ASEAN CUSTOMS

PCA Bulletin . Volume XVI . May 2025

Customs Commitment to Enhance Efficiency and Prosperity

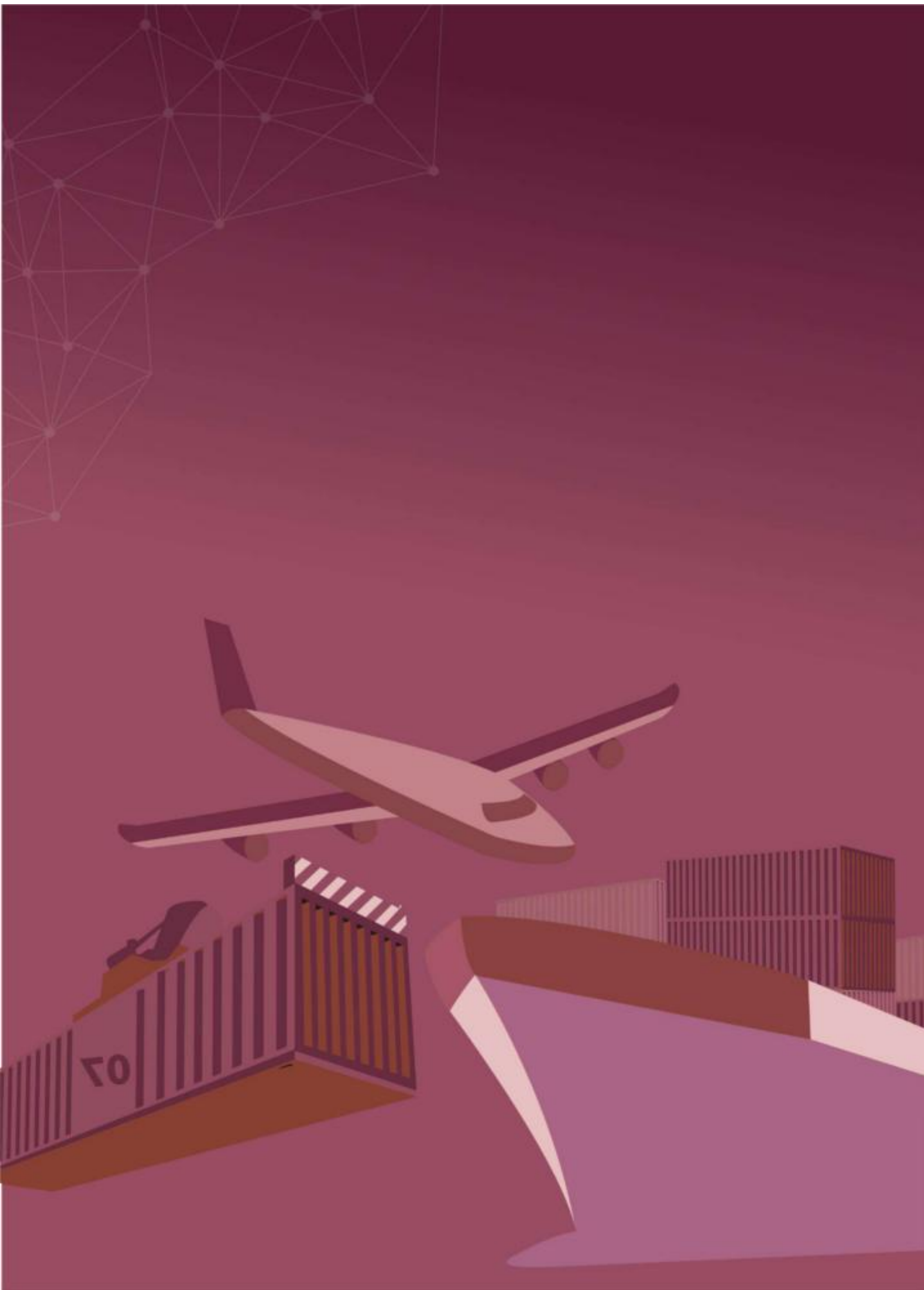


TABLE OF CONTENTS

CONTENT I

FOREWORDS

Forewords from Country Coordinator's Desk

Nugroho Wahyu Widodo
Acting Director of Customs and Excise Audit Directorate General of Customs and Excise The Republic of Indonesia

Ladies and Gentlemen,

Assalamu'alaikum warahmatullahi wabarakatuh.

It is with great pleasure that we present the 16th edition of the Post Clearance Audit (PCA) Bulletin, a platform dedicated to the ongoing exchange of best practices and strategies in audit and customs compliance across ASEAN Member States. This issue comes at a pivotal moment as the international customs community embraces the 2025 International Customs Day theme: "Customs Delivering on its Commitment to Efficiency, Security, and Prosperity."

In a time marked by rapid globalization, technological innovation, and shifting economic landscapes, Customs administrations must not only adapt but lead with clarity and conviction. Efficiency, security, and prosperity are no longer aspirational ideals; they are the measurable outcomes that define our success in fostering legitimate trade, ensuring national security, and promoting economic growth.

PCA Bulletin Vol XVI features the theme: "Customs Commitment to Enhance Efficiency and Prosperity", emphasizing our commitment to enhance customs efficiency and support the growth and prosperity of the economy.

Efficiency in customs operations enables us to streamline procedures, reduce administrative burdens, and provide faster clearance for compliant businesses, all while maintaining the integrity of control mechanisms. Through data-driven approaches and enhanced audit techniques, Post Clearance Audit serves as a vital instrument in achieving this objective ensuring compliance without hindering the smooth flow of goods. Security remains central to Customs operations. As global threats evolve, so too must our strategies.

In this edition, readers will discover a rich collection of case studies and best practices submitted by ASEAN Member States, each reflecting a strong spirit of collaboration and mutual learning. This contribution not only demonstrates technical expertise but also highlights the shared commitment to upholding the principles embodied in our 2025 theme.

As we look ahead, let us strengthen our networks, refine our methodologies, and uphold our commitment to Customs excellence delivering efficiency, security, and prosperity for all.

Warm regards,

Nugroho Wahyu Widodo

Forewords from Chairman of ASEAN-Directors - General of Customs

Nguyen Van Tho

Director General of Viet Nam

On behalf of the ASEAN Customs Directors General, I would like to extend my heartfelt congratulations to the Royal Malaysian Customs Department as the Chair, the Indonesian Directorate-General of Customs and Excise as the coordinator and all members of the Customs Enforcement and Compliance Working Group (CECWG) for their dedication, expertise, and tireless effort for successful publication of the Volume XVI of the ASEAN Customs Post Clearance Audit (PCA) Bulletin. In an increasingly complex and dynamic global trade landscape, PCA mechanism and its related applications have been assumed growing importance in modern customs management. PCA not only strengthens our ability to combat frauds and ensure compliance, but it also fosters transparency across borders, which is essential to maintaining the integrity of customs administrations in delivering their services.

The 16th edition of this bulletin witnesses another step towards our shared targets to enhance customs enforcement and streamline procedures. Experience sharing regarding PCA practices among ASEAN Member States will be beneficial and conducive to the development of a more updated and comprehensive customs legal framework. Through a harmonized understanding and a united approach, we continue to fortify our collective target in upholding high standards of trade facilitation, ensuring that both security and efficiency are paramount in our efforts. The commitment of all Members to deepen collaboration in this crucial area is key to achieving a seamless and secured customs environment within the region.

Together, we will continue to drive progress, ensuring that ASEAN Customs remains among dedicated leading practitioners of global trade compliance and enforcement.

Sincerely,

Nguyen Van Tho

Forewords from Chairman of ASEAN CECWG

Mohammad Furiman Hattar

Chairman ASEAN Customs Enforcement and Compliance Working Group

I would like to extend my heartfelt congratulations to Indonesia, specifically Directorate General of Customs and Excise of Indonesia, for the successful publication of Volume XVI of the ASEAN Customs Post Clearance Audit Bulletin.

As ASEAN economies move towards deeper integration and seamless transaction, the role of Post Clearance Audit (PCA) has become increasingly vital in ensuring fair and transparent trade practices.

The ASEAN trade environment for 2026 to 2030 will be shaped by several key developments. The full implementation of the Regional Comprehensive Economic Partnership (RCEP) and the modernization of the ASEAN Trade in Goods Agreement (ATIGA) will result in significant rise in trade volumes. Hence, PCA will play a critical role in safeguarding revenue collection, preventing trade misdeclarations, and enhancing regulatory compliance.

As trade practices become increasingly complex through manipulation and evasion, this bulletin serves as a platform for ASEAN Customs Officers to exchange best practices, foster dialogues, and share insights on PCA cases.

I extend my sincere appreciation to all members of CECWG, contributors, editors, and all those involved in the production of this bulletin for their dedication and commitment to promoting excellence in customs PCA. Let us continue working together to uphold the integrity of ASEAN's trade systems and promote a fair and secure trading environment.

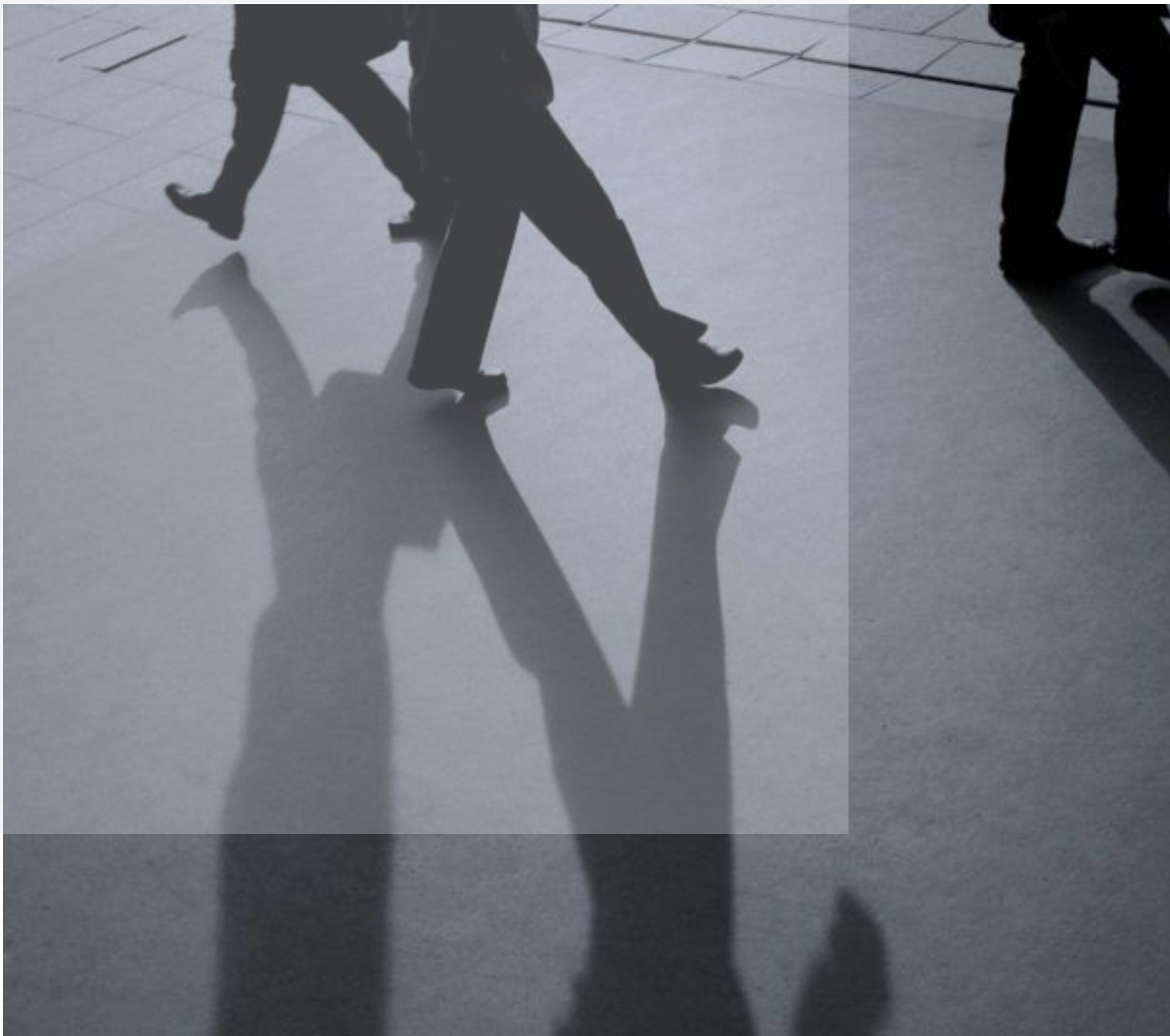
Thank you for your unwavering support and participation in our collective efforts to safeguard the prosperity and security of the ASEAN region.

Warm regards,

Mohammad Furiman Hattar

ARTICLES

CONTENT II



Igniting Opportunities: Indonesian Customs Unveils Innovative Strategies to Support MSMEs at the MSMEs Week 2024

By Oryza Novianingtyas and Dwi Maulid Diana

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in Indonesia's economy, significantly influencing both GDP and employment rates. They contribute 61% to the national GDP (Coordinating Ministry for Economic Affairs, 2022) and create jobs for 97% of the overall workforce. The importance of MSMEs is further highlighted by their representation of 99% of all businesses within the country. Given these impressive statistics, it is clear that MSMEs serve as the backbone of Indonesia's economy, driving a wide range of economic activities, including the provision of essential goods. However, with 99% coverage, a 61% contribution is somewhat mediocre. What improvements can be made, then?

One of the hurdles preventing MSMEs from achieving their full potential is the lack of access to both financing and supply chains. Government initiatives have been developed to support them, ranging from providing affordable credit to streamlining regulations. Indonesian Customs, in its role as an industrial assistant, has also stepped up with strategies to simplify regulations for MSMEs while providing opportunities for them to unleash their potential through the MSMEs Week 2024.

The MSMEs Week 2024 is part of the Customs Fair 2024, an annual event organized by the Indonesian Customs to educate the public on customs through a national competition, socialization, and a customs fair. The 2024 event was officially launched on July 25, 2024, with the tagline "*To Work Together To Build The Nation*". The whole event started in July 2024, but the main event was held in the second week of September 2024.

The MSMEs Week was an early event of the entire Customs Fair 2024, commencing on July 2, 2024. It featured three main activities: socialization for MSMEs, a national competition, and the MSMEs Fair. The event kicked off with the socialization of MSMEs, held in two stages: regional and national. Regional socialization was conducted simultaneously by all regional offices in Indonesia, while the national-scale socialization was centralized at the Indonesian Customs Head Office. Aiming to support MSMEs in going global, Indonesian Customs is committed to enhancing their export competitiveness. Through this series of events, it is expected that the public will better understand the range of businesses operated by MSMEs and ensure that these enterprises are well-equipped with all the necessary information on export procedures. These activities were deemed effective, particularly those held in the regional offices, as they helped awaken the export potential of MSMEs from the regions. In this regard, Indonesian Customs provided the opportunity for small businesses to consult directly with Customs officials on how to export their products. This is particularly vital, as MSMEs—especially in regional areas, have limited access to information. Many of them still thought that selling their products abroad was difficult and that they needed to follow cumbersome procedures. With Customs coming to them and explaining directly how easy the processes are, some of their burden was lifted. Hence, it is not surprising that this set of events attracted approximately 13,555 participants.

Week was the national-scale competition. Indonesian Customs organized a business proposal competition while also conducting a contest for creating endorsement videos for MSMEs' products. Aimed at MSMEs without exporting experience but eager to expand, the business proposal competition was designed to encourage participants to think globally and innovate their products to meet global demand.

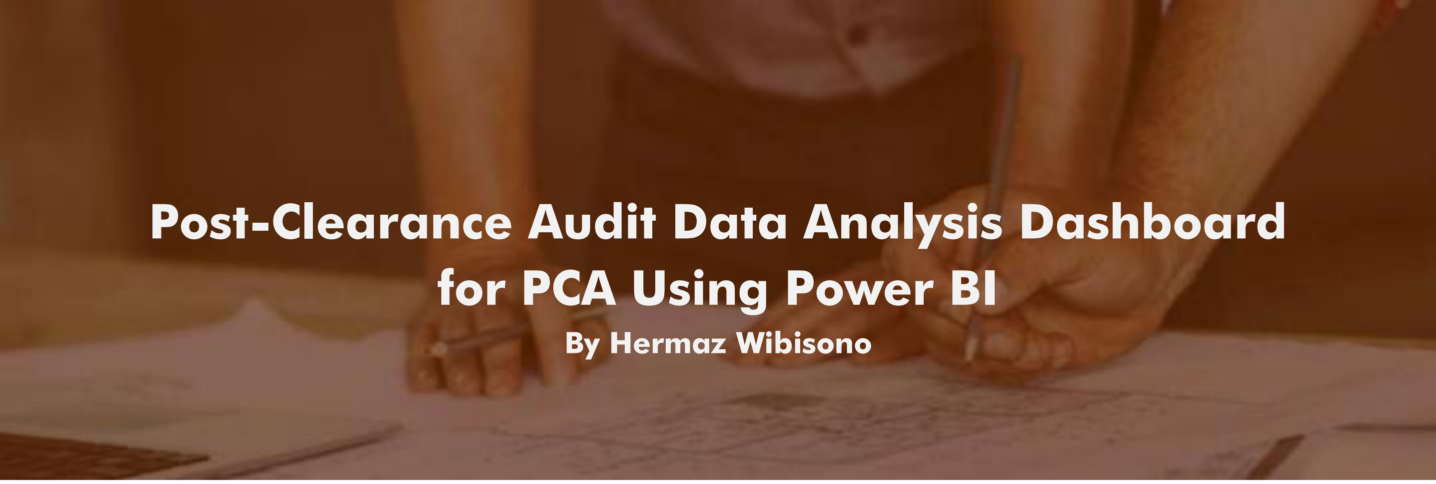
This will then prompt those small and medium businesses to think outside their comfort zones and be bold yet calculated in their business decisions. A total of 284 teams competed, showing that MSMEs are willing to reach a higher level in their businesses.

On the other hand, the video endorsement competition was opened to the public. In this case, while larger businesses boost their sales through high engagement from video endorsements, such marketing strategies might be a luxury for MSMEs due to cost concerns. Hence, with the free endorsements provided through this contest, MSMEs can gradually have their products recognized, which, in turn, will also help increase their sales. In this event, more than 200 videos were submitted for this competition, helping MSMEs grow their reach.

The MSMEs Week series finally concluded with the MSMEs Fair, along with the peak event of the Customs and Excise Fair, held from September 17-19, 2024. The MSMEs Fair is an exhibition for MSMEs facilitated by the Ministry of Finance and the Customs Export Clinic program, supported by event sponsors. A total of 54 tenants from MSMEs participated in this event,

representing the culinary, clothing,
and handicraft sectors. The 2024 MSMEs Fair attracted over 3,000 visitors, including Customs employees, participants from the Customs and Excise Festival for High School, and the public. One notable aspect of this MSMEs Fair was the participation of the Mutiara Handicraft Disabled, a small enterprise from Kebumen managed by the disabled community under the guidance of Cilacap Customs and the Customs Gender Mainstreaming Team.

The MSME Week saga is an annual event that strengthens the role and function of Indonesian Customs, consistently aims to support and facilitate MSMEs, and boost exports of local products. While usually associated with initiatives related to fiscal relaxation, this new approach addresses the '*softer*' aspects of businesses, which have proven to be effective. It is anticipated that this event will be held regularly to allow a broader range of MSMEs to participate, resulting in a noticeable impact on the economy.



Post-Clearance Audit Data Analysis Dashboard for PCA Using Power BI

By Hermaz Wibisono

Abstract / Summary

In November 2022, World Customs Organization (WCO) published Data Analysis Dashboard for PCA Using PowerBI, this document presents the development and implementation of a data analysis dashboard utilizing Microsoft Power BI to enhance the efficiency and effectiveness of Post-Clearance Audit (PCA) processes. The dashboard aims to provide a more accessible, visual, and customizable analytical tool compared to traditional Excel-based methods. It focuses on import/export data analysis, risk assessment, and audit preparation, aligning with the WCO's theme of scaling up digital transformation within customs administrations. The implementation of Power BI-based dashboards signifies a promising step toward fostering a data-driven culture in customs audits. By making data analysis more accessible, transparent, and efficient, this tool aligns with the WCO's digital transformation goals and offers a foundation for future enhancements in PCA methodologies.

1. Background & Rationale

In recent years, the landscape of customs administration has undergone a significant transformation driven by rapid technological advancements and the increasing complexity of international trade. Traditional methods of data analysis, often reliant on manual processes using Excel spreadsheets and Access databases, have become insufficient to meet the demands of efficient and effective post-clearance audits (PCA). These conventional approaches are limited in their ability to handle large volumes of data, provide real-time insights, or facilitate collaborative decision-making.

The World Customs Organization (WCO) recognizes the critical need for customs administrations to adopt digital tools that enhance analytical capabilities, improve risk assessment, and streamline audit processes. Digital transformation is not just a trend but a necessity to improve compliance, reduce revenue leakages, and combat fraud effectively. As part of this strategic shift, the integration of Business Intelligence (BI) platforms like Microsoft Power BI offers promising opportunities for visualizing complex data, identifying patterns, and supporting data-driven decision-making.

The rationale behind developing a Power BI-based dashboard for PCA stems from the need to overcome the limitations of existing manual methods. By leveraging data visualization and automation features, the dashboard aims to:

a) Enhance Data Accessibility

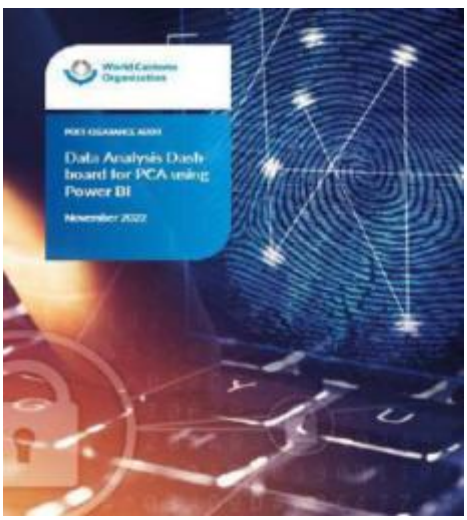
Provide auditors and management with intuitive, visual representations of import/export data, risk indicators, and audit metrics, thereby reducing reliance on technical expertise in data analysis.

b) Improve Analytical Efficiency
Automate data retrieval and processing tasks to save time and minimize errors, enabling auditors to focus on substantive analysis rather than data preparation.

c) Support Risk-Based Decision-Making
Facilitate the identification of high-risk transactions and areas requiring further scrutiny through interactive visual reports, leading to more targeted and effective audits.

d) Promote Standardization
Establish a uniform analytical framework across different customs offices and jurisdictions, fostering consistency in PCA practices.

e) Encourage Digital Culture:
Foster a data-driven mindset within customs administrations, encouraging staff to utilize modern tools for operational and strategic purposes.The development of this dashboard prototype was motivated by the recognition that a well-designed, user-friendly analytical tool could significantly improve the effectiveness of PCA activities and support the broader goal of digital modernization within customs operations. While still in the prototype phase, initial testing demonstrates its potential to transform traditional PCA workflows into more dynamic, transparent, and efficient processes.



2. Challenges in Current PCA Data Analysis

PCA preparation involves gaining a comprehensive view of the auditee's business structure to identify specific risk areas. For members who have implemented PCA, this process includes analyzing import and export declaration data using software like Microsoft Excel or Access. However, it is important to note that the analysis of Customs and externally obtained data offers an incomplete view of auditee irregularities; the audit process itself clarifies errors.

The primary objectives of the preparatory process for PCA are to gain a comprehensive understanding of the auditee's business structure and to identify specific risk areas within the auditee's systems. This analysis forms the basis for drafting a specific audit plan, including the audit's objectives, scope, methodologies, and assignment of auditor/team members. A critical aspect of this process is to focus on specific risk areas of an auditee's systems and import/export declarations through the analysis of available data.

For members who have implemented PCA, the preparation process typically involves analyzing import and export declaration data using software like Microsoft Excel or Access.

Some members may also use specialized applications and more sophisticated analytical methods.

It's important to recognize that analyzing Customs data and other externally obtained data does not provide a complete picture of irregularities related to an auditee. The audit process itself is essential for clarifying errors made by the auditee. From a data analysis perspective, audit preparation is generally an abductive process. This means that before obtaining the auditee's data, Customs data is analyzed to infer potential high-risk areas of the auditee's business. This analysis work may be conducted by an individual auditor or a team, often relying on the auditor's experience and tacit knowledge. Excel-based analysis often involves using pivot tables to perform cross-tabulations of data, such as analyzing risk by exporter, item, country of export, and origin.

Auditors with experience in PCA and familiarity with new software may visualize the data to aid in analysis. However, this phase of the work is heavily reliant on individual skills, and the tabulation method may need to be customized for each audit.

3. Development of Power BI Dashboard

To streamline data analysis, the WCO Secretariat has developed an import/export declaration data analysis tool using Microsoft Power BI. This tool aims to enhance the efficiency of risk analysis and identification, facilitate the development of audit strategies through visualized data sharing, and save auditors time by providing a standard analysis base.

The WCO Secretariat aims to support the implementation of this tool through capacity-building activities, including on-site experts to guide members through customization and implementation. The Secretariat also seeks cooperation with members and donors to further refine the tool and develop additional analysis techniques. The Power BI dashboard is designed for PCA auditors to simplify and improve the efficiency of data analysis in the PCA process. It includes unit price analysis of transaction values and analysis of assists for Customs valuation risk assessment. While Excel can perform similar analyses using sorting functions and pivot tables, Power BI offers enhanced visualization and efficiency. The Power BI tool enhances audits by incorporating the causes of pricing decisions and assessing risks for specific transactions. It also allows for the addition of more analysis methods and data elements. However, it is crucial for auditors to understand the theoretical background of the analysis to effectively use and customize the dashboard.

4. Features of the Dashboard

4.1. Data Connectivity

Power BI can connect to a wide range of data sources, including databases, spreadsheets, cloud services, and APIs. This is crucial for PCA, which often involves data from various sources like import/export declarations, tax records, and other government agencies.

The ability to combine data from different sources and formats is essential for creating a holistic view of the auditee's transactions and compliance.

4.2. Data Transformation

Power BI's Power Query Editor allows for cleaning, shaping, and transforming data. This is vital in PCA, where data may contain inconsistencies, errors, or missing values. Auditors can use these tools to ensure data quality and prepare it for analysis.

4.3. Data Modeling

Power BI enables the creation of data models to define relationships between different tables. This is important for analyzing how different aspects of the data (e.g., exporters, importers, products, dates) relate to each other.

Proper data modeling is crucial for accurate and insightful analysis in PCA.

4.4. Interactive Visualizations

Power BI offers a rich set of interactive visualizations, including charts, graphs, maps, and tables. These visualizations help auditors explore data, identify trends, and detect anomalies.

The interactivity allows auditors to drill down into the data, filter it, and gain different perspectives.

4.5. Dashboards and Reports

Power BI allows users to create dashboards and reports that present key findings in a clear and concise manner.

These can be shared with other auditors or stakeholders to facilitate collaboration and decision-making.

4.6. DAX (Data Analysis Expressions)

Power BI includes DAX, a formula language that allows users to perform complex calculations and create custom metrics.

Auditors can use DAX to calculate key performance indicators (KPIs) and other relevant measures for PCA.

4.7. Security

Power BI provides security features to control access to data and reports. This is essential for protecting sensitive information in PCA.

4.8. Integration with Other Tools

Power BI can be integrated with other Microsoft tools like Excel and Teams, as well as other applications. This allows for a seamless workflow and collaboration.

The Power BI dashboard is designed to aid PCA auditors in making data analysis more straightforward and efficient. It focuses on risk assessment of transactions during a specific audit period for a particular auditee.

a) Unit Price Analysis of Transaction Values

The dashboard enables the extraction of the auditee's import data for a specific period. It facilitates risk assessment of all transactions related to the importer (auditee) within that period. The tool counts the number of shipments and the total declared values by each exporter, helping to determine the impact of each exporter's shipments on revenue and prioritize transactions. It also counts the number of shipments and total declared values by each HS code, which helps in determining which imported commodities have the greatest impact on revenue and the priority of transactions by commodity. The dashboard provides an overview of the impact per exporter and per commodity. It conducts a unit price analysis per exporter and per commodity to measure the possibility of error or fraud by analyzing unit price fluctuations over a specific period.

b) Analysis of Assists for Customs Valuation

The dashboard facilitates finding correlations between import and export commodities related to the same trading partner (exporter in import data, consignee in export data). It helps identify if imported items are produced using exported items, which could indicate incorrect price adjustments of exported items (like materials, machinery, and parts) at the time of import. The tool allows users to focus on the price of goods in the export declaration and prioritize transactions based on risk. It also enables the analysis of the period between the export and import dates, which is crucial in identifying potential issues with assists.

5. Advantages Over Traditional Techniques

Power BI dashboard offers several advantages over traditional data analysis techniques, primarily those using Microsoft Excel or Access. Here's a breakdown of these advantages:

- Efficiency and Streamlining: Power BI streamlines the data analysis task, making it more efficient. It enables less experienced officers to perform risk analysis and identification more effectively.
- Enhanced Collaboration: The visualization of data in Power BI facilitates the sharing of insights with the audit team, which supports the development of audit strategies.
- Time and Effort Savings: Auditors can save time and effort by using Power BI to compile data for analysis, as it reduces the need to start from scratch for each audit. It also allows for more sophisticated analyses from a standard analysis base.
- Improved Rationale and Traceability: Visualizing data analysis results provides a stronger rationale for audit policies. Including visual documentation of data analysis results in audit reports enhances the traceability of the audit process.
- Advanced Analytical Capabilities: Power BI facilitates more complex analyses and the incorporation of various data elements, which may be difficult to achieve with basic Excel or Access functions.

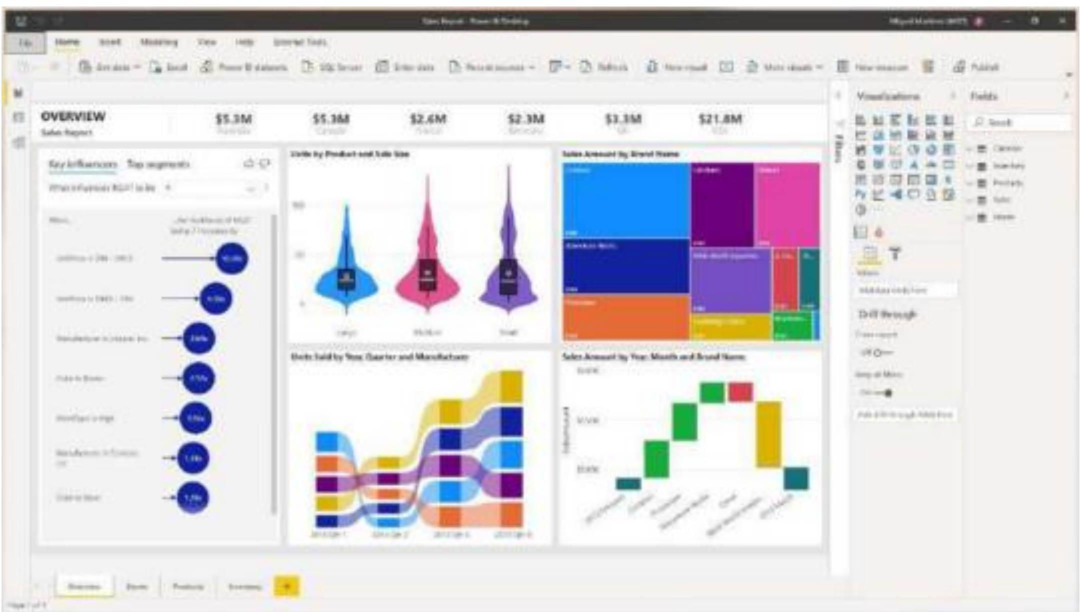
6. Conclusion

The conclusion of the document emphasizes that using new data analysis tools is expected to significantly improve the efficiency of existing analytical methods. The introduction and practical application of the developed dashboard are designed to provide auditors with new analytical perspectives.

Rather than focusing on future possibilities like big data, machine learning, and artificial intelligence, or exploring entirely unknown analytical methods, the project is grounded in enhancing known analytical techniques. This is achieved by introducing and developing the Power BI tool as a starting point for more advanced data analysis in PCA.

The core takeaway is that the strategic implementation of contemporary data analysis tools, exemplified by the Power BI dashboard, is poised to revolutionize the effectiveness of traditional analytical approaches in Post-Clearance Audit (PCA). This initiative is not merely about automation; it's about empowering auditors with innovative ways to interpret data, identify patterns, and ultimately, make more informed decisions.

By transitioning from conventional methods to interactive dashboards, auditors can uncover insights that may have been previously obscured, leading to more targeted and efficient audits. The significance of this lies in its potential to create a sustainable framework for data-driven decision-making within Customs administrations. It's about fostering a culture of continuous improvement, where auditors are equipped with the tools and knowledge to adapt to the evolving landscape of international trade. The document concludes with a call for collaborative engagement among WCO members, recognizing that collective expertise and shared data are essential to fully realize the transformative potential of this initiative.



Articles

IMPACT OF DONALD TRUMP'S TRADE POLICIES ON ASEAN AND THE ROLE OF PCA

May 2025

By: Lukman Hakim

In 2025, President Donald Trump's international trade policies mark a significant shift toward protectionism, characterized by aggressive tariff implementations and a reconfiguration of global trade relations. Central to this approach is the "reciprocal tariff" policy, which aims to match or exceed the tariffs and trade barriers imposed by other nations on U.S. goods. This strategy has led to a substantial increase in tariffs across various sectors and countries, with the average effective U.S. tariff rate rising from 2.5% to an estimated 27%, the highest level in over a century.

A focal point of Trump's trade agenda has been China. The administration escalated the trade conflict by raising baseline tariffs on Chinese imports to 145%. In retaliation, China imposed a minimum 125% tariff on U.S. goods and restricted exports of rare earth elements critical to high-tech industries. These measures have intensified tensions and disrupted supply chains, particularly affecting sectors reliant on these materials.

Beyond China, the Trump administration has targeted other major trading partners. In early 2025, the U.S. imposed 25% tariffs on most goods from Canada and Mexico, citing concerns over contraband drug trafficking and illegal immigration. Although exemptions were later granted for goods compliant with the United States-Mexico-Canada Agreement (USMCA), these actions prompted retaliatory tariffs from both countries, exacerbating trade tensions. Additionally, a 25% tariff was imposed on all car imports, significantly impacting Germany, the world's largest automobile exporter.

The administration's trade policies have also extended to specific sectors. A notable example is Executive Order 14245, which imposes a 25% tariff on all goods imported into the U.S. from any country that imports Venezuelan oil. This unprecedented move aims to exert pressure on countries engaging with Venezuela, further complicating international trade dynamics.

These protectionist measures have elicited significant economic repercussions. The Organisation for Economic Co-operation and Development (OECD) has warned that such tariffs are slowing economic growth in the U.S. and globally, while reigniting inflation. The uncertainty surrounding trade policies has also hindered business investments, disrupting supply chains and dampening consumer sentiment. Small businesses, in particular, have faced increased costs and reduced profit margins, with some industries experiencing tariffs as high as 245%.

In summary, President Trump's 2025 international trade policies reflect a decisive move toward protectionism, utilizing tariffs as a primary tool to address trade imbalances and promote domestic industries. While these policies aim to bolster U.S. economic interests, they have also led to heightened global trade tensions, retaliatory measures from trading partners, and significant economic challenges both domestically and internationally.

IMPACT ON ASEAN

Trump's 2025 trade policies, which place a heavy emphasis on protectionism, high tariffs, and unilateral deals, pose significant challenges for ASEAN (Association of Southeast Asian Nations). As a region deeply reliant on export-driven growth and global trade integration, ASEAN countries like Vietnam, Malaysia, Thailand, and Indonesia are vulnerable to the ripple effects of disrupted global supply chains. One of the core elements of Trump's policy is a universal baseline tariff—reportedly up to 10% on all imports—which, if applied to ASEAN exports, would make their goods more expensive and less competitive in the U.S. market. This particularly affects sectors such as electronics, garments, automotive parts, and agriculture, all of which are critical to ASEAN economies. The region had previously benefited from U.S.-China tensions by attracting investment and manufacturing relocating from China—a strategy known as "China+1." However, under Trump's 2025 policies, the advantage of being an alternative to China may diminish if ASEAN countries are also subjected to similar tariffs and trade scrutiny.

Moreover, Trump's rejection of multilateralism and preference for bilateral trade deals undermines ASEAN's collective bargaining strength. As ASEAN countries typically rely on regional trade agreements—like the Regional Comprehensive Economic Partnership (RCEP)—to enhance cooperation and economic resilience, the shift toward transactional, country-to-country deals weakens their ability to negotiate on equal footing. The unpredictability of Trump's trade decisions may also deter foreign direct investment (FDI) in Southeast Asia, as businesses seek more stable and predictable environments. Investors may become increasingly cautious about relying on ASEAN as a production hub if access to the U.S. market becomes uncertain or restricted.

In addition, countries such as Vietnam and Thailand, which have large trade surpluses with the U.S., may become specific targets of Trump's trade rebalancing agenda. They may face pressure to import more from the U.S. or risk retaliatory tariffs. Furthermore, ASEAN's reliance on interconnected supply chains—often involving intermediate goods that pass through several countries before final export—makes them especially sensitive to disruptions caused by new tariffs and trade barriers. Finally, if these policies trigger a broader slowdown in global trade or push key partners like China to retaliate with their own regional strategies, ASEAN could find itself squeezed between two economic superpowers, with limited room to maneuver.

Impact Area	Positive Effect	Negative Effect
Supply Chain Realignment	Vietnam, Indonesia attract new factories	Disruption to existing regional supply chains
Investment Flow	Targeted FDI in tech and textiles (Vietnam, Thailand)	Slower FDI in risk-sensitive markets like Indonesia
Export Competitiveness	Some winners in niche markets	Tariffs make ASEAN goods less competitive in U.S.

ASEAN-China Relationship	Strengthened through RCEP and trade growth	Greater economic dependency on China
ASEAN Cohesion	Bilateral engagement with U.S.	Risk of ASEAN disunity in trade negotiations

IMPACT ON CUSTOMS AND PCA ROLE

Trump's 2025 trade policies—marked by elevated tariffs, aggressive trade enforcement, and a shift toward unilateral trade practices—have significantly impacted ASEAN customs operations. As the U.S. imposes broad-based tariffs and complex trade restrictions, ASEAN customs agencies are facing increased administrative burdens in managing compliance, documentation, and cargo screening for goods destined to or coming from the U.S. These changes have forced ASEAN customs authorities to adapt quickly to shifting tariff codes, classification requirements, and rules-of-origin protocols, particularly for goods that involve U.S. components or are shipped through U.S.-linked supply chains. For example, if a Vietnamese product contains parts sourced from China, and those Chinese inputs are under U.S. sanctions or tariffs, customs officials in Vietnam must now perform additional due diligence to ensure exporters are not violating U.S. trade rules—often under pressure from multinational clients or logistics providers seeking compliance assurances.

Moreover, these policies have created a greater need for harmonization and real-time data sharing within ASEAN's customs network, especially under the ASEAN Single Window initiative, which aims to streamline and digitize cross-border trade. Trump's protectionist stance has revealed the vulnerability of fragmented customs processes in Southeast Asia. In response, ASEAN customs departments have had to invest in better risk management systems, enhanced cargo tracking, and intelligence-sharing to identify and respond to sudden regulatory shifts from global trade partners like the U.S. Customs agencies are increasingly tasked with preventing transshipment abuses—where goods from China, for example, are rerouted through ASEAN countries like Malaysia or Thailand and falsely labeled to bypass U.S. tariffs. This has raised the bar for customs enforcement, requiring better inspection capacity, improved customs-auditing practices, and legal reforms to prosecute trade fraud.

Additionally, as trade volumes fluctuate due to U.S. tariffs and companies redirect supply chains, customs revenues in some ASEAN countries—especially those that rely heavily on trade taxes—may be affected. Countries like Laos, Cambodia, and Myanmar, where customs duties still form a significant part of public income, could see reduced fiscal inflows if U.S.-linked trade slows down or becomes more volatile. In the broader strategic context, ASEAN customs bodies are being pushed to recalibrate toward more resilient and diversified trade networks, relying more on regional integration, partnerships with the EU, Japan, and China, and improving customs automation and transparency to attract non-U.S. trade flows.

Impact Area	Effect on Customs
Tariff Complexity	Increased workload, more misclassification risk
Customs Fraud	More cases of misdeclaration and transshipment fraud
Processing Time	Slower clearance, higher costs
Resource & Budget Needs	Need for modernization, digital tools, and staff training

Policy Pressure	U.S.-led demands may clash with ASEAN's multilateral goals

In the context of growing global trade complexities—exacerbated by policies such as those from the Trump 2025 administration—Post Clearance Audit (PCA) has become an essential tool for ASEAN Customs to ensure compliance while facilitating trade. PCA refers to the audit or examination of customs-related records, commercial documents, and financial data of importers or exporters after goods have been released from customs control. To be effective, ASEAN customs authorities must prioritize building robust, risk-based PCA systems that focus on high-risk entities rather than conducting audits randomly or uniformly. This includes implementing data analytics tools and risk management software to profile importers based on their transaction history, compliance behavior, country of origin, declared values, and classification accuracy. By shifting from transaction-based control at the border to compliance control post-clearance, ASEAN customs can reduce congestion at ports and enhance trade facilitation—aligning with the WTO Trade Facilitation Agreement and ASEAN Single Window objectives.

To strengthen PCA, ASEAN customs administrations should invest in capacity building of their audit officers. Auditors must be equipped with knowledge of international accounting standards, supply chain operations, tariff and non-tariff measures, transfer pricing, and trade agreements such as the ASEAN Trade in Goods Agreement (ATIGA). Cross-training between customs, tax authorities, and even anti-corruption bodies is also recommended to enhance multi-agency coordination. Moreover, a modern PCA system should be supported by clear legal frameworks and guidelines, ensuring transparency and accountability during the audit process, and protecting the rights of businesses. Such frameworks should clearly define the scope, timelines, rights of appeal, penalties for non-compliance, and mechanisms for dispute resolution.

Digitalization is also critical. ASEAN should promote the integration of PCA systems with national electronic customs platforms and the ASEAN Single Window, enabling auditors to access trader profiles, previous declarations, licenses, and supporting documents electronically. This digital linkage will reduce audit time, increase accuracy, and allow real-time monitoring of compliance patterns. In addition, fostering a culture of voluntary compliance is key. This can be achieved by engaging with the private sector through outreach programs, publishing audit findings (anonymously), offering advance rulings or audit readiness checklists, and rewarding compliant traders with benefits such as fewer inspections or fast-track processing (Authorized Economic Operator or AEO programs).

In conclusion, a modern and effective PCA program in ASEAN requires a risk-based approach, skilled auditors, robust legal support, digital infrastructure, and a collaborative relationship with the business community. As global trade becomes more fluid and politically driven, PCA provides customs administrations with the strategic depth needed to ensure revenue protection and regulatory compliance without impeding trade growth.

ASEAN CUSTOMS

CONTENT III

PCA CASES

(Classification code, Customs valuation, Other)

1 Brunei Darussalam
2 Cambodia
3 Indonesia
4 Lao PDR
5 Malaysia
6 Myanmar
7 Philippines
8 Singapore
9 Thailand
10 Vietnam

BRUNEI DARUSSALAM

CASE #1

FACTS OF THE CASE

Rotten Tomato (RT) Company is one of the companies being assessed by PCA Unit based on physical examination of goods at the Muara Port on the importation of households' electrical goods.

The case is related to the identification and classification of goods. During the importation, the company declared households' electrical goods, including washing machines and air fryers. The HS code used during the importation is 84514000 for washing machines and 84191990 for air fryers. The declaration was submitted via the Brunei Darussalam National Single Window (BDNSW) on 24th April 2024 and clearance was made on 25th April 2024.

FINDINGS

1. PCA Unit decided to audit declaration on the importation of RT Company.
2. From this audit, PCA Unit found out that this company owns a shop selling households' electrical goods. Based on the assessment of the documentation, RT Company has used the wrong HS Code for both washing machines and
3. air fryers, where the HS Code for non-households was used with an excise
4. duty rate of 2.5% instead of 5% for the households' electrical goods. There were also discrepancies found in the other charges, and PCA did the recalculation of the actual duty using
5. MS Excel, and duty shortages were triggered with the amount of BND 139.00.

MODUS OPERANDI

The company used wrong HS Code with lower excise duty rate, where they underpaid the duty for seven (7) of the items in the declarations.

PCA DECISIONS

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 139.00 was paid.

CHALLENGE AND DIFFICULTIES

The challenge and difficulties are not a bit as the company is giving full cooperation during the auditing period. The difficulties are more on the tariff structure where the importer tend to take advantage of using 'others' rather than reading the header.

ACTION TAKEN TO OVERCOME THE CHALLENGE AND DIFFICULTIES

Brunei PCA contacted the importer and explained the usage of 'others' in tariff structure.

DOCUMENT AND DATA VARIABLES USED

1. Import notification document,
2. Commercial invoice,
3. Bill of lading,
4. Bank statement,
5. Catalogue of the goods.

INDONESIA

CASE #1

FACTS OF THE CASE

- Description of imported goods as notified on import customs document: Multifunction Laser Printer.
- According to the identification of goods provided by the Importer, the imported goods are an all-in-one monochrome laser printer which can also be used as a printer, photocopier and scanner.
- HS code as notified on import documents: 84433129. The tariff structure is as follows:
  Printing machinery used for printing by means of plates, cylinders and other printing components of heading 84.42; other printers, copying machines and facsimile machines, whether or not combined; parts and accessories thereof.
  - Other printers, copying machines and facsimile machines, whether or not combined:
  - - Machines which perform two or more of the functions of printing, copying or facsimile transmission, capable of connecting to an automatic data processing machine or to a network :
  - - - Printer-copiers, printing by the laser process :
  - - - - Other
- The importer believes that HS Code 84433199 set by the audit team is for the type of color multifunction laser and must obtain import approval, while the imported goods are monochrome multifunction laser printers. So the importer's permit application to Coordinating Agency for the Eradication of Counterfeit Rupiah (Botasupal) and the Ministry of Trade will be rejected based on the Regulation of the Minister of Trade Number 14 of 2018 concerning Amendments to the Regulation of the Minister of Trade Number 102/M-DAG/PER/12/2015 concerning Provisions for the Import of Color Multifunction Machines, Color Photocopying Machines, and Color Printers.
- In addition, the importer also argues that the scanner function on the goods is the same function in a digital copier, the scan results are stored in the machine's memory, processed and printed directly by the printer. In the scanner function, the scan results are not printed, but are stored in external memory or in a machine (computer/network) connected to the machine, so the determination of tariff post 84433129 by the importer is correct.
- MFN duty rate as notified on import documents: 0%
- Time period of occurrence of the case: September 2023.

PCA FINDINGS

- Based on the identification of the items that have been provided and the brochures obtained, these items only have printing, copying and scanning functions.
- The function of the scanner on the printer is to scan data into output with a certain file type (.pdf, .jpg, .png, etc.), which is different from the scanning process which is carried out during the copying process with the output being data that has been scanned and saved only in the printer's memory.
- This is also reinforced by the addition of a scanner function to the description of the Indonesian Customs Tariff Book 2017 and BTKI 2022 (Printer-copier-scanner-fax machine combination in HS code 84433191) which previously did not exist in BTKI 2012. The tariff structure for HS Code 8443191 is as follows:
  Printing machinery used for printing by means of plates, cylinders and other printing components of heading 84.42; other printers, copying machines and facsimile machines, whether or not

combined; parts and accessories thereof.

- Other printers, copying machines and facsimile machines, whether or not combined :

- - Machines which perform two or more of the functions of printing, copying or facsimile transmission, capable of connecting to an automatic data processing machine or to a network :

- - - Other :

- - - - Combination printer-copier-scanner-facsimile machines.

- Since the imported goods do not have a facsimile function, the audit team is of the opinion that the goods are more appropriately classified in HS Code 84433199 which has the following description:
  Printing machinery used for printing by means of plates, cylinders and other printing components of heading 84.42; other printers, copying machines and facsimile machines, whether or not combined; parts and accessories thereof.
  - Other printers, copying machines and facsimile machines, whether or not combined :
  - - Machines which perform two or more of the functions of printing, copying or facsimile transmission, capable of connecting to an automatic data processing machine or to a network :
- Furthermore, there is no further information in the explanatory notes so that HS Code 84433199 is used only for the classification of color multifunction machines. However, tariff post 84433199 has several import regulatory provisions (post-border trade), one of which is related to the LS and Approval of Import of Multifunction Machines and Color Printers which are regulated in the Regulation of the Minister of Trade Number 36 of 2023 as last amended by Regulation of the Minister of Trade Number 8 of 2024.

- In accordance with General Rules for The Interpretation of The Harmonized System 3(c), if goods cannot be classified based on reference 3(a) or 3(b), then the goods must be classified in the last tariff heading based on the numbering sequence among tariff headings that have equal consideration. So, the multifunction laser printer is re-assigned to HS Code 84433199.

MODUS OPERANDI

At first, importers had difficulty importing using the HS code in accordance with the provisions because there were regulations for the HS Code. This problem is related to preventing the circulation of counterfeit currency which could potentially be produced from the printing machine, even though the goods imported by the importer are multifunction printers which can only print in black and white.

PCA DECISIONS

In accordance with General Rules for The Interpretation of The Harmonized System 3(c), if goods cannot be classified based on references 3(a) or 3(b), then the goods must be classified in the last tariff heading based on their numbering sequence among tariff headings that have equivalent consideration.

Therefore, it can be concluded that these goods are more appropriately classified in tariff heading 84433199.

CHALLENGE AND DIFFICULTIES

Basically, there are no significant difficulties in determining the classification of these goods. The existing obstacles are more related to the tariff post structure in Indonesian Customs Tariff Book 2017 and 2022 which does not yet accommodate multifunction printer tariff posts which have separate printing, copying and scanning functions without facsimile.

ACTION TAKEN TO OVERCOME THE CHALLENGE AND DIFFICULTIES

The team coordinated with the Customs Technical Directorate to discuss this determination. The result of the discussion was that the team from the Technical Directorate agreed with the classification carried out by the audit team regarding the multifunction printer.

DOCUMENT AND DATA VARIABLES USED

Customs Data (Internal):

1. Import notification document (BC 2.0)
2. Indonesian Customs Tariff Book 2017 and 2022
3. Supplementary Explanatory Notes

Company's Data (External):

1. Commercial invoices
2. Packing list
3. Brochures of the multifunction printer
4. Surveyor report

MALAYSIA

CASE #1

FACTS OF THE CASE

1. XYZ is an enterprise incorporated under the Business Names Ordinance (Law of Sarawak Chapter 64) and Business, Professional and Trading Licensing Ordinance (Law of Sarawak Chapter 33) as a trading entity.
2. It is also an importer of small and medium size mechanized tools of various kinds.
3. A Verification and Profiling was done on the enterprise to determine the enterprise's level of compliance in respect of the importation laws especially on the classification and valuation of goods.
4. Based on the Verification and Profiling Report, we discovered there was a possibility of a misrepresentation of facts by the importer on the imported "air compressors".
5. The report highlighted the issue of classification used by the importer which could be misleading as to whether the air compressor was mounted on a wheel chassis for towing or otherwise. The implication of such misdescription and misclassification by the importer will result a Sales Tax of 10 percent if the facts clearly show the item was not the kind of air compressor mounted on a wheel chassis.
6. Henceforth, the Verification and Profiling Report was extended to the Audit Branch to follow suit. It was recommended that a thorough audit ought to be carried out on the importation of the air compressors.
7. An Audit Officer was assigned to carry out a full audit on the activities of the importer with the air compressor issue in mind. And the latter and a team of Customs Officers paid a visit to the business premises on 28th. December 2023.
8. The Auditee handed all the relevant Customs Documents to the Audit Officer as requested. The documents were then examined according to the established Audit Procedures.

PCA FINDINGS

1. Based on the Crystal Report and Customs Information System, the importer had declared fifteen Customs Form No. 1 during the audit period. The C.I.F. value was RM3,542,686.00 (approx. UDS787,263.55) and the import duties and sales tax paid was

RM385,616.40 (approx. USD85,692.53).
2. The Audit Officer confirmed the value Paid and Payable on the C.I.F. on all the importations as to be true according to the Customs (Rules of Valuation) Regulations 1999.
3. The Audit Officer, however, discovered one consignment did not meet the Item 4 on Classification Rules in the Customs Duties Order 2017. This was in tandem with the Verification and Profiling Report on the issue of air compressor.
4. Based on the records and the explanation of the importer, the latter did not dispute the fact that the air compressor in the contested consignment was mounted on a wheel chassis. And this attracts a sales tax of 10 percent. The goods did not qualify under the Sales Tax (Goods Exempted from Tax) Order 2018; therefore, it was taxable.
5. The Audit Officer also referred to the Decision of the Classification Panel on the subject air compressor and the right tariff classification to follow.

MODUS OPERANDI

1. The MO in this case is to classify the item in the Sales Tax (Goods Exempted from Tax) Order 2018. Thus, evading sales tax on the consignment.
2. To outwit the Customs Authorities, the importer classifies the item under 8414.40.000 instead of 8414.80.4900 as in the Customs Duties Order 2017.

PCA DECISION

1. The Post-Clearance Audit Report was completed by the Audit Officer and was send to the Head of the Audit Branch for approval. The latter agreed to the findings and instructed a claim be made on the short-paid sum of the Sales Tax.
2. A Bill of Demand amounting to RM4,667.35 (approx. USD1,037.18) was issued against the importer under Section 38(1)(a) of the Sales Tax Act 2018. The total C.I.F. value of the air compressors 215 cartons is RM46, 773.51 (approx. USD10, 394.11).

CHALLENGES AND DIFFICULTIES

This is a straightforward case of a mistaken classification. We could not deduce from the facts that it was done intentionally. It was a misunderstanding because there were no clear guidelines that came to the attention of the importer.

ACTIONS TAKEN

A Bill of Demand of RM4,667.35 (approx. USD1,073.18). And the importer was reprimanded not to repeat the same mistake.

DOCUMENTS AND DATA VARIABLES USED

1. Customs Form No. 1
2. Invoice
3. Bill of Lading
4. Purchase Order
5. Debit and Credit Advice
6. General Ledger
7. Sales Ledger
8. Purchase Ledger
9. Trade Creditors Ledger

CASE #2

FACTS OF THE CASE

1. ABC is a legal entity incorporated under the Business Names Ordinance (Law of Sarawak Chapter 64) and Business, Professional and Trading Licensing Ordinance (Law of Sarawak Chapter 33).
2. The enterprise is a sole proprietor, and our records show its importation consist of general goods such as shirts, bags, pots, etc.
3. A Post-Clearance Audit Operation was carried out by the Audit Branch in the year 2022 targeting imports of bicycles. And based on our risk assessment the enterprise was within the audit focus. It was never audited before this and as such it was given a top priority.

4. The audit period covered was on those importations that were transacted in the year of 2020. There were 9 consignments of Customs Form No. 1 declared to the Customs Authority. All the consignments are made up of various types of bicycles.
5. Upon examination of the relevant documents produced by the importer, the Audit Officer discovered that there were 4 consignments to be improper. They were declared to be non-dutiable under Customs Tariff Code 8712.00.1000 when in fact it ought to be classified as 8712.00.3000 which carries Import Duty of 15 percent.
6. The importer did not contest to the fact that it was declared wrongly and agreed to the liability.

PCA FINDINGS

1. The Audit Officer found 4 consignments did not meet the Item 4 on Classification Rules as in the Customs Duties Order 2017.
2. The bicycles imported were not of the racing or children type (Customs Tariff Code: 8712.00.1000 and 8712.00.2000 respectively), therefore, non-dutiable. The correct Customs Tariff Code is 8712.00.3000, other type bicycles, with Import Duty of 15 percent.
3. The importer's explanation confirms the fact the 4 consignments were not meant for racing neither for children use.
4. The value declared on those consignments were truly based on C.I.F. and the amount Paid and Payable according to the Customs (Rules of Valuation) Regulations 1999. The total value declared was RM37,813.32 (approx. USD8,402.96) with Import Duty of RM5,672.00 (approx. USD1,260.44).

MODUS OPERANDI

The MO in this case is to classify the item under the same heading but with a misleading description as though it would not look apparent to the Customs Authority. To mislead the Customs Authorities, the importer classifies the item under 8412.00.1000 and 8412.00.2000 instead of 8412.00.3000.

PCA DECISION

1. The Audit Report was submitted to the Audit Supervisor for approval, and it was agreed that a claim of Import Duty short-paid be made against the importer.
2. The importer opted to enroll in the on-going Special Voluntary Amnesty Program and the penalties were therefore waived if the short-paid amount was met.
3. A sum of RM5,672.00 (approx. USD1,260.44), the Import Duty was voluntarily declared vide the mechanism provided under the program and duly paid by the importer.

ACTIONS TAKEN

A demand of RM5,672.00 (approx. USD1,260.44) was notified to the importer. And the importer was duly advised.

DOCUMENTS AND DATA VARIABLES USED

1. Customs Form No. 1
2. Invoice
3. Bill of Lading
4. Purchase Order
5. Debit and Credit Advice
6. General Ledger
7. Sales Ledger
8. Purchase Ledger
9. Trade Creditors Ledger
10. Stock and Inventory Ledger
11. Telegraphic Transfer

CASE #3

FACTS OF THE CASE

XYZ is a private limited company primarily engaged in the trading of machinery and the provision of related repair and maintenance services. The company imports various goods into Malaysia, including cables, soldering irons, standard

hybrid double-dersity (DD) printed circuit cards, power supplies, and more.
The audit covered import transactions conducted in the year 2020. Upon examining the relevant documents provided by the importer, it was found that the declared value was in accordance with the transaction value (Price Actually Paid or Payable, PAPP) as per the Customs (Rules of Valuation) Regulations 1999. However, discrepancies were identified in the tariff codes declared for twelve (12) consignments of standard hybrid DD printed circuit cards.

PCA FINDINGS
Based on sufficient and appropriate evidence gathered, the Audit Officer found that the importer had declared ninety-nine (99) Customs Import Declarations (Customs Form No. 1) during the audit period. Out of these, twelve (12) declarations involved the importation of standard hybrid DD printed circuit cards.
The Audit Officer discovered that the importer had declared these printed circuit cards using different tariff codes under Customs Tariff Codes 8543.90.1000, 9030.90.9000, 8479.90.4000, and 9031.90.1900, classifying them as non-dutiable.
The importer clarified that the standard hybrid DD printed circuit cards measure 52 cm in length and 44 cm in height, with a voltage not exceeding 1,000V. These circuit cards function as programmers for the HP3070 Series 2 In-Circuit Test System Machine, which is used for PCBA board testing by measuring component values on printed circuit boards. The cards are equipped with relays, resistors, capacitors, inductors, and integrated circuits mounted on printed circuit boards.
Upon consultation with the Technical Division, it was determined that the most appropriate tariff classification for this item is 8537.10.9900 (Boards, panels, consoles, desks, cabinets, and other bases, equipped with two or more apparatus of heading 85.35 or 85.36, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of Chapter 90, and numerical control apparatus, other than switching apparatus of heading 85.17 – Other), which is subject to import duty of 15% and sales tax of 10%. As a result, the importer became liable to the Royal Malaysia Customs Department (RMCD) for the deficiency in duties and taxes.

MODUS OPERANDI
The importer declared "Standard Hybrid Double-Dersity (DD) Printed Circuit Cards" using different tariff codes for each declaration, resulting in incorrect duty and tax assessments.

PCA DECISIONS
The Audit Report was submitted to the Audit Supervisor for approval, and it was agreed that a claim for the shortfall in duties and taxes would be made against the importer. The shortfall, amounting to RM5,929.66 (approximately USD 1,300), was paid for the offense committed under Section 133(1)(a) of the Customs Act 1967.

CHALLENGE AND DIFFICULTIES
The importer did not contest the incorrect declaration and accepted liability.
There were no significant operational or technical difficulties, as the importer fully cooperated, allowing the audit to be completed efficiently.

ACTION TAKEN TO OVERCOME THE CHALLENGE AND DIFFICULTIES
Throughout the audit, the Audit Officer maintained clear and objective communication with the importer by providing evidence, examples, and references to support the audit findings. Regular updates on the audit's progress and timely responses to the importer's inquiries facilitated a smooth and efficient audit process.

DOCUMENT AND DATA VARIABLES USED

1. Customs import documents (Customs Form No. 1)
2. Purchase orders
3. Commercial invoices and packing list
4. Airway bills
5. Bank documents (Bank statements and telegraphic transfer records)
6. Accounting records

PHILIPPINES

CASE #1

FACTS OF THE CASE

Company A is a corporation registered to primary engage in, operate, conduct and maintain the business of manufacturing, importing, exporting, buying, selling, distributing or otherwise dealing in, at wholesale food products, such as but not limited to food sauces and condiments which are banana and tomato-based, vinegar fish sauce, convenience meals and food service products and brewed soy sauce and in furtherance thereof, to purchase and/or import pure/ethyl alcohol (sourced from organic compound) for denaturation in the manufacture of vinegar condiment product.

The Company is well known for flavorings and seasonings, although it diversified to manufacturing fruit beverages a couple of years ago. As raw materials, the company imports flavorings and seasonings to manufacture its products in the Philippines.

PCA FINDINGS

The Company applied for Prior Disclosure Program (PDP) to voluntarily pay deficiency duties and taxes, including penalties and interest amounting to **PhP1,498,489.88 (equivalent to USD25,638)** arising from issues such as non-declaration of additional freight and errors in filling out details in the goods declaration, covered in the audit period. However, during the verification of the PDP application, it was noted that the Company did not disclose all the issues existing on its import entries, particularly on classification which was seen to be material by the Audit Team.

In connection thereto, the Audit Team denied the Company's PDP application due to incompleteness of issues disclosed and proceeded with the full audit.

During the examination of the tariff classification used, it was observed that the Company had erroneously used **HS Code 3302.10.90** with **tariff rate of one percent (1%)** supposedly for manufacturing beverages for some of its importation of beef flavorings.

The Audit Team found that the appropriate classification of the beef flavoring is **HS Code 2103.90.19 with seven percent (7%)** tariff rate which the Company also used for its other similar importations.

Thus, it was observed that the Company used two classifications for the same imported goods which resulted to tariff differential and audit findings after the Audit Team's determination that **HS Code 2103.90.19 with seven percent (7%)** tariff rate is the more appropriate classification for the beef flavorings.

MODUS OPERANDI

The Audit Team believes that due to the mix importations of the Company which are mainly for beverages and seasonings/flavorings, that are most of the times in one shipment, it has developed a practice of erroneously using the inappropriate HS code for its importation of beef flavorings that have gone unabated for two years.

PCA DECISIONS

Based on the sufficient and appropriate evidence gathered, the Audit Team has established that the Company has misclassification issues which gave rise to its liability to the Bureau for the deficiency in duties and taxes plus penalty and interest. The audit findings are hardly refutable, and the Company is estopped since it used the appropriate HS Code in some of its importations. Further, aside from the documents presented as to the description of the imported goods, the Company's products are widely known in the market and can be easily searched on the internet for classification purposes.

Sample data of Company's importations of "beef flavorings" declared under both HS Headings 33021090 and 21039019, respectively:

YEAR OF IMPOR-TATION	HS CODE	DESCRIPTION	COUNTRY OF ORIGIN
2019	33021090	BOILED BEEF	SG
2019	33021090	BOILED BEEF	SG
2019	33021090	FLAVOURING MATERIALS (BEEF 25KG)	CH
2020	33021090	FLAVOURING MATERIALS (BEEF)	CH
2020	33021090	BEEF FLAVOUR	ID
2018	21039019	BOILED BEEF	CH
2018	21039019	BOILED BEEF	SG
2019	21039019	FLAVOUR COMPOUND (BOILED BEEF)	SG
2019	21039019	BOILED BEEF	SG
2019	21039019	BOILED BEEF	SG
2019	21039019	BOILED BEEF FLAVOUR	SG
2020	21039019	FLAVOUR COMPOUND (BOILED BEEF)	SG
2020	21039019	BOILED BEEF FLAVOUR	SG
2021	21039019	FLAVOUR COMPOUND (BOILED BEEF)	SG

Likewise, the Audit Team gave the Company an opportunity to clarify and submit documents supporting its exposition. Corollary thereto, the Company has carefully reviewed its importation and accounting records and upon further verification on its part, it has agreed to tender its payment in the total amount of **PhP15,246,108.07 (equivalent to USD260,555)**.

CHALLENGE AND DIFFICULTIES

During the wrap up of the proper audit, the Audit Team discussed the findings to the Company in order to give chance to them to submit additional documents, if any, to refute the audit findings. At first, the Company started to justify the tariff heading they used stating that it was the proposed classification by their supplier and that the Company was not flagged by the customs examiner during the lodgment of the import entries covering the subject imported goods.

ACTION TAKEN TO OVERCOME THE CHALLENGE AND DIFFICULTIES

The Audit Team showed the import entries where the Company used the correct HS Code HS Code 2103.90.19 with seven percent (7%) tariff rate vis-à-vis the import entries with the erroneous HS Code. We highlight the fact that the entries have the same goods description coming from the same supplier. Further, we showed the ASEAN Harmonized Tariff Nomenclature (AHTN) in reference and support to the correct classification of the beef flavorings. The AHTN also showed that HS Code

3302.10.90 with tariff rate of one percent (1%) is for beverages.

DOCUMENT AND DATA VARIABLES USED

The documents and records used for this audit case are:

- PH Customs collected importation data of the Company for the audit period,
- Goods declarations,
- Commercial Invoice,
- Bill of Lading,
- Accounting Document (financial statement, bank ledger, account payable ledger, etc.),
- Bank Document (telegraphic transfer, letter of credit, etc.).

VIETNAM

CASE #1

FACTS OF THE CASE

Company A imported goods as follows:

1. Description imported goods notified on import customs declarations: Roller – motorbike spare part, new 100%.
2. HS code as notified on import documents: 84839094
3. Import tax rate: 10%
4. Time period of occurrence of the case: from 2019 to 2023.

PCA FINDINGS

PCA team checked import documents, goods descriptions, technical drawings as well as physically inspected goods at the Company in order to determine the structure and usage of the goods.

MODUS OPERANDI

Company A imported goods notified on import customs declarations: Roller – motorbike spare part, new 100% with declared HS code 84839094, subjected to import tax rate 10%.

Through PCA, it is determined that: The roller is a solid cylindrical part with a plastic cover and a steel core, mainly used in the transmission system for motorbikes. It is placed in the driven pulley assy of transmission system, outer of crank case. When the engine works, under the centrifugal force, the roller will moving and make the movement half pulley moving, lead to the space between movement half pulley and fixed half pulley changes, lead to transmission ratio changes.

Based on the regulations on classification of goods, structure, usage, installation position, the items "Rollers" are outside the engine, belonging to the belt pulley transmission, so they are classified into heading 8714, HS code 8714.10.40.

PCA DECISIONS

Based on the investigation results and collected documents, the General Department of Viet Nam Customs determined that the company is required to pay the full amount of the deficient taxes and fined 20% on the shortfall in taxes due to being discovered during the inspection of the cleared goods according to the Tax Management Law and the Law on Administrative Violations.

The total amount of fixed taxes, administrative violation fines, and late payment fines is over 400 million VND.

CHALLENGE AND DIFFICULTIES

It is challenging to determine the exact structure, usage, installation position of the goods “Roller” and convince the Company about it.

ACTION TAKEN TO OVERCOME THE CHALLENGE AND DIFFICULTIES

PCA team had to check goods descriptions, technical drawings as well as physically inspected goods at the Company.

DOCUMENT AND DATA VARIABLES USED

1. import notification declaration,
2. commercial invoice,
3. bill of lading or airway bill,
4. certification of origin,
5. good description

CAMBODIA

CASE #1

FACTS OF THE CASE

- Company A: A subsidiary in Cambodia with exclusive rights to import and produce construction products under Brand X.
- Company B: the ultimate holding company of Company A and trademark owner of Brand X in Country S.
- Operations: Company A imports finished products, semi-finished products, and raw materials from related companies worldwide, operating independently in management and financial decisions.
- Trademark Agreement: Requires Company A to pay a royalty fee of 6.5% of net sales to Company B every trimester.
- Transfer Pricing: Audited by an independent professional auditor

PCA FINDINGS

- Payments: Two distinct payments associated with imported products:
  - First Payment: Made at the time of importation.
  - Second Payment: Royalty of 6.5% on net sales to Company B after sale of products.
- Inclusion in Customs Value:
  - Finished Products: Royalties and license fees related to trademarks must be included in the customs value and liable for duties and taxes.
  - Raw Materials and Semi-Finished Products: Royalty payments not subject to inclusion in customs value.

MODUS OPERANDI

- PCA Analysis:
  - Analyzed financial statements, bank ledgers, and overseas transfer records.
  - Reviewed the trademark agreement to confirm the royalty arrangement.

PCA DECISIONS

- Company A underpaid duties and taxes due to exclusion of royalty payments for finished products in the customs value.
- Total additional duty, tax, and penalties amounted to approximately USD 540,000.

CHALLENGE AND DIFFICULTIES

- Net Sale Determination: Difficulty in determining whether the net sales declared are fairly stated due to products sold at discounted prices or free of charge.
- Knowledge Gaps: Limited knowledge of the audit team on construction products.

ACTION TAKEN TO OVERCOME THE CHALLENGE AND DIFFICULTIES

- Reasonableness Tests: Conducted to ensure that the declared royalties are reasonable.
- Comparisons: Compared declared royalties with the actual amount transferred to the trademark owner.

DOCUMENT AND DATA VARIABLES USED

Customs Data (Internal):

- Import data with supporting documents.

Auditee's Data (External):

- General ledger/accounting records.
- Overseas Telex transfers/bank statements.
- Distribution contract (royalty agreement).
- Royalty calculation records.

INDONESIA

CASE #1

FACTS OF THE CASE

G137 is one of the complex multinational companies in Indonesia when viewing from the perspective of nature of business. Its operations ranges from electrical installations, wholesale trade in office and industrial machines, spare parts and equipment, wholesale trade in laboratory equipment, to pharmaceuticals and medicine. G137 entered into a number of agreements with the following related business-unit:

a) Master service agreement for healthcare business unit with AAA;
b) Master service agreement for rail business unit with BBB;
c) Trademark dan trade name agreement for all business unit with CCC;
d) Sale and purchase of services agreement for energy business unit with DDD;
e) Technology license agreement for energy business unit with EEE.

PCA FINDINGS

Through the audited financial report (section: notes to the financial statements), the audit-team found the following information:

Royalty:		
Ultimate parent	1,058,106	1,453,225
Management service fees:		
Ultimate parent	828,079	55,574
Entity under common control	(8,940,000)	(10,530,000)
Total	(8,111,921)	(10,474,426)

The audit-team asked for *"The Monogram Trademark and Trade Name License Agreement"* and gathered the following facts:

a) The definition of products for G137 covers the whole imported commodities within the audit period.

ARTICLE I
DEFINITIONS

The following terms as used in this Agreement shall have the meaning set forth in this Article I:

A. The term "LICENSED MARKS" shall mean and be limited to the marks shown in Exhibit A attached hereto.

B. The term "PRODUCTS" shall mean and be limited to Maintenance, repair and engineering services for power plants, trains, water treatment equipment and medical health; importing, exporting, warehousing, distributing and trading of electrical power equipment, chemicals including spare parts sold by LICENSEE.

b) All products imported from related parties are royalty-bearing products.

ARTICLE II
LICENSE GRANT

A. LICENSOR hereby grants to LICENSEE a royalty bearing, non-exclusive license to use the LICENSED MARKS in the LICENSED TERRITORY in connection with PRODUCTS manufactured and sold, and SERVICES performed, by LICENSEE in strict accordance with the STANDARDS OF QUALITY.

c) The auditee should pay the royalties at the following rate:

ARTICLE VI
ROYALTIES AND REPORTS

A. In consideration of the rights and licenses granted to use the LICENSED MARKS and LICENSED NAME under Article II A of this Agreement, LICENSEE shall pay LICENSOR royalties at the rate of one percent (1%) of the net selling price of PRODUCTS and SERVICES sold or otherwise disposed of or performed by LICENSEE 1) under one or more of the LICENSED MARKS or 2) while LICENSEE is using the LICENSED NAME to any party not licensed to use the LICENSED MARK and/or the LICENSED NAME on terms substantially similar to this agreement.

MODUS OPERANDI

In gaining a thorough understanding of the royalties, the audit-team demanded the auditee to provide not only the latest/ amendment agreement but also the initial agreement. In the beginning, the auditee prepared only the amendment for the reason of accessibility. This delaying-time strategy proved ineffective since the audit-team consistently reminded the auditee to submit such document. In the end, the auditee proposed a meeting to explain the royalty things comprehensively.

From the meeting, the audit-team concluded the following ideas:

1) G137 attempted to conceal the initial agreement.
2) G137 did not expect that the audit-team will analyze the audited financial statements intensively, including the notes to financial statements.
3) G137 admitted that all the imported products are royalty-bearing products.
4) G137 committed to support the audit-team with the calculations of the royalties-fee.

PCA DECISIONS

Based on the supporting evidence, the value of royalties shall be added to the price actually paid or payable for the imported goods declared in import declaration. As the consequence, there will be a shortage of import duties, tax and administration fines that G137 must pay with a total amount of approximately USD 1.3 million.

CHALLENGE AND DIFFICULTIES

There were some challenges faced by the audit-team, consists of:

1) The auditee attempted to fulfill the data requirements requested by the audit-team with the unaudited financial report.
2) The auditee attempted to conceal the initial agreement just in case the audit-team did not go deep into the notes to financial statements.

ACTION TAKEN TO OVERCOME THE CHALLENGE AND DIFFICULTIES

1) Reminding the auditee to submit the audited financial report consistently.
2) Urging the auditee to provide the initial and the amendment agreement as a whole.

DOCUMENT AND DATA VARIABLES USED

The documents related to this case are:

1) import notification document (BC 2.0),
2) audited financial report,
3) royalty agreement,
4) commercial invoice and its breakdowns,
5) general ledger of sales,
6) general ledger of cash in bank,
7) bank document (telegraphic transfer).

LAO PDR

CASE #1

FACTS OF THE CASE

Company XYZ located in Vientiane Capital, Laos issued the customs declaration number (228 declarations as Lao PDR allows 1 vehicle can only declare in 1 declaration form) for Electric Vehicles and Non-Electric Vehicles for 228 units

- HS code as notified on the import document:
  HS Code 87032351 Non-Electric Vehicles
  HS Code 87031090 Electric Vehicles
- time period of occurrence of the case: 2021-2023

PCA FINDINGS

2023-2024 Lao Government allows Electric Vehicles in the territory, Vehicle importation is high risk in PCA risk profiling, vehicle imported companies are in the audit list. PCA Division using Report System that pulls import declaration from ASYCUDA System and convert to excel sheets using pivot/filter to seek various data of the company. At the same time, PCA pairing imported value to other companies' and valuation base system where is suspected that the price is low.

MODUS OPERANDI

The company XYZ using more than 2 bank transactions, one of the transactions dedicates punctual amount of the declaration form while the rest of the transactions is hidden/unshown. PCA Division found the hidden transactions or undeclared value of the vehicles.

PCA DECISIONS

PCA Division conducted the desk audit at PCA Division and inform the Company XYZ that:

1) The Company breaches the Article 141 Second Level of Minor Offences of Customs Law No. 81/NA: Declaring inaccurate or incomplete information such as the goods classification, determination of country of origin, duty rates or customs valuation, which has an impact on the assessment of customs duties.
2) The Company XYZ will get fine according to Article 75 Fines of Customs Law and

Article 15 of Tax Law No. 01/NA, Article 36 Excise Tax Law No. 68/NA and Article 59 VAT Law No. 48/NA.

3) The Company XYZ shall be prosecuted to the court according to article 144 Customs Law if the company does not pay tax discrepancies and fines within mentioned days
4) Total tax discrepancies and fines 147,702 USD.

CHALLENGE AND DIFFICULTIES

1) The Company refused to provide import data information namely: accounting book, bank transaction.
2) The Company delayed the meetings and cancelled meetings.

ACTION TAKEN TO OVERCOME THE CHALLENGE AND DIFFICULTIES

1) Memorandum Paper on PCA Finding, no 178/PCA, date 1 April 2024 (ບົດບັນທຶກແຈ້ງຜົນການກວດສອບ) is the first paper PCA Division and Company singed the acknowledgement of the implementation of the case.
2) 2) After that 1 month, the Company had no show on payment of tax discrepancies and fines, PCA Division drafted Warning Letter for DG of Customs no 05123/LCD, dated 2 May 2024 to sign and send to the company mentioned that Customs Department will suspend ASYCUDA USER NAME and PASSWORD of the company until the company complete the payment and Customs Department will contact Other Government Agencies such as Tax Department, Licensing Department to suspend the importation and business.
3) Customs Department issued Notification number 05124/LCD to suspend ASYCUDA USERNAME and PASSWORD of the company from 2 June 2024 and the company has to complete the payment within 15 working days.

DOCUMENT AND DATA VARIABLES USED

1) import notification document,
2) commercial invoice,
3) bank document (telegraphic transfer).

MALAYSIA

CASE #1

FACTS OF THE CASE

ABC is a private limited company primarily engaged in the trading of power cables and other related products. The company imports bracket sets (HS Code: 8302.50.0000) and control wires (HS code: 8483.40.9000) into Malaysia.
The audit covered import transactions conducted in the year 2020. Upon examining the relevant documents provided by the importer, the Audit Officer discovered discrepancies in two consignments where the declared value was significantly lower than the actual amount paid to the overseas supplier.

PCA FINDINGS

Based on sufficient and appropriate evidence gathered, the Audit Officer established that the importer had underdeclared the price actually paid or payable (PAPP). As a result, the importer became liable to the Royal Malaysia Customs Department (RMCD) for the deficiency in duties and taxes.

MODUS OPERANDI

The importer made a customs declaration based on a price on the commercial invoices that was significantly lower than the amount stated in the pro-forma invoices. Additionally, the pro-forma invoices included transport charges incurred in the country of export, but the importer failed to declare these costs in the customs import
declaration. The audit revealed that the importer made payments to the overseas supplier based on the pro-forma invoices.

PCA DECISIONS

The Audit Report was submitted to the Audit Supervisor for approval, and it was agreed that a claim for the shortfall in duties and taxes would be made against the importer. The shortfall, amounting to RM15,836.88 (approximately USD 3,500), was paid for the offense committed under Section 133(1)(a) of the Customs Act 1967.

CHALLENGE AND DIFFICULTIES

After several roundtable discussions between the importer and the audit team, during which evidence was presented and legal provisions regarding the importer's duty and tax obligations were explained, the importer accepted the audit findings.
There were no significant operational or technical difficulties, as the importer fully cooperated, allowing the audit to be completed efficiently.

ACTION TAKEN TO OVERCOME THE CHALLENGE AND DIFFICULTIES

Throughout the audit, the Audit Officer maintained clear and objective communication with the importer by providing evidence, examples, and references to support the audit findings. Regular updates on the audit's progress and timely responses to the importer's inquiries also facilitated a smooth and efficient audit process.

DOCUMENT AND DATA VARIABLES USED

1. Customs import documents (Customs Form No. 1)
2. Purchase orders
3. Pro-forma invoices
4. Commercial invoices and packing list
5. Bill of lading/Airway bills
6. Bank documents (Bank statements and remittance records)
7. Accounting records

MYANMAR

CASE #1

FACTS OF THE CASE

Company G is a trading company, mainly importing plastic products; CPP film. The audit team conducted the desk audit for the Y period. The team found that the prices declared by the company remained consistent over a two-year period, showing no variation in the declared values during this time frame.

PCA FINDINGS

A thorough examination of the documents might uncover the error related to the undervaluation since the company submitted the requested documents and evidence for the team's review.

MODUS OPERANDI

The audit team found that the initially stated price in the declaration was lower than the actual price on the commercial invoice.

PCA DECISIONS

The shortage of customs duty Kyats (583,803) was collected. The information about collecting Short Taxes Kyats (2,753,605) was exchanged to the Internal Revenue Department.

CHALLENGE AND DIFFICULTIES

The importer refused to submit the requested documents and evidence. The audit team explained the obligations of the auditee and persuaded him to follow the rules as he was previously unaware of PCA.

ACTION TAKEN TO OVERCOME THE CHALLENGE AND DIFFICULTIES

The audit team decided to distribute the PCA pamphlet during the opening meeting of the audit.

DOCUMENT AND DATA VARIABLES USED

1. Import Declaration
2. Commercial Invoice
3. Bill of lading
4. Financial Statement
5. Purchasing ledger

CASE #2

FACTS OF THE CASE

Company A imports the Medicines from Company B while it is indicating its classification risk for one import declaration. The audit team conducted a desk audit after being referred by the export and import control division, which requested a thorough review of the relevant documents for digging out the short taxes in October 2024.

PCA FINDINGS

The audit team found a discrepancy between the medicines and the supplements that the importer had incorrectly declared by cross checking the documents. The importer classified the supplements under HS code 3049 of medicines and paid a tariff rate of 1.5%, but the audit team found that the medicines were supplements that should be classified under HS code 2106 with a tariff rate of 15%.

MODUS OPERANDI

The audit team examined the correspondence and asked for the composition of products, other analysis and certification of medicines and approval of FDA of Ministry of Health. When the tariff rate difference was discovered regarding the classification of medicines and supplements, the underpayment of tax was recovered.

PCA DECISIONS

The shortage of Customs Duty Kyats (344.340) Millions was collected. The information about collecting Short Taxes Kyats (9.965) Millions was exchanged with the Internal Revenue Department.

CHALLENGE AND DIFFICULTIES

There were cases where importers denied that their imported medicines were considered supplements and were not accepted as medicines. In such cases, the audit team sent inquiries to the Classification section. In addition, if it was difficult to distinguish between medicines and supplements due to the type of medicine included, the Classification section sent inquiries to the WCO and determined the duty rate.

ACTION TAKEN TO OVERCOME THE CHALLENGE AND DIFFICULTIES

The audit team shared their experience with other teams for ease of reference.

DOCUMENT AND DATA VARIABLES USED

1. Import Declaration
2. Invoice
3. Drug Registration Certificate
4. Certificate of Analysis
5. Sample of Medicines/ Food supplements

PHILIPPINES

CASE #1

FACTS OF THE CASE

Company A is a corporation organized under the laws of the Philippines and registered
with the Philippine (PH) Securities and Exchange Commission (SEC). It engaged in the manufacturing, production, sale, import and export of both non-alcoholic and alcoholic beverages.

In 2024, Company A availed of the Prior Disclosure Program (PDP) of the Philippine Bureau of Customs and voluntarily paid additional customs duties and VAT due to the upward transfer pricing adjustments imposed by their foreign supplier, who is a related party.

The PDP is a platform that provides importers with the remedy to correct, subject certain conditions, any erroneous, inaccurate, or insufficient information declared to customs arising from sheer mistakes, inadvertence, or negligence to avoid or lessen the penalty. It provides a window to disclose and pay erroneous or inaccurate import taxes, including discrepancies resulting from post-importation price adjustments (e.g. royalties, transfer pricing adjustments, and others).

PCA FINDINGS

During the verification process, the Audit Team discovered that Company A received Debit Memos from their related foreign supplier, requiring them to pay a total amount of ***Four Billion Six Hundred Sixty-Six Million Four Hundred Seventy-Seven Thousand Nine Hundred One Philippine Pesos (PhP4,666,477,901 equivalent to USD80,207,595)*** due to upward pricing adjustments on goods imported in 2022 and 2023.

Since the primary method for determining the dutiable value of an imported article is the transaction value—defined as the price actually paid or payable for the goods when sold for export to the Philippines, plus certain adjustments—any additional payments made or to be made by the buyer to or for the benefit of the seller, including upward transfer pricing adjustments, must be included in the transaction value.

MODUS OPERANDI

In upward transfer pricing adjustments, related foreign suppliers impose additional costs on importers after the initial customs valuation of goods. This typically occurs when multinational companies engage in intercompany transactions where the initial invoice price declared at importation is later adjusted to reflect a higher transfer price. The foreign supplier may issue a post-importation debit note or year-end true-up invoice to align the pricing with internal profitability targets, regional tax compliance, or group-wide policies. This creates a discrepancy between the customs-declared value and the final cost incurred by the importer, potentially leading to underpayment of customs duties and taxes at the time of importation.

PCA DECISIONS

The Audit Team verified that the Company's PDP application is complete, reasonable and made in good faith. To be precise, the Audit Team observes that the Company appropriately allocated and treated the price adjustments as dutiable additions to the price actually paid or payable, as these payments were indeed made to, and for the benefit of, the seller pursuant to the customs laws and regulations. In addition, the Audit Team observed that the prescribed duty rates and VAT applied to the shipments covered by the disclosure were correctly imposed and computed based on the adjusted customs value, including the prescribed legal interest.

Given the absence of any evidence of fraud or any other material inconsistencies, mistakes or errors that could justify an additional assessment of deficiency duties and taxes, the Audit Team finds no reason to question the accuracy of the deficiency duties and tax computations, nor the completeness of the PDP application.

In view of the foregoing, the PDP application of Company A will be recommended for approval of the Commissioner of the PH Bureau of Customs.

CHALLENGES AND DIFFICULTIES

In this case, the PH customs auditors have not faced challenges in identifying the upward transfer pricing adjustments as these were voluntarily disclosed by Company A through the PDP platform. However, if this disclosure had not occurred, the auditors might have encountered several challenges in identifying the adjustments, primarily due to the complexity and lack of immediate visibility into intercompany pricing structures. Since these adjustments often occur after importation, they may not be readily reflected in the customs declaration documents. The adjustments may be embedded within broader financial reconciliations, making it difficult to trace them directly to specific shipments. Additionally, multinational companies often justify these adjustments based on transfer pricing policies set for corporate tax purposes, which might not align with customs valuation principles, further complicating the audit process.

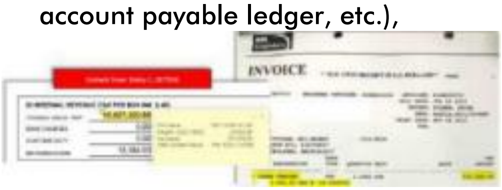
Another key difficulty is obtaining access to relevant financial records and intercompany agreements. Unlike customs documentation, which is transaction-based, transfer pricing adjustments are typically recorded in financial statements, making them harder to detect without in-depth financial audits, unless it was properly disclosed in the Notes to the Financial Statements.

ACTION TAKEN TO OVERCOME THE CHALLENGE AND DIFFICULTIES

Not applicable.

DOCUMENT AND DATA VARIABLES USED

1. Accounting documents and records (financial statements, general ledger, account payable ledger, etc.),



2. Bank documents (telegraphic transfer, letter of credit, etc.),
3. Distributorship Agreements with foreign suppliers.

CASE #2

FACTS OF THE CASE

Company B is a corporation registered to primary engage in the manufacture, design, style, produce, process, prepare, merchandise, buy, sell, deal, transport, distribute, export, and import, at wholesale, retail, engage in e-commerce of trading/selling, and as jobber, principal, contractor, broker, sales representative, or agent on commission, and otherwise generally and in all ways handle, trade, and deal in and with any and all articles and items of men's, women's and children's wearing apparel, RTWs, clothing and garments, including but not limited to, shirts, sportswear, jackets, sport clothes, dress, clothing, play clothes, work clothes, school and office uniforms, overalls, robes, swimwear, beachwear, leisure wear, play wear, cruise wear, sweaters, rainwear, under garments, neckwear, scarves, nightwear, haberdashery, belts, wallets, bags, watches, athletic wear, handkerchiefs, mufflers, knitwear, and any and all other articles of general wearing apparel, accessories (including non-medical grade face mask and face shields), novelties, general merchandise (including but not limited to furniture, appliances, stationaries, home & living products, and games), specialties, commodities, and articles of every kind, nature and description, and for whatever use and purpose, and of every kind and type of material and composition, including but not limited to, food, drugs, cosmetic, devices, household chemicals and other hazardous substances.

The Company is an international fashion enterprise that is home to top proprietary brands in the retail industry.

PCA FINDINGS

The examination of the goods declaration, including its supporting documents and the Company's accounting records revealed that Company B had only estimated its freight costs using the available data for all its Free on Board (FOB) declarations. The

Audit Team found that the actual freight costs paid by Company were higher by sixty-six percent (67.29%) compared to their declarations thus, the resulting discrepancy should be adjusted to their price actually paid or payable (PAPP). Details below.

PARTICULARS	FREIGHT CHARGES
AS DECLARED	PhP1,886,056
AS FOUND	PhP5,765,494
DISCREPANCY	PhP3,879,438
PERCENT OF DISCREPANCY	67,29%

Further examination of the goods declaration and the Company's accounting records also revealed that Company B made payments termed "Terminal Handling Charges (THC)" to its shipping lines. THC are additional costs billed by the shipping company directly to Company A for handling of containers at the container terminal before being loaded on board a vessel. Examples include unloading of the container from a truck, stacking and transport from the stacking location from just below the crane. THC, in nature, is a component of international container transport freight. It is a practice in the main trading countries (regions) that the liner companies collect terminal handling charges at the port of loading from the consignors and collect terminal handling charges at the port of discharge from consignees.

Moreover, THC billings were likewise not subjected to the 12% Value-Added Tax (VAT), which means that the services were not income derived in the Philippines. See sample invoice from shipping lines billed to Company B.

Therefore, these charges were associated with the cost of transport involved in moving the imported goods from the place of exportation to the Philippines and must be one of the proper

adjustments to the PAPP for the imported goods which may be categorized under loading, unloading and handling charges associated with the transport of the imported goods from the country of exportation to the port of entry in the Philippines pursuant to Section 701 of the CMTA.

MODUS OPERANDI

Company B is wholly dependent on their Customs Broker, which has led them to rely entirely on the broker's declarations. Therefore, the Company was not aware that they had undervalued their freight costs which resulted to a total discrepancy in total landed cost of ***Three Million Eight Hundred Seventy-Nine Thousand Four Hundred Thirty-Eight Pesos (PhP3,879,438 or equivalent to USD66,271)***.

With regards to the THC issue, adding the THC costs to PAPP has been an industry issue since PCA started in the Philippines because majority of the importers (including Company B) are not aware that these costs should be added to the price actually paid or payable. In fact, even their brokers, who are supposed to be familiar to all customs laws and regulations, are not including the THC costs to all their declarations which caused most of the importers, under audit, incurring additional costs relating to penalties and legal interest. In view of the THC issue, there was a total discrepancy in total landed cost amounting to ***Fourteen Million Five Hundred Thirty-Two Thousand Four Hundred Seventy-Five Pesos (PhP14,532,475 or equivalent to USD248,253)***.

The Audit Team notified Company B of their findings, and the Company evaluated the basis of the Audit Team's findings and resulting deficiency in value-added taxes, inclusive of the penalties thereon, in the total amount of ***Seven Million Six Hundred Thirty-Three Thousand Five Hundred Thirty-Five Pesos (PhP7,633,535 or equivalent to USD130,401)***, relating to the undervaluation of freight costs and adjustments to freight costs due to THC.

PCA DECISIONS

After the examination and review of the goods declaration together with the supporting documents and Company B's accounting records, the Audit Team recommended a deficiency assessment, including penalties and legal interest, amounting to ***Seven Million Six Hundred Thirty-Three Thousand Five Hundred Thirty-Five Pesos (PhP7,633,535 or equivalent to USD130,401)***, relating to the undervaluation of freight costs and adjustments to freight costs due to THC.

The Audit Team also gave Company B an opportunity to evaluate the basis of the audit findings, which the company agreed with and subsequently tendered payment.

CHALLENGE AND DIFFICULTIES

The Audit Team faced challenges explaining the assessment of THC to the importer, as this is an industry issue. Company B, like majority of importers, believes that THC are local costs and should not be adjusted in the Price Actually Paid or Payable, as adjustment to freight costs. However, during the audit meeting, Company B could not identify the nature of services provided by the Shipping Lines and why these costs are not subject to value-added taxes when billed to them.

For freight cost, no challenges were encountered by the Audit Team when they presented the assessment to Company B because Company B is fully aware of the Transaction Value System or Method 1 of valuation.

ACTION TAKEN TO OVERCOME THE CHALLENGE AND DIFFICULTIES

The Audit Team presented all the freight bills examined and showed to Company B the discrepancy between the actual freight costs billed by the shipping lines and the estimated freight costs declared in the goods declaration (Single Administrative Document or SAD) and explained customs' laws and regulations relating to PAPP.

For THC, the Audit Team discussed the basis of the assessments to Company B including the nature of the services provided by the shipping lines relating to THC and the jurisdiction of the shipping lines who billed the THC. which explained why this cost should not be considered as local charges and should be an adjustment to freight costs.

DOCUMENT AND DATA VARIABLES USED

The documents and records used for this audit case are:

1. PH Customs collected importation data of the Company for the audit period;
2. Goods declarations;
3. Commercial Invoice;
4. Freight Bill;
5. Billing Statements from shipping lines;
6. Accounting Document (financial statement, bank ledger, account payable ledger, etc.); and
7. Bank Document (telegraphic transfer, letter of credit, etc.).

SINGAPORE

CASE #1

FACTS OF THE CASE

The sole proprietor of a car dealership was charged in January 2024 for the fraudulent evasion of duty and Goods and Services Tax (GST) on 983 motor vehicles (HS code 8703) imported into Singapore between November 2018 and October 2020.
Importers shall declare import permits with the actual values for the motor vehicles imported into Singapore.

PCA FINDINGS

The case was detected arising from an application by an importer, where the declared value of a car was assessed to be substantially lower compared to the market value. Singapore Customs suspected that the import value of the car was suppressed to evade the excise duty and GST leviable. The importer was suspected to have also under-declared its past import permits based on an analysis of the import history. Singapore Customs thus launched an investigation into the importer.

MODUS OPERANDI

The sole proprietor was engaged by two men to set up a front entity to import motor vehicles with suppressed values to evade excise duty and GST.
In order to mask the excess payment to overseas suppliers, the mastermind of the scheme, which was one of the above two men, came up with the plan to first liaise with the overseas suppliers to suppress the values in their invoices to the importer, and thereafter split the payments made to overseas suppliers. There were 2 payments made for the imports of cars and only the first payment was declared to Singapore Customs.
The sole proprietor was aware of the entity's fraudulent activities, and as part of his arrangement with his employers, he would be paid S$5,000 a month, in addition to an annual lump sum payment ranging from S$100,000 to S$225,000 for his role as a fall guy. Another female was employed to assist in placing orders and liaising with overseas suppliers, making payments to suppliers, preparing and submitting motor vehicle values imported through the car dealership to Singapore Customs for assessment.

PCA DECISIONS

The sole proprietor was charged under the Customs Act and the GST Act for the fraudulent evasion of duty and GST in relation to the import of 983 motor vehicles, with the revenue evaded amounting to a total of S$1.1million.
The sole proprietor was fined S$3,600,000 by the State Courts on 2 January 2024 for the fraudulent evasion of duty and GST on 983 motor vehicles imported into Singapore between November 2018 and October 2020. He failed to pay the fine and would serve 43 months' imprisonment in default. He was also sentenced to an additional seven weeks' imprisonment for underpaying the Additional Registration Fee (ARF) during the registration of the vehicles.
Court proceedings against the 43-year-old male Singaporean and 31-year-old female Singapore Permanent Resident are ongoing, while investigations are ongoing for the 48-year-old male Singapore Permanent Resident.

CHALLENGE AND DIFFICULTIES

In order to uncover the actual values of the motor vehicles, officers had to sieve through voluminous trade documents and review records in computers which were seized during the operations to link the undeclared payments to the imported vehicles.

DOCUMENT AND DATA VARIABLES USED

- Import permits
- Commercial Invoices
- Bill of lading

- Bank and remittance records

CASE #2

FACTS OF THE CASE

A Singaporean couple was charged in court in October 2024 for the fraudulent evasion of Goods and Services Tax (GST) and incorrect declaration on 49 shipments of branded goods imported into Singapore between August 2021 and January 2023. The Singaporean female was the director and the Singaporean male, the manager of the online retail company that they had jointly operated.

GST is levied on the CIF (cost, insurance and freight) value, and other charges, costs and expenses incidental to the sale and delivery of the goods into Singapore. By under-declaring the import values and omitting freight charges, the couple had caused the fraudulent evasion of GST of more than $96,000.

PCA FINDINGS

The case was detected arising from an audit check in January 2022 conducted by Singapore Customs on the retailer's imports in 2021. Discrepancies were found between the actual values of the goods and the values declared to Singapore Customs. Singapore Customs suspected that the import values of the imported goods had been suppressed to evade the GST leviable. Singapore Customs thus launched an investigation into the entity.

MODUS OPERANDI

The retailer was set up to deal in fashion products and its main business involved conducting live stream sales of branded goods sold in overseas retail outlets.

The couple and their employees would travel to the United States and the United Kingdom to visit retail outlets selling branded goods and conduct live streaming through their Facebook page. At the end of the live streaming session, they would purchase the goods ordered by their customers and ship them to Singapore via air. The manager created invoices with values much lower than the actual values of the branded goods and submitted the false invoices to freight forwarders, who then declared the suppressed values to Customs. This led to GST underpayments and even non-payment in cases where the declared values were less than $400.

PCA DECISIONS

The director and manager pleaded guilty and were fined S$396,000 and S$453,000 respectively.

CHALLENGE AND DIFFICULTIES

The officers had to sieve through voluminous trade documents to uncover evidence and assess the real value of the imports.

DOCUMENT AND DATA VARIABLES USED

1. Receipts from overseas retail shops
2. Import permits
3. Commercial Invoices
4. Bill of lading
5. Payment records

INDONESIA

CASE #1

FACTS OF THE CASE

QWERTY is a company engaged in importing supplying and wholesale trading vaccines for livestock namely for chickens, cattle and pigs. The main import commodities are vaccines from France.

QWERTY has made a Voluntary Declaration and Voluntary Payment of import duty and taxes on royalty payment to the Licensor. But the Audit Team found that based on Income Tax Article 26 data (income tax imposed on income received by foreign taxpayers from Indonesia other than a permanent establishment in Indonesia), financial reports, and the attachment to the Corporate Income Tax Return, the actual amount of royalty is greater than those declared in the Voluntary Declaration and paid in the Voluntary Payment. The differences on this royalty payment reports were then investigated by the Audit Team.

PCA FINDINGS

the actual amount of royalty is greater than those declared in the Voluntary Declaration and paid in the Voluntary Payment.

MODUS OPERANDI

- The Company has paid royalties on imported goods to the French Licensor twice a year.
- The royalty payment has met the requirements to be added to the transaction value in customs valuation.
- The amount of royalty reported in the Voluntary Declaration and the import duty and taxes paid in the Voluntary Payment, are based on the amount of royalty in the previous financial year period. While the amount of royalty reported in Income Tax Article 26, financial reports, and attachments to the Corporate Income Tax Return is the actual amount of royalty paid in the current year.
- The calculation of royalty that is related to the imported goods should use the actual value as reported in the Income Tax Article 26, the financial report, and the attachment to the Corporate Income Tax Return.

PCA DECISIONS

Based on Indonesian Customs Regulation, 4 conditions for imposing royalties: : Paid directly/indirectly, Is a condition of sale and purchase, Related to imported goods, and has not been added to the customs value, then examine supporting documents including Import Document, Purchase Order, Sales Contract, Royalty Agreement, Good Receipt Note, Financial Report-Audited, Ledger (Bank/ A/P, Expense, etc), and also check Bank Statement.

CHALLENGE AND DIFFICULTIES

The company's royalty calculation process is carried out twice a year based on the number of vaccines sold, which differs in percentage based on the type of vaccine and its import origin, so the auditor must compare with Periodic VAT Return code taxable intangible goods data per type of vaccine.

ACTION TAKEN TO OVERCOME THE CHALLENGE AND DIFFICULTIES

The auditor used SQL and Power Query tools to break down the importation details to compare with the payment data on Periodic VAT Return code taxable intangible goods, then the results were compared with the royalty payments during the audit period and matched with the statement of royalty.

DOCUMENT AND DATA VARIABLES USED

Import Declaration Document, Purchase Order, Sales Contract, Royalty Agreement, Good Receipt Note, Financial Report-Audited, Ledger, Bank Statement, Periodic VAT Return code taxable intangible goods.

LAO PDR

CASE #1

FACTS OF THE CASE

An importer declared a Japanese liquor brand (country of origin: Japan), in total of 255 cartons for 13 detail items through the usage of customs broker. HS code 2208 considered as one of high-risk commodities that PCA Division will closely observe and audit. Through auditing, found that 2 out of 13 detail items declared has higher degree in alcohol level that has a different Excise Tax rate according to Tax law number 01/NA, dated 7 August 2021.

PCA FINDINGS

1. Company ABC declared Importation declaration through ASYCUDA System with All Excise tax rate 70%.
2. Degree of alcohol of 2 detail item were found equal or higher than 43%, which the law says the excise tax rate is 80%.
3. Actual price pay or payable was found via outward remittance information.

MODUS OPERANDI

- PCA team conducted desk auditing.
- Transaction audit was questioned during Desk audit took place, several time later.
- At the same time PCA contact a commercial bank for international payment remittance.

PCA DECISIONS

- Remittance transaction shared from the bank were useful and found details of transaction.
- Importer paid discrepancy for Excise tax 72,560,200 kip and fine on customs and tax duties 44,558,499 kip, **total 117,118,484 kip**.

CHALLENGE AND DIFFICULTIES

Basically, there are no significant difficulties.

DOCUMENT AND DATA VARIABLES USED

1. Import declaration document,
2. Commercial invoice,
3. Bill of lading,
4. Packing list,
5. Bank statement,
6. Catalogue of the goods,
7. Photos and information from media website.

THAILAND

CASE #1

FACTS OF THE CASE

Using FTA privilege, the rule of origin is the most important thing to confirm the source of product. Thus, the origin criteria are one concerning topic to prevent the non-originating product in using prudential tariff rate. Our team has observed some group of products which have high risk in origin criteria, especially in HS that have assigned product specific rule (PSR) higher than general rule (GR) of FTA. We found some company still declaration wrong criteria in FORM-D by using HS 54026100 which assign PSR higher than GR (Noted: PSR require RVC40%, CC or SP but General rule only require RVC40% or CTH). In this case, the preferential tariff rate (PTA) is equal to

0%, while the most favored nation (MFN) tariff rate is equal to 5%.

HS	Product	Criteria
54026100		"CTSH"
54026100		"CTSH"

PCA FINDINGS

In Form-D, our customs have linked with ASEAN to show some detail which enough to remark and explore other document from this company. Then, we retrieve the data of this company from information system to check and find other documents that have the same mistake.

MODUS OPERANDI

We send the notification of audit in advance with important information such as objective and date for the audit, documents that need to be prepared. Since this is the first time that the auditee gets the notification from Customs, a lot of questions are arisen. After we can clarify on what the auditee's is worried about, everything went smoothly both preparation process and the date of audit.

PCA DECISIONS

In this case, we found totally 5 import declaration which declare the wrong criteria in FORM-D. According to rule 6 (b) in Annex 8 OCP for RoOs, we decided to reject the PTA privilege and notify the importer to pay additional tariff rate at 5% as MFN instead.

CHALLENGE AND DIFFICULTIES

In PCA, we firstly have to find some clue from customs information system or use operational risk management based on our member proficient to identify the risk on each company. However, we still have to audit in other topics which may not proficient such as accounting, finance and valuation. Thus, we have to train our member about these knowledges.

DOCUMENT AND DATA VARIABLES USED

Preparation:
1. Import declaration document
2. Customs information system
3. ATIGA Electronic FORM D

Post-visit:
1. Invoice
2. commercial invoice
3. bill of lading or airway bill
4. accounting document (financial statement, bank ledger, account payable ledger, etc.)
5. bank document (telegraphic transfer, letter of credit, etc.)
6. Certification of origin

CASE #2

FACTS OF THE CASE

A jointed beverage company located in the south of Thailand was founded that the origin documents under the ASEAN FTA schemes, Self-Certification 1 (SC 1) and ASEAN-Wide Self-Certification (AWSC), the company used for the importation of soft drink concentrates during 2020-2021 were invalid due to the dates of issuance and uncertified exporter. As the goods were classified in HS code 2106.90.91 as mixtures of chemicals with foodstuffs or other substances with nutritive value, of a kind used for food processing, the lack of qualified origin declarations according to SC1 and AWSC results that the Company's imported goods were not eligible for the ATIGA tariff preference. On the contrary 5% duty rate must be imposed.

PCA FINDINGS

After the termination of the 1st and 2nd pilot project for the implementation of a regional self-certification system on 19 September 2020, PCA sub-unit II proceeded the document-based audit by retrieving the import data from the Customs Information System, Thai Customs' in-house analytic tool that converts the import and export declarations into csv files for the use of data analysis. By conditioning and filtering data, PCA sub-unit II founded out that there was an abuse of Self-Certification documents by not complying with the validity-related regulations stated in the Notification of Customs Department no. 152/2563 dated on 18 September 2020.

MODUS OPERANDI

The Company used 2 types of self-certification documents;

1. Self-Certification on invoice declaration under the 1st pilot project: the date of certification issuance was after 19 September 2020 that was the termination of the pilot project.
2. Origin Certification on invoice declaration under the ASEAN-Wide Self-Certification, in which the name of exporter who issued the origin certification was not registered as the "Certified Exporter" who, according to AWSC, is allowed to self-certify the origin of the exported goods.

PCA DECISIONS

The Company breached the Section 202 of Customs Act B.E. 2560 (2017) by submitting the false documents related to the duty payments. As a result, the bills of demand for additional import duties, fines and other related taxes amounting to 109 million THB in total (around 3.3 million USD) were issued to claim back the lost revenues.

ACTION TAKEN TO OVERCOME THE CHALLENGE AND DIFFICULTIES

During 7 months of auditing period, there were numbers of written documents as evidences that officer also opened for any additional documents and explanations from the Company such as official letters for further explanation, warning letter, meeting memos signed by PCA officers and Company's representatives. The petition for appeal was finally dropped.

DOCUMENT AND DATA VARIABLES USED

Import declarations, Commercial invoice, Import data, ASEAN Secretary data warehouse, Material Specification Data Sheet.

VIETNAM

CASE #1

FACTS OF THE CASE

Company Z imports raw materials to manufacture exported shoes (HS code 6406). The company uses C/O form AJ for the export shipments to Japan.

PCA FINDINGS

PCA team checked the export documents, import documents, application for C/O, technical drawings, Bill of Materials (BOM) of the product, accounting documents, etc. in order to detect the violations of the company.

MODUS OPERANDI

The company's exported shoes' HS code is 6406. Some of the materials that make up the finished goods have the same HS code 6406, such as: airbag, sole. The company applied for C/O form AJ with the origin criteria: CC + De Minimis, which means that total value of all the materials with same HS code 6406 does not exceed 10% of the export goods' FOB value. In fact, the import value of these materials are relatively high. Therefore, in order to be granted C/Os, the company had declared lower value of these materials on the C/O application form to satisfy De Minimis.

PCA DECISIONS

Based on the investigation results and collected documents, the Viet Nam Customs determined that the company had committed an administrative violation and was fined 60 million VND. Besides, Viet

Nam Customs notify the C/O issuing authority to revoke fraudulent C/Os.

CHALLENGE AND DIFFICULTIES

It is challenging to determine that the company declared lower value of the raw materials on the C/O application form.

ACTION TAKEN TO OVERCOME THE CHALLENGE AND DIFFICULTIES

PCA team had to check import documents, application for C/O, technical drawings, BOM of the product, accounting documents and do some comparisons and calculations to determine company Z's fraud.

DOCUMENT AND DATA VARIABLES USED

1. import documents;
2. export documents;
3. certification of origin;
4. C/O appication form;
5. BOM of the product;
6. technical drawing; and
7. accounting documents.

ASEAN CUSTOMS

CONTENT IV

RISK LANDSCAPE PCA

SUMMARY OF POST-CLEARANCE AUDIT (PCA) CASES 2021 – 2024

BACKGROUND

Since 2009, ASEAN Member States (AMS) customs administrations under the Customs Enforcement and Compliance Working Group (CECWG) had started the cooperation of sharing the experiences and best practices related to the handling of PCA cases through the ASEAN PCA Bulletin. From 2009 to 2024, 15 editions of the ASEAN PCA Bulletin had been published. Following the discussion at the 37th CECWG Meeting, AMS found the necessity to categorise and analyse the type of cases most faced by AMS customs administrations. To facilitate this effort, Indonesia and the ASEAN Secretariat were tasked to compile and analyse all PCA cases submitted by AMS during the implementation of the Strategic Plan of Customs Development (SPCD) 2021-2025. This paper provides a summary of PCA cases submitted by AMS customs administrations from the period of 2021 to 2024 and aims to highlight recurring trends, identify key risk areas, and provide AMS with a clearer picture of the regional risk landscape on PCA.

CATEGORISATION OF PCA CASES IN ASEAN

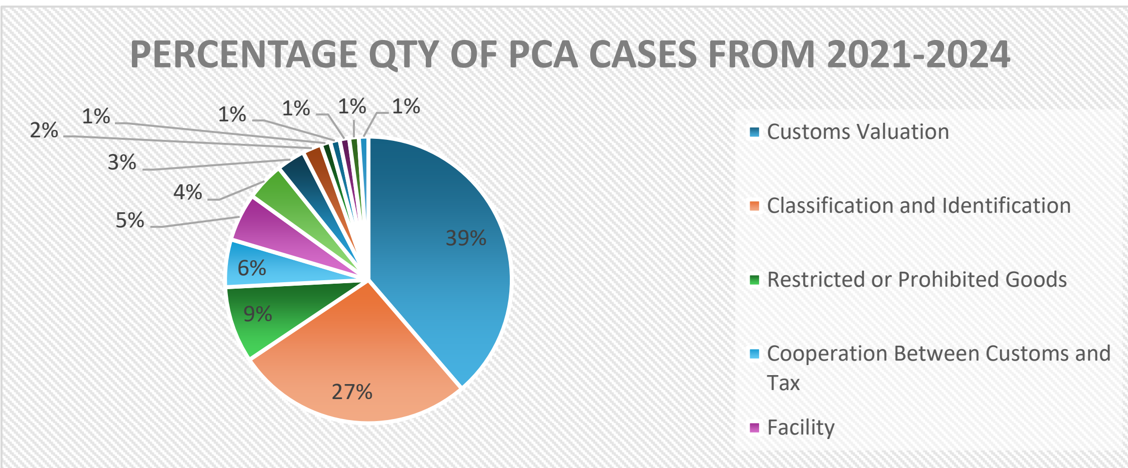
Based on the ASEAN PCA Bulletins published in 2021 to 2024, below are the categorisation of the PCA cases in ASEAN:

No.	PCA Cases	2021		2022		2023		2024	
		Qty Cases	%	Qty Cases	%	Qty Cases	%	Qty Cases	%
1	Customs Valuation	11	52,4%	7	30,4%	8	36,4%	10	37,0%
2	Classification and Identification	4	19,0%	7	30,4%	6	27,3%	8	29,6%
3	Restricted or Prohibited Goods	2	9,5%	1	4,3%	3	13,6%	2	7,4%
4	Cooperation Between Customs and Tax	0	0,0%	1	4,3%	2	9,1%	2	7,4%
5	Facility	1	4,8%	3	13,0%	0	0,0%	1	3,7%
6	Free Trade Agreement (FTA)	1	4,8%	0	0,0%	2	9,1%	1	3,7%
7	Bonded zone	0	0,0%	0	0,0%	1	4,5%	2	7,4%
8	Audit Investigation	1	4,8%	1	4,3%	0	0,0%	0	0,0%
9	Excise	0	0,0%	0	0,0%	0	0,0%	1	3,7%
10	Completely Knocked Down (CKD) Goods	0	0,0%	1	4,3%	0	0,0%	0	0,0%

11	Origin Fraud	0	0,0%	1	4,3%	0	0,0%	0	0,0%
12	Quantity Misdeclaratio n	1	4,8%	0	0,0%	0	0,0%	0	0,0%
13	Safeguard Duty	0	0,0%	1	4,3%	0	0,0%	0	0,0%
	Total	**21**		**23**		**22**		**27**	

Percentage Distribution of PCA Cases (2021–2024)

Based on the ASEAN PCA Bulletins published from 2021 to 2024, the three most frequently identified case types are customs valuation (39%), followed by classification and identification (27%), and restricted or prohibited goods (9%).



FINDINGS

Following the figure above, below are the findings of most frequent cases shared by AMS customs administrations.

1. CUSTOMS VALUATION (MOST FREQUENT CATEGORY)

Customs valuation remains the most discussed topic across all years from 2021 to 2024, especially involving under-valuation, double invoicing, and transactions with related parties. Particular concerns include the inclusion of royalties, proceeds, freight, and insurance in the transaction value. These cases are frequently discussed by Brunei Darussalam, Indonesia, Myanmar, and Singapore. Customs valuation may present the following potential risks:

- **Customs Disputes**: Mis-valuation which may lead to legal disputes and costly proceedings.
- **Fines and Sanctions**: Underreported values may incur administrative penalties and duties.
- **Underpayment**: Results in import duty shortfalls requiring back payments.
- **Data Entry Errors**: Misclassification or incorrect entries can complicate compliance.
- **Compliance Audits**: Authorities may conduct investigations into the proper application of valuation rules.

2. CLASSIFICATION AND IDENTIFICATION

The second most prevalent topic involves the classification of goods, with frequent issues around spare parts, chemicals, cosmetics, and iron/steel products. These cases are frequently discussed by: Indonesia, Malaysia, and the Philippines. Classification and Identification may present the following potential risks:

- Misidentification or incorrect assignment of HS Codes;
- Failure to identify goods subject to prohibitions or restrictions;
- Importation of goods subject to additional import duties, such as anti-dumping or safeguard measures;
- Manipulation or alteration of HS Codes to evade higher tariffs;
- Engagement in circumvention practices to bypass trade regulations; and
- Procedural non-compliance in utilising preferential tariff mechanisms under Certificates of Origin (COO).

3. OTHER CASES

Furthermore, another frequently discussed case category was Restricted or Prohibited Goods. In contrast, in 2022, the third most discussed topic shifted to Customs Facilities. Cases involved restricted or prohibited goods were predominantly raised by Thailand and typically concerned items such as medical devices, which require licensing from the Food and Drug Administration under the Ministry of Public Health, as well as industrial products containing hazardous substances, which must be licensed and approved by the Department of Industrial Works prior to importation. In 2022, the focus turned toward customs facilities, particularly in discussions initiated by Lao PDR and the Philippines. These cases addressed tax exemptions for foreign investment companies and reductions in Most Favoured Nation (MFN) duty rates on certain agricultural products, in accordance with the provisions of the Rice Tariffication Law**.**

RECOMMENDATIONS

Based on the findings above, the following are some proposed recommendations for AMS customs administrations in handling future PCA cases to achieve effective outcomes.

1. **Targeting: Selection for Audit**
   In preparation for an audit process, customs should conduct proper planning to identify areas of risk. This includes reviewing recent trends in PCA cases, such as recurring issues in customs valuation (e.g. undervaluation, double invoicing, and transactions involving royalties, proceeds, freight, or insurance), classification (e.g. misdeclaration of goods and procedural non-compliance in utilising preferential tariff mechanisms), and restricted or prohibited goods. By focusing on these high-risk areas, customs can prioritise resources and ensure that audits are both relevant and effective in addressing non-compliance.
2. **Develop an Audit Plan**
   Upon identifying audit targets, customs should prepare a structured plan for carrying out the audit. For an effective audit process, customs should determine the following: (i) the composition of the audit team, considering relevant subject-matter experts for the identified targets, (ii) data collection and analysis methods, (iii) audit timelines, and (iv) implementation and monitoring. Developing implementation plan is critical to ensuring the effectiveness of audit processes.
3. **Strengthen the Audit Process**
   Customs officials in charge of the audit process need to carry out a structured and thorough examination. This may include:

i. *Document verification*: conduct thorough verification of import documentation, including customs declarations, commercial invoices, and related supporting documents, to ensure full compliance with applicable regulations.
ii. *Physical and/or laboratory inspection*: carry out physical inspections of imported goods to verify their conformity with accompanying documentation and adherence to relevant regulatory requirements.
iii. *Identification of prohibited and restricted goods*: identify imported goods that are subject to prohibition or restriction, in accordance with current legal and regulatory frameworks.
iv. *Regulatory compliance check*: assess the compliance of imported goods with applicable standards and technical regulations to ensure they meet the required specifications.
v. *Import process evaluation*: evaluate the overall importation process, encompassing document submission, duty payment procedures, and other associated workflows, to ensure efficiency and regulatory compliance.

Therefore, to support this, audit officers should be equipped with clear guidelines/standard operating procedures (SOP), updated tools, and regular training to enhance audit quality and consistency.

CONTENT V
REPORTS

REPORT OF TECHNICAL ASSISTANCE ON POST CLEARANCE AUDIT FOR ROYAL MALAYSIAN CUSTOMS DEPARTMENT
20-22 August 2024

A. Introduction

1. Objectives
    1) To enhance the technical and professional capability of Royal Malaysian Customs Department Officers for the implementation of PCA;
    2) To achieve commitments to carry out Post Clearance Audit based on international best practices;
    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 PCA Strategic Planning and Risk Management.

2. Participants

    There were three participants from the representative of Royal Malaysian Customs Department as detailed below:
    1. Mrs. Siti Nur Rahayu Binti Abdul Halim
       Senior Assistant Director of Customs II,
       Compliance Management Division, Head Quarters
    2. Mrs. Wan Mahira binti Wan Hussin

Senior Assistant Director of Customs II
Royal Malaysian Customs Academy, Melaka

3. Mrs. Ahlam Iwani binti Ghazali
   Assistant Director of Customs,
   Compliance Division, Kuala Lumpur

B. Workshop Activity

a. *Day 1*

On the first day, the focus was on Strategic Planning and Risk Management in Post Clearance Audit. All the materials on the first day were presented by a team of officers from the Subdirectorate of Audit Planning. The session began with a presentation by a representative from RMCD, who provided an overview of Malaysia's approach to Post Clearance Audit on Customs Procedures. This was followed by a presentation of the implementation of Post Clearance Audit at DGCE. The session continued with a review of the WCO Package, the Importance of Strategic Planning and Risk Management Process, as well as Risk Analyzing Using Tools and Report Analysis.

b. Day 2

The second day of the technical assistance focused specifically on the Implementation of Post Clearance Audit on DGCE. The day's presentations were delivered by a team of auditors from the Directorate of Customs and Excise Audit, DGCE. The first session began with an overview of the Post Clearance Control Concept, followed by presentations on the Implementation Guidance and Legal Framework for Post Clearance Audit in Indonesia, as well as other topics including Audit Preparation, Business Process of Audit, Audit Interviews, and Specific Issues Checklists.

In the second session, the team covered E-Audit, Audit Reporting, Quality Assurance, and Monitoring and Review. The day concluded with a presentation and engaging discussion between participants and the team on current issues and case studies related to Post Clearance Audit. The workshop was wrapped up with a brief session offering Tips on How to Obtain Accreditation from WCO and Career Development Benefits.

c. Day 3

On the final day of the technical assistance workshop, participants took part in a study visit to the Directorate of Customs and Excise Audit at the DGCE Headquarters in the Sulawesi Building. The day began with a brief welcome speech by Ms. F. Masdiani, Head of the Subdirectorate of Audit Implementation II, who spoke on behalf of the Director of Customs and Excise Audit. Before the office tour, there was a short discussion on the Post Clearance Audit Process and Procedures at DGCE.

The tour started with a visit to the Subdirectorate of Monitoring, Evaluation, and Quality Assurance, where participants learned about the audit report and the evaluation and quality assurance processes used by DGCE. The next stop was the Subdirectorate of

Audit Planning, where participants observed how DGCE uses the Audit Planning Dashboard for Post Clearance Audit Planning. The tour concluded with a visit to the flexible working space on the 5th floor of the Sulawesi Building, where customs auditors carry out their daily activities. Participants also received a brief overview of DGCE's eco-office initiatives, which contribute to the efficiency of customs auditors.

Following the office tour, a closing ceremony was held to wrap up the technical assistance workshop. Mr. Ahmad Talib, Customs Attache for Embassy of Malaysia In Jakarta, expressed his gratitude to Indonesia for hosting the participants and sharing valuable insights on the Post Clearance Audit. Following that, Mr. Oentarto Wibowo, Director of the Indonesian Customs and Excise Training Center, also delivered brief remarks to summarize the activity.

The final closing speech was made by Ms. F. Masdiani on behalf of the Director of Customs and Excise Audit. She conveyed her heartfelt thanks to all the speakers for generously sharing their knowledge and experiences, to the participants for their enthusiasm, and to the Directorate of International Affairs, the Customs and Excise Education and Training Center, and all the committees for their crucial contributions to the success of the program. The speech also noted how DGCE, especially Directorate of Customs and Excise Audit, also gained many valuable experiences during the technical assistance. This experience included the opportunity to prepare the generation of young officers for participation in international forums and events. Concluding her speech, she expressed her hope that all participants had a memorable and rewarding experience during the technical assistance and looked forward to future collaborations between Indonesia and Malaysia.

REPORT OF TECHNICAL ASSISTANCE ON POST CLEARANCE AUDIT (PCA) FOR THAI CUSTOMS DEPARTMENT
26th September 2024

A. Introduction

1. Objectives
   1) To enhance the technical and professional capability of Thai Customs Department Officers for the implementation of PCA;
   2) To achieve commitments to carry out Post Clearance Audit based on international best practices;
   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 PCA for Customs Facility.

2. Participants
   There were 18 participants from the representative of Thai Customs Department as detailed below:

No.	Name
Lead	
1	Ms. Parnchanok Prasongnijjakij
Participants	
2	Ms. Sitanan Tanawattananon
3	Ms. Chitchanok Chuenjitsiri
4	Mr. Nattapong Maneechan
5	Mr. Dhanadech Chandanabodhi
6	Ms. Putthachat Wongsuvanich
7	Mr.Thanate Chamnanna
8	Mr.Phattarawee Panich
9	Mr.Nut Runtakittanavat
10	Mr. Krittin Thongmak
11	Ms. Tatsawan Panyain
12	Mr. Saveera Thammasiri
13	Mr. Nuttawat Yooyungyuen

14	Mr. Nattapon Narinkam
15	Ms. Thanida Posaart
16	Mr. Kittipon Suttisirikul
17	Ms. Wannapa Chaletanone

B. Workshop Activity

a. *Overview of Providing Bonded Zone Customs Facilities*

The session began with a presentation by Mr. Yomi Burhanudin, Head of the Bonded Zone Section at the Directorate of Customs Facility, who provided an overview of customs facilities in Indonesia. He highlighted fiscal incentives for bonded storage, monitoring of bonded storage, and the impact of bonded zones on Indonesia's economy.

The session is ended with a question from the Thai Customs Department about the monitoring coverage ratio (MCR) and how it affects the Audit Coverage Ratio (ACR). Mr. Yomi Burhanudin explained that the monitoring coverage ratio (MCR) is the percentage of customs facilities monitored out of the total population of companies that have received facilities. The monitoring coverage ratio (MCR) level in 2024 will be 94% of the total facility population. This illustrates that Indonesia Customs has monitored almost all companies receiving facilities. Of the MCR of 94%, 77% have been audited; in other words, the audit coverage ratio (ACR) percentage is around 77% of the facility population.

b. *PCA Concept*

The session began with a presentation by Mr. Iwan Tarto Timur, Section Head of Audit Implementation IA, who provided an overview of the PCA Concept. He explained that there are five pillars of supervision under DGCE: goods, documents, people, money, and carriers. DGCE carries out three stages of custom clearance to check these five components: pre-clearance, on-clearance, and post-clearance. He also highlighted the objectives, challenges, and breakthroughs to optimize the post-clearance audit function.

c. *PCA for Bonded Zone Facility*

In this session, there were six Customs and Excise Expert Officers who explained Post Clearance Audit for bonded zone facilities as well as case studies. PCA for facility programs consists of several processes: Audit Preparation, Field-Work Audit Process, Office-Work Audit Process, and Audit Report. Mr. Pahala highlighted that the audit team must conduct pre-audit research on company profiles, transaction data, historical audits, and company analyses in audit preparation. This data is used to prepare the audit work plan and audit program. After the audit team prepared the audit program, the audit team carried out a field-work audit process, which included an initial audit meeting, an understanding of business process, a study of auditee's internal control, and stock taking of bonded zone's goods.

Mr. Hilmi Aulia Azmi then explained the office-work audit process, which includes customs documents population data examination, inward and outward goods data examination, book and physical balance check, and audit worksheet preparation. After the examination, the audit team prepares an audit report. Mr. M. Dio Virdawan explained the processes that must go through: quality assurance, temporary audit finding documentation, closing audit meeting, and audit report and follow-up.

The session continued with an overview of the audit for bonded zones, which was presented by Mrs. Gugik Cahyani Rahayu. She highlighted that in 2024, there are 1,312 Bonded Zone Facility Recipient Companies, 64% of which still need to be audited. The remaining 36% of companies that have been audited generate state revenues of 1.6 trillion rupiah. Mrs. Shinta Ayu Sri Yunindhar and Mr. Muhammad Aris Januar then provided case studies of bonded zone facilities, audit processes, findings, bill amounts, and audit recommendations.

The event was wrapped up with closing remarks delivered by Mr. Iwan Tarto Timur, Section Head of Audit Implementation IA. He conveyed his heartfelt thanks to all the speakers for generously sharing their knowledge and experiences, to the participants for their enthusiasm, and to the Directorate of International Affairs, the Directorate of Customs Facility, and all the committees for their crucial contributions to the success of the program. The speech also noted how DGCE, especially the Directorate of Customs and Excise Audit, learned many valuable experiences during the technical assistance. Concluding his speech, he expressed his hope that all participants had a memorable and rewarding experience during the technical assistance and looked forward to future collaborations between Indonesia and Thailand.

ASEAN Regional Workshop on Royalty Related Issues on PCA with Japan Customs

By Brillian Ilham Prabowo

(A). Overall Workshop

1. General Explanation
   The Royalty Related Issues on PCA course represents a critical component in enhancing the traders' compliance and securing national revenue across the ASEAN region. All participants recognised the importance of targeting and audit process in facilitating trade, ensuring security, and promoting economic growth. The lectures and sharing knowledge as well as experiences by the resource persons and exchange of experiences among the participants during this training have contributed to the ongoing efforts to strengthen the customs administration within ASEAN
   Over the three-days training, all participants from the ten ASEAN Member States, actively engaged, shared insights, and leveraged this opportunity to broaden their understanding of the importance of Transfer Pricing studies in relation to the ASEAN Economic Community.
2. Customs Valuation, Introduction to IPR
   Coverage of the course presented by Ms. Izumi Morikawa, Customs Valuation Specialist and Manami Harayama, Inspector, from Yokohama Customs included explanation about royalties and license fees related to customs valuation based on the Agreement using a common example. Starting from the basic explanation related to the difference in customs value, import duty rates, and import duty levies based on the WTO Valuation Agreement, the explanation of the use of customs value assessment methods based on the order from the start of the transaction value based on Method 1 (Transaction Value), Method 2 (Transaction Value of Identical Goods), Method 3 (Transaction Value of Similar Goods), Method 4 (Deduction), Method 5 (Computation Method) and Method 6 (Fallback).
   The in-depth explanation is more focused on method 1 of customs value, namely transaction value, Japan Expert explains the importance of knowing the actual price / should be paid in this method or better known as PAPP (price actually paid or payable). This explanation is also equipped with case examples in Japan and ends with questions and answers and discussions about case examples in AMS (ASEAN Member State) countries.
3. Customs Valuation Compendium Case Study
   The next material related to Introduction of Customs Valuation Compendium Case Study 10.1 delivered Mr. Kenji Umezawa, Valuation Specialist from National Valuation Center began with a basic explanation related to the actual transaction value / should be paid according to the WTO Valuation Agreement, including prices that should be added to the customs value including Assist, Royalty and Proceed. In this explanation, case examples and common threads that distinguish companies that have relationships that can affect the actual price with other companies are also presented. A widely

discussed case study is related to how to prove that the company is related to an affiliated company abroad if there is no evidence of capital / share ownership.

The key to understand between Customs Valuation and Transfer Pricing listed in the summary below:

	Customs Valuation	Transfer Pricing
Legal basis	• WTO Valuation Agreement • National Legislation	• OECD Model Tax Convention / OECD Transfer Pricing Guidelines • Bilateral Double Taxation Agreements • National legislation
Objectives, Principles and Operational Functioning	• Examination based on simple and equitable criteria • Customs administration • At the border • At import or post-clearance • Review of products and import transactions • Determine Customs duties	• Depending on the applicable domestic rules, determination by the taxpayer when or before the transaction is entered into, or when the tax return is filed or tax assessed • Assessment by the tax authority when taxes are assessed or retrospectively audited • Review of all aspects of the commercial and financial relationship btw associated enterprises • "Fair" allocation of taxable profits btw tax jurisdictions
Scope	• Physical commercial transactions btw related parties	• Cross-border commercial and financial transactions btw associated enterprises (transfer of tangible or intangible assets and provision of service)
	Customs Valuation	**Transfer Pricing**
Intangibles	• Taken into account by adjustments only if they impact on the value of the goods (Royalty or License fee)	• Often a significant aspect of the valuation of related party transactions
Burden of proof	• Importer	• Tax authority or taxpayer depending on national legislation • Specific transfer pricing documentation requirements are in place in many countries
Prior agreement	• Advance Rulings or binding information from the Customs administrations may be provided to importers who so request and thus simplify the valuation process	• Taxpayer can apply for Advance Pricing Agreements (APAs) with an increasingly large number of tax authorities, in order to secure the transfer pricing method for their future related party transactions
International cooperation	• Bilateral and multilateral frameworks (such as the Revised Kyoto Convention)exist for cooperation btw Customs administrations	• There are bilateral and multilateral frameworks for cooperation btw tax authorities

Ms. Sonomi Nagao, Senior Auditor, from Yokohama customs lectured PCA matters from its background to implementation. Moreover, Ms. Shizuko Suzuki, Senior Valuation Specialist, shared basic cases to deepen knowledge about royalties and license fees related to the previous sessions. Another expert from the National Valuation Center, Ms. Izumi Kurahashi introduced PCA cases about royalties. By explaining a concrete example, she shared core points regarding royalties and license fees.

4. Roundtable Discussion
   Considering the feedback and the visible improvements in participants between the beginning and the end, the training was a definite success. The actual result was immediately visible from the way the participants became eventually more vocal and confident in discussing PCA issues. Nevertheless, there is still room for improvement in several areas, as described below in the "Future Needs Analysis" mainly based on participants' feedback and also resource persons observations during the class discussions.

(B). Future needs for Customs Valuation and Post Clearance Audit:

A needs analysis based on the participants discussions along the training. Nevertheless, based on the responses made by the participants during Roundtable Discussion, following rational assessments were made:

1. There is a need to continue working on Improvement of traders' compliance including the encouragement of proper declaration and classification. In addition, enhancement of bookkeeping records for business is one of the obstacles to tackle.

2. There is a need for specific training/workshops for both young officials and experienced officers in the PCA divisions. Simultaneously, it is also required to construct the legal and administrative environment to conduct proper PCA – including the increase in the number of personnel.

3. There is a need for data analysis and tools for that not only to manage the compliance of companies, but also to accumulate and utilise the companies' information to broad risk management field.

The ASEAN Workshop on Cooperation between Customs Administration and Tax Authorities

5th February 2025, Video Conference

Background:

In 2019, Indonesia as the Country Coordinator of Strategic Plan of Customs Development (SPCD) 08 on Post-Clearance Audit (PCA) conducted the ASEAN Workshop on PCA with the topic of "Increasing the Effectiveness of PCA through Customs and Tax Cooperation", which was later proposed as one of the activities under the SPCD 08 for 2021 – 2025. Furthermore, in 2023, the Customs Enforcement and Compliance Working Group (CECWG) adopted the ASEAN Guidelines on Cooperation between Customs Administration and Tax Authorities, which was endorsed by the 32nd ASEAN Directors-General of Customs Meeting in Thailand. Following the endorsement of the Guidelines, Indonesia conducted the ASEAN Workshop on Cooperation between Customs Administration and Tax Authorities on 5 February 2025 with a view to fulfil one of SPCD activities on Promoting cooperation between Customs Administration and Tax Authorities among AMS.

Programme Arrangements:

The Workshop was held via video conference on 5 February 2025 and was attended by the representatives of ASEAN Member States (AMS) from CECWG and the ASEAN Secretariat. Six ASEAN Member states have been registered: Cambodia, Malaysia, Myanmar, Thailand, the Philippines, and Brunei Darussalam.

<u>Summary of Discussion:</u>

ASEAN Guidelines on Cooperation between Customs and Tax Authorities

- Indonesia highlighted the importance of Customs administration to enhance partnerships with other agencies to improve governance and expand intelligence databases amidst the paradigm shift of Customs' role and an increasing sophistication of smuggling techniques, rising Customs frauds, etc., Hence, the Guidelines on Cooperation between Customs and Tax Authorities serves as an important reference for both authorities to strengthen cooperation and develop operational models, which enable them to work together for achieving mutual benefits.
- The Guidelines outlined the grand design of synergy programme between the two (2) authorities, which includes: i) data and information exchange; ii) joint analysis; iii) determination of grand target list; iv) joint activity; v) implementation of joint business process and information technology; vi) secondment implementation; vii) cooperation programme with other institutions; and viii) monitoring and evaluation.
- The Guidelines also covers the importance of data exchange procedures when establishing cooperation between Customs and Tax, as it regulates data confidentiality, data integrity, and data availability to ensure smooth cooperation between the two (2) authorities. It is also important to regulate responsibilities of data providers and data recipients to avoid leakage of exchanged data to other parties, to ensure that the data is updated, comprehensive, and accessible, to ensure data storage for analysis and reporting purposes, as well as to classify data based on its security level.

Implementation of Joint Programme in Indonesia

- Indonesia shared the implementation of her Reform Synergy Programme for Optimising Revenue, which involves a synergy between units under the Ministry of Finance (MoF) as well as between MoF and other ministries in surveillances and law enforcements in the field of taxation, Customs and excise, and non-tax revenues. Indonesia's Reform Synergy Programme aims to i) improve investment climate & ease of doing business to pursue economic growth; ii) Improve integrated business and IT processes to reduce compliance costs and improve public services; and iii) Increase the credibility and effectiveness of the state budget.
- Indonesia also shared some synergy programmes being implemented, among others:
  - <u>Joint Analysis</u> to discover potential collaboration;

- Joint Audit to examine compliance and deepen joint potential to optimise state revenue;
- Joint Collection for tax or state budget arrears;
- Joint Investigation to uncover tax and state budget fraudulence;
- Joint Business and IT Processes to optimise public service and monitoring;
- Joint Intelligence to collect, process, and joint utilisation of intelligence data;
- Secondment, which is an internship for introduction and understanding of regulations and business processes; and
- Other Synergy Programme, such as joint profile, joint expert, and joint visit.

- Indonesia further shared her joint analysis business process, which involves data flow collaboration among Customs, Tax, and Budget Authorities to be used during a joint analysis. The analysis results will later be utilised to decide potential target lists by the Joint Analysis Working Team for conducting the joint audit. In conducting the joint analysis, Indonesia uses some data analysing tools, among others SMART Post-Clearance Control (PCC), Integrated Analysing System (SAT) Dashboard on Ceisa 4.0, Confirmation on Taxpayer Status, and Auto Blocking System (ABS).

Cooperation between Customs and Tax Authorities from Tax Point of View

- Indonesia shared her business process of joint audit, which uses the following order: i) agreement on themes between Customs and Tax authorities; ii) joint audit order; iii) audit briefing between taxpayers and auditors; iv) conduct of field work; v) quality assurance; vi) issuance of temporary finding list; vii) issuance of Customs audit report and tax audit report (separately); and viii) issuance of joint audit report.
- Indonesia further shared her view that joint audit is one of the strategies to optimise and maximise state revenue. Therefore, she shared a case study where she successfully found a company that paid less royalty (as reported in the Voluntary Declaration) and import duty and taxes (as reported in the Voluntary Payment) following a conduct of a joint audit between Customs and Tax authorities, which resulted in avoidance of import duty and taxes loss for the country.

Observation:

• AMS learned practical implementation of the ASEAN Guidelines on Cooperation between Customs and Tax Authorities and could take reference of some potential areas for implementing Customs and tax cooperation including: i) data exchange (data of sales, purchase, exportation, importation); ii) price stipulation (Customs value stipulation for transfer pricing); iii) post-clearance audit; iv) improving more comprehensive risk management; and v) effective law enforcement on Customs and financial violations

CECWG 36








CECWG 37


37th MEETING OF THE ASEAN
CUSTOMS ENFORCEMENT AND
COMPLIANCE WORKING GROUP

From Our Desk


07

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

indonesian.pca@gmail.com