

## MODULE 2

# USING 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:

Training Module 1 explained the origins of ACTS in the Agreement between ASEAN Member States, the legal basis for the system, its formal rules and procedures, and the principles of operation.

This is an introduction to Module 2 and gives an overview of the operational procedures of ACTS. It covers how the system is accessed by qualified transit transport operators and how Customs receive and process the operator's transit declaration, and on approval control the transit movement from release until correct arrival and formal termination at destination.

The following units of this training Module go into details on the roles and procedures followed by the various users in initiating ACTS transits and in monitoring and controlling movements through to completion.

### BEFORE YOU START:

You should be familiar with the principles of ACTS transit, the legal basis, and the terms used, either from prior knowledge or by having completed the units of ACTS Training Module 1.



### THE AIM OF THIS MODULE:

Is for you to understand and be able to explain in summary:

- How an ACTS transit is initiated by a trader Principal;
- The role of Customs in releasing goods into transit; and
- Customs monitoring and control of goods throughout the transit movement



### ESTIMATED STUDY TIME:

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

## REFERENCES:

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

The ACTS Customs Procedures Manual.

- Section 1 of the Manual includes a diagram giving an overview of ACTS control processes in the stream of information and messaging through the transit movement.
- Section 12 contains details of ACTS Customs procedures, explained in a process flow chart format.

## 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.*

## TRANSIT MOVEMENT IS INITIATED BY THE TRADER PRINCIPAL

The transit trader, known in ACTS as the transit [Principal](#), obtains a [guarantee](#) from an [approved guarantor](#) and lodges it with the Customs office of guarantee.

The legal Principal, through a physical person, such as an employee or authorised representative, submits a transit declaration electronically through ACTS to the Customs office of departure. The declaration references the guarantee by the Guarantee Reference Number (GRN) that will be used to cover the transit operation.

### THE TRANSIT DECLARATION

To prepare a transit declaration ACTS is accessed online through the application's Trader Portal.

- The declaration must contain all the data required and comply with ACTS specifications.
- The system validates the data automatically.
- This includes verification that the guarantee is valid.

The system will indicate if there is an inconsistency in the data and the trader is informed, so that the trader can make any necessary corrections before the declaration is finally accepted.

### RESTRICTED OR PROHIBITED GOODS

ACTS will reject goods prohibited for entry and transit through any of the countries on the intended transit route. An explanatory message is sent to the Principal declarant.

Declarations covering restricted goods (on the transit route) will be automatically directed by ACTS to the 'normal procedure process' with a generated message stating 'goods are restricted'.

[Module 2 unit 3 'Operations at the Customs Office of Departure'](#) explains ACTS Customs office procedures, which are in two categories, called 'Normal procedures', which are available to all registered ACTS users, and 'Simplified procedures', with additional facilitation measures, available only to traders with the 'Authorised Transit Trader (ATT) status – as explained in [Module 1 unit 4 'Authorisations for Simplified Procedures'](#).

If restricted goods are allowed conditionally, the documents and goods must then be presented to the Customs office of departure, where the Customs Officer will decide if further documentary checks or a physical examination of the goods are required, and whether or not to release the goods into transit.

## **ACTS REFERENCE NUMBER (ARN)**

Once any corrections have been made and the declaration is accepted, the system will provide the declaration with a unique ACTS Reference Number (ARN).

## **CUSTOMS ACTIONS IN CONTROL OF THE TRANSIT MOVEMENT**

The nominated Customs office of departure receives the Principal's transit declaration as validated by ACTS. That office decides on acceptability of the declaration and the release of the goods in to transit.

### **RELEASE TO TRANSIT BY CUSTOMS OFFICE OF DEPARTURE**

Any inspections deemed necessary are carried out, either at the office of departure itself (under normal procedures) or at the authorised Principal's premises (under simplified procedures).

- If satisfactory, the potential Customs debt, calculated on the highest rates of duties and taxes within the countries of transit, is registered as usage against the guarantee.
- The goods in transit are secured by fixing seals. Sealing requirements are described in [Module 1 unit 8 'Securing Vehicles and Containers'](#)
- The goods are released for transit.

### **TRANSIT ACCOMPANYING DOCUMENT (TAD)**

After Customs have approved the Customs transit declaration, the Transit Accompanying Document (TAD) is printed at that Customs office of departure.

The TAD is described in [Module1 unit 7 'The Transit Accompanying Document'](#)

If the declaration contains more than one goods description, as defined by AHTN commodity code, the TAD may have a 'List of Items', which is part of the TAD.

- Under 'Simplified procedures' the TAD is printed at the Principal's own premises.
- The TAD and any list of items must be with the vehicle's driver and travel with the goods.
- The TAD is presented to the Customs offices of transit and the Customs office of destination.

### **ANTICIPATED ARRIVAL RECORD**

The Customs office of departure sends electronically through ACTS an anticipated arrival record (AAR) to the declared office of destination.

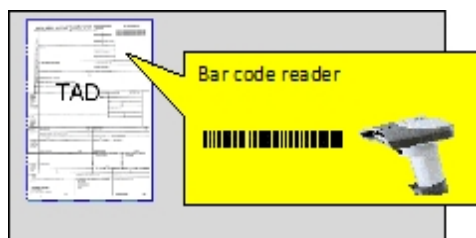
- This message contains sufficient information from the declaration to enable the office of destination to control the consignment when it arrives.

### **ANTICIPATED TRANSIT RECORD**

The office of departure also sends an Anticipated Transit Record (ATR) through ACTS to the intended offices of transit, so that each office of transit has prior notification of the consignment concerned and can check the passage of the movement.

### **PROCEDURE AT CUSTOMS OFFICES OF TRANSIT**

When the goods pass by an office of transit, the goods, the Transit Accompanying Document (TAD) and any list of items must be presented to Customs.



The Anticipated Transit Record (ATR) will be located when the ACTS Reference Number (ARN) is entered into ACTS by Customs, either manually or by scanning the bar-code on the TAD.

The vehicle or container may be checked to ensure that the original seals are intact and subsequently the movement may be approved for passage.

### **NOTIFICATION CROSSING FRONTIER**

The border crossing of the transit movement is registered in ACTS and a 'Notification of Crossing Frontier' message is sent to the office of departure. ACTS sends the message to other offices of transit and the office of destination.

### **TERMINATION OF TRANSIT MOVEMENT AT CUSTOMS OFFICE OF DESTINATION**

Upon arrival, the goods are presented to the Customs office of destination, together with the Transit Accompanying Document, or the office is notified of arrival indirectly, through a message from an authorised consignee.

- When the ACTS Reference Number (ARN) is entered into the system, either manually or using a bar code reader, it locates the corresponding Anticipated Arrival Record (AAR).
- Customs, with details about the transit movement, has the opportunity to make an assessment of risk and to decide beforehand what controls are necessary.

## ARRIVAL ADVICE MESSAGES

The arrival of the transit movement is registered in ACTS and an Arrival Advice message is sent to the original office of departure and to offices of transit.

- After the relevant controls have been carried out, the office of destination will notify the office of departure of the control results by using a control results message, stating which, if any, irregularities have been detected.

## TERMINATION OF THE TRANSIT MOVEMENT

If the arrival at the destination is satisfactory, a positive control message, that is, 'termination without reservation' is sent to office of departure to discharge the transit operation and discharge the guarantees that were used for it.

- If arrival is unsatisfactory for any reason, the office of destination will send a message to the office of departure indicating 'termination with reservation'.
- The absence of correct termination may require enquiry procedures to be initiated and the possibility of actions to recover a Customs debt. See [Module1 unit 10 'Diversions Incidents Discrepancies'](#)

## DISCHARGE OF TRANSIT MOVEMENT

Discharge of the transit movement is given by the Customs office of departure, releasing the Principal from obligations under that ACTS movement and allowing the office of guarantee to return the guarantee to the Guarantor, or to reinstate the amount of guarantee in the case of a 'Multiple journey' guarantee.

*This completes the ACTS transit movement.*

## THE UNITS OF TRAINING MODULE 2: 'USING THE ASEAN CUSTOMS TRANSIT SYSTEM (ACTS)

*If you are viewing an electronic version of this training module, 'Ctrl' key and clicking with your mouse on the title of the Module 2 training Unit (below) takes you directly to that unit.*

Unit: (Lesson/Subject)		Topics covered:
<a href="#">Customs Transit Operations</a>	2.1	<ul style="list-style-type: none"><li>• The purpose of international Customs transit systems</li><li>• Facilitation objectives and deferment of duties and taxes</li><li>• Customs transit controls</li><li>• Customs offices of transit</li></ul>

<a href="#">Transit Traders making ACTS Transit Declarations</a>	2.2	<ul style="list-style-type: none"> <li>• Registration of the ACTS transit trader Principal and trader declarants.</li> <li>• Guarantees and preparing ACTS transit declarations.</li> <li>• Declaration submission and validity checks.</li> <li>• ACTS processes before release to transit.</li> </ul>
<a href="#">Operations at the Customs Office of Departure</a>	2.3	<ul style="list-style-type: none"> <li>• Explaining 'Normal' and 'Simplified' procedures.</li> <li>• Controls at office of departure for Normal and Simplified procedures.</li> <li>• Issue of TAD and release to transit.</li> </ul>
<a href="#">Operations at the Customs Offices of Transit</a>	2.4	<ul style="list-style-type: none"> <li>• Anticipated Transit Records (ATR) received and matched to TAD.</li> <li>• Options to pre-screen and grant passage.</li> <li>• Validation and controls, as necessary.</li> <li>• 'Notification of Crossing Border' (NCF).</li> </ul>
<a href="#">Operations at the Customs Office of Destination</a>	2.5	<ul style="list-style-type: none"> <li>• Anticipate Arrival Record (AAR) matched to the goods and TAD.</li> <li>• Arrival advice to departure office.</li> <li>• Risk based control examination; transit termination and goods release.</li> </ul>
<a href="#">Fallback Procedures for Traders and Customs</a>	2.6	<ul style="list-style-type: none"> <li>• Fallback procedures apply if computer systems not operating.</li> <li>• Specific procedures defined for trader Principal and Customs offices.</li> </ul>
<a href="#">Procedures for Initiating Enquiries and Debt Recovery</a>	2.7	<ul style="list-style-type: none"> <li>• Enquiry procedures that activate when permissible time intervals exceeded.</li> <li>• Recovery procedures to first identify which authority is entitled to claim.</li> <li>• Claim first made on the Principal.</li> </ul>



## SUMMARY

- Transit traders registered as ACTS users start by establishing a guarantee through an approved guarantor.
- Those traders submit an electronic ACTS transit declaration to the Customs office of departure.
- After ACTS validation of declaration details and any Customs controls for verification of those details, the goods may be released into transit.

- **Advance notices of arrival are sent by ACTS to offices of transit and destination – by ATR and AAR messages.**
- **The Transit Accompanying Document (TAD) goes with the vehicle carrying the goods and is used to validate the ACTS movement at all Customs offices of transit – by recognising the reference number (ARN) by barcode.**
- **Notice of arrival at Customs office of destination is forwarded to office of destination, as an Arrival Advice message.**
- **If the goods are correctly received, the completion of the transit is notified to the office of the departure as ‘termination of the transit movement’.**
- **The office of departure can discharge the transit movement and release any guarantee.**



## 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 in processing a transit declaration has two types of Customs procedures. What are these called and what qualifies an ACTS user for a particular procedure?

[See answer](#)

Question 2: Does the ACTS validation process check for goods descriptions identifying goods as either prohibited or restricted? What happens if it finds such a description?

[See answer](#)

Question 3: On release of goods into transit, ACTS generates two types of messages. What are these messages called and where do they go?

[See answer](#)

Question 4: On arrival at destination and validation of the ACTS movement, a further message is generated. What is this message called?

[See answer](#)



## ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

Normal procedure for registered ACTS users, and Simplified procedure, which is restricted to approved Authorised Transit Traders (ATT).

[Go back to Q](#)

Answer to Question 2:

A transit declaration is not accepted for goods listed and identified as 'Prohibited', while in some cases 'Restricted' goods may be accepted subject to prescribed conditions. For example, restricted goods may be routed for additional control checks and be subject to other permits or approvals.

[Go back to Q](#)

Answer to Question 3:

The 'Anticipated Transit Record (ATR)' to all offices of transit en route; and  
The 'Anticipated Arrival Record (AAR)', sent to the office of destination.

[Go back to Q](#)

Answer to Question 4:

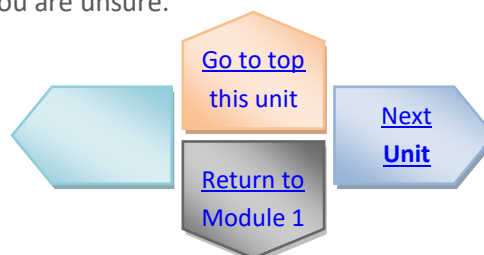
The message is the 'Arrival advice', which goes to the office of departure.

[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 2.1

# CUSTOMS TRANSIT OPERATIONS

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 is for trainees that are new to transit operations and explains what an ‘international Customs transit system’ is, and the purpose of having such systems.

It also explains the differences between the types of Customs transit that are referred to within the later ACTS Training Modules.

### BEFORE YOU START:

Of the units of module 2, unit 2.1 is intended for those persons who are totally new to international Customs transit. No prior knowledge is needed.

For the other units of module 2 you do need an understanding of the basic principles of ACTS. If you are just starting out, you should first gain a good understanding of the topics covered within [training Module 1](#).



### THE AIM OF THIS MODULE:

Is for the trainee to be able to describe the: -

- The purpose of a [Customs transit system](#);
- Meaning of the descriptions ‘[outward transit](#)’, ‘[through transit](#)’ and ‘[inward transit](#)’; and
- Terms used to describe the [Customs offices that are involved in ACTS transit operations](#)



### ESTIMATED STUDY TIME:

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

### REFERENCES:

Text of the revised Kyoto Convention:

<http://www.wcoomd.org/ie/En/Conventions/>

## **TAXES ON IMPORTED AND EXPORTED GOODS**

Goods imported into a country, or exported from a country, are usually subject to duties or taxes.

The collection of import or export duties and taxes is generally the responsibility of a national Customs authority.

Subject to national law, the duties or taxes are ordinarily payable when goods enter a country, or leave that country.

## **WHERE THE FINAL DESTINATION IS A SECOND COUNTRY**

In international trade, goods are often transported through one or more countries before reaching the final destination country.

The countries through which the goods are transported before reaching the destination are called the 'transit' countries.

On reaching the destination country the transported goods will be subject to import controls, according to the Customs regime of that country. (For example, Customs duties, VAT, or various other taxes may be payable.)

## **CUSTOMS RESPONSIBILITIES IN TRANSIT COUNTRIES**

When goods are transported through a country, and do not enter the commerce of that country, those goods are not normally subject to national taxes.

*The Kyoto Convention is an International Convention on the Simplification and Harmonization of Customs Procedures and the Convention's provisions for Customs Transit give guidelines including -*

*"...to permit, under certain conditions, goods to move from one Customs office to another in the same country or in another country without collecting the duties or taxes that may be applicable to imported or exported goods."*

## **CUSTOMS TRANSIT CONTROLS**

However Customs Authorities in countries of transit have a control responsibility, including the need to protect their national revenue.

This means: -

- Customs need a control procedure to ensure that goods that enter the country, i.e. 'in transit', also leave the country; and
- A means of ensuring collection any duties and taxes due if the goods do not leave the country.

A traditional way of managing these controls is to require the transporter of the goods to: -

- Pay any duties and taxes due on entry to the country, (i.e. an amount equal to the duty and taxes that would be payable if they were to be imported into the country);
- Obtain a refund of that amount on departure (i.e. exit) from that country.
- In other words, Customs hold a cash deposit or security, equal to the duty, for the duration of the transit.

The problem is that these traditional controls are time consuming and expensive, both for Customs authorities and transporters. If similar controls apply at each national border it proves an obstacle to trade by restricting the movement of goods.

### TRADE FACILITATION MEASURES

Certain countries or geographic regions have agreed on measures to facilitate trade by using systems or procedures designed to speed international transit operations and to simplify Customs procedures at national borders. ACTS is a modern transit scheme designed specifically to meet the needs of ASEAN Member States.

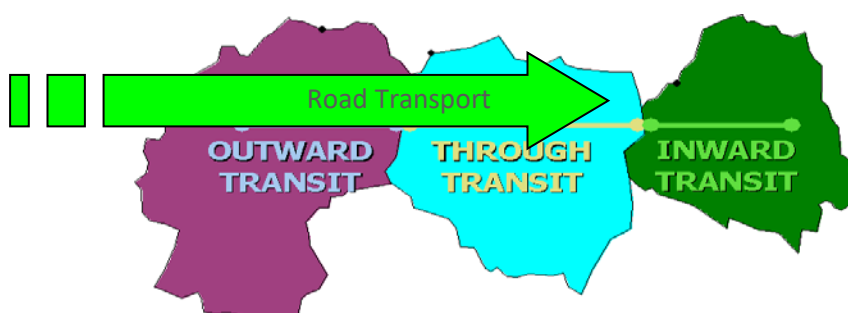
*The principles and benefits of the ASEAN Customs Transit System are fully described in [Module 1](#).*

### THE TYPES OF INTERNATIONAL CUSTOMS TRANSIT

Goods in transit are under Customs control and always move from one Customs office (control point) to another.

#### THERE ARE 3 TYPES OF TRANSIT:

- **Outward Transit** – where the goods are moved from an inland Customs office to a Customs office of exit (on the national border).
- **Through Transit** - where the goods are moved from a Customs office of entry (on the national border) to a Customs office of exit (also on the national border).
- **Inward Transit** - where the goods are moved from a Customs office of entry (on the national border) to a Customs inland office.



Another type of Customs Transit is **Internal Transit**.

This is a movement from one inland Customs office to another inland Customs office; however, ACTS does not cover this.

## **CUSTOMS TRANSIT OFFICE DESCRIPTIONS**

Under the procedures for the ASEAN Customs Transit System the Customs offices have names, (general descriptions), in accord with their role in a transit operation.

These are:

### COUNTRY OF DEPARTURE

- Customs office of departure
- Customs office of exit

### COUNTRIES OF TRANSIT

- Customs offices of transit (entry)
- Customs offices of transit (exit)

### COUNTRY OF DESTINATION

- Customs office of entry
- Customs office of destination

## **TRANSIT OPERATIONS THAT BEGIN OR END AT A NATIONAL BORDER**

- The Customs offices of departure and exit may be the same if the ACTS movement is started at the border.
- Equally, in the country of destination the offices of entry and destination can be the same if the ACTS movement ends at the border.



## **SUMMARY**

- **International Customs Transit is the process of Customs control associated with the moving of goods over international borders for delivery to a final destination country.**
- **Customs have the dual responsibilities of protecting national interests and of not unnecessarily impeding international trade.**
- **‘Outward transit’, ‘Through transit’ and ‘Inward transit’ are the three types of international Customs transit.**
- **Customs transit offices are called offices of departure, transit, exit, entry or destination.**



## 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 is the main purpose of Custom transit procedures?

[See answer](#)

Question 2: What are the three types of transit as described in this paper?

[See answer](#)

Question 3: What are the disadvantages of a traditional system where Customs in each country of transit takes a cash security covering duties and taxes and then refunds that security as the goods leave their country?

[See answer](#)

Question 4: What are the three general descriptions of the Customs offices controlling the transit movements en route?

[See answer](#)



## ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

Kyoto Convention guidelines: "...to permit, under certain conditions, goods to move from one Customs office to another in the same country or in another country without collecting the duties or taxes that may be applicable to imported or exported goods."

[Go back to Q](#)

Answer to Question 2:

- Outward transit
- Through transit
- Inward transit

[Go back to Q](#)

Answer to Question 3:

Controls, such as requiring individual securities, are time consuming and expensive, both for Customs authorities and transporters. If similar controls apply at each national border it proves an obstacle to trade by restricting the movement of goods.

[Go back to Q](#)

Answer to Question 4:

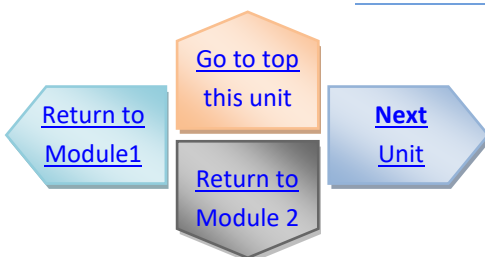
- Customs office of departure
- Customs offices of transit
- Customs office of destination

[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 2.2

# TRADERS MAKING AN ACTS TRANSIT DECLARATION

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 gives an explanation of the functions of the component of the ACTS national application called the 'Trader Portal'.

The Trader Portal of ACTS is the means of internet-based online access for registered ACTS transit trader users. Through the Portal traders prepare and submit electronic ACTS transit declarations to Customs offices of departure.

### BEFORE YOU START:

You should be familiar with the principles of ACTS transit, the legal basis, and the terms used, either from prior knowledge or by having completed the units of ACTS Training Module 1 and the introductory unit of Module 2.

In particular, the following units of Module 1 are essential to gaining a good understanding of the prerequisites for transit trader participation in ACTS.

1.3 ['Contracting Parties and ACTS Users'](#)

1.4 ['Authorisations for Simplified Procedures'](#)

1.5 ['Guarantees and Guarantors'](#)

1.6 ['Roles and Responsibilities of ACTS Users'](#)



### THE AIM OF THIS MODULE:

For you to understand and be able to explain:

- How a transit trader can apply for registration as a user of ACTS;
- What the ACTS status of 'Authorised Transit Trader (ATT)' means, and how a trader is to apply;
- Why there are two types of trader registration 'legal' and 'physical'; and
- What categories of goods are not permitted to be moved under an ACTS transit authorisation.



### **ESTIMATED STUDY TIME:**

This module should take about **40** minutes to complete.

### **REFERENCES:**

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The ACTS User Manual – ‘Trader Portal’

ACTS Customs Procedures Manual, Sections 1 to 5.

### **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.*

## USING ACTS AS A TRANSIT TRADER (PRINCIPAL)

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

- This unit of Module 2 explains the procedures of ACTS operations that directly involve the Principal and the Principal's representative, the declarant.

*The 'hands-on' instructions, of how to enter transit declaration details into the screen of ACTS Trader Portal, and to submit that declaration to Customs, are given in ACTS User Manual and through training on the ACTS application.*

### THE PARTIES INVOLVED IN A TRANSIT OPERATION ARE:

- **Principal trader:** The Name of the party that places goods under the ACTS procedure, even where this is done by an authorised representative.
- **Consignor trader:** The name of the party consigning the goods declared for transit.
- **Consignee trader:** The name of the Consignee trader declared to receive the goods at destination.
- **Representative** (optional): The name of the company or person. appointed to act as a representative of the Principal trader for this declaration.
- **Declarant:** The name of the **employee** acting on behalf of the representative or principal depending on who is submitting the declaration.

## REQUIREMENTS FOR A TRANSIT TRADER TO ACT AS AN ACTS PRINCIPAL

### BASIC PREREQUISITES

- Have access to suitable ICT equipment.
- Apply to Customs authority to register as an ACTS user.
- Undertake user training on the ACTS application.
- Be aware of the information needed for a valid ACTS transit declaration.

### APPLICATIONS FOR USER REGISTRATION

Application forms for user registration are available on request from the Customs authorities of participating Member States. These forms are completed and submitted to the Customs authority of the country where the transit operation is to commence and the ACTS transit declaration submitted.

Applications are required for:

- Registration of the legal entity - the ACTS trader Principal who will have responsibility for the transit movement; and
- Physical persons who request an authority to access the computerised system to make transit declarations on behalf of a registered ACTS trader Principal. (For example, a business partner, employee or a specifically authorised representative.)

### **PREPARING FOR THE ACTS TRANSIT MOVEMENT**

An ACTS transit declaration can be prepared and submitted by a Principal through:

- An authorised employee of that Principal trader (declarant); or
- An authorised representative of the Principal trader

*The declarant should be aware of the classes of goods that are restricted and subject to special controls, or prohibited and excluded from ACTS transit*

The Principal obtains a guarantee from an approved financial institution, in a form prescribed by Customs for ACTS, and presents it to the Customs office of guarantee for acceptance.

### **GUARANTEES AGAINST CUSTOMS DEBT**

*(See Module 1 unit 5 '[Guarantees and Guarantors](#)' for further explanation if you are not familiar with this requirement.)*

Briefly, in obtaining a guarantee for Customs, the options are:

- Single journey guarantee; or
- Multiple journeys guarantee

On acceptance of the guarantee, the principal obtains a Guarantee Reference Number (GRN) from the office of guarantee.

### **SUBMIT ACTS TRANSIT DECLARATION TO CUSTOMS**

The Principal initiates a request for approval of the transit movement, by preparing and lodging on-line the ACTS declaration, according to ACTS User Manual instructions.

### **STANDARDS IMPOSED, SUCH AS LOADING LIMITATIONS**

ACTS requires that goods are loaded on to a single means of transport, being: -

- A road vehicle that may be accompanied by its trailer or container; and
- Dispatched from the office of departure to the office of destination.

*If a consignment is split between two means of transport, a separate transit declaration is needed for each means of transport, even though all the goods are transported between the same office of departure and destination.*

### **TRANSIT DECLARATION INITIAL CHECK**

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

- The declaration is checked by ACTS against the data requirements;
- The declarant provides a 'Trader's Reference Number' (TRN) that allows the Principal or the office of departure Officer to reference the data in ACTS;
- ACTS checks that the provided TRN is uniquely identified within the departure participating Member State; and
- Guarantee Reference Number(s) (GRN) quoted within the declaration are verified with Office/s of guarantee to ensure that the guarantee(s) are valid and available.

### **CHECK RESULT**

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

- ACTS will automatically validate it as successful.

If the declaration is incorrect or incomplete:

- ACTS will reject the declaration; and
- The reason(s) for the rejection is notified to the trader, who can make the necessary changes in the declaration or to submit a new declaration.

### **ISSUE OF DECLARATION REFERENCE NUMBER**

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When the transit declaration is accepted, the system sends an electronic message to the trader and allocates an ACTS Reference Number (ARN).

This ARN identifies the transit movement at the Customs offices of the ASEAN Member States involved in the transit movement.

### **ACTS PROCESSES LEADING TO RELEASE INTO TRANSIT**

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

*Note: Amendments may be made after a declaration has been accepted by ACTS, but not after Customs have notified that the transit goods have been selected for examination.*

When the declaration is accepted, the trader declarant waits for a notification of status from the Customs office of departure:

- If the Customs office wishes to control the goods, the goods and supporting documents are to be made available for Customs examination.
- If the examination is satisfactory, or no control request is made by Customs, then:

### **GUARANTEE CHECK AND REGISTRATION OF AMOUNT**

ACTS asks for a check of guarantee. If the guarantee is recognised as valid ACTS registers the amount of potential Customs debt as 'guarantee usage' and: -

- Security seals are fixed to the goods/container/vehicle (sealing requirements are explained in [Module 1 unit 8, 'Securing Vehicles and Containers'](#)).
- A Transit Accompanying Document (TAD) is printed (see [Module 1 unit 7 'The Transit Accompanying Document'](#) for a description of the TAD and its function); and
- The goods are released to transit.

If the guarantee check fails, the Principal is notified and given an opportunity to replace or update the guarantee information provided.

### **CUSTOMS CONTROL EXAMINATION RESULT**

If the control finds minor discrepancies and they may be mutually resolved, Customs can allow access to the declaration data so that the declaration can be updated and goods proceed to release, as above.

If major discrepancies are found and are not satisfactorily resolved, the transit movement may not proceed and sanctions may be applied.

*A transit declaration may in certain circumstances be cancelled, either by Customs or by the Principal, on furnishing proof of special circumstances and of acceptance of those reasons by Customs*

### **TRANSIT ROUTE AND TRAVEL TIME**

Customs may set the expected arrival and expected control times.

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

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

### **THE TRANSIT MOVEMENT**

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

Instructions include any special conditions imposed by Customs, such as time allowed for transit and the permitted route.

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

See [Module 1 unit 10 'Diversions Incidents Discrepancies'](#) for a further explanation on the responsibilities of the Principal (and vehicle's driver) when a transit movement does not proceed as intended.

### **TERMINATION OF THE TRANSIT MOVEMENT**

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On satisfactory arrival at the destination, the goods are released from transit with the movement terminated, followed by discharge of the movement by the Customs office of departure. This allows the guarantee (or amount of guarantee usage) to be released.

[Module 1 unit 9 'Discharge of Transit Operation'](#) explains what is required of a Principal to obtain a correct termination and discharge of a transit movement.

### **FALLBACK PROCEDURE**

Where computer systems are not functional, or with a failure of the communications network, specific fallback procedures are described in the ACTS Customs Procedures Manual. [Module 2 unit 6 'Fallback Procedures for Traders and Customs'](#) gives a summary.

The national and regional ACTS help desks are expected to give guidance on the expected length of time of system unavailability.



### **SUMMARY**

- **To move transit goods using ACTS, traders must apply and be registered with Customs in the participating Member State where the movement is to commence.**
- **Traders must be registered as both the legal entity and as a physical person authorised by that legal entity.**

- To initiate an ACTS transit movement a trader Principal must have first provided through an approved guarantor a guarantee against Customs debt.
- Guarantees are either ‘Single journey’ or ‘Multiple journeys’.
- ACTS does not accept certain goods for transit – ‘prohibited goods’ – and places restrictions on certain other classes of goods.
- On submission to Customs a transit declaration is identified by the Trader’s Reference Number (TRN), a unique identifier allocated by the trader Principal.
- Following a check and validation of a transit declaration, on acceptance by Customs the declaration is given a ACTS Reference Number (ARN).
- The calculated amount of potential Customs debt over the transit route is registered against the guarantee.
- Permitted travel route and time allowed for transit may be specified (automatically by ACTS, or over-ridden by the Customs officer).
- Subject to the result of any Customs control examination, seals are affixed to the container or vehicle, the TAD issued, and the goods released into transit.
- A national or regional ACTS Help Desk will assist in situations of non-availability of computerised systems.



## 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: How does a transit trader access ACTS as a user?

[See answer](#)

Question 2: When a transit has access to ACTS through the Trader Portal and has received training on procedures and using the ACTS application, and is then preparing to submit a transit declaration, what does the trader have to do first to have the declaration validated by ACTS?

[See answer](#)

Question 3: Can an ACTS trader make amendments to a transit declaration and are there limits imposed?

[See answer](#)

Question 4: What instructions is the Principal expected to give the driver of the vehicle on commencement of the transit movement?

[See answer](#)



## ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

The trader registers for ACTS in the participating Member State in which the transit movement is to begin.

Registration applications are available from Customs are required for the transit Principal's legal entity, and for physical persons who will be making the declarations as an employee or representative of the Principal.

[Go back to Q](#)

Answer to Question 2:

The ACTS must first obtain a guarantee covering potential Customs debt for that proposed movement, present the guarantee to the Customs office of guarantee for acceptance and obtain a Guarantee Reference Number (GRN) to quote.

[Go back to Q](#)

Answer to Question 3:

Yes, amendments can be made after acceptance of the declaration but not if selected for control check. (At later stages of the procedures some amendments can be made on agreement with Customs.)

[Go back to Q](#)

Answer to Question 4:

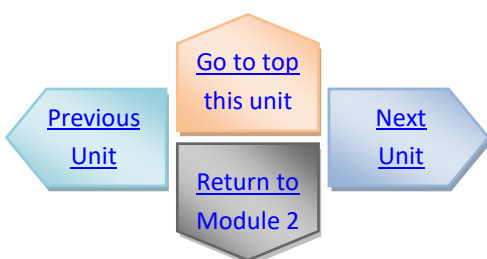
The Principal gives the TAD to the driver with instructions to present the vehicle, TAD and goods at each Customs office of transit. Drivers should also be instructed on what to do in the case of accidents or incidents en route.

[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 2.3

# OPERATIONS AT THE DEPARTURE CUSTOMS OFFICE

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 how ACTS is used and ACTS procedures followed by Customs officers at what is designated by Protocol 7 rules and procedures as the 'Customs office of departure'.

Customs at the office of departure receive the transit declaration submitted to ACTS and as passed by basic system validation checks. The office of departure has the option of accepting the trader Principal's declaration, subject to control checks and/or examination of goods, and then releasing the movement into ACTS transit. This unit explains the steps involved at this office for maintaining Customs control throughout the transit movement.

### BEFORE YOU START:

You should be familiar with the principles and facilitation objectives of ACTS transit, the legal basis, and the terms used, either from prior knowledge or by having completed the units of ACTS Training Module 1, and in particular [Module 1 unit 2 'Objectives and benefits of ACTS'](#).

The introductory unit of Module 2, '[Using the ASEAN Customs Transit System](#)', gives a good overview of the Customs control procedures, from start to finish of the transit movement.



### THE AIM OF THIS MODULE:

Is for you to have an understanding of the Customs officer's role at the office of departure and to be able to explain:

- In general terms, the control measures that are available to Customs within the office of departure;
- Which measures are automated through ACTS and which are the initiative of the Customs officer;

- Why ACTS provides for two different Customs procedures at the office of departure and what these differences mean to the trader Principal; and
- Where to find detailed instructions on the office's Customs procedures



### **ESTIMATED STUDY TIME:**

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

### **REFERENCES:**

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- Protocol 7 to the AFAFGIT; Technical Appendix and Annexes.
- ACTS User Manual (National Application)
- ACTS Customs Procedures Manual, in particular, Section 6.
- Relevant national procedures and instructions

### **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.*

## A TRANSIT DECLARATION IS SUBMITTED BY A TRADER PRINCIPAL

The preceding unit, ['Traders Making an ACTS Transit Declaration'](#) describes the processes where the trader registers as an ACTS user, arranges a guarantee against potential Customs debt, then prepares and submits an electronic ACTS Customs declaration.

To initially validate the declaration submitted by the trader, the ACTS system carries out a number of processes or checks, including:

- That all mandatory declaration data requirements are met (i.e. all data fields necessary are filled);
- That the quoted Guarantee Reference Number (GRN) is valid;
- Verifying that the goods description given (by tariff code – AHTN) is not amongst a list of goods prohibited from inclusion within ACTS, or if subject to conditional restrictions.
- Whether data within the declaration indicates that the transit may prove a risk and so requiring closer attention by Customs (by selections for control check).

## TWO ACTS TRANSIT PROCEDURES ARE AVAILABLE TO THE PRINCIPAL

For the Customs office of departure the most obvious difference between the two transit procedures is that:

- **Normal procedures**, requires the goods to be presented at the Customs office for check and sealing of container or vehicle before release into transit; as opposed to
- **Simplified procedures**, which are available only to those with Authorised Transit Trader (ATT) status. Concessions to ATT's include allowing loading of goods at their authorised premises and commencing the movement without the need for routine presentation of the vehicle at the Customs office of departure.

*Simplified Procedures give ATT traders access to increased facilitation and at the same time it allows the Customs authorities to identify traders with the lowest risk and to concentrate resources on medium and high-risk areas.*

See [Module1 unit 4 'Authorisations for Simplified Procedures'](#), or the ACTS Customs Procedures Manual, Section 3, for details of the requirements for a trader to be approved as an ATT and for a further explanation of the authorisations (facilitation concessions) available.

TRADER DECLARATIONS CLAIMING ACCESS TO SIMPLIFIED PROCEDURES UNDERGO FURTHER VALIDATION CHECKS TO VERIFY ELIGIBILITY.

## **NORMAL CONTROL PROCEDURES AT OFFICE OF DEPARTURE**

*Where control procedures differ for declarations eligible for ATT simplifications, these are described separately, in a later part of this unit.*

The Customs officer receives the transit declaration and the status is:

*{Validated and accepted by ACTS, (following any necessary amendment), and awaiting a control decision made at the Customs office of departure.}*

### **CONTROL ACTIONS AT DEPARTURE**

On the Officer's action, the transit declaration details are retrieved by ACTS, via the allocated reference number (ARN).

*{ACTS automatically completes a risk analysis of the declaration using risk parameters (pre-set by the Customs office) to decide if further controls are necessary, whether documentary checks or physical examination.}*

- If the risk analysis results state that goods should not be released then ACTS alerts the Customs officer.
- Customs may overrule the automated ACTS decision, to either release or refer for further controls.
- If the Customs officer decides not to perform a control on the goods, the officer records the decision and reasons in ACTS.
- For a control, the Principal is notified of an examination in order to allow him to be present.

*When a control is notified, declaration amendments are no longer accepted.*

### **CONTROL EXAMINATION**

The verification of the goods and/or supporting documents and/or seals is a manual process performed by a Customs officer at the goods place.

- The Customs officer goes to the goods place (as specified in the declaration at presentation time) in order to verify the documents or goods (or both), taking with him the printout of the details of the accepted declaration.
- The Customs officer controls the consignment against the details of the accepted declaration.
- He can also check the supporting documents, such as commercial documents, invoices, packing list, bill of lading.
- The Customs officer affixes or re-affixes seals.

## REGISTERING THE CONTROL RESULT

If the control revealed no discrepancies, the controlled goods together with the 'Satisfactory' control results are registered in ACTS by the Customs officer.

*{The potential Customs debt is calculated by ACTS and the guarantee usage registered at the Office of guarantee.}*

*If the guarantee is invalid, or the guarantee is not sufficient to cover the calculated amount, and so the check fails, the Principal must amend or replace the guarantee for the movement to proceed.*

*To do this, the Customs officer must within ACTS allow the Principal access to the declaration, permitting amendment. This is explained in the ACTS User Manual.*

## ROUTE AND TRAVEL TIME

Customs may, if circumstances justify, set the expected route, arrival and expected control times by overriding within ACTS the default system settings.

## HANDLING EXAMINATION DISCREPANCIES

When minor discrepancies occur, they are resolved with the Principal. If in agreement on the need for revisions, Customs can allow access for amendment of the declaration.

If major discrepancies are found, such as misleading descriptions or non-declared or dangerous goods, an 'Unsatisfactory' control result is registered, goods are not released, and future sanctions against the Principal may be considered.

## RELEASE TO TRANSIT

The transit declaration status is 'released to transit':

*{Registration of guarantee usage is successful}  
{Dates are set for expected arrival date at office of destination and date when control results are expected from that office.}  
{Anticipated Transit Records (ATR) are sent to each office of transit, and an Anticipated Arrival Record (AAR) to the office of destination.}*

ACTS notifies the Principal that the goods are released to transit and the Customs Officer before physically releasing the goods:

- Affixes or verifies seals securing the load compartment of the goods;
- Records the identity and number of seal in the ACTS; and
- Prints the Transit Accompanying Document (TAD), and any List of Items. These are given to the trader/driver of the vehicle.

## SIMPLIFIED PROCEDURE AT OFFICE OF DEPARTURE

The transit declaration status is:

*{Validated and checked by ACTS, as for normal procedure, and additionally:*

- *that the Principal is an Authorised Transit Trader (ATT) and approved for that office of departure;*
- *that the goods are not excluded from the procedure and are at an authorised location for loading (and inspection if desired);*
- *any specified Authorised Consignee or travel route is approved;*
- *the identification of seals is checked against those authorised;*  
*and*
- *a timer is started, for automatic release to transit - unless Customs intervene for a control.}*

*If the trader is not authorised to use simplified procedures, or authorised for any of the specific provisions claimed in the declaration, the declaration is rejected and the Principal notified.*

### **ALL RESTRICTED GOODS ARE DIRECTED TO 'NORMAL PROCEDURE'**

Restricted goods are excluded from Simplified procedures. The selection is by ACTS and the documents and goods must then be presented to the Customs office of departure, where the Customs Officer will decide if further documentary checks and / or a physical examination of the goods are required, and whether or not to release the goods into transit.

### **OTHER CONTROL ACTIONS AT DEPARTURE**

Risk management settings by the Customs office of departure may instruct ACTS to direct the declaration to the attention of an Officer.

Otherwise, with the timer to automatic release in operation, Customs may access the declaration details and either:

Records in ACTS a decision not to control;

- This stops the timer; and
- The declaration proceeds to a guarantee check and registers usage against the Principal's guarantee reference amount; OR

Officer decides to control;

- This also stops the timer to release; and
- Notifies the Principal of the control.

### **CONTROL EXAMINATION OF ATT TRANSIT MOVEMENTS**

Customs normally arrange with the ATT Principal for examination at the nominated and authorised place of loading - though in some circumstances

Customs could require that the goods be brought to the Customs office of departure for the examination.

- The Customs officer conducts an examination of the goods compared against the declaration details and any relevant documentation.
- The officer confirms any necessary re-sealing of packages or containers.

Control results are recorded in ACTS and, as an Authorised Consignor, the Principal may print the Transit Accompany Document (TAD), which accompanies the goods and vehicle during the transit.

### **DURING THE TRANSIT AND TERMINATION AT DESTINATION**

As the transit movement progresses, the office of departure expects to receive messages through ACTS from all offices of transit and an Arrival Advice from the Customs office of destination.

*The expected time of receipt of these messages is set within ACTS according to expected travel times, and depending on the destination and route.*

A Notification Crossing Border (NCF) message is also expected from each office of transit to which an Anticipated Transit Record (ATR) had been forwarded.

A 'Satisfactory' control result received from the office of destination allows the transit movement to be terminated and then the movement discharged by the Customs office of departure.

This allows the release of guarantee - or in the case of multiple journey guarantees, the reference amount re-credited.

Exceptions to proper delivery to destination, such as explained in [Module 1 unit 10 'Diversion Incidents Discrepancies'](#), can lead to commencing ['Procedures for Enquiries and Debt Recovery'](#) as described in Module 2.7.

**While the descriptions in this training unit cover the main steps in the ACTS procedures for the Customs office of departure, further details may be found in Section 6 of the ACTS Customs Procedures Manual.**

**National instructions may also be in force that supplement or modify these procedures.**



## SUMMARY

- Customs declarations are prepared and submitted by registered ACTS traders.
- After preliminary validation of declaration data details by the system, declarations are available to Customs officers to accept or not, and to decide on an appropriate level of control.
- Customs offices of departure operate two procedures, a 'Normal procedure' and a further facilitated 'Simplified procedure' for ACTS Authorised Transit Traders' (ATT), subject to specific authorisations.
- Normal procedure requires that goods are presented with the vehicle or container for Customs examination, with the extent of examination determined by the officer.
- Results of control examinations are registered in ACTS, and if satisfactory, the container or vehicle is sealed, the TAD printed and the movement released to transit.
- Advance notice, as 'Anticipated Transit Records' (ATR) and 'Anticipated Arrival Record' (AAR), are sent by ACTS to offices of transit and the office destination.
- ATT authorisations under simplified procedures allow movement to start from the Principal's authorised location, under the Principal's own security seals, without prior presentation to Customs or examination.
- This ATT facilitation is subject to Customs intervention and inspection, as required.
- An Arrival Advice from the Customs office of destination, followed by a 'Satisfactory' control result terminates the movement and allows the Office of departure to discharge the transit movement and release any guarantee.



## 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 significant concession is available to Authorised Transit Traders (ATT) in procedures at the Customs office of departure?

[See answer](#)

Question 2: The processing and acceptance of a declaration may indicate a control recommendation, according to inbuilt risk assessment parameters. What does the Customs officer do in this case?

[See answer](#)

Question 3: For a declaration processed under normal procedures, what does the Customs officer do before releasing the movement to transit?

[See answer](#)

Question 4: How does the Customs office of departure know that the transit movement has safely arrived at destination?

[See answer](#)



## ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

With an authorisation, an ATT may commence the transit movement from their premises or other authorised location, without needing to present the vehicle and goods to the Customs office of departure before release. ATT's may print the TAD on their equipment at their premises, after fixing their own seal and entering identifying seal numbers into ACTS.

[Go back to Q](#)

Answer to Question 2:

The Customs officer may take the recommendation and also access other information to decide whether or not to examine the goods and documents. The officer enters 'Control' or 'No control' into ACTS, as well as any control result.

[Go back to Q](#)

Answer to Question 3:

The Customs officer has an option to over-ride and substitute the transit route and time allowed (subject to national policy); secures the vehicle or container, affixes any seals and enters the seal identifying number into ACTS. The TAD is printed by Customs from ACTS and given to the carrier/Principal.

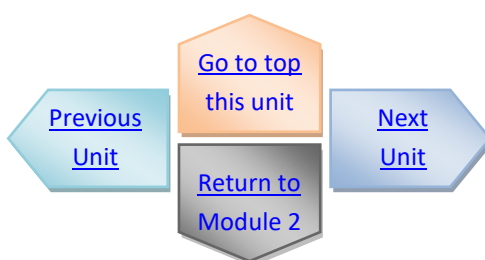
[Go back to Q](#)

Answer to Question 4:

The Customs office of departure receives an 'Arrival advice' within the pre-set allowed time period. This should be followed by a 'Considered satisfactory' control result, which allows discharge of the transit movement.

[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 2.4

# OPERATIONS AT TRANSIT CUSTOMS OFFICES

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 transit movement commences at what ACTS rules and procedures call the ‘Customs office of departure’ and ends or terminates at the ‘Customs office of destination’. During the transit, the goods under the ACTS procedure pass from the country where the transit began into and through one or more countries of transit, before reaching the country of destination.

This unit explains the ACTS Customs procedures that are followed at the entry and exit frontier offices of those countries. These are the ACTS ‘Customs offices of transit’.

### BEFORE YOU START:

You should have a good understanding of the basic principles of international Customs transit, as explained in [Module 2 unit 1 'Customs transit operations'](#), and of the objectives of ACTS, and in particular the principles of Customs controls as described in [Module 1 unit 2](#).

The preceding unit of this Module, '[Operations at the Departure Customs Office](#)' is also important to the understanding of operations at the Customs office of transit.



### THE AIM OF THIS MODULE:

Is for you have an understanding of the Customs officer’s role at offices of transit and to be able to explain:

- How the officer is to know, when goods are presented at a border office, that those goods are moving under an ACTS transit procedure;
- What actions can be taken at that border office to verify that the goods are in fact as claimed; and
- How do other offices involved in the ACTS transit movement know that the vehicle and goods have passed through an office of transit?



### **ESTIMATED STUDY TIME:**

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

### **REFERENCES:**

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- Protocol 7 to the AFAFGIT and Technical Appendix and Annexes.
- ACTS User Manual (National Application)
- ACTS Customs Procedures Manual, in particular, Section 7.
- Relevant national procedures and instructions

### **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.*

## NOTICE OF ACTS MOVEMENTS TO CUSTOM OFFICES OF TRANSIT

When an ACTS transit trader Principal prepares and submits an electronic transit declaration to a Customs office of departure, the declaration data details include nominating the national border offices along the proposed transit route and through which the goods will pass.

The Customs officer at the Customs office of departure has the option of overriding the route proposed by the declarant and specifying an alternate, as well as permitted transit travel times.

In either case, when the goods are released to transit the named Customs offices of transit are part of the declaration data detail, and:

- The authorised Customs offices for this transit are printed on the Transit Accompanying Document – [Module 1 unit 7 'The Transit Accompanying Document TAD'](#) – in boxes numbered 37.
- ACTS automatically generates a message to each Customs office of transit – the Anticipated Transit Record (ATR)- see [Module 2 unit 3 'Operations at the Departure Customs Office'](#)
- ACTS expects to receive a response from each Customs office of transit, according to the time allowed for the transit movement to that office.

## THE CUSTOMS OFFICE OF TRANSIT RECEIVES AN ATR

Receiving an Anticipated Transit Record (ATR) from ACTS allows a check of the details of the expected arrival (e.g. type of goods, the parties involved), which gives an opportunity for pre-arrival screening and clearance of cross-border passage, based on risk analysis and any other relevant information.

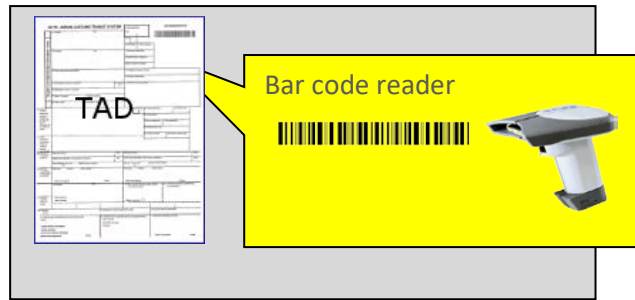
- A decision is registered as to whether to grant passage or not.

*Routine physical examination of goods at transit offices should be minimised. ACTS risk analysis will guide the Customs officer as to whether documentary or physical checks of the goods are recommended.*

## WHEN THE GOODS IN ACTS TRANSIT ARRIVE

The Principal or carrier notifies the Customs officer that the vehicle and transit movement have arrived, and presents the goods and TAD to the Customs officer.

- The Customs officer captures the transit declaration's ACTS Reference Number (ARN) into the ACTS from the TAD by bar-code or manual entry.
- This is cross-referred to the Anticipated Transit Record (ATR)
- The Customs Officer retrieves the transit declaration information.



- The security seal on the goods container or vehicle is checked to ensure that it is still intact and cross-referred to the seal number on the TAD and the anticipated transit record (ATR).

### **TRANSIT MOVEMENT RECOGNITION AND STATUS**

ACTS retrieves the movement information and responds with the status of the movement, having performed checks such as:

- Movement is known at office of departure and 'en route'.
- Movement is known at office of departure but status not consistent with presentation at this office of transit (e.g. movement has already arrived at destination).
- National or international diversion (e.g. movement not declared to this office of transit or country of transit).

### **IF THE OFFICE HAS NO ANTICIPATED TRANSIT RECORD**

If the transit movement is not matched to an anticipated transit record (ATR) a request is made of the office of departure through ACTS for the declaration information to be forwarded – as an ATR.

- On receiving the ATR information, and any additional warnings generated by ACTS, the Customs officer decides on any further action.

In the case of ACTS transit movements diverted from the original approved transit route, or changes of office of destination or consignee:

- ACTS may accept the changes; or
- Reject, meaning that the transit cannot continue under the ACTS procedure and the ACTS movement is terminated at that point.

See [Module 1 unit 10 'Diversion Incidents Discrepancies'](#) for further explanation of the reasons for rejection, and also Section 9 of the ACTS Customs Procedures Manual, which gives more detail.

## **CUSTOMS CONTROL DECISION ON CROSS-BORDER MOVEMENT**

The Customs officer takes the appropriate action, to control or not.

*This includes having regard to any pre-screening warnings or observation of the condition of the goods or packaging or any other concerns as presented at the office of transit.*

The system foresees a control decision at the office of transit. These control decisions may be:

- Allow crossing of the frontier;
- Turn back the movement; or
- Stop the movement.

*The stopping of the movement means that this office of transit will now become the office of destination, where the goods can be controlled etc. If the goods are subsequently allowed to continue, a new declaration will need to be made.*

All control decisions are recorded in ACTS. For example, if the consignment is controlled prior to border crossing registration at the office of transit, or if the movement is not valid and has to be stopped or turned back.

### **NOTIFICATION OF CROSSING FRONTIER**

If validated by the Customs officer, or by pre-screening and passage granted in advance, the movement is allowed to cross the border and the Customs office of departure notified through ACTS by a 'Notification of Crossing Frontier' message (NCF).

### **RESPONSES TO OTHER MESSAGES AND REQUESTS**

To maintain the chain of transit control, the Customs office of transit will receive ACTS messages from other transit offices en route, and an Arrival Advice when the movement reaches the eventual office of destination.

*In cases where the transit movement does not proceed as intended, Customs offices of transit may be called upon to assist in enquiries that are initiated to determine where goods may have been diverted, or otherwise not reached a correct termination. Procedures covering these situations are explained further in [Module 2 unit 7 'Procedures for Enquiries and Debt Recovery'](#).*



## SUMMARY

- Customs offices of transit, as listed in the ACTS transit declaration approved by the Customs office of departure, are all notified of the movement by an 'Anticipated Transit Record' (ATR).
- When goods under the ACTS procedure are presented to an office of transit, the movement is identified by the ACTS Reference Number (ARN) on the Transit Accompanying Document (TAD).
- A correct arrival at that office of transit is validated by registering the arrival in ACTS.
- If the transit office has received no ATR, an ACTS message is sent to the office of departure requesting that an ATR be forwarded.
- If an ATR cannot be supplied, it usually means that the movement is not valid and the ACTS transit procedure must be terminated at that point.
- If the Customs officer decides the movement may proceed, a 'Notification of Crossing Border' is registered in ACTS.



## 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: At the Customs office of transit how does the officer identify the ACTS transit movement when a vehicle arrives?

[See answer](#)

Question 2: Can the transit be processed or approved if the office doesn't have any advance notice of arrival?

Yes

No

Conditionally

[See answer](#)

Question 3: If the transit movement is subject to a control decision, what options are available to an examining Custom officer?

[See answer](#)

Question 4: If the Customs officer allows the transit movement to cross the border, and registers that decision in ACTS, what is the name of the message generated by ACTS?

[See answer](#)



## ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

The Customs officer reads the ACTS Reference number from the TAD and attempts to match in ACTS to a previously received Anticipated Transit Record', as forwarded by the office of departure. If matched, ACTS registers the movement as 'valid'.

[Go back to Q](#)

Answer to Question 2:

Conditionally. If an ATR is not held, a message is sent to the office of departure asking for an ATR to be forwarded. If an ATR is not received, ACTS cannot see the movement of valid. In this case, the ACTS procedure is terminated at that transit office and the goods must enter an alternative (not ACTS) national procedure.

[Go back to Q](#)

Answer to Question 3:

- Allow crossing of the frontier;
- Turn back the movement; or
- Stop the movement.

[Go back to Q](#)

Answer to Question 4:

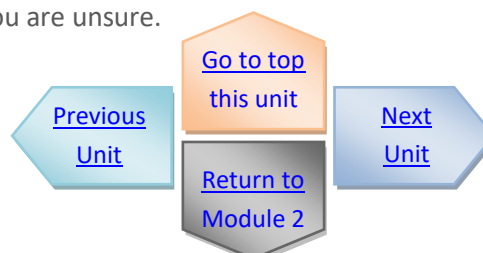
'Notification of Crossing Frontier' (NCF) message.

[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 2.5

# OPERATIONS AT DESTINATION CUSTOMS OFFICE

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 of Module 2 explains the ACTS procedures followed by Customs at the end of the transit movement – at the ‘Customs office of destination’.

The trader Principal’s ACTS transit movement began with the acceptance of the declaration and the release of the goods by the Customs office of departure. After passing through Customs offices of transit, the vehicle and goods arrive at the destination, where Customs verify that the goods are correctly received and they can terminate the ACTS transit movement.

### BEFORE YOU START:

You should have read the preceding units of Module 2 and have an understanding of the processes leading up to the presentation of the transporting road vehicle and goods at the Customs office of destination.

The units of Module 1 are also relevant. To best appreciate the full principles behind ACTS transit operations, ideally you should have previously completed those units.



### THE AIM OF THIS MODULE:

Is for you have an understanding of the role at the Customs offices of destination in completing a ACTS transit, and to be able to explain:

- What control actions or options are available to Customs at the office of destination?
- The types of facilitation concessions allowed at destination to ACTS users with ‘ATT’ status.
- By what processes are ACTS transit movements formally completed, so that the trader Principal can be released from any guarantee obligations?
- What happens to the goods at the office of destination after the end of the ACTS transit?



### **ESTIMATED STUDY TIME:**

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

### **REFERENCES:**

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- Protocol 7 to the AFAFGIT and the Technical Appendix and Annexes.
- ACTS User Manual (National Application)
- ACTS Customs Procedures Manual, in particular, Section 8.
- Relevant national procedures and instructions

### **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.*

## RECEIVING THE ACTS TRANSIT AT OFFICE OF DESTINATION

### 'NORMAL' OR 'SIMPLIFIED' ARRIVAL PROCEDURES

As with the Customs procedures at the office of departure, ACTS provides for access to additional facilitation concessions by traders of proven reliability who have the status of 'Authorised Transit Traders' (ATT).

Regular arrivals at destination are handled under 'Normal procedures', while ATTs may be authorised to use 'Simplified procedures'. See [Module1 unit 4 'Authorisations for Simplified Procedures'](#).

### PRE-ARRIVAL PROCEDURES

On release into transit, an office of departure forwards through ACTS an Anticipated Arrival Record (AAR) to the declared office of destination.

- The office of destination expects the arrival of the transit movement at that office by the date set in the transit declaration approval.

### PRE-ARRIVAL SCREENING

Having the details of the movement, as given in the Anticipated Arrival Record (AAR), ACTS performs an automatic risk analysis and stores the movement description information.

*Risk management and selections for control are based on risk factors significant to the country and office of destination.*

If the AAR detail contains 'Authorised Consignee' identification, the office will know that the goods are travelling under a Simplified procedure and to be delivered at the premises of the Authorised Consignee, rather than the Customs office, as normally expected.

*A risk management decision taken on pre-arrival screening may override a special consideration that is normally approved, such as 'Authorised Consignee' and impose in its place a specific control measure.*

### NORMAL ARRIVAL AT DESTINATION PROCEDURE

The arrival of a consignment is notified by the Authorised Consignee or by the Principal's representative.

- The Transit Accompanying Document (TAD) arrives with the driver of the transporting motor vehicle.

*Under normal procedure the location where the consignment can be controlled is at the office of destination.*

- The ASEAN reference number (ARN) is read from the TAD and entered into ACTS.
- ACTS looks for the movement information referenced by the ARN

## **VALID ARRIVAL**

If ACTS recognises the arrival as valid, the matching Anticipated Arrival Record (AAR) is located and the:

- arrival is registered into ACTS; and
- ACTS notifies the office of departure that the arrival is accepted This is done by an 'Arrival Advice' message.

## **INVALID ARRIVAL**

If the arrival is not valid due to the movement being:

- An unexpected arrival, due to a diversion or other special circumstances, with no matching AAR recorded within ACTS:
  - The office requests an AAR from the office of departure, to provide information about the movement;
  - ACTS automatically sends back to the office information about the movement; and
  - If the movement can now be validated the processing continues as normal.
- If the movement is for other reasons not acceptable, e.g. prohibited or restricted goods, it is not authorised for the country of destination, or the movement cannot be identified within ACTS:
  - The arrival is rejected by ACTS; and
  - The trader is notified, 'Presentation invalid'.

## **CUSTOMS CONTROL DECISION ON ARRIVAL**

Taking into account any pre-arrival screening and automatic risk assessment, on arrival an analysis of risk is done in order to help the Customs Officer in a decision to control the consignment.

- ACTS records the results of the risk analysis.
- Even if the risk analysis is an automatic process, the final decision to control may be overruled by the Customs Officer.

*If risk analysis had proposed to take measures at the office of destination but the Customs Officer decides not to control, then ACTS requires the Customs Officer to confirm the decision not to control.*

If the officer decides not to control the goods:

- The goods are ready for the next procedure or activity (e.g. temporary storage, import procedure, etc.).
- The goods are released from transit and ACTS notifies the Trader.
- The "Considered satisfactory" control results are notified to the office of departure through ACTS, together with details of any transshipment and/or incidents if they occurred during the journey.

### **WHEN A CONTROL EXAMINATION IS IMPOSED**

If the Customs Officer decides to control, the control is performed at the office of destination, or a place determined by Customs. This is to verify that the seals, documents and goods are as described in the transit declaration information, including the details within the AAR and any endorsements on the TAD.

- The Customs Officer at the office of destination records the results of a control after the control of the goods.

When there are no discrepancies, or the Customs Officer decides not to wait for a discrepancy resolution at the office of departure, the Customs Officer records within ACTS that the goods are ready for the next procedure or activity (e.g. temporary storage, import procedure, etc.):

- ACTS notifies the Customs office of departure of 'no discrepancies'; and
- The transit movement is terminated and goods are released.

### **DISCREPANCIES FOUND ON ARRIVAL AND ON EXAMINATION**

If discrepancies are found, the details are recorded in ACTS.

Minor discrepancies may be able to be quickly resolved by the office of destination and the movement terminated as normal.

Other cases may require enquiries to be made of the trader Principal or the office of departure, and the release to be suspended until issues resolved.

See also [Module1 unit 10 'Diversions Incidents Discrepancies'](#) and

[Module 2 unit 7 'Procedures for Enquiries and Debt Recovery'](#) for details on dispute resolution processes.

### **ARRIVALS AUTHORISED FOR SIMPLIFIED PROCEDURES**

Authorised Consignees or the ATT Principal's representative are required to notify the Customs office of destination of the arrival of a consignment, as facilitation concessions normally allow the consignment to be delivered directly to that consignee's premises.

- The Transit Accompanying Document (TAD) arrives with the vehicle.

When an arrival notification is given under Simplified procedure:

- ACTS checks that the trader who communicates the arrival is authorised to use Simplified procedure at that office of destination; and
- Checks that the location where the consignment can be controlled is amongst the various authorised places specified in the authorisation.

If no diversion occurred, the arrival is accepted and recorded in ACTS, which notifies the office of departure by sending an 'Arrival advice'.

### **AUTOMATIC UNLOADING PERMISSION FOR AUTHORISED CONSIGNEES**

If the consignment is regarded as low risk and not otherwise containing restricted goods, a timer 'Wait for automatic unloading permission' is started.

- After a set time interval the Consignee is given 'Permission to unload'.
- The Customs office has access to information about the transit movement and the opportunity to intervene within this time interval with a decision to control.
- If a decision to control the goods is not taken within the agreed time period, ACTS automatically notifies the trader that he can start the unloading of the goods and records the unloading permission.
- If the Officer decides to control during the time period the 'Permission to unload' is stopped.

### **CUSTOMS TAKES A CONTROL DECISION**

*As with arrivals under Normal Procedure, an analysis of risk is done, using all available sources of information, to help the Customs Officer in the decision to control the consignment.*

*ACTS records the results of the risk analysis.*

### **UNLOADING INFORMATION SENT TO CUSTOMS OFFICE**

As a condition of the consignee's authorisation, unloading information is sent to the office of destination.

- ACTS checks the validity of the received information and stores that unloading information.

When the unloading is completed without adverse unloading remarks, ACTS records that the goods are ready for the next procedure or activity (e.g. temporary storage, import procedure, etc.) and the goods are released from transit.

- ACTS notifies the office of departure, with the control results set to 'Considered satisfactory'.

When the unloading is not satisfactorily completed, and there are unloading remarks, ACTS notifies the Customs Officer that he has to decide to control or not the consignment.

- A decision not to control is recorded in ACTS

## CONTROL EXAMINATIONS BY CUSTOMS

A control examination is normally conducted at the place where the goods are located, as specified in the arrival notification. The Customs officer can verify the goods and the supporting documents against the transit declaration detail and the TAD.

The Customs officer at the office of destination records in ACTS the results of a control as 'Considered satisfactory' or 'Discrepancies found'.

*Procedures for the release of goods and the termination of the transit movement, or follow-up and resolution of discrepancies, are the same as described for goods moved under Normal procedures.*



## SUMMARY

- **Anticipated arrivals of transit movements at an office of destination are notified by AARs, which are recognised by ACTS as movements either under 'Normal' or 'Simplified' procedures.**
- **Goods arrivals, with accompanying documents, are matched with their Anticipated Arrival Records (AAR). If correct, the arrival is validated by ACTS and notified to office of departure as an 'Arrival advice'.**
- **If not valid, a request is made of the office of departure, and depending on response, the movement is either validated or rejected.**
- **Decisions on control are made by risk assessment and other available information, with the control result registered in ACTS.**
- **Simplified procedures can authorise delivery direct to the authorised consignee's premises, who notify arrival to Customs.**
- **Authorised consignees can have an automatic permission to unload, proceeding to release (unless Customs deliberately intervene) but must report an unloading result to the Customs office to finalise the movement.**
- **In the case of any discrepancies, follow-up and the ACTS procedures for enquiry and resolution are described in Section 11 of the ACTS Customs Procedures Manual.**

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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 is called an 'invalid arrival' at a Customs office of destination?

[See answer](#)

Question 2: When an ACTS transit movement is presented to the Customs office of destination and is recognised as valid, an 'Arrival advice' message is sent by ACTS to the Customs office of departure. Does this mean that the movement is now terminated and can be discharged by that office and guarantee returned?

Yes

No

[See answer](#)

Question 3: What must an Authorised Consignee first do when an ACTS transit movement arrives directly to the consignee's premises?

[See answer](#)

Question 4: After arrival of a transit movement at a consignee's premises, what is the reason for ACTS imposing a time delay in issuing the automatic 'Permission to unload' message to an ATT?

[See answer](#)



## ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

An invalid arrival is one where no matching 'Anticipated Arrival Record' (AAR) is received and after requesting an AAR from the office of departure, none can be forwarded. The arrival is rejected by ACTS and the trader notified 'Presentation invalid'.

[Go back to Q](#)

Answer to Question 2:

No. The Arrival advice message must be followed by the control result message, including situations where Customs decide no control is necessary. The message is 'Considered satisfactory'.

[Go back to Q](#)

Answer to Question 3:

ATT conditions require that the 'Authorised consignee' notify the Customs office of the arrival.

[Go back to Q](#)

Answer to Question 4:

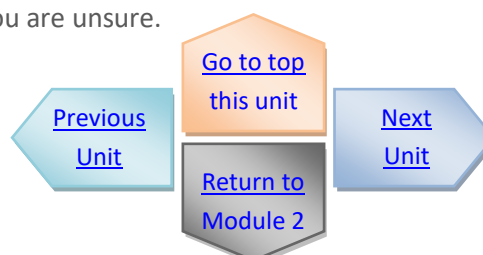
The delay to automatic 'Permission to unload' gives Customs time to decide if they wish to examine the movement. A control decision registered in ACTS stops the automatic permission to unload.

[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 2.6

# FALLBACK PROCEDURES FOR TRADERS AND CUSTOMS

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:

In any system, particularly electronic, situations can arise where access to and use of the system is limited or not available for short periods of time. It could be due to technical issues such as hardware or communications failure or other reasons; regardless, goods at that time may be in transit, so alternate procedures – ‘fallback procedures’ – are followed so control measures are maintained.

### BEFORE YOU START:

The introductory unit to Module 2 gives an overview of ACTS processes, from preparation and submission by a declarant, through the control measures of Customs offices en route. This explains the data collection, processing and the messaging functions of ACTS, and the importance of having a ‘fallback’ if these computerised functions are not immediately available.



### THE AIM OF THIS MODULE:

For you to recognise that:

- Fallback procedures exist to cover circumstances where on-line access to ACTS is unavailable.
- The procedures set out the actions to be taken by all ACTS users, including Customs offices of departure, transit and destination.
- Fallback instructions for each office are given in the Customs Procedures Manual.



### ESTIMATED STUDY TIME:

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

## **REFERENCES:**

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Article 22 of the Technical Appendix to Protocol 7 of AFAFGIT.

Section 10 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.*

## WHEN ARE FALLBACK PROCEDURES APPLIED?

ACTS' fallback procedures are put into operation where the:

- Computer systems of the competent authorities (Customs) are not functioning;
- Computerised systems of the trader Principal are not functioning; or
- Whole or part of the network between the trader Principal and Customs authorities is not functioning.

*Initial action to be taken: the trader Principal to contact the national ACTS Helpdesk of the Competent Authority and ask for advice. The national and regional ACTS help desks are to give guidance on the expected length of time of system unavailability.*

## FALLBACK ACTION AT THE CUSTOMS OFFICE OF DEPARTURE

No new declarations are accepted into ACTS.

The Principal now has the choice of:

- Using the current alternative national transit procedures (i.e. not ACTS); or
- Waiting until the ACTS system is back online.

If a transit declaration has already been submitted, accepted by ACTS and the TAD has been printed, and the system subsequently breaks down prior to the departure of a transit movement, or en route to the office of transit or office of destination:

- The transit movement is allowed to proceed using the printed TAD.

If the declaration has been accepted but the TAD has not been printed:

- The Principal could either wait for ACTS to work again; or
- Use national transit procedures.

## FALLBACK ACTION AT THE CUSTOMS OFFICE OF TRANSIT

The carrier must present the goods along with the TAD to the Customs office of transit.

The Customs officer checks the:

- Details on the printed TAD and verifies the description of goods against the commercial documents held on the truck;
- Seal number affixed to the truck or goods container to ensure the seal number is the same as the seal number on the TAD; and
- Verifies that the seal is intact.

If satisfied, the Customs officer will:

- Endorse the original TAD on the reverse with details of the checks carried out; and
- Sign and stamp the TAD on the reverse with the Customs office stamp.

*Customs should take a photocopy of the TAD and file it in the Customs office of transit for possible future audit checks.*

- The Customs officer will then return the TAD to the carrier and allow the transit movement to proceed.

If not satisfied the Customs officer may perform a physical examination of the goods.

- If the result of the examination of the goods does not match the description or quantity on the TAD, the Customs officer is to take appropriate action under national law.

### **FALLBACK ACTION AT THE CUSTOMS OFFICE OF DESTINATION**

If the system is not available while the transit operation is between an office of transit and the office of destination, the goods along with the original TAD must be presented to the Customs office of destination.

If the transit movement is under Simplified procedure, Customs must inform the Principal that, because of system unavailability:

- Simplified procedures at destination are not to be used; and
- Normal procedures will be adopted.

*In both cases the carrier must present the goods along with the TAD to the Customs Office of Destination.*

The Customs officer at the office of destination checks the:

- Details on the printed TAD and verifies the description of goods against the commercial documents held on the truck;
- The seal number affixed to the truck or container to ensure the seal number is the same as the seal number on the TAD; and
- Checks to verify that the seal is intact.

If satisfied the Customs officer will:

- Endorse the original TAD on the reverse with details of the checks carried out; and
- Sign and stamp the TAD on the reverse with the Customs Office Stamp.

*Customs should take a photocopy of the TAD and file it in the Customs Office of Destination for possible future audit checks.*

- The Customs officer will then return the TAD to the carrier; and
- Releasing the goods from transit and allow the movement to proceed to a subsequent Customs national regime.

If not satisfied Customs officer may perform a physical examination of the goods.

- If the physical examination of the goods does not match the description or quantity on the TAD, the Customs officer can take appropriate action under national law.

### **ACTIONS ONCE ACTS IS AVAILABLE AGAIN**

Once the ACTS system is again operational, the Customs officers at the offices of transit and destination will enter the fallback declarations into ACTS by using the bar code to read into ACTS the ARN of the paper TAD that has been retained by that office.

At the Customs Office of Destination, for each of the operations carried out in fallback mode, the officer transmits to the Customs office of departure the Arrival advice, the control results and notice of termination with or without reservation.



### **SUMMARY**

- **Fallback procedures are used when the computer systems of the trader Principal, Customs, or the network are not working.**
- **In fallback, no new declarations are accepted into ACTS. The trader either waits or uses an alternative national transit system.**
- **At the office of departure, the ACTS transit movement proceeds only if the declaration has been accepted and the TAD printed.**
- **At the office of transit the goods and seals are verified against the TAD and documents; the TAD is endorsed and a copy retained by the office.**
- **At destination, ALL movements must be presented to the Customs office for verification of goods and seals against the TAD and documents**
- **The original of the TAD is endorsed, signed and stamped by the office, a copy kept and the original returned to the carrier.**
- **When again online, ACTS records by transit and destination offices are undated from the retained copies.**

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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: If an ACTS user's computer system or connections are temporarily not working, they can print a declaration and present that paper declaration to the Customs office of departure for processing?

Yes  
 No

[See answer](#)

Question 2: If a declaration has been submitted and accepted by the Customs office of departure, is it true that the transit movement can proceed under ACTS only if the TAD is printed?

Yes  
 No

[See answer](#)

Question 3: If the system is not available at the office of destination, what are Customs to do with movements normally going direct to the premises of authorised consignees?

[See answer](#)

Question 4: When the system is again operational at Customs offices of transit and destination, those offices are to bundle up the retained copies of TAD's and sent to the national ACTS office to sort out. Is this true?

Yes  
 No

[See answer](#)



## ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

No. The ACTS trader user can either wait until the online system is again available, or use an alternative national transit system.

[Go back to Q](#)

Answer to Question 2:

Yes.

[Go back to Q](#)

Answer to Question 3:

If the system is not available, Customs are to advise ATT Principals/Consignees that all movements must be presented first to the Customs office.

[Go back to Q](#)

Answer to Question 4:

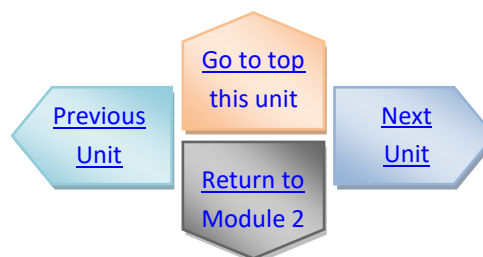
No. The transit and destination offices are to enter the details of the movements into ACTS, including for the destination office, arrival advices, control results and notices of termination for each movement processed under fallback.

[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 2.7

# PROCEDURES FOR INITIATING ENQUIRIES & DEBT RECOVERY

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 ACTS actions taken when goods do not complete the transit as expected and the movement cannot be correctly terminated, or when significant discrepancies are found on examination of the goods by authorities.

### BEFORE YOU START:

You should have a good understanding of the units of Module 1, particularly the trader Principal's obligations, as explained in [unit 2 'Objectives and benefits of ACTS'](#), [unit 5 'Guarantees and Guarantors'](#), [unit 6 'Roles and Responsibilities of ACTS Users'](#), and [unit 9 'Discharge of Transit Operation'](#).



### THE AIM OF THIS MODULE:

Is for you to be able to explain the basics of how ACTS procedures are used to:

- Track and follow up on the progress of transit movements, though to final discharge.
- Provide a basis for communications and cooperation between authorities of participating ASEAN Member States to conduct enquiries and recover debt, as necessary.



### ESTIMATED STUDY TIME:

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

### REFERENCES:

Section 7 of the Technical Appendix to Protocol 7 - 'Post Transit Procedures'.

The ACTS Customs Procedures Manual, Section 11.

## **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.*

## **IRREGULARITIES IN ACTS TRANSIT OPERATIONS**

Many procedures and actions involving ACTS transit movements rely on pre-set timers. This means that certain a time interval has been determined as sufficient to complete an action. This includes actions such as moving goods from one control office to another, or to receive a certain message after an event has occurred, like arrival of goods at destination and the follow up result of a control examination.

In the absence of the expected response or message within the set period, ACTS automatically prompts for a reply.

### **EXPECTED ACTS MESSAGES**

The 'Arrival advice' message should be received by the office of departure within two days after the expected arrival date as defined at the time of release, based on the route.

- This confirms the goods have arrived within the number of days given for the movement of the transit.

The second message is that of the 'Control results' and should be received within six days of the 'Arrival advice'.

- It is this message which indicates whether the movement can be discharged and any guarantee released or if there are any discrepancies.

### **AN ENQUIRY PROCEDURE INITIATED IN ABSENCE OF EXPECTED MESSAGES**

In the absence of these messages within the prescribed time limits, the Office of departure initiates an enquiry procedure.

If there is no confirmation that the goods have been presented at destination:

- The transit must be deemed to be the subject of a potential claim; and
- The Principal advised that he must produce evidence within 30 days, to show the transit was completed correctly.

*Such evidence will need to be verified with the authorities at destination.*

An Enquiry can also be initiated to the other Customs offices involved in the movement. This may be based on the information provided by the Principal of the potential whereabouts of the truck.

## **EVIDENCE PROVIDED BY PRINCIPAL**

Where the Principal provides satisfactory evidence that the transit operation was terminated correctly at a different office of destination than the one declared, the original office of destination is to be informed within six days.

*Evidence can include verifiable documentation that the goods have been taken into a national procedure – such as import or warehousing – in the destination country.*

## **ACTS RECOVERY PROCEDURE**

The purpose of the recovery procedure is to identify the situation in which debt has arisen during the transit operation, to identify the debtors and countries that are competent to perform recovery of the debt from debtors and guarantees.

*The basic principle is that if by enquiry it can be found in which country along the transit route the goods were 'lost', or diverted, that country is the one that has lost potential Customs duty and other taxes. That then is the country entitled to claim reimbursement from the Principal, or failing that, the Guarantor.*

The recovery procedure is initiated to obtain the information necessary to discharge the transit operation, or where this is not possible to establish whether a Customs debt has been incurred by;

- Identifying the debtor; and
- Determining the competent authorities responsible for recovery.

In cases where the Customs office of departure has received the 'Arrival advice' message, but not the 'Control results' message, a reminder request is sent to the office of destination.

If the Customs office of departure has not received the 'Arrival advice' message, a request is sent to the office of destination to confirm the goods have not been presented.

The office of destination must reply within seven days.

## **TAKING RECOVERY ACTION**

ACTS Recovery action commences if:

- If the ACTS 'Recovery recommended' time has expired;
- Request for recovery has been received from the office of destination or the office of transit; or
- If there is no information or insufficient information on the status of the transit movement.

A Customs Officer can also start the recovery procedure manually at any time after the release of the movement.

Customs in the country of departure investigates if the place of the irregularity has taken place in its territory, and if so, it commences the recovery process for the recovery of the debt.

If the irregularity did not take place in the country of departure, Customs transmits a recovery request to either the country of transit and destination.

- The Customs authorities in the countries of transit and destination decide if the irregularity occurred in their territory, and if so, they calculate the amount of duties and tax to be recovered, and commence the debt recovery process.

The recovery procedure seeks to recover the duties and taxes first from the Principal or from any identified debtor; if this is not possible, from the Guarantor.

### **COMPLETION OF A RECOVERY ACTION**

With the successful recovery of duties and taxes from Principal or Guarantor the:

- Movement is written-off; and
- Release of the guarantee and write-off is recorded into ACTS.

The Customs authority that conducted the recovery (if other than departure) informs the Customs authority of departure on completion of the recovery.

- The office of departure will in turn inform everybody else that the recovery is complete and then writes-off the movement and releases the guarantees.



### **SUMMARY**

- **Many ACTS procedures are controlled by pre-set time allowances.**
- **Enquiries are usually initiated when expected ACTS actions do not occur within the permitted time, or expected messages are not received.**
- **If confirmation is not received that goods arrived at destination, the Principal is first asked to provide proof of correct delivery, which is subject to verification by the office of destination.**

- **Recovery procedures set out to first identify in whose territory the possible loss or diversion occurred and so who has the right to recover.**
- **Recovery is first sought from the Principal, before calling on the guarantor.**



## 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: How does ACTS recognise that an action or a message is overdue?

[See answer](#)

Question 2: What is the first action taken if ACTS has no confirmation that the goods have been presented at the destination?

[See answer](#)

Question 3: If goods do not reach their destination and are seen as lost in transit, why is it important to try to find out where on the transit route the loss occurred?

[See answer](#)

Question 4: If the goods are lost en route and it is found that duty and taxes are payable, Customs call on the guarantee and ask the Guarantor for payment. Is this correct?

Yes

No

[See answer](#)



## ANSWERS TO THE KNOWLEDGE TEST

Answer to Question 1:

ACTS has inbuilt time intervals, where it expects a message or response within a certain period after an event, such as an 'Arrival advice' or a following 'Control result'. If these responses are not received an enquiry procedure is initiated.

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Answer to Question 2:

The movement may be subject to a potential claim and the Principal advised that evidence must be produced within 30 days to show the transit was completed correctly.

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Answer to Question 3:

If it can be found that the loss occurred in a particular country en route, that country is due any lost duties and taxes.

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Answer to Question 4:

No, not as a first step. The Principal is liable for any Customs debt. It is only in the unlikely situation where a Principal is unable or unwilling to pay that Customs would then proceed to claim against the undertaking given by a guarantor.

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### 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.

