	2 Consignor		TIN		1 DECLARATION
					Type
					3 Forms
					4 Total items
					5 Total packages
	6 Consignee		TIN		7 Total gross weight (Kg)
					8 Proposed date of departure
					9 Date of release for transit
	10 Trader reference/Contact details				11 Proposed countries of transit
					12 Country of destination
13 Identification of means of transport		14 Container		15 OFFICE OF DEPARTURE	
		<input type="checkbox"/>			
16 Nationality of means of transport					
17 Mode of Transport		18 place of loading			
19 Office of Exit		20 Location of goods			
21 Container identifier, marks and number of packages, number and type of packages and description of goods.				22 Item No	23 Commodity Code
				24 Currency code	
				25 Invoice value	
				26 Gross weight (kg)	27 Net weight (kg)
				28 Supplementary Unit	
				29 Country of origin	30 Country of origin code
31 Other information covering the liability of goods to specific requirements					
32 Change of conveyance / container		Place and country	Code	Place and country	Code
		Identify and nationality of new means of transport	Code	Identify and nationality of new means of transport	Code
		New Container (yes / no)?	Identity of new container	New Ctr. (yes or no)?	Identity of new container
33 CERTIFICATION BY COMPETENT AUTHORITY		New seals	Number:	Serial number:	
		Name and signature	Stamp		
34 Principal		TIN		35 Other incidents during carriage; details and measures taken:	
				36 CERTIFICATION BY COMPETENT AUTHORITIES	
37 Intended Customs offices of transit		Represented by		Details on reverse <input type="checkbox"/>	
		Place and date:			
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:			
Seals affixed (Number):		Examination of seals:			
Serial number:		Remarks:			
Time limit (date) & Itinerary:					
Name and signature:		Stamp		Name and signature: Stamp	

THE TAD LIST OF ITEMS

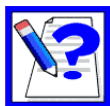
ACTS TRANSIT ACCOMPANYING DOCUMENT LIST OF ITEMS				ARN 0000000000089678145		
21 Container identifier, marks and number of packages, number and type of packages and description of goods	34 Principal	TIN	3 Forms			
		22 Item No	23 Commodity Code	24 Currency code		
		25 Invoice value				
		26 Gross weight (kg)	27 Net weight (kg)			
		28 Supplementary Unit				
		29 Country of origin	30 Country of origin code			
31 Other information covering the liability of goods to specific requirements						
	21 Container identifier, marks and number of packages, number and type of packages and description of goods	34 Principal	TIN	3 Forms		
			22 Item No	23 Commodity Code	24 Currency code	
			25 Invoice value			
			26 Gross weight (kg)	27 Net weight (kg)		
28 Supplementary Unit						
		29 Country of origin	30 Country of origin code			
31 Other information covering the liability of goods to specific requirements						
	21 Container identifier, marks and number of packages, number and type of packages and description of goods	34 Principal	TIN	3 Forms		
			22 Item No	23 Commodity Code	24 Currency code	
			25 Invoice value			
			26 Gross weight (kg)	27 Net weight (kg)		
28 Supplementary Unit						
		29 Country of origin	30 Country of origin code			
31 Other information covering the liability of goods to specific requirements						
	21 Container identifier, marks and number of packages, number and type of packages and description of goods	34 Principal	TIN	3 Forms		
			22 Item No	23 Commodity Code	24 Currency code	
			25 Invoice value			
			26 Gross weight (kg)	27 Net weight (kg)		
28 Supplementary Unit						
		29 Country of origin	30 Country of origin code			
31 Other information covering the liability of goods to specific requirements						
	21 Container identifier, marks and number of packages, number and type of packages and description of goods	34 Principal	TIN	3 Forms		
			22 Item No	23 Commodity Code	24 Currency code	
			25 Invoice value			
			26 Gross weight (kg)	27 Net weight (kg)		
28 Supplementary Unit						
		29 Country of origin	30 Country of origin code			
31 Other information covering the liability of goods to specific requirements						



SUMMARY

- The Transit Accompanying Document (TAD) is printed from the ACTS system when the goods are released to transit.
- The TAD is carried by the driver of the vehicle moving the goods and is presented to all Customs offices of transit and the office of destination to identify the ACTS transit movement.
- The TAD and the movement is identified by the ARN (ACTS Reference Number) at the top of the form, or the number read by bar code reader.
- Matching the ARN to the ACTS computer record validates the movement.
- A List of Items forms part of the TAD where more than one goods description is involved.
- The TAD has provision for details to be manually added and certified by authorities where changes or incidents occur en route.

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KNOWLEDGE TEST

To test your knowledge of the content of this module, please answer the following questions.

You can write your answer in the boxes under the questions, or you can place a tick in the check box ☒ for the options within the multiple-choice questions.

Question 1: The Transit Accompanying Document (TAD) is a copy of the transit declaration?

- ☐ Yes
- ☐ No
- ☐ Partly

[See answer](#)

Question 2: At the top right hand side of the TAD is a computer read bar code. This identifies the office to which the goods and the TAD are presented?

- ☐ Yes
- ☐ No

[See answer](#)

Question 3: Having been issued the TAD by Customs, the Principal photocopies the TAD and sends copies on to the offices of transit?

- ☐ Yes
- ☐ No

[See answer](#)

Question 4: The TAD allows for only one goods description. So if the Principal is moving goods that fall under more than one tariff description, the goods can be described on the TAD as 'mixed' or 'miscellaneous'?

- ☐ Yes
- ☐ No

[See answer](#)



ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

The TAD is not a complete copy of the information contained in the transit declaration. It contains sufficient information to identify the transit movement by the parties involved, including the carrier's vehicle, the goods being moved and their packaging, the guarantee reference and regional coverage, and the specified transit route and Customs offices of transit and destination.

[Go back to Q](#)

Answer to Question 2:

No. This is a copy of the transit movement's reference number – the ARN – but in coded form, to be read by a bar code reader.

[Go back to Q](#)

Answer to Question 3:

No. The driver of the transporting vehicle carries the original of the TAD and presents the TAD, with the vehicle and goods, at each Custom office of transit.

[Go back to Q](#)

Answer to Question 4:

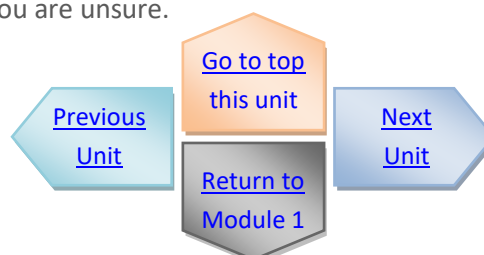
No. All goods in transit must be accurately described by tariff code (to 6 digits of the AHTN). If more than one goods description, ACTS will automatically print a 'List of items', which is regarded as part of the TAD.

[Go back to Q](#)

AFTER COMPLETING THE KNOWLEDGE TEST:

If you are confident that you understand the content of this module, you can move on to the next module in your course.

However, if you are unsure of any points, before moving on you should take some time to go back and look again at those sections or topics in this module where you are unsure.



MODULE 1.8

SECURING VEHICLES AND CONTAINERS

This module is one in a series of modules that make up a training course for users of the ASEAN Customs Transit System – ACTS. The course is designed for the use of participating ASEAN Member States and developed with the assistance of ARISE.

It is to provide persons and organisations new to ACTS - such as regional Customs authorities and transit transport operators — with the knowledge to properly use ACTS and to meet their responsibilities.



ABOUT THIS MODULE:

A basic principle of transit by road transport, or in any mode used for the international movement of goods, is that they be carried in containers or in the load compartments of vehicles that they are capable of being secured by company or Customs seal.

This unit gives you an outline of the security requirements for goods moved under ACTS transit procedures.

BEFORE YOU START:

You should have a basic understanding of international Customs transit and of the ACTS measures to reduce identifiable risks to national interests in the movement of goods. These are outlined in Module 1 unit 2, [‘Objectives, Principles and Benefits of ACTS’](#).



THE AIM OF THIS MODULE:

Is that you understand and can explain: -

- The objectives in requiring that goods be in a sealed container or vehicle for a transit movement.
- The need for specifying features that are necessary for transport to be seen as suitable for sealing.
- Why a seal must meet certain standards to be acceptable for use under ACTS procedures.



ESTIMATED STUDY TIME:

This module should take about **20** minutes to complete.

REFERENCES:

‘Sealing’ - Article 3 of the Technical Appendix to Protocol 7 AFAFGIT.

ACTS Customs Procedures Manual, Section 5 and Annex 5B.

TO TEST YOUR KNOWLEDGE:

At the end of this unit you will find a short test. This allows you to check the knowledge that you have gained and to see if you should revisit any sections before you move on to the next training module in your course.

THE PURPOSE OF SEALS

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.

- Seals must conform to specified criteria that ensure their effective and secure operation.

There are several types of seals, including electronic (microchip) seals that are activated when broken, transmitting a signal that is picked up by satellite and sends information to the competent authority or transit Principal responsible for the sealed truck or container, including information on its location.

- A Principal may be authorised to use special types of seals on means of transport or packages provided the seals comply.

TRANSPORT SUITED TO SEALING

The Customs office of departure will regard the means of transport (the vehicle or container) as suitable for sealing where:-

- Seals can be simply and effectively affixed to them;
- They are so constructed that it is impossible to remove or introduce goods without leaving visible traces of tampering or without breaking the seals;
- They contain no concealed spaces where goods may be hidden; and
- The spaces reserved for the load are readily accessible for inspection by the competent authorities.

ESSENTIAL CHARACTERISTICS OF SUITABLE SEALS

The seals must have at least the following characteristics and comply with the following technical specifications:

- remain secure in normal use;
- be easily checkable and recognisable;
- be so manufactured that any breakage or removal leaves traces visible to the naked eye;
- be designed for single use or, if intended for multiple use, be so designed that they can be given a clear, individual identification mark each time they are re-used; and
- Have identification marks.

TECHNICAL SPECIFICATIONS

- The form and dimensions of seals may vary with the sealing method used but the dimensions must be such as to ensure that identification marks are easy to read.

- The identification marks of seals must be impossible to falsify and difficult to reproduce.
- The material used must be resistant to accidental breakage and such as to prevent undetectable falsification or re-use.

An internet search on 'Container security seals' will show examples of the wide range and various designs of seals generally available.

MEANS OF SEALING

There are two methods of sealing:

- Seal the container / means of transport containing the goods; or
- Seal an individual package.

Seals are affixed before the goods are released for transit.

The unique serial number of the seal is input into ACTS after any Customs controls and before release of the goods into transit. The serial number/s of the seal appears on the Transit Accompanying Document (TAD) printed by ACTS.

The TAD is carried by the driver and presented with the vehicle and goods at each Customs office of transit and the Customs office of destination.

WAIVING SEALS REQUIREMENT

The Customs office of departure may waive the requirement for sealing where the nature of the goods being transported makes this impracticable, subject to sufficient description of such goods to ensure easy identification.

Examples include:

- Goods shipped in bulk
- Large pieces of machinery or equipment, that are essentially moved unpacked



SUMMARY

- Seals physically secure vehicles and containers to prevent interference with goods from start to finish of transit movement, or to indicate that interference has occurred.
- The design of transporting vehicles and containers must be suitable for secure sealing.
- Suitable seals must have specified characteristics and meet approved technical standards.
- Seals are fixed to vehicles or containers before release into transit.
- Seal serial numbers are entered into ACTS and printed on TAD.



KNOWLEDGE TEST

To test your knowledge of the content of this module, please answer the following questions.

You can write your answer in the boxes under the questions, or you can place a tick in the check box ☒ for the options within the multiple-choice questions.

Question 1: Exemptions can be given if vehicles or goods are not suitable for sealing?

☐ Yes

☐ No

[See answer](#)

Question 2: The driver can carry extra seals, to attach if the goods container is opened en route?

☐ Yes

☐ No

[See answer](#)

Question 3: Certain types of approved seals are designed for re-use?

☐ Yes

☐ No

[See answer](#)

Question 4: The identifying numbers of the attached seals are entered into the ACTS data record and the numbers printed on the TAD?

☐ Yes

☐ No

[See answer](#)



ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

Yes. If the goods cannot be effectively sealed, such as bulk goods and pieces of heavy machinery or equipment too large to place in a container.

[Go back to Q](#)

Answer to Question 2:

No. Seals are fixed and seal identifying numbers recorded at departure. If those seals are broken for any reason the driver must report to Customs, who, after verifying the circumstances, fix a new Customs seal, endorse manually the TAD with the new seal number and then record the incident in ACTS.

[Go back to Q](#)

Answer to Question 3:

Usually no. The idea behind sealing is that any interference with a seal should be obvious, so opening a sealing means the destruction of that seal, unless specially designed for reuse.

[Go back to Q](#)

Answer to Question 4:

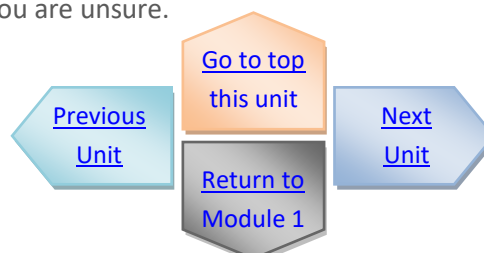
Yes. This is done by the Customs office of departure for regular ACTS users, while ATT's may have authorisation to attach their own seals. They would enter the seal identifying numbers into ACTS and print the TAD at their own premises.

[Go back to Q](#)

AFTER COMPLETING THE KNOWLEDGE TEST:

If you are confident that you understand the content of this module, you can move on to the next module in your course.

However, if you are unsure of any points, before moving on you should take some time to go back and look again at those sections or topics in this module where you are unsure.



MODULE 1.9

DISCHARGE OF A TRANSIT OPERATION

This module is one in a series of modules that make up a training course for users of the ASEAN Customs Transit System – ACTS. The course is designed for the use of participating ASEAN Member States and developed with the assistance of ARISE.

It is to provide persons and organisations new to ACTS - such as regional Customs authorities and transit transport operators — with the knowledge to properly use ACTS and to meet their responsibilities.



ABOUT THIS MODULE:

This unit looks at the final processes in an ACTS transit operation.

‘Discharge of an ACTS transit operation’ comes after the procedure has been completed or terminated correctly. Discharge also means that the transit trader Principal and the Guarantor are released from their obligations.

BEFORE YOU START:

You need a good understanding of the role of Customs in control of transit movements using ACTS electronic messaging, and the responsibilities of the trader Principal in safely delivering transit goods to destination, and so obtain release of guarantee.



THE AIM OF THIS MODULE:

That you understand and can explain: -

- What the terms ‘termination of a transit operation’ and ‘discharge of a transit operation’ mean.
- The significance of ‘discharge’ in relation to the Principal’s and Guarantor’s liability to pay any sums of duty or tax.
- What Customs can do if an ACTS transit operation is not discharged or the termination is improper.



ESTIMATED STUDY TIME:

This module should take about **20** minutes to complete.

REFERENCES:

The preceding units of Module 1 all have relevance this topic. However unit 1.2, ‘[Objectives, Principles and Benefits of ACTS](#)’, unit 1.5, ‘[Guarantees and Guarantors](#)’, and unit 1.6, ‘[Roles and Responsibilities of ACTS Users](#)’, provide essential background.

Articles 30 and 31 of the Technical Appendix to Protocol 7 give the specific conditions for termination and discharge of the ACTS transit operation.

Section 2 of the ACTS Customs Procedures Manual provides an overview, while Section 8 covers the more operational aspects of a normal arrival at destination and release or termination of the movement.

Section 9 of the Procedures Manual covers situations where incidents have occurred in transit and which may prevent or delay a normal termination.

TO TEST YOUR KNOWLEDGE:

At the end of this unit you will find a short test. This allows you to check the knowledge that you have gained and to see if you should revisit any sections before you move on to the next training module in your course.

END OF THE TRANSIT OPERATION

The transit operation ends with the presentation of the goods and Transit Accompanying Document (TAD) to the Customs office of destination.

- The ARN (ACTS Reference Number) or bar code on the TAD is matched to the Customs office's Anticipated Arrival Record (AAR).
- On matching, the 'valid arrival' is registered and the computerised system is updated accordingly.
- The Customs office of departure and the Customs offices of transit are notified that the transit operation has ended by sending an 'Arrival Advice' message.

A transit operation may end at an office within the country of destination other than the one entered in the Customs transit declaration. That office then becomes the Customs office of destination and notifies the original Customs office of destination and the Customs office of departure accordingly.

CARRIER'S RECEIPT FOR END OF TRANSIT OPERATION

At the request of the Principal or the carrier, and for purposes of providing additional evidence that the transit operation has been correctly ended, the Customs office of destination endorses the Transit Accompanying Document appropriately.

- The endorsed Transit Accompanying Document can be kept by the carrier of the transit operation as documentary proof.

TERMINATION OF THE TRANSIT MOVEMENT

The Customs officer at destination may decide on a control examination, to verify seals, documents or the goods.

- If the goods are released without examination, or the control finds no discrepancies, the Control result message to the Customs office of departure is 'Considered satisfactory'.

This constitutes the termination of the transit operation and permits the Customs office of departure to discharge the transit movement and release any guarantee.

DISCHARGE OF THE TRANSIT OPERATION

Article 31 of the Technical Appendix to Protocol 7:

"The Customs office of departure shall discharge the transit operation when it is in a position to establish on the basis of a comparison between the Customs transit declaration made to the Customs office of departure and

information from the Customs office of destination that the procedure has been terminated correctly.”

TERMINATION OF TRANSIT UNDER SIMPLIFIED PROCEDURES

In the interests of facilitation, Authorised Transit Traders (ATT's) may have specific authorisations to receive the transit movement at destination without first presenting to a Customs office. In this case:

- The trader notifies transit arrival with a message to Customs.
- If ACTS verifies that the transit is a valid arrival for that trader, an 'Arrival Advice' message is sent to the Customs office of departure and offices of transit.
- Subject to Customs intervention, the trader may unload and then forward unloading information to Customs.
- If no discrepancies are found, the message 'Considered satisfactory' is sent to the office of departure and the goods subsequently discharged.

RETURN OF GUARANTEE

Upon the discharge of the transit operation, a single journey guarantee is cancelled and the guarantor advised accordingly.

In the case of multiple journey guarantees, the amount of usage registered against that transit movement is re-credited to the guarantee amount available for further movements.

RESERVATIONS OR INABILITY TO PROPERLY TERMINATE THE TRANSIT

Discrepancies found on an examination may mean that the transit cannot be terminated at that time. It may be 'Discrepancies found' or the need for further information to be sought from the transit Principal or the Customs office of departure.

At the Customs officer's discretion, the goods may be released from transit or a decision withheld until any discrepancy is properly resolved. This may lead to commencing an ACTS enquiry procedure. (See Module 1 unit 1.10.)



SUMMARY

- **The transit operation ends with the presentation of TAD and the vehicle or container with the goods at the Customs office of destination.**
- **Authorised Transit Traders (ATT) may have special provisions under 'Simplified Procedures' facilitations.**

- The trader Principal or carrier may request a receipt at the end of the transit movement.
- A transit operation is terminated when the Customs office of destination confirms that the goods, as described, have arrived and any examination proved satisfactory.
- Discharge of the transit operation occurs when the Customs office of departure receives confirmation that the transit movement has been correctly terminated at destination.
- Discharge of the transit operation releases the Principal and Guarantor from all obligations to pay any duty and tax.
- If discrepancies are found and the transit cannot be correctly terminated, an enquiry process is initiated and discharge withheld until resolution. The Principal (and ultimately the Guarantor) remains liable for any lost duty and taxes until discharge is given.

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KNOWLEDGE TEST

To test your knowledge of the content of this module, please answer the following questions.

You can write your answer in the boxes under the questions, or you can place a tick in the check box ☒ for the options within the multiple-choice questions.

Question 1: What happens to the TAD at the end of the transit movement?

- ☐ The TAD is kept by the Customs office of destination.
- ☐ The TAD can be returned to the carrier/Principal, on request.

[See answer](#)

Question 2: If goods are received at the office of destination with the seals intact, the Customs Officer has no need to examine and must release?

- ☐ Yes
- ☐ No

[See answer](#)

Question 3: The Principal's guarantee can be returned when the arrival at destination is confirmed?

- ☐ Yes
- ☐ No

[See answer](#)

Question 4: If a transit movement is 'terminated with reservation', can the Customs officer release the goods?

- ☐ Yes
- ☐ No

[See answer](#)



ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

If the carrier/Principal requests, the TAD is endorsed by the Customs office and serves as receipt for delivery of the goods to destination.

[Go back to Q](#)

Answer to Question 2:

No. Regardless of any pre-screening and risk assessment, the option to control the movement by examining the vehicle, the goods and documents remains the decision of the Custom officer.

[Go back to Q](#)

Answer to Question 3:

No. After a notice of arrival, termination of the ACTS movement relies on a further ACTS message following a decision not to control the movement or a control examination with a 'Considered satisfactory' result. On receiving that result the Customs office of departure may discharge the movement, allowing the return of guarantee.

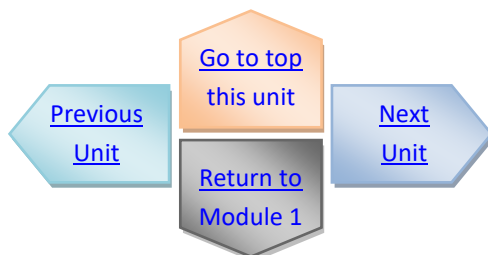
[Go back to Q](#)

Answer to Question 4:

Yes. It is for the Customs officer to decide if a discrepancy is such that it can be resolved without delaying the release of the goods.

[Go back to Q](#)

AFTER COMPLETING THE KNOWLEDGE TEST:



If you are confident that you understand the content of this module, you can move on to the next module in your course.

However, if you are unsure of any points, before moving on you should take some time to go back and look again at those sections or topics in this module where you are unsure.

MODULE 1.10

DIVERSIONS, INCIDENTS EN-ROUTE AND RESOLVING DISCREPANCIES

This module is one in a series of modules that make up a training course for users of the ASEAN Customs Transit System – ACTS. The course is designed for the use of participating ASEAN Member States and developed with the assistance of ARISE.

It is to provide persons and organisations new to ACTS - such as regional Customs authorities and transit transport operators — with the knowledge to properly use ACTS and to meet their responsibilities.



ABOUT THIS MODULE:

This unit describes what happens when ACTS transit movements do not proceed or end as planned. This can occur because of an unavoidable diversion from the nominated travel route, an incident such as damage or a road accident, or non-arrival.

It gives an overview of how some situations may be resolved administratively through ACTS, while other circumstances can prevent correct termination of the transit movement and require enquiries to be made of other Customs offices or the transit Principal.

BEFORE YOU START:

You need a good understanding of the role of Customs in control of transit movements. This includes the responsibilities of the trader Principal in safely delivering transit goods to destination, to properly terminate the transit operation and obtain discharge and release of guarantee by the Customs office of departure.



THE AIM OF THIS MODULE:

That you understand and can explain: -

- What Customs consider a 'valid' diversion en route and how it is normally handled.
- The actions to be taken by the vehicle's driver, (or transit Principal), when road accidents or other incidents occur that impact the transit movement.
- The basic Customs procedures or steps taken when a transit movement is not correctly terminated at destination.



ESTIMATED STUDY TIME:

This module should take about **25** minutes to complete.

REFERENCES:

- Article 6 of Protocol 7 allows for reporting the occurrence of incidents en route.
- Article 27 of the Technical Appendix to Protocol 7 sets out the basis for procedures on handling incidents en route.
- Section 7 of the Technical Appendix, 'Post Transit Procedures', includes the establishment of Enquiry Procedures, the option of the Principal providing Alternative Proof of Termination and, if necessary, actions to recover Customs debt.

It is also important to note that Article 36 of the Technical Appendix contains the General Provisions for mutual Administrative Assistance between Contracting Parties.

These topics are covered in more detail within Sections 9 and 11 of the ACTS Customs Procedures Manual.

TO TEST YOUR KNOWLEDGE:

At the end of this unit you will find a short test. This allows you to check the knowledge that you have gained and to see if you should revisit any sections before you move on to the next training module in your course.

DIVERSIONS FROM TRAVEL ROUTE OR TRANSIT OFFICES

What if the transit is not routine?

Circumstances can lead to situations such as:

- Late arrivals (not within the set time interval).
- Diversions in route or destination (unavoidable or intended).
- Incidents in transit (accidents, breakdowns, or theft/loss).
- Unexplained failure to arrive at destination.

LATE ARRIVAL

Where goods are presented after expiry of the set time limit:

Circumstances should be explained to the office of destination.

If the delay is not attributable to the driver or Principal e.g. adverse road conditions, unexpected border delays;

- The transit movement is accepted as complying with the approval; or
- If not satisfactorily explained, the details are included in the control report made by the office of destination and may influence the conditions on future approvals.

DIVERSION EN ROUTE OR TO ANOTHER DESTINATION

If the prescribed route is not followed:

- for unforeseen reasons, such as road closures through flood damage; or
- because of a decision by the Principal or Consignor to redirect the consignment en-route.

By using ACTS messaging, the Customs office seeks to verify that the new office of transit or destination is a valid country and office:

- That the movement is covered in that country by the Principal's original guarantee; and
- The goods in transit are not prohibited or restricted in that country.

If the new office/s of transit and/or the new office of destination can be validated through an exchange of ACTS messages:

- The transit movement can proceed under ACTS.

If the diversion and new offices cannot be validated by ACTS:

- The ACTS transit movement may be terminated at that place (i.e. that place becomes the 'Office of destination for ACTS purposes); and

- National procedures are followed (e.g. stopped, turned back, entered into an alternative national transit procedure).

REPORTING ON ACCIDENTS, OTHER INCIDENTS EN-ROUTE

With incidents outside the control of the carrier occur, such as:

- Broken seals on container or vehicle load compartment.
- Breakdowns and accidents – including the need to transfer the container or the goods to another means of transport.
- Cases of imminent danger, requiring unloading (e.g. leakage, load shifting or similar).

WHAT TO DO?

The driver should obtain a report from a relevant and recognised local government authority, describing the incident and report to nearest or next Customs office of control for updating and endorsing the accompanying documents.

The Customs office will perform any control checks, resealing the vehicle or container if necessary, add the details by endorsing and given a certification on the Transit Accompanying Document (TAD).

If the Customs office has access to ACTS messaging, the incident details are registered in the system.

DISCREPANCIES FOUND ON EXAMINATION, NON-ARRIVALS

Failure of goods to arrive at an office of transit or destination – as anticipated by ATR and AAT messages – within the set period for transit automatically initiates an enquiry procedure.

Enquiries are made of relevant offices of transit and of the parties involved in the transit movement.

Similarly, enquiries are initiated if a Customs control examination of the goods reveals significant discrepancies to that of the goods description given in the transit declaration, as indicated by the description given in the Transit Accompanying Document (TAD).

Ultimate responsibility to properly terminate the transit movement remains with the trader Principal.

ENQUIRY PROCEDURES

Enquiry procedures are initiated by the Customs office of departure in the absence of 'Arrival advice' and 'Control result' messages within the set time interval.

The Principal is advised that evidence must be produced to show the transit was completed correctly.

Evidence of correct termination of the transit movement could include:

- A receipt given on the TAD, to the vehicle's driver, verified by the Customs office of destination; or
- Documentation that the transit goods have been processed under a national procedure of the destination country – such as entered into a warehousing regime or cleared by Customs declaration for home consumption.

Without a satisfactory response, the recovery procedure is commenced, to claim and recover duties and taxes from the Principal or Guarantor.

IF RECOVERY OF LOST DUTY AND TAXES IS NECESSARY

The Administrative mutual assistance procedures of the Technical Appendix come into force if recovery of Customs debt proves necessary.

Customs authorities of the Contracting Parties (participating ASEAN Member States on the transit route) cooperate, to establish in which Contracting Party the diversion or loss occurred and which is entitled to claim any lost duty duties and taxes.

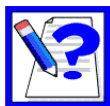
Mutual assistance extends to obtaining relevant information from the transit Principal or representative, and to any claim against the guarantee and guarantor if the responsible person cannot or does not pay the Customs debt.



SUMMARY

- **Travel delays or diversions en route are acceptable if the reasons are justifiable.**
- **Alternative offices of transit or destination must be validated by ACTS or the transit movement under the ACTS procedure terminated at that place.**
- **Accidents or incidents en route – affecting the transit details – must be reported by the driver to the nearest relevant authority.**
- **In such cases the details are endorsed on the TAD and certified by a Customs office.**
- **An ACTS enquiry procedure is initiated on the non-arrival of goods, or when significant discrepancies found through a Customs control examination.**
- **Customs authorities give mutual assistance in obtaining and giving information to resolve enquiries or any later recovery actions.**

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KNOWLEDGE TEST

To test your knowledge of the content of this module, please answer the following questions.

You can write your answer in the boxes under the questions, or you can place a tick in the check box ☒ for the options within the multiple-choice questions.

Question 1: What could cause or be called a 'diversion' according to ACTS procedures?

[See answer](#)

Question 2: If a transit movement is diverted to or through another country (a country not specified in the transit declaration or TAD), what would cause ACTS not to accept the movement as valid?

[See answer](#)

Question 3: If involved in an accident en-route, that disabled the vehicle or spilled the cargo, what should the driver do?

[See answer](#)

Question 4: What action is taken when goods in transit do not arrive on time at the office of destination?

[See answer](#)



ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

In general terms, diversions are when the vehicle leaves the authorised transit route, or presents to Customs offices of transit or destination other than those offices in the approval for the transit movement.

[Go back to Q](#)

Answer to Question 2:

Primary reasons for not accepting a diversion as valid is when the movement enters a transit country not covered by the Principal's guarantee, or if the goods are restricted or prohibited in or through that country.

[Go back to Q](#)

Answer to Question 3:

The driver is to obtain a report, certified by a recognised local authority, such as police, and report the incident to the nearest Customs office. This may involve transshipment or repacking of the transit goods, where Customs would fix new seals, endorse and certify the new details on the TAD. The details of the incident are recorded in ACTS at the next office with ACTS connectivity.

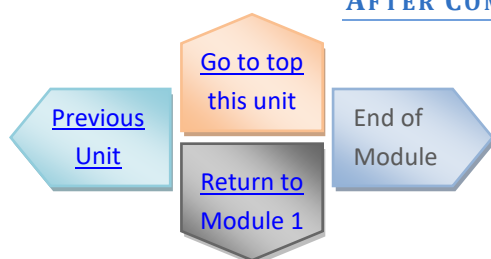
[Go back to Q](#)

Answer to Question 4:

After a certain time interval, if an 'Arrival advice' is not received at the office of departure, ACTS initiates an automatic messaging process to find out what has happened to the goods. This can include enquiries to the Principal or Principal's representative and to other Customs offices. If not satisfied, this can lead to establishing a Customs debt and a recovery process.

[Go back to Q](#)

AFTER COMPLETING THE KNOWLEDGE TEST:



If you are confident that you understand the content of this module, you can move on to the next module in your course.

However, if you are unsure of any points, before moving on you should take some time to go back and look again at those sections or topics in this module where you are unsure.