

ASEAN CUSTOMS

PCA Bulletin • Volume XIV • April 2023

ASEAN Matter
Epicentrum Of Growth





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From the Country Coordinator Desk



Ladies and Gentlemen,
Welcome to the Fourteenth Edition of the PCA (Post Clearance Audit) Bulletin.

Having recovered from the Covid-19 pandemic, we all need to be prepared for the possibilities of any future challenges. Fortunately, over the past two decades, ASEAN has recorded its impressive economic performance and demographic profile. Combined with a stable political situation, ASEAN has become one of the most attractive trade and investment partners globally. Consequently, it has led us to a faster economic recovery.

In regards to the golden opportunity, Indonesia, together with other ASEAN communities, is expected to focus on how to make ASEAN as a stable epicentrum of growth in the region and beyond, in line with ASEAN 2023 theme. Hence, as a PCA country coordinator in South East Asia, Indonesia has been contributing for the betterment of ASEAN PCA implementation, such as holding workshops, technical assistance and on-the-job training. Furthermore, with PCA bulletins, we provide adequate spaces for sharing PCA knowledges and experiences among ASEAN Member States (AMS) of Customs.

Moreover, the urgency of PCA is still undeniable because the limited time and the employees' availability at the clearance process are not comparable to the significant number of international trades. This is why we conduct PCA to optimize the compliance control and to secure uncollected state revenues at prior-controls.

On the other hand, in spite of the great roles of current PCA implementation, it still needs enhancement to be able to accommodate the changing of global business and similar threats like the corona virus plague. Therefore, our discussions about relevant PCA issues and this kind of publication are so imperative in the purpose of future PCA improvement.

Last but not least, from the Country Coordinator Desk, I would like to express my sincere gratitude to CECWG and Directors-General of Customs for always supporting PCA Bulletins, and to AMS for the contributions. Finally, I hope this edition will give more beneficial values to all readers in widening their insight towards PCA.

Regards,

Yusmariza

Director of Customs and Excise Audit

Directorate General of Customs and Excise

The Republic of Indonesia

From the Chairman of ASEAN Directors-General of Customs's Desk

With cross-border trade resuming in force, Customs administrations across ASEAN have found it vital to boost our Post Clearance Audit (PCA) efforts, in line with our roles of facilitating and regulating trade.

Strengthening our capabilities in tackling emerging threats is therefore imperative to safeguard revenue and effectively enforce our domestic laws and legislation. We need to embrace a spirit of cooperation, learning from one another's experiences and adopting best practices to improve the efficiency of our respective national enforcement efforts. Employing the use of data analytics and Artificial Intelligence (AI) also play a pivotal role in improving the efficiency and effectiveness of our PCA efforts. Customs administrations deal with an immense volume of trade data. In adopting these new technologies, Customs administrations can process the data with greater ease, glean useful insights and trade patterns to identify risks and regulatory gaps, as well as detect any trader non-compliance and fraud.

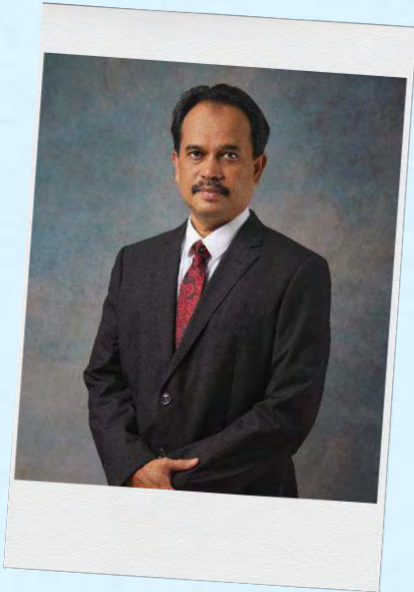


As the Chair of the 31st ASEAN Directors-General of Customs Meeting, I would like to commend the excellent work done by the Customs Enforcement and Compliance Working Group (CECWG), including its publication of the ASEAN PCA Bulletin. These accomplishments were only possible with Malaysia's capable chairmanship of the CECWG and Indonesia's invaluable guidance as Country Coordinator.

I hope that all ASEAN Member States continue in this spirit of cooperation and vigilance as we carry out our PCA responsibilities within and across our national borders.

Tan Hung Hooi
Director-General
Singapore Customs

From the Outgoing Chairman of ASEAN CECWG's Desk



Dear members of the ASEAN Customs Enforcement and Compliance Working Group (CECWG),

The ASEAN Customs Enforcement and Compliance Working Group (CECWG) plays a vital role in ensuring Customs compliance and enforcement in the ASEAN region. During my four-year tenure as the Chair of CECWG, our collective efforts in promoting customs compliance and enforcement, facilitating information exchange and collaboration among ASEAN Member States, and enhancing capacity building have brought significant impact in advancing the goals of CECWG.

As the Outgoing Chair, I would like to extend my highest appreciation for your kind cooperation and invaluable support during my chairmanship since 2018.

My sincere appreciation goes to all the members of CECWG for their commitments and performing their responsibilities the possible best that they could. My utmost gratitude also goes to the ASEAN Secretariat, for their continuous support to the CECWG and their tremendous efforts to facilitate our sessions.

Overall, my experience as the chair of the CECWG have undoubtedly been a valuable and rewarding part of my career, and have enhanced my experience in Customs compliance and enforcement in the ASEAN region.

As I pass the torch to my successor, I am confident that the CECWG will continue to make progress towards our shared goal of a secure and prosperous ASEAN community. I urge you all to remain committed to further strengthen the cooperation and coordination among ASEAN Member States.

Thank you for your dedication and hard work, and I wish you all the best in your future endeavors.

Sincerely,

Dato' Sazali Mohamad

Outgoing Chair, ASEAN Customs Enforcement and Compliance Working Group

From the Chairman of ASEAN CECWG's Desk

Dear esteemed colleagues and fellow members of the ASEAN Customs Enforcement and Compliance Working Group (CECWG),

It is my pleasure to introduce the Post Clearance Audit (PCA) Bulletin Volume XIV, published by the ASEAN Customs Enforcement and Compliance Working Group.

As we all know, customs clearance is a critical process for international trade, and it is essential to ensure that it is conducted efficiently and effectively while complying with applicable laws and regulations. The PCA is an important tool that Customs administrations use to verify the accuracy and completeness of customs declarations after clearance. Through this process, Customs administrations are able to detect and deter non-compliant behavior, which helps to promote fair trade and protect public revenues.



The CECWG recognizes the critical importance of the PCA, and this bulletin serves as a platform to share best practices, experiences, and lessons learned by AMS. The PCA Bulletin showcases the efforts made by Customs administrations across ASEAN to strengthen their audit capabilities and promote compliance with Customs regulations.

I am confident that the PCA cases featured in this bulletin will provide valuable insights to all those involved in international trade and customs compliance, including customs administrations, importers, exporters, and other stakeholders.

I extend my sincere gratitude to the editorial board and all the contributors for their hard work in producing this informative publication.

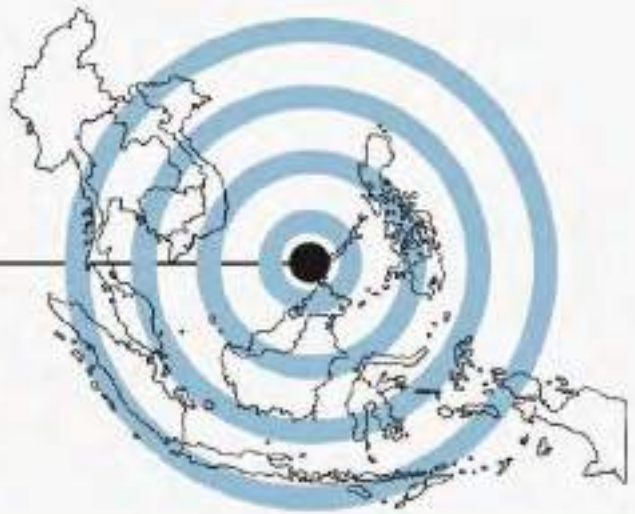
Sincerely,

Mohammad Furiman Hattar

Chair, ASEAN Customs Enforcement and Compliance Working Group

ASEAN MATTERS

EPICENTRUM OF GROWTH




ASEAN is a regional organization established in 1967 to strengthen cooperation in South East Asia's economy, political stability, and social development. ASEAN is home to 663 million citizens, with a population growth of 0.8% in 2021 and a combined GDP of 3.3 trillion USD. ASEAN is now one of the key players in the global economy, frequently called the "centre of growth".

One of the reasons for this label is ASEAN's impressive economic growth for the past decade, with the last increase of 4.1% recorded in 2021. This number is projected to rise up to 4.7% in 2023 and 5% in 2024, according to Asia Development Outlook (ADO) published by ADB (Asian Development Bank) in April 2023. Based on the data, the inflation rate in 2023 is projected at 4.4% and will decrease to 3.3% in 2024. Foreign Direct Investment (FDI) in ASEAN experienced a significant rise of 42% in 2021 to 174 billion USD. This increase shows a remarkable recovery from the global pandemic effect in 2020. Moreover, it signifies ASEAN's resilience and appeals as a major global investment destination and FDI's growth engine.

ASEAN has taken significant steps toward regional economic integration, including creating ASEAN Free Trade Area (AFTA) dan ASEAN Economic Community (AEC).





These initiatives have helped reduce trade obstacles and encouraged economic collaboration between ASEAN members.

Another factor contributing as the main driver for ASEAN's growth is its demographic, where 50.5% of the population belongs to the productive age group range between 20-54 years old and 50.7% live in the city. This demographic factor has grown the consumer market and attracted a wide range of foreign investors. Young age and technology literacy combined with internet and e-commerce growth have created new business opportunities worthy of attention. Furthermore, ASEAN has also established the ASEAN Coordinating Committee on Electronic Commerce (ACCEC) to facilitate e-commerce growth in its region.

Besides its economic growth, ASEAN has also made significant progress in promoting political stability and social development. Despite political, cultural, and religious differences, ASEAN has been a model for peace and cooperation between countries. The ASEAN leaders have built ASEAN Political-Security Community (APSC) to ensure a peaceful relationship between its members in a fair, democratic, and harmonize environment and ASEAN Socio-Cultural Community (ASCC) that promotes high-quality lives, equal opportunities, human rights protection, as well as social development and protection.

The future of ASEAN seems bright since it is predicted to keep having strong economic growth driven by increased consumption, investment, and continuous regional integration. Its young and blooming populations, combined with a developing digital economy, will help boost this region's innovation and economic growth.



Indonesia, Bundaran HI



Indonesia, Tunjungan Surabaya



Then



Now

Myanmar, Shwedagon Pagoda



Now



Then

Philippines, Manila City



Then



Now

Thailand, Damnoen Saduak
Floating Market

Philippines, Rizal Monument



Philippines, Pasig River



Lao PDR, Royal Palace



Indonesia, Tanah Lot



Indonesia, Pura Ulun Batu Brata



Cambodia, Pnom Penh



Lao Pdr, Market Luang Prabang

Despite its unlimited growth opportunities, ASEAN is aware of some obstacles that might hinder its continued growth, including global geopolitical conditions and the economy. These obstacles can come from competition between large countries, economies that are still recovering after the pandemic, regional stability, human rights issues, and global climate change.

In conclusion, ASEAN has emerged as a key player in the global economy and is expected to stay as one of the most critical regions in global economic growth and development in years to come. ASEAN is a dynamic and diverse region which have successfully established significant progress in promoting economic cooperation, political stability, and social development. Its impressive economic growth, regional economic integration enhancement, and digital economy expansion make ASEAN a global development centre. Undoubtedly, ASEAN will play a bigger role in the global economy and become a more attractive destination for businesses and investors.***



PCA



CASES





BRUNEI DARUSSALAM

ROYAL CUSTOMS AND EXCISE DEPARTMENT BRUNEI DARUSSALAM

FACTS OF THE CASE

SSH Company is one of the companies being assessed by PCA Unit based on common importation of vehicles parts and accessories.

FINDINGS

1. PCA Unit decided to audit declarations on the importation of SSH Company for the period of 10 months in year 2020, which consists of 39 declarations.
2. From this audit, PCA Unit found out that this company is a parent company that was previously audited that has committed offence of using double invoice. Based on assessment of the documentation, SHH Company has made the same offence of their subsidiary company that is by using double invoicing and with additional finding that is providing the same invoice to forwarding company to make declarations. There were also discrepancies found in the freight charges, other charges and wrongly used HS Code.

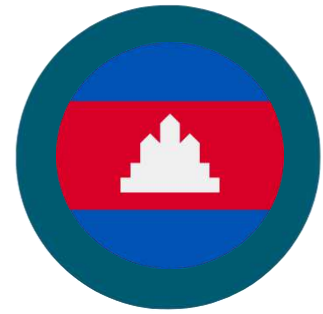
MODUS OPERANDI

1. The company used double invoices, where they undervalued three (3) of the declarations of goods. The invoices provided directly to the forwarding agents were at a lower values and different amounts from the payment made to the suppliers.
2. SSH Company also used the invoice that was previously declared in April 2020 and reused it again to make declaration in May 2020. The items arrived in May 2020 were different from the invoice declared and at the higher value than in April 2020.

DECISION

The shortage amount of duties and penalty for committing offence under Section 136, Customs (Amendment) Order, 2018 and Section 142, Excise (Amendment) 2018 amounting to BND 9,073 was paid.***

CAMBODIA



TARIFF CLASSIFICATION – HS MISCLASSIFICATION OF CERTIFICATE OF ORIGIN

FACTS OF THE CASE

Company A is an entity registered in Cambodia and its main business is importing household products.

Most of the products imported has been declared with the preferential tariff rate (Free Trade Agreement-FTA). One of those is facial cream cleanser, imported from countries in ASEAN.

The company imported facial cream cleanser by applying preferential tariff rate under ATIGA form D, with HS classification of 3401.30.00 (MFN rate of 7%+0%+10% and the preferential rate of 0%+0%+ 10%).

FINDING

PCA team suspected that the facial cream cleanser declared by Company A is not a surfactant-based soap, but rather a beauty product which should be classified under headings 3304 ((MFN rate of 35%+ and ATIGA rate

According to Customs Tariff book of Cambodia, headings 3304 described "beauty or make-up preparations and preparations for

the care of the skin (other than medicaments), including sunscreen or suntan preparations; manicure or pedicure preparations."

In addition, according to the Harmonized System (HS) explanatory note A(3) to headings 3304 explained, "other beauty or make-up preparation and preparations for the care of skin (other than medicaments), such as: face powders (whether or not compressed), baby powders (including talcum powder, not mixed, not perfumed, put up for retail sale), other powders and grease paints; beauty creams, cold creams, make-up creams, cleansing cream, skin foods (including those containing bees' royal jelly) and skin tonics or body lotions; petroleum jelly, put up in packings of a kind sold by retail for the care of the skin; barrier creams to give protection against skin irritants; injectable intracutaneous gels for wrinkle elimination and lip enhancement (including those containing hyaluronic acid); anti-acne preparations (other than soaps of heading 34.01)."

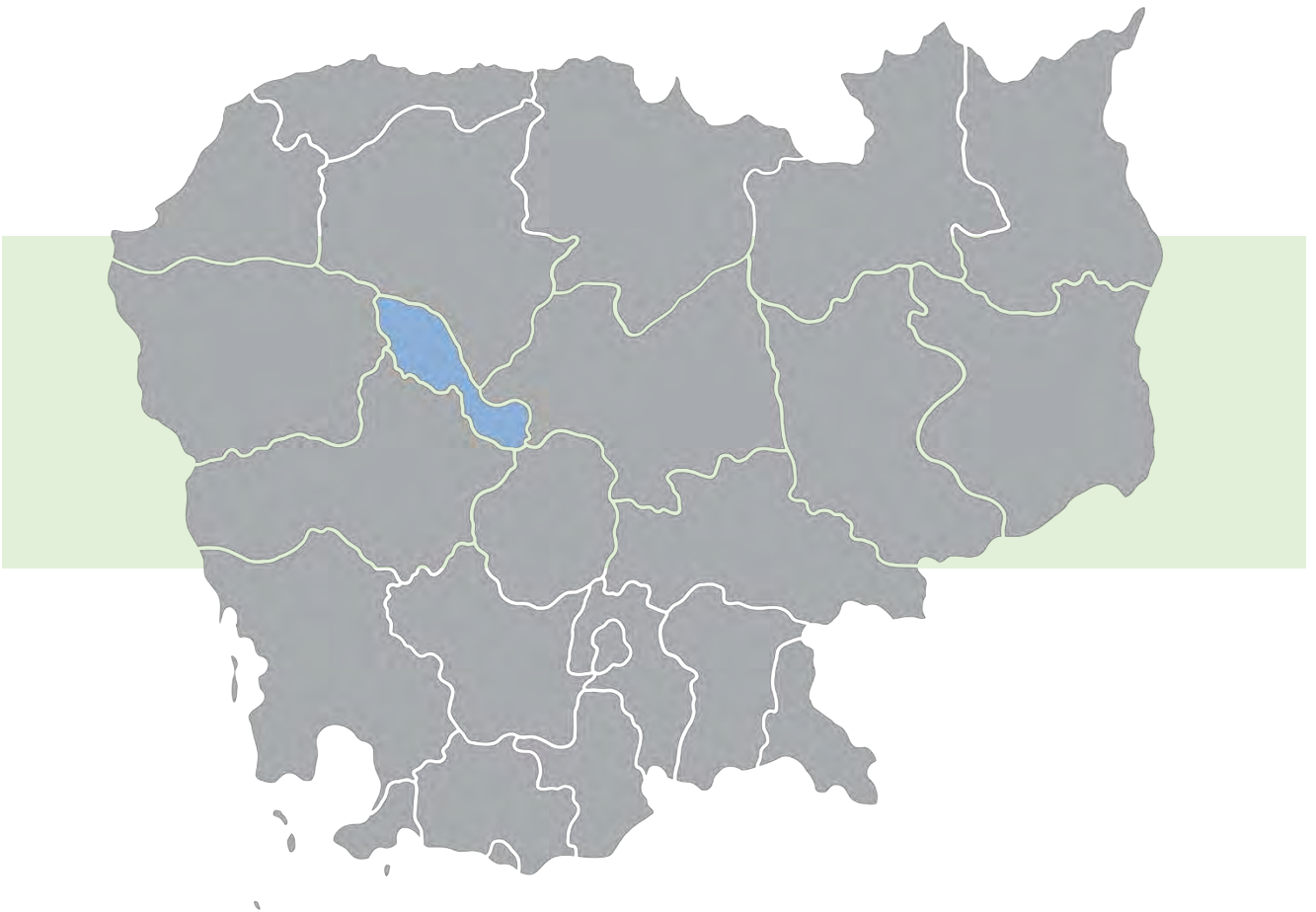
MODUS OPERANDI

PCA team asked the company to provide relevant documents such as clearance documents, formula statement and product sample. PCA team has researched on the ingredients of the facial cream cleanser one by one and found that the product does not only contain surfactants but also other additives such as moisturizer components and vitamins.

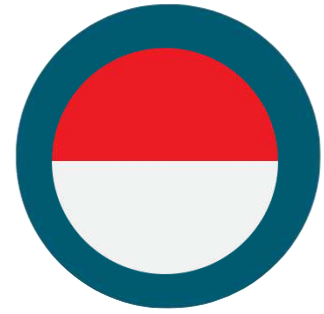
As the products serves as preparation for skin care with cleansing effects, it is classified in 3304.99.90 (AHTN 2022) by application of GIRs (I) and 3(a).

DECISION

Company A had to pay additional duty and tax and penalties 147,046,000 KHR or approximately USD 36K. ***



INDONESIA



CASE 1. CUSTOMS VALUATION

FACTS OF THE CASE

PMI is a part of Multi National Corporate owned by the parent company, PM. PMI is engaged in the cigarette and tobacco manufacturing Industry.

The company's product portfolio primarily consists of cigarettes and smoke-free products. It does not own copyright of the brand of the products, and does not perform any manufacturing or research and development functions.

It purchases the products from its foreign related party that required packaging.

The packaging process is carried out in Indonesia that required design which located outside of The Country of importer.

Design is attached to products made by suppliers, at the behest of PMI.

FINDINGS

The Audit Team conclude that the “design fees” can be defined as Assist which is “the value of any imported goods and services that supplied to the seller”. According to article 8 paragraph 1 (b) (ii) WTO Valuation Agreement, Assist can be defined as the value, apportioned as appropriate, of the following goods and services where supplied directly or indirectly by the buyer free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods, to the extent that such value has not been included in the price actually paid or payable.



At this case the design fee connected with the production of imported goods and there is a record that clearly relates the costs incurred by the design center to certain products, then Team Audit concluded design fee must be added directly, the value of the imported goods itself and the way in which that value is to be apportioned to the imported goods. Thus the amount of payment that made toward PMI, are need to be added into the calculation of customs value.

MODUS OPERANDI

1. Hiding in plain sight. Some PMI are disguising Payment that supposedly

related to the import goods as a “Design Fee”. Hoping it won’t get recognise and do not have to be added into the customs value.

2. Indirect Payment. Because all parties involved are part of PMI group, the parent company can control flow of goods distribution and payment within its group.

DECISION

There is a shortage of import duties, tax and administration fines that PMI must pay with a total of IDR 800.000.000,00 (approximately USD 53.619,12

CASE 2. CLASSIFICATION AND IDENTIFICATION

FACTS OF THE CASE

HIM company is a company engaged in vehicle assembly industry. HIM Company imported four-wheel vehicles in completely knocked down (CKD) condition from suppliers. This company declared the CKD vehicles to HS Code 87033236. - - -

Completely Knocked Down :

---- Other motor cars (including station wagons and sports cars, but not including vans), not of four-wheel drive :

----- Of a cylinder capacity exceeding 2,000 cc

HIM company declared importation without attaching approving letter from Directorate General of Metal Industry Machinery Transportation Equipment and

Electronics (ILMATE), Indonesia Republic Ministry of Industry.

FINDINGS

Based on Appendix I-G, the Regulation of Finance Minister No. 17/PMK.010/2020 concerning the third amendment to the Regulation of Finance Minister No. 6/PMK.010/2017 concerning Stipulation of Goods Classification System and Imposition of Import Duty Tariffs on Imported Goods, the term Completely Knocked Down in subheading 8701.20, and headings 87.02, 87.03, and 87.04, only applicable for those vehicles which are as follows:

- a. Accompanied by the attachment of the approval letter from the appointed official by Minister of Industry

- b. Comply with the provisions stipulated in the Regulation of the Industry Minister No.34/M-IND/PER/9/2017 concerning the Industry of Four or More Wheel-Motor Vehicles as amended by Regulation of the Industry Minister of No.5 of 2018 concerning Amendments to the Regulation of the Minister of Industry Number 34/M-IND/PER/9/2017 concerning Industry of Four or More Wheel-Motor Vehicles.

Based on the Regulation of Industry Minister No. 34/M-IND/PER/9/2017 Article 15 paragraph (1) and (2), it is stated that:

- 1) Importation of CKD Motor Vehicles as mentioned in Articles 11, 12, and 13 is undertaken by the approval letter of Director General
- 2) Fulfillment of the provisions for exceptions as referred to in Article 11 paragraph (3) letter a and/or letter b shall be stated in the approval letter as referred to in paragraph (1).

Based on the Regulation of Finance Minister No.6/PMK.010/2017 concerning the Stipulation of the Goods Classification System and the Imposition of Import Duty Tariffs on Imported Goods, it is stated that the procedure for determining the HS Classification based on General Interpretative Rules (GIR), Section Notes, and Chapter Notes. Based on GIR 2A, it is explained that:

"Any reference to a heading to an article shall be taken to include a reference to that article

incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this Rule), presented unassembled or disassembled."

HIM Company declared four-wheel vehicles in a CKD Condition which consisted of all needed components to be assembled as a complete car unit in one importation document (we call it PIB), so that it meets the provisions of GIR 2A.

MODUS OPERANDI

Based on audit result, Audit Team found that HIM Company had no importation approval letter (we call it Surat Persetujuan Impor / SPI) as the requirements to import four-wheel vehicles in a CKD Condition. Therefore, in accordance with GIR 2A, Audit Team corrected the classification under HS Code 8703.32.83 with description below:

--- Other :

---- Other :

----- Of a cylinder capacity exceeding 2,000 cc

DECISION

Due to the audit findings, the company should pay shortages of import duties and taxes in amount of IDR 69.551.908.000 (approximately USD 4.847.228).

CASE 3. COOPERATION BETWEEN CUSTOMS AND TAX AUTHORITIES

FACTS OF THE CASE

HIM company is a company engaged in vehicle assembly industry. HIM Company imported four-wheel vehicles in completely knocked down condition, together with supporting parts from suppliers. Those vehicles are assembled by HIM Company in Indonesia. This company sold the vehicles to local customers and exported to other countries customers as well.

FINDINGS

Based on audit process, Audit Team found royalty payments to HMC Company as the primary supplier of HIM Company. Besides, Audit Team also found royalty agreement between the two parties, royalty invoices and the payment journals, as well as tax payments of royalty in Periodically Value Added Tax Report (we call it SPT Masa PPN).

As additional information, the Royalty Agreement stated that HIM Company shall pay amount of royalty to HMC Company based on the number of vehicles assembled, which is USD100 for every vehicle.

MODUS OPERANDI

The royalty payment should be added to customs value of imported goods as the following conditions:

- The royalty was paid directly/indirectly to suppliers based on invoice, general ledger, and Periodically Value Added Tax Report (SPT Masa PPN).
- Based on the number of vehicles assembled, the royalty amount is USD 216.000

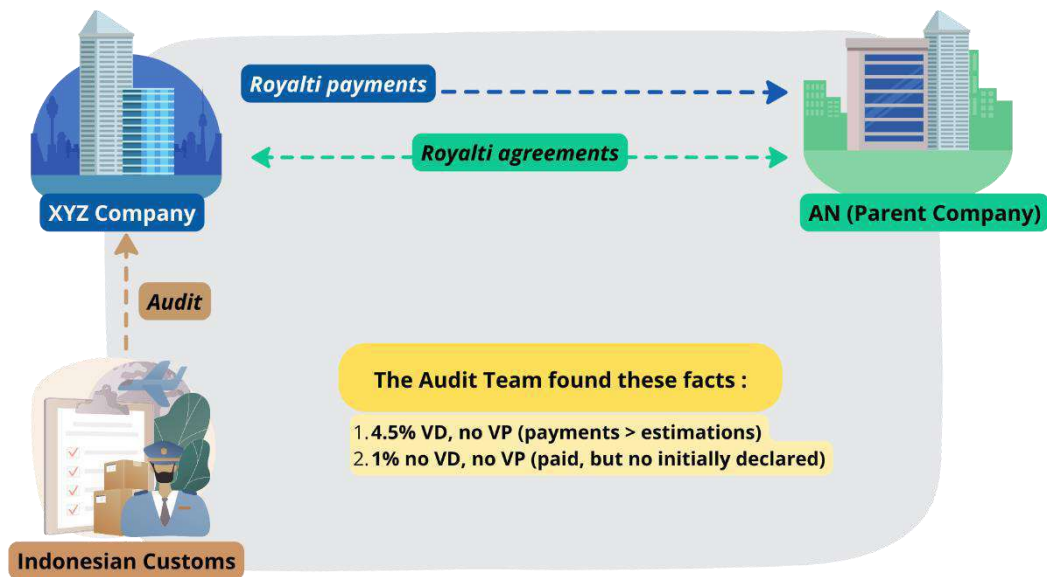
DECISION

Due to the audit findings, the company should pay shortages of import duties, taxes and penalty in amount of IDR 555.047.000 (approximately USD 38.521).

CASE 4. COOPERATION BETWEEN CUSTOMS AND TAX AUTHORITIES

FACTS OF THE CASE

XYZ is a part of multinational corporates owned by the parent company, AN. This company is engaged in the paint and printed ink manufacturing industry, specifically for marine coatings. It does not own copyright of the AN brand of the products. Meanwhile, it performs re-manufacturing functions. In other words, the imported products are consisting of both materials and finished goods.



For the two-year audit period, it has included royalty fees into the customs valuation for the imported finished goods through Voluntary Declaration (VD) mechanism. However, for the same period, it has never made Voluntary Payment (VP). The reason is that according to the royalty calculation made by the company, there is no shortage of the reported royalty values in the import declarations.

On the other hand, the company reported royalty payments to Tax Authority with the higher values in total than those which were initially declared in import declarations. This fact triggered the audit team to examine further about the correct royalty fees paid to the owner.

FINDINGS

Based on audit implementation, the audit team found the existence of two royalty agreements. The first one states that the company has to pay 4.5% of net sales value for the licensed technology, copyright works, and confidential information owned and

controlled by licensor. The other one states the additional 1%-royalty fees for the trademarks and trade names. The company admitted that only the 4.5%-royalty fees were reported through VD mechanism for the imported finished goods. Meanwhile, all royalty payments were declared in their Tax Reports some of which met the requirements to be included into the customs values.

In fact, after recalculating the royalty fees regarding the general ledger, invoicing, payments, as well as Tax Reports, the audit team could still find the higher values compared to the prior estimations in import declarations. Therefore, both the differences and the unreported 1% royalty fees should be added to the customs values in calculating the correct import duties and taxes.

MODUS OPERANDI

Although the company has reported such estimated values of the royalty fees through VD mechanism when importing the goods incorporating the intellectual property rights, it has never reported any VP mechanisms

until the due date, i.e., one year after importation. It does not mean that when the company performs VP, there will be no shortage values of the royalty fees. This case shows there is another separated royalty agreement values of which have not been reported in import declarations. So, audit implementation with the supporting data from Tax Authority is such a need to reveal

the facts and to safeguard the potential loss of state revenues.

DECISION

The company should complete the shortage of import duties, tax and fines with a total amount of IDR 757.070.000 (approximately USD 48.646).

CASE 5. CUSTOMS VALUATION

FACTS OF THE CASE

ABC is a trading company where one of the imported goods is Sulfur (HS Code: 2503.00.00). The company used voluntary declaration mechanism on their import declarations for the reason of futures prices. The voluntary declaration mechanism in Indonesia is regulated in PMK 201/PMK.04/2020 concerning Voluntary Declarations and Voluntary Payments, which further regulate the definition, term, and mechanism of futures price on import declarations. According to the regulation, the futures price is the price that should be paid in a transaction based on commodity prices. The futures price must meet the following requirements:

- a. The settlement price can only be ascertained later on the settlement date after the date of the customs notification;
- b. The imported goods are commodities that are traded on futures market; and There is an agreement (written contract) between the buyer and the seller for a certain period of time.

FINDINGS

The company submitted a request for restitution for the reason that there was an excess difference between the goods value notified at the import declarations (based on proforma invoice issued on 4 July 2022) and that on the final invoice (issued on 29 July 2022). Documents used in examining customs value were sales contract, proforma invoice and final invoice.

Based on the sales contract, the transaction agreement occurs directly between the seller and the buyer without using the futures market to facilitate the transaction as required in PMK 201/PMK.04/2020. The result of the examination determined that the voluntary declaration mechanism that was notified by the ABC company did not meet the futures price requirement so that the request for restitution could not be approved.

MODUS OPERANDI

1. According to the proforma invoice and final invoice documents, the goods value on final invoice was lower than proforma invoice.
2. According to the sales contract, it is known that the transaction will be carried out directly between the seller and the buyer without using the futures market to facilitate the transaction.

DECISION

The request for restitution submitted by the company for the overpayment of import duty and taxes was rejected because according to the sales contract, it was clearly known that the transaction did not use the futures market to facilitate the transaction. Thus, it was not in accordance with the requirement of the voluntary declaration mechanism.

CASE 6. IDENTIFICATION AND CLASSIFICATION

FACTS OF THE CASE

NA is a company engaged in vehicle assembly industry. This company imported four-wheel vehicles in completely knocked down (CKD) condition from suppliers. It declared the CKD vehicles as with HS Code 87032229:

Motor cars and other motor vehicles principally designed for the transport of persons (other

than those of heading 87.02), including station wagons and racing cars.

- Other vehicles, with only spark-ignition internal combustion piston engine:

- Of a cylinder capacity exceeding 1,000 cc but not exceeding 1,500 cc:

- Completely Knocked Down:

- Other motor cars (including station wagons and sports cars, but not including vans):

- Other

In fact, each CKD vehicle set was not reported in the same import declaration. Consequently, the company did not meet the minimum requirement for importing CKD motor vehicle sets as stated in the Regulation of the Industry Minister No.5 of 2018 concerning Amendments to the Regulation of the Minister of Industry Number 34/M-IND/PER/9/2017 concerning Industry of Four or More Wheel-Motor Vehicles.

FINDINGS

Based on the initially mentioned Regulation of Industry Minister, in Article 11, it is stated that:

1. Importation of CKD motor vehicles must fulfill:
 - a. Minimum decomposition: and
 - b. Minimum completeness.
2. Minimum decomposition as referred to in paragraph (1) letter a includes the

condition of the body that has not been assembled and has not been painted.

3. Minimum completeness for CKD motor vehicles as referred to in paragraph (1) letter b may be exempted for imports of goods included in other parts and equipment, if:
 - a. the goods have been made domestically; and/or
 - b. the goods are not required in the motor vehicle to be produced.
4. Minimum decomposition and minimum completeness for four or more wheeled motor vehicles are listed in Table I-A in Appendix I which is an integral part of this Ministerial regulation.

In addition, Article 12 of its amendment in 2018, states that the importation of each set of CKD motor vehicles must be submitted in 1 (one) customs declaration. Since the company did not meet this requirement, the importation could not be classified under the declared HS Code. Instead, its classification should refer to General Interpretative Rules (GIR) 2a, i.e.:

"Any reference to a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this Rule), presented unassembled or disassembled."

In line with GIR 2a, Explanatory Notes of Chapter 87 states the supporting idea, i.e.:

"An incomplete or unfinished vehicle, whether or not assembled, is classified as the corresponding complete or finished vehicle provided it has the essential character of the latter (see General Interpretative Rule 2 (a)), as for example:

(A) A motor vehicle, not yet fitted with the wheels or tyres and battery.

(B) A motor vehicle not equipped with its engine or with its interior fittings.

(C) A bicycle without saddle and tyres.

This Chapter also covers parts and accessories which are identifiable as being suitable for use solely or principally with the vehicles included therein, subject to the provisions of the Notes to Section XVII (see the General Explanatory Note to the Section)"

All things considered, the imported four-wheel vehicles should be classified as the corresponding or finished complete vehicles.

MODUS OPERANDI

Based on audit result, Audit Team found that NA did not meet the minimum requirements for importing CKD motor vehicle sets in 1 (one) customs declaration. Therefore, in accordance with GIR 2A, Audit Team corrected the classification under HS Code 87032259 with description below:

Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars.

- Other vehicles, with only spark-ignition internal combustion piston engine:

-- Of a cylinder capacity exceeding 1,000 cc but not exceeding 1,500 cc:

--- Other:

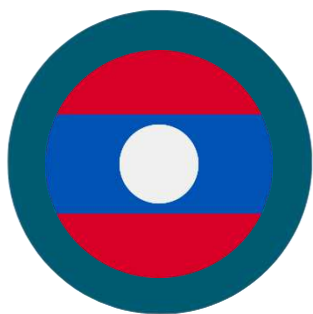
---- Other motor cars (including station wagons and sports cars, but not including vans):

----- Other

DECISION

Due to the audit findings, the company should pay shortages of import duties and taxes in amount of IDR 212.742.195.000 (approximately USD 14.671.875).***





LAO PDR

PCA (CASE 1)

FACTS

In September 2022, PCA Auditors received information from business source and we analysed data from automated Customs clearance systems on the importation of ASPHALT, HS code 27150000 of company AAA for 5 declaration forms in different dates. We found that: the company did not cooperate well in term of supporting import documents. Audit team collect available information (Company's actual name, Tax Identification Number (TIN) and address) to request a commercial bank where this company opens accounts with to share with PCA on the transaction of these payments during the period of June to September 2022

IM4000 No 31493 9/7/2022

IM4000 No 31921 11/7/2022

IM4000 No 34174 24/7/2022

IM4000 No 38393 21/8/2022

IM40000 No 37003 13/8/2022

FINDINGS

Customs authority found five declarations that were undervalue which had an affect on the determination of customs value.

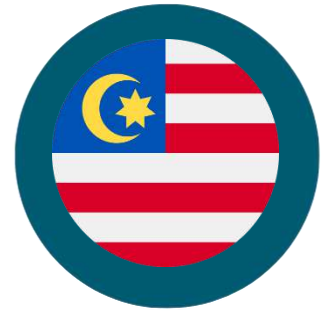
MODUS OPERANDI

The company declared 500.00 USD/Ton instead of 895.00 USD/ Ton.

DECISION

PCA Unit recalculated the duty and tax of each declarations and penalty and contacted with the business enterprise for clarifications. The process took about three months to accumulate the total of LAK 90,573,935.00 which is equivalent to about USD 7,000.00***

MALAYSIA



CASE 1. CLASSIFICATION AND IDENTIFICATION

(Form D - ATIGA)

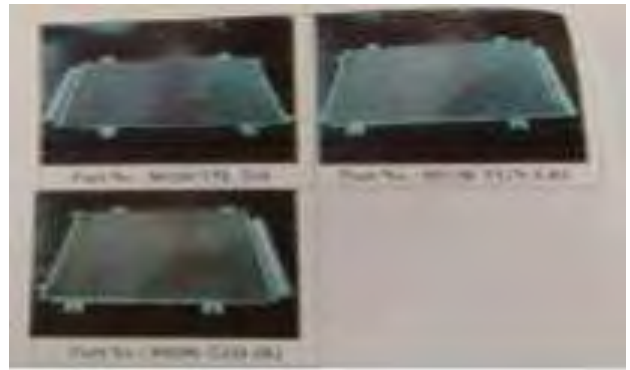
FACTS OF THE CASE

1. HM was established in the year 2000 which operates in activities mainly on assembly, manufacture and sale of motor vehicles, accessories and other components. Also, the company have four (4) branches that involves in other business activities such as 1) trading of imported motor vehicles; 2) related spare parts; 3) sales dan services; and 4) investment holding.
2. HM acquired its raw materials both from oversea and local suppliers. The audit executed on one of the branches of companies under HM related to spare parts that is known as HM2. HM2 is dealing with importation of spare parts from Thailand using the FORM D ASEAN Trade in Goods Agreement/ ASEAN Industrial Cooperation Scheme Certification facility.
3. The information on the import declaration forms for HM2 company are as follows:

GOODS DESCRIPTION	HS CODE	PDK 2017		PDK 2017 (ATIGA)	
		IMPORT DUTY	SST	IMPORT DUTY	SST
Oil Filter Cartridge	8421.23.1100	25%	10%	0%	10%
	8421.99.2100	5%	10%	0%	10%
	8708.29.9900	25%	10%	0%	10%
	8421.99.2900	0%	10%	0%	10%
Condenser Assy	8418.99.1000	30%	10%	0%	10%
	8708.99.9900	30%	10%	0%	10%
	8708.29.9900	25%	10%	0%	10%



Oil Filter Cartridge



Condenser Assy

4. Based on the audit findings, the import duty on goods has been exempted because HM has provided certificate of Form D during Customs declaration. This has resulted that the importer which is HM2 had not been paying any import duties on goods brought in from Thailand.

PCA FINDINGS

1. PCA was performed to identify the accurate classification on goods imported. Catalogues and samples of goods were provided to the Classification Department for classification and verification purposes. Based on the initial verification made by the technical department found that the trade was wrongly declared. The actual classification of goods has been identified as follows:

Good Description	HS Code	Import Duty	SST
Oil Filter Cartridge	8421.23.2100	25%	10%
Condenser Assy	8415.90.1400	30%	10%

2. The Importer (HM2) has declared incorrect tariff code for the respective imported goods.
3. Based on the audit findings, the Importer (HM2) did not meet the import requirements using ATIGA approval.
4. Therefore, the importer (HM2) has committed an offence as they were not eligible to enjoy the preferential tariff facility. The importer (HM1) is subject to repay the tax accumulated according to the prescribed rate.

MODUS OPERANDI

The importer (HM2) was found that the importation declaration with wrong tariff code as unintentionally done.

DECISION

1. The Importer (HM2) has committed an offence under Section 133(1)(a) of the Customs Act 1967.
2. Bill of demand was issued for MYR 2,640,331.08 (USD 653,547.29).

CASE 2. NON-COMPLIANCE IN USING FORM D FOR ASEAN TRADE IN GOODS AGREEMENT (ATIGA)

FACTS OF THE CASE

1. The importer is a partnership business entity established in November 2016 engaged in a business importing tropical fruits such as longan, banana and dokong from Thailand.
2. The importer has used the ASEAN Trade in Goods Agreement (ATIGA) facility (Form D) for the importation of the tropical fruits.
3. The following are the tariff codes used by importer during declaration:

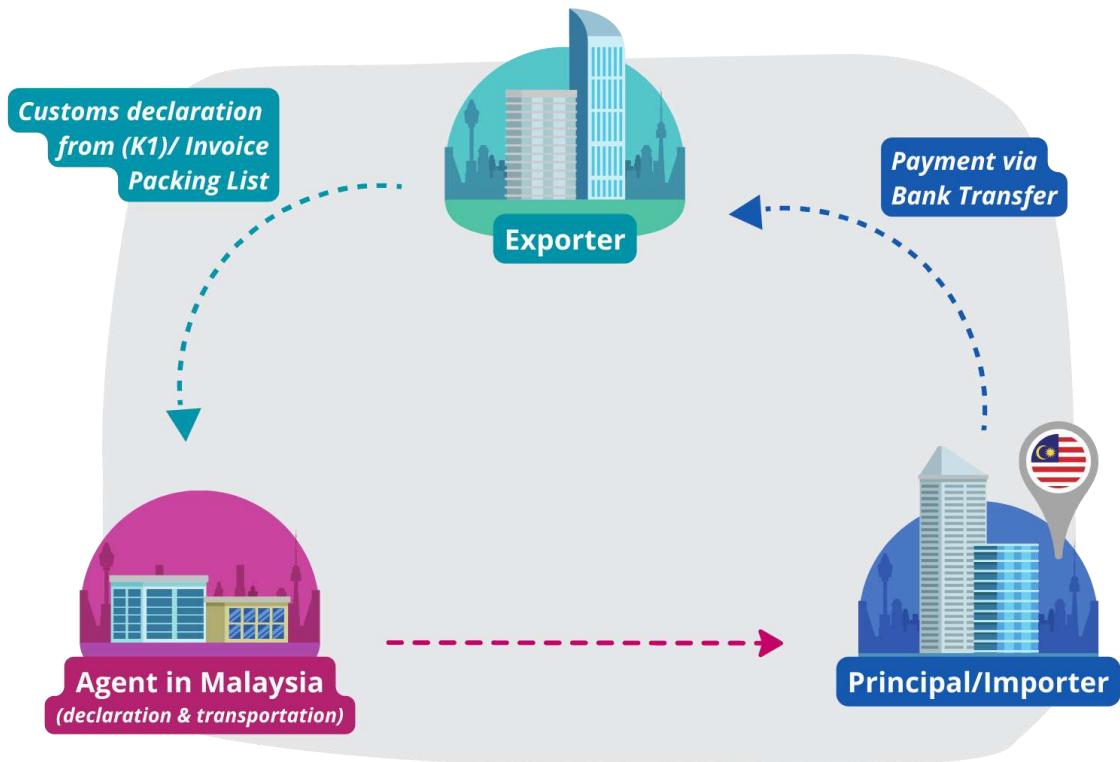
NO	TYPES OF IMPORTED GOODS	TARIFF CODE	CUSTOMS DUTIES ORDER 2017	CUSTOMS DUTIES ORDER 2017 ASEAN TRADE IN GOODS AGREEMENT (ATIGA)
1	Tropical Fruits (Longan)	0810.90.1000	Import Duty 30%, Sales Tax 0%	Import Duty 0%, Sales Tax 0%
2	Tropical Fruits (Banana)	0803.90.1000	Import Duty 5% and MYR1.30/KGM, Sales Tax 0%	Import Duty 5%, Sales Tax 0%
3	Tropical Fruits (Dokong)	0810.90.9900	Import Duty 30%, Sales Tax 0%	Import Duty 0%, Sales Tax 0%

PCA FINDINGS

1. The Form D number declared in the Custom Information System does not exist. Cross-checking the Form D number declared in custom declaration form 1 (K1) through the Exchange Hub E-Commerce system shows a "no record found" indicator.
2. The invoice number in Form D does not match the invoice number declared in K1.
3. The same Form D is used repeatedly in several import transactions not in accordance with the requirements of Malaysian subsidiary rules & order.
4. The importer also breach the quantity allowed as prescribe to be imported into Malaysia

5. Importer was also found imported goods which were not listed in Form D and enjoyed the ASEAN Trade in Goods Agreement facility.

FLOWCHART



DECISION

1. The importer was found not comply with the requirements of the Operational Certification Procedure (OCP) under ASEAN Trade in Goods Agreement.
2. The conditions of OCP from Rule 1 to Rule 24 do not specify the quantity rejection method that can be used, therefore domestic law must be complied i.e. each Form D can only be used for one importation only.
3. The Importer has committed an offence under:
 - Paragraph 133(1)(a) of the Customs Act 1967 - making an incorrect declaration
 - Paragraph 133(1)(e) of the Customs Act 1967 - failure to declare imported dutiable goods
4. A bill of demand (BOD) amounting to MYR7.6 million (USD1,794,131.44) has been issued for the audit period to claim back the leakage of revenue detected.

CASE 3. CLASSIFICATION

FACTS OF THE CASE

1. The importer, a Limited Liability Company was incorporated in January 2003 under the Companies Act 1965.
2. The importer carries out importation and general trading business, supplying tumblers and household items from China.
3. The importer enjoyed the import duty exemption through the use of Form E under the Customs Duty (Goods Under the Framework Agreement On Comprehensive Economic Co-Operation Between ASEAN and China) (Asean Harmonized Tariff Nomenclature) Order 2014.
4. The following are the tariff codes used by importer during declaration:

Good Description	Tariff Code	Customs Duties	Customs Duties (ACFTA)
Tumbler	3926.90.9999	Import Duty: 20%	Import duty 0%

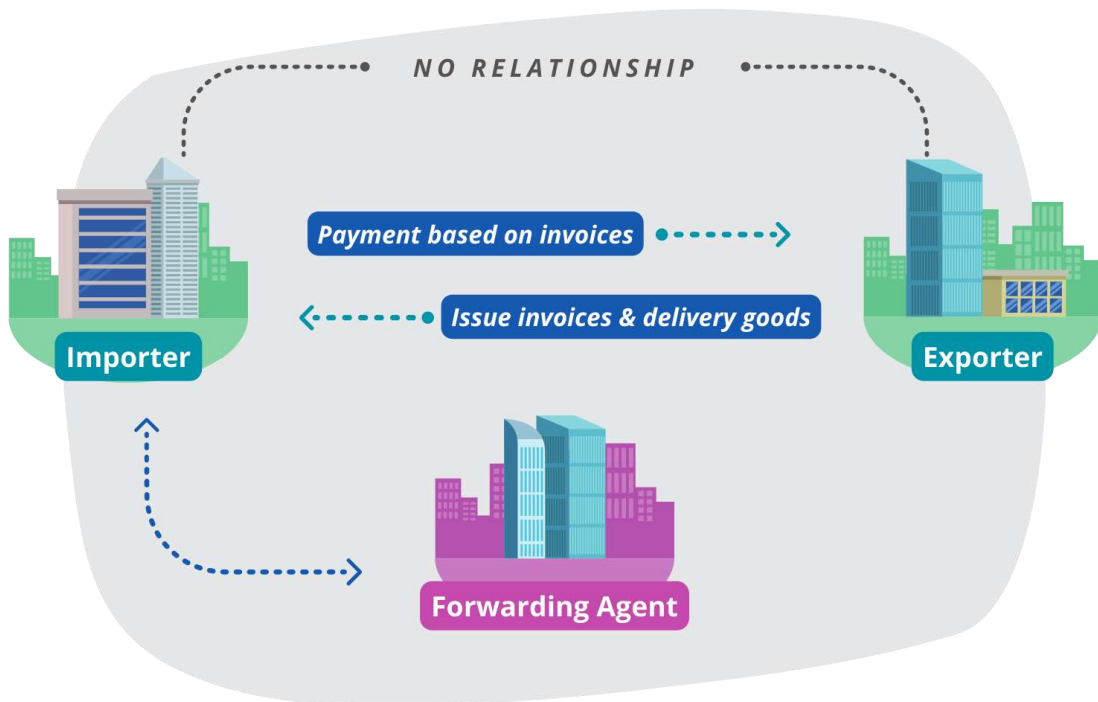
PCA FINDINGS

1. The importer has made a false declaration during the declaration of Customs Form No. 1 (K1) by using inaccurate tariff code.
2. PCA found that the accurate tariff code is as follows:

Good Description	Tariff Code	Customs Duties	Customs Duties (ACFTA)
Tumbler	3924.10.0000	Import Duty: 20%	Import duty 20%

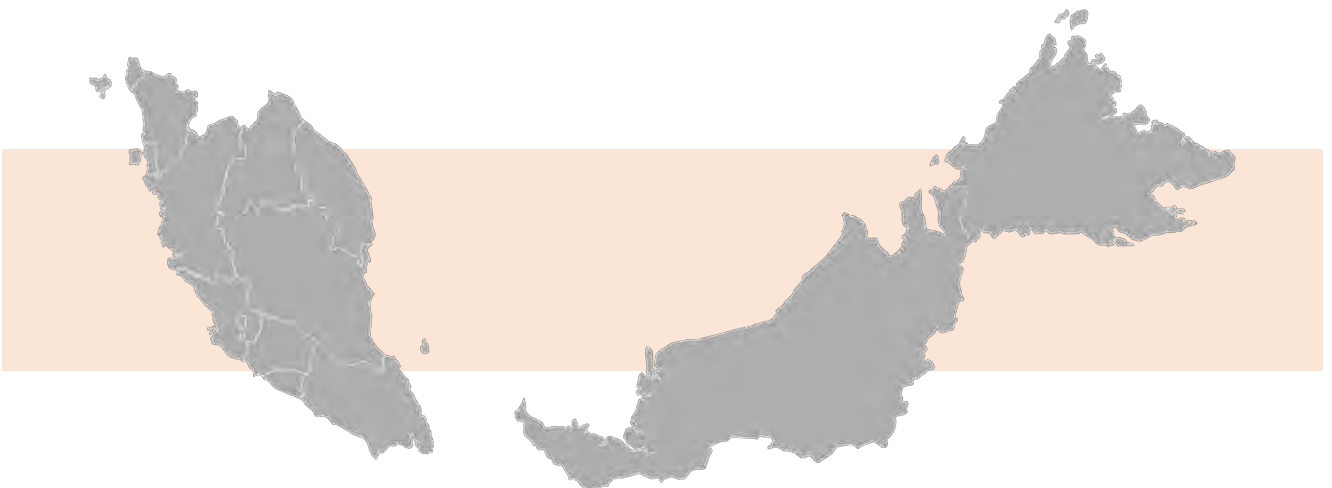
3. When there has been a violation of Rule 14, Operational Certification Procedures it caused the Certificate of Origin (Form E) cannot be used.
4. The import duty is recalculated and causes a change in the import duty and goods and service tax (GST) value.
5. The importer was also found not to comply with sub-paragraph 5(1)(a)(vii) of the Customs (Method of Valuation) Regulations 1999 where the freight value was not included in the price declared in K1.

FLOWCHART



DECISION

The Importer has committed an offence under Section 133(1)(a) of the Customs Act 1967. Bill of demand was issued for MYR1.4m (USD330,362.95).***



MYANMAR



CASE 1

FACTS OF THE CASE

Company A is a Lubricant importing company and it was audited for the checking of their Self-Assessment in MACCS System.

FINDINGS

It was found that the price of goods had been under declared during their importations according to its price lists.

MODUS OPERANDI

The company submitted the make-up invoices to the Customs at the time of importation.

RESULT

After Audit team delivered preliminary findings to the company, the company accepted all findings and company paid 30,161,124 Kyats (approximately USD 16,303).

CASE 2

FACTS OF THE CASE

Company X is a product G importing company and which is largest trade volume of product G importer.

FINDINGS

It was found that according to the contract agreement Freight and Insurance cost are not included in Customs Declaration. Transaction is described as payable.

MODUS OPERANDI

Incoterm is declared as CIF in Import Declaration and Customs Valuation is based

on CIF in our country. Payable is described in cash flow statement when seller was purchased and transaction was found in indirect payment.

RESULT

Contract agreements for all importations in “Y” period are audited and Customs Duty Kyats (6.86) millions was collected. The information to collect Short Tax Kyats (56.76) millions was exchanged to Internal Revenue Department.***



PHILLIPINES

CASE 1. COMPANY A

BACKGROUND OF THE COMPANY

Company A is a domestic corporation primarily engaged in the manufacturing of food and beverage products. It imports refined sugar to be utilized in its production of the said products within its Customs Bonded Warehouse.

AUDIT FINDINGS

Throughout the course of the compliance audit on the import and export transactions of Company A, it was determined that there were discrepancies on its declarations during the liquidation of the said commodity imported through the warehousing scheme which were not taken into account in ascertaining the customs duties and taxes due on the wastages it incurred.

DECISION

The discrepancy on the volume of the wastage declared by Company A during liquidation vis-à-vis the rates provided in the Formula of Conversion issued to it by the Industrial Technology Development - Department of Science and Technology (ITDI-DOST) as well the production reports relating to it was assessed correspondingly. This resulted to a total deficiency assessment in the amount of Four Hundred Ten Thousand Seven Hundred Fifty-Five Pesos and Eighty Three Centavos (Php 410,755.83) USD 7,212.87.

CASE 2. COMPANY AAA

FACTS OF THE CASE

Company AAA is a corporation organized under the Securities and Exchange Commission (SEC). It is engaged in the

general merchandising business, buying and selling on a wholesale or retail basis of wearing apparel, shoes, toys and novelties.

FINDINGS

It was determined that importations of Company AAA for the audit period were subject to the imposition of additional duties and taxes arising from the non-inclusion of terminal handling charges (THC) as part of transportation cost in the determination of dutiable value. The THC was identified in the broker's billing statement, which the importer submitted during audit.

MODUS OPERANDI

Non-inclusion of terminal handling charges (THC) as part of transportation cost in the determination of dutiable value.

RESULT

The company was found liable for the payment of additional customs duties, taxes, interest and 125% penalty due on its importations of the affected products in the amount of Php1.9 million. Total THC amounted to Php3.7 million (USD68,227.29)

CASE 3. COMPANY XYZ***FACTS OF THE CASE***

Importer XYZ is manufacturer of food flavoring and seasoning. It is engaged in importing raw materials for the manufacturing of flavouring and seasoning products for consumption in the country of destination.

FINDINGS

During the conduct of post clearance audit, it was discovered that, in one of its imported raw materials for flavourings, the commodity was classified under HS Code: 3302.10.90, with a description of "for mixtures of odiferous substance used for manufacturing of beverages" and with a tariff rate of 1%.

Upon careful review, the Audit Team found that the said commodity should be classified under HS Code: 2103.90.19 with a description of "for seasoning and flavouring" and with a tariff rate of 7%.

MODUS OPERANDI

Misclassification

RESULT

Company XYZ was assessed Php 345,842.00 (USD6,445.66) constituting the tariff differential, VAT, penalty and interest.***



SINGAPORE

CASE 1. Singaporean Man Fined Over \$5.5 Million For Evading Duty And GST On Imported Motor Vehicles

FACTS/FINDINGS

Singapore Customs launched an investigation into a motor vehicle importer after detecting that the importer had omitted to declare the value of optional features of the vehicles to Singapore Customs for assessing the duty and Goods and Services Tax (GST) payable for the vehicles.

Investigations revealed that two invoices would be prepared for each imported motor vehicle transaction. The first invoice would state the partial value of the motor vehicle while the other invoice would indicate the vehicle's balance value and falsely described it as "liaison fee". The importer had only declared the partial value in the first invoice in the submissions to Customs but failed to declare the "liaison fee", despite knowing that this amount had to be declared to Customs. The intentional omission of the "liaison fee" from the declarations to Customs for a total of 464 imported motor vehicles had resulted in the short payment of duty and GST amounting to about \$703,600 and \$295,510 respectively.

MODUS OPERANDI

The Singaporean man had suppressed the value of the motor vehicles when submitting the import declarations to Singapore Customs, resulting in evasion of duty and GST payment.

DECISIONS

The man pleaded guilty to one amalgamated charge of fraudulent evasion of duty amounting to about \$703,600 under the Customs Act. He was sentenced by the State Courts on 9 March 2022 to a fine of \$5,628,864 for fraudulent evasion of duty. He did not pay the fine and would serve 40 months' imprisonment in default. Another charge of fraudulent evasion of GST amounting to about \$295,510 was taken into consideration during sentencing.

CASE 2. Ex-director fined \$558,000 for falsifying statements on export certificates: Customs

FACTS/FINDINGS

From August 2017 to April 2019, a Singaporean Permanent Resident had imported scrap metals from China and re-exported them from Singapore to India. He applied for 137 preferential certificates of origin (PCOs)¹ for the scrap metals exported by his company to India. These certificates offer preferential tariff treatment under the Free Trade Agreement (FTA) between Singapore and India.

Investigations revealed that the man who is a director of a company and sole proprietor of a business had purchased scrap metals from various suppliers from China and re-exported them from Singapore to India. As the buyers in India had requested for PCOs to enjoy preferential tariff treatment under the FTA, the man made false statements in the application for the PCOs that the country of origin of the scrap metals was from Singapore, despite knowing that only goods manufactured or wholly obtained in Singapore were eligible for PCOs.

The man was also approached by an unknown Malaysian to apply for PCOs using his company's name as the named exporter for the shipment of scrap metals to India. While his company was not involved in any transaction between the Malaysia entity and buyers in India, he had created invoices

bearing his company's name, and submitted them for PCO applications. This was done to give the impression that the scrap metals sold by his company were of Singapore origin, when in fact the goods had originated from China.

The total value of the goods involved amounted to about \$9.72 million for all the 137 PCOs applied.

MODUS OPERANDI

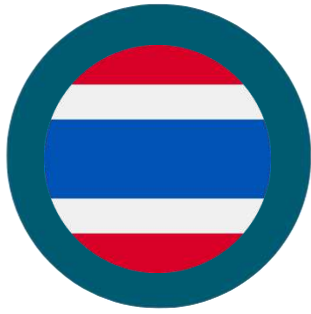
The man held a directorship at a company and was also the sole proprietor of a business. He traded in scrap metals and other metal products sourced from local and overseas suppliers. He made false statements when applying for PCOs for goods exported by his company and another entity so that the overseas buyers would enjoy preferential tariff treatment under the FTA.

DECISIONS

The man pleaded guilty to two charges of making false statements in 93 applications of PCOs for goods valued at \$6.46 million and was fined by the State Courts on 30 August 2022. Another six charges involving 44 applications of PCOs for goods valued at \$3.26 million were taken into consideration during sentencing.^{***}

¹ A PCO is a trade document that identifies the origin of the goods and confers a tariff benefit in the importing country usually under a free trade

agreement. It may only be issued by Singapore Customs and is applicable only for goods that are manufactured or wholly obtained from Singapore.



THAILAND

CASE 1

FACTS OF THE CASE

1. Company A is a company in Bangkok that sells and imports several medical devices.
2. The company imported Baby scales, Neonatal scales and Wheelchair scales from China.

FINDINGS

1. PCA team decided to audit the company.
2. The team found that the goods are considered as medical devices.
3. According to Notification of Ministry of Public Health (Issue no.34): Prescription medical devices that are restricted from being imported requesting permission from Food and Drug Administration, Ministry of Public Health.

MODUS OPERANDI

Company A must have license and obtain the permission from Food and Drug Administration, Ministry of Public Health before importation.

DECISION

The company accepts all findings and paid 540,000 THB. (approximately USD \$15,000)

CASE 2

FACTS OF THE CASE

1. Company A, located in Samut Songkhram Province, has imported raw materials used for food production and then exported final products to the other countries.
2. The company has imported raw materials, such as coconuts, food additives, honey, etc.
3. The majority of imported products is honey.

FINDINGS

1. PCA team decided to make an audit for this company.
2. The team found that honey is considered as carcass in line with definition specified in the Animal Epidemics ACT, B.E.2558 (2015).
3. According to Notifications of Department of Livestock Development (Section 31. of this Act) Honey has been restricted from being imported into the country with the condition that it requires permission from other government agency which is department of Livestock Development in accordance with that relevant law and regulation mentioned above.

MODUS OPERANDI

Company A must have license and obtain the permission from Department of Livestock Development before importation, as notified in the Animal Epidemic ACT, B.E. 2558 (2015)

DECISION

When Company A does not have a related license submitting to customs at the time of importation Therefore, it should be considered as an unauthorized importation of animal carcasses.

Company A, that violate or fail to comply with Section 202, 244 under Customs Act B.E. 2560 (2017), is liable to a fine 1,000,000 THB approximately.***





VIETNAM

ORIGIN FRAUD OF EXPORTED GOODS

FACT OF THE CASE

Company C is an authorized economic operator (AEO) who specializes in manufacturing athletic and casual footwear for major international brands.

Being an export processing enterprise located in an industrial park, the company imports 100% raw material, semi-finished parts, components,... from several countries: China, Taiwan, Bangladesh, Thailand and from the domestic. When applying for Certificate of origin form AJ and CPTPP (with origin criteria: CC+Deminimis 10%), these exported sport shoes do not meet the stated origin criteria. However, the company intentionally provided falsified information, misrepresented the product's origin in order to obtain C/O.

FINDINGS

The company has applied for a various number of C/O (including forms: A, AJ, AANZ, AI, AK, CPTPP, D, E, Eur1, EAV, VC, B) for its exported shoes. On the basis of risk management, the PCA team assessed that form AJ and CPTPP requires stricter origin criteria (CC+Deminimis 10%) than the others. Skimming on the list of exported products and their material/production norms, the PCA

noted some product models that uses semi-finished parts which are classified in chapter 64, specifically the heading of 6406. Hence, these products have a higher risk of not satisfying the CC+Deminimis 10% criteria.

According to the above risk assessment, the PCA team randomly selected 06 sets of export document of the shipment that applying for the AJ and CPTPP certificate of origin (CC+ CC+Deminimis 10% criteria). By checking the documents, the team found out inconsistencies between the application form for C/O and other export documents. Specifically, the quantity of materials used to manufacture the exported product in the application form for C/O is less than the quantity of materials declared in the actual production norms which is extracted from the company's internal control system and the company's annual reports.

For example, the quantity of material constituting the product A is 38 materials according to the actual production norms, but on the application form for C/O, there are only 29 materials. The missing materials are semi-finished parts which are classified with the heading of 6406. By re-calculating the -

deminimis of this product A, the team determined that the product is over 10%. To clarify this issue, the PCA team requested the company to provide the full actual production norms. In parallel, the team also conducted separate interviews with the company's relevant departments about the procedure of C/O application. Accordingly, the company's import-export department admitted that they had cut the lines of semi-finished parts (which are classified the same chapter 64 with the finished product) in the application form for C/O, so the exported products meet the CC+ CC+Deminimis 10% origin criteria.

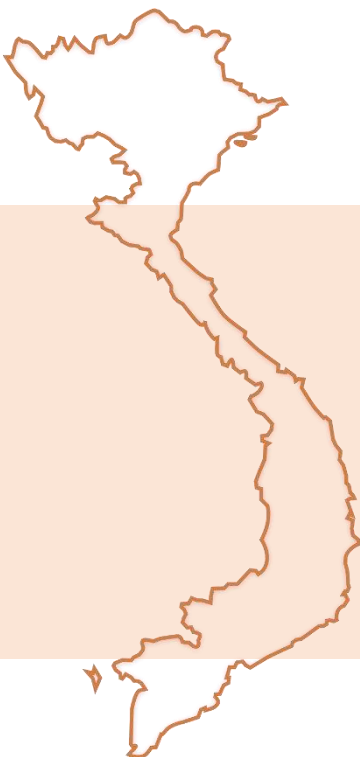
MODUS OPERANDI

Company C provided falsified information, misrepresented the product's origin in order to obtain C/O.

DECISION

General Department of Vietnam Customs decided:

1. To impose a penalty of 60 million VND (app USD 3000) for this violation.
2. To suspend the AEO regime to the Company.
3. To transfer the case to a provincial police department for further investigation of trade fraud and Ministry of Industry and Trade (MOIT) to suspend issuance of C/O for the products of the company within 6 month.***



REPORT OF ON THE JOB TRAINING PROGRAMME ON IMPLEMENTATION OF PCA FOR LAO CUSTOMS DEPARTMENT

4th-6th October 2022

INTRODUCTION

Background

1. Based on the strategy on SPCD 08 on Post Clearance Audit, to achieve the harmonization of understanding PCA mechanism of ASEAN Member States, information exchange on international standards as well as sharing practice in PCA among member states is a crucial activity for supporting the performance of Customs Administration.
2. Referring to 29th Customs Enforcement and Compliance Working Group (CECWG) final report, Lao PDR requested Indonesia as Country Coordinator of SPCD 08 on Post Clearance Audit to provide technical assistance (TA) on PCA, with specific focus on PCA technique, strategic planning and risk management, on quality assurance.

Objectives

1. To enhance the technical and professional capability of Lao Customs Department Officers for the implementation of PCA;
2. To achieve commitments to carry out Post Clearance Audit based on international best practices. Hence, Customs officers could demonstrate the improvement on implementing PCA techniques;
3. To identify difficulties and problems of PCA implementation and find possible solutions through productive discussion or effective consultation; and
4. To share knowledge and experience in implementing PCA, especially in implementing PCA techniques, strategic planning and risk management, and Post PCA management.

Participants

There were 10 participants from the representative of Lao Customs Department, ranging from staff level to middle management level who in charge in PCA field.





WORKSHOP ACTIVITY

Opening Remarks

The training program was opened by Director of Customs and Excise Audit, Directorate General of Customs and Excise, Mr. Decy Arifinsjah, on October 4th, 2022. In his opening remarks, he welcomed all participants by conveying sincere gratitude and appreciation to all of them. In his speech, he highlighted the importance of PCA which has proven to be an essential tool ensuring that Customs control is effective in many aspects such as the implementation of an effective Customs risk management strategy. PCA also supports Customs in measuring the level of risk corresponding to each trader related to compliance with the rules, and accomplishes future controls based on the result.

As the Country Coordinator of Strategic Plan of Customs Development (SPCD-08) on Post Clearance Audit, Indonesia has the responsibility to arrange the regional workshop to enhance the capacity of customs officers in ASEAN by implementing PCA based on international standards and best practices. Due to Covid-19 outbreak in the past two years, workshops have been conducted virtually. But finally, the training for Lao Customs Department officers could be conducted physically that Indonesia had an opportunity to meet all participants from Lao Customs Department in person.

Day 1

The first day materials were about Strategic Planning, Risk Management, Targeting Auditees, Demo SMART PCC, Audit Program, Audit Method, Quality Assurance, Audit Reporting, Demo SIMAUDI, Legal Framework for PCA, Preparation of Audit

and Audit Interviewing. There was also a Country Report presentation from the Lao Customs Department.

Day 2

On the second day, the training began with field trip to multinational company near Jakarta. All participants had the opportunity to do plant tour and watched the demonstrations of audit field assignment activity such as interviewing auditee regarding internal control system, bookkeeping and accounting, and audit data request. The participants also had the opportunity to see inventory checking demonstration.

Day 3

On the last day of training, all participants studied in the class. The materials given are monitoring and evaluation, audit certification and PCA case study. There were also demonstrations of how DGCE conduct quality assurance of PCA and closing audit with the auditee. In the end, the participants were given a chance to speak in an open discussion session and asked to fulfill form of evaluation program.

Closing Remarks

Closing remarks were delivered by Ms. Anita Iskandar, Director of International Customs Affairs. On behalf of the Director General of Customs and Excise Indonesia, Ms. Anita Iskandar expressed her sincere gratitude to Indonesian AID for the support of the training program and appreciated all the participants, resource persons and committees. She also apologized to all participants for any shortcomings or inconveniences might come across during training.***

GALLERIES





eu Thuy (Guest)

10 - 12 AUGUST
2022



n Yew (Guest)



Myo Min (Guest)



SG - Kwan Yew (-

CECWG 32

CECWG 33





Bali, 7-9 February 2023





Tribute to
**Ichsan
“Jim”
Maulana**
Mentor, Colleague and Friend

Beautiful Voice and Humorous Person, Everyone who knew Mr. Ichsan Maulana will remember these two things. The man from Bandung, fondly called Jim, is a figure that has been quite central in facilitating ASEAN Customs forums, especially in the Customs Enforcement and Compliance Working Group (CECWG) and Customs Capacity Building Working Group (CCBWG) forums. We all agree that one of the big blows for ASEAN Customs in 2022 will be the loss of the figure of Mr. Ichsan Maulana. Given the prominent role of Mr. Ichsan in ASEAN Customs Forums, it is very understandable if we all bow our heads in sadness when the sad news arrives.

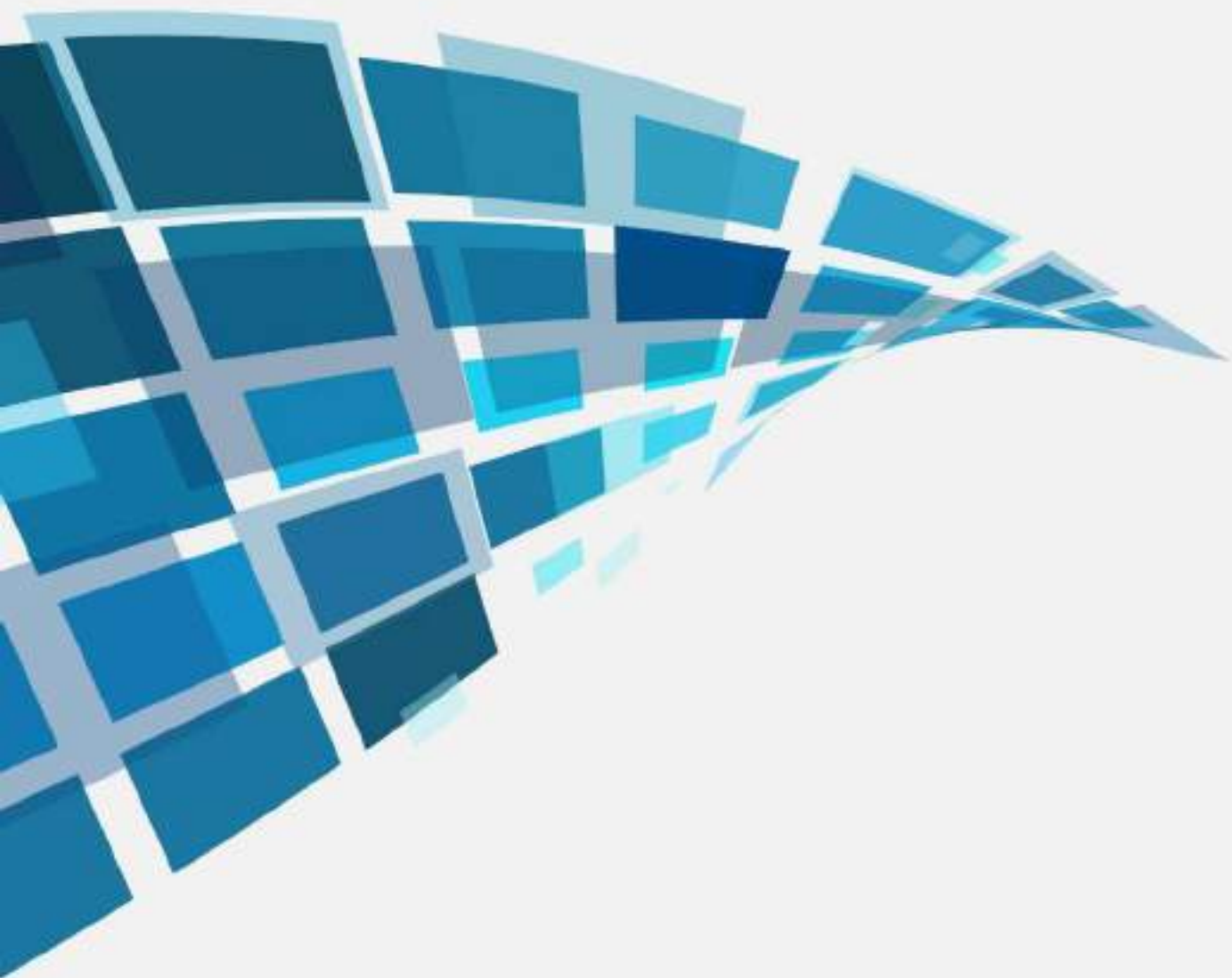
In these two forums, Mr. Ichsan is known as one of the best facilitators owned by the ASEAN Secretariat. Mr. Ichsan could make correspondence between ASEAN Member States (AMS) work well. Apart from helping with correspondence between AMS, Mr. Ichsan can also bridge the communication between AMS and the ASEAN Dialogue Partners (DPs). Indonesia may be one of the AMS greatly assisted by Mr. Ichsan's ability. One of the assistance from Mr. Ichsan that Indonesia quite felt was when Indonesia as an Implementing Agency (IA) had to prepare a proposal and coordinate with Japan for a Specialized Training Course on Customs Human Resource Development (HRD) workshop. Considering that this is the first time Indonesia has become an Implementing Agency, ASEC, through Mr. Ichsan, has helped Indonesia correspond with Japan and prepare various documents needed.

Mr. Ichsan has worked for the ASEAN Secretariat for quite a long time. In the eyes of his co-workers, they always find him as an inspiring member of the team. Mr. Ichsan was a friend who likes to help and also a person who can bring joy to his friends.

“Mr. Ichsan Maulana had worked in the ASEAN Secretariat since 2010. He was a friendly and supportive colleague who would always willing to lend a hand. Along with the team, he continuously worked to complete the assignments and communicated with AMS for smooth coordination. Aside from the his great work attitudes, he was our dear brother and friend who had a beautiful voice and never failed to bring happiness and joy for his colleagues and friends.” (Customs Unit – Trade and Facilitation Division, the ASEAN Secretariat)

Many of us may need to learn that Mr. Ichsan is also a singer and songwriter. Jim and his band have produced several songs, including a song called Zero and Murder on the Catwalk. For those longing for Jim, maybe his songs can heal their longing and bring back lovely memories with him. Jim songs can be downloaded via the following link bit.ly/SongFromPakIchsan.***





Prepared and Printed by
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Ministry of Finance of The Republic of Indonesia
as Country Coordinator SPCD 08 on Post Clearance Audit