

**FIFTH MEETING OF THE ASEAN DIRECTORS-GENERAL OF CUSTOMS
Brunei Darussalam, 22 - 23 May 1997**

JOINT PRESS STATEMENT

INTRODUCTION

1. The Fifth Meeting of the ASEAN Directors-General of Customs was held in Bandar Seri Begawan, Brunei Darussalam on 22-23 May 1997.
2. The Meeting was attended by Y.A.M. Pengiran Lela Cheteria Sahibon Najabah Pengiran Anak Haji Abdul Aziz bin Pengiran Jaya Negara Pengiran Haji Abu Bakar, Controller of Customs and Excise, Royal Customs and Excise Department, Brunei Darussalam; Mr. Soehardjo, Director-General of Customs and Excise, Directorate-General of Customs and Excise, Indonesia; Datuk Hj. Abdul Rashid bin Bolong, Deputy Director-General of Customs, Royal Customs and Excise, Malaysia; Mr. Licerio C. Evangelista, Deputy Commissioner, Bureau of Customs, the Philippines; Mr. Koh Chong Hwa, Director-General of Customs and Excise, Customs and Excise Department, Singapore; Mr. Prakob Tantiyapong, Deputy Director-General, Customs Department, Thailand; Mr. Nguyen Due Minh, Deputy Director-General, General Department of Vietnam Customs; and their respective delegations. Dr. Suthad Setboonsarng, Director, AFTA Bureau and staff of the ASEAN Secretariat were also present.
3. Mr. Sar Ho, Director of Customs and Excise, Cambodia; Mr. Nouhack Nalukhot, Director-General of Customs, Lao PDR; Mr. Tun Chun, Director-General of Customs, Myanmar; and their delegations were also present as Observers.
4. The Meeting was chaired by Y.A.M. Pengiran Lela Cheteria Sahibon Najabah Pengiran Anak Haji Abdul Aziz bin Pengiran Jaya Negara Pengiran Haji Abu Bakar, Controller of Customs and Excise, Royal Customs and Excise Department, Brunei Darussalam.
5. In the Opening Ceremony, Y.A.M. Pengiran Lela Cheteria Sahibon Najabah Pengiran Anak Haji Abdul Aziz bin Pengiran Jaya Negara Pengiran Haji Abu Bakar, Controller of Customs and Excise, Royal Customs and Excise Department, Brunei Darussalam delivered his Opening Remarks. The Keynote Address was delivered by Y.M. Dato Paduka Haji Yakub bin Abu Bakar, Permanent Secretary, Ministry of Finance, Brunei Darussalam.
6. The Directors-General met to review progress in customs cooperation work in ASEAN since their last meeting in Jakarta on 4-5 September 1996 and to formulate a long term vision for Customs. They also followed-up on mandates from the ASEAN Finance Ministers and the ASEAN Economic Ministers.
7. The Directors-General noted that significant progress had been made in customs cooperation work in ASEAN. They reiterated their commitment towards widening and deepening customs work in ASEAN, through the formulation of a customs vision. This vision would enable ASEAN customs to respond and lead their administrations to the year 2020 by facing the challenges posed on them by the dynamic developments taking place in the regional and international arena. The Vision would provide a framework and focus for overall customs activities in ASEAN.

ASEAN Customs Vision 2020: A Bold Vision Formulated for Customs

8. The theme for the Vision is:
An ASEAN Customs Partnership for World Class Standards and Excellence in efficiency, professionalism and service, and uniformity through harmonised procedures, to promote trade and investment and to protect the health and well being of the ASEAN Community.
9. The Vision will chart the future role of ASEAN Customs Administrations and would set new heights for customs cooperation in ASEAN. To realise the Vision, the Directors-General agreed to collectively develop and strengthen specific technical and administrative areas identified as elements for the Vision.
10. To further enhance the role of Customs to the ASEAN Community, the Directors-General agreed to foster closer cooperation with the private sector, in particular, the trading community, shipping agents, customs brokers and forwarding agents so as to facilitate the realisation of the Vision.

Closer Links Established with ASEAN Private Sector

11. For the first time, the Directors-General held a consultation with representatives of the ASEAN private sector. The private sector delegation was led by Mr. Setyanto Santosa, Secretary-General of the ASEAN Chambers of Commerce and Industry, and the delegation included representatives of private sector bodies in ASEAN.
12. The Directors-General of ASEAN discussed, among others, the following issues which were raised by the ASEAN-CCI:
 - a) the establishment of common ASEAN procedures for the temporary admission of goods such as an ASEAN Carnet and an ASEAN Electronic Data Interchange (EDI) network. In this regard, the private sector representatives agreed to develop this proposal further;
 - b) ways and means to further improve the Green Lane System for CEPT-AFTA products and, ways to further enhance customs requirements for trade facilitation. In this regard, the ASEAN Directors-General called upon the private sectors of ASEAN to provide inputs to customs on these issues; and
 - c) the provision of training and assistance from the private sector to familiarise customs with the practices of the private sector to enhance capabilities of customs in the areas of post-importation audit and change management.
13. The Directors-General reiterated the importance of active private sector participation in the ASEAN process as they viewed such a link as a close partnership. They further encouraged the ASEAN private sector to play a more active role by providing inputs or proposals to ASEAN, at national and regional levels, regularly.
14. In noting the fruitful and constructive discussions which ensued, the Directors-General agreed to invite the ASEAN private sectors to their next meeting in 1 998 for a second consultation to review the progress made.

Cambodia, Laos and Myanmar Customs Attend for the First Time as Observers

15. The ASEAN Directors-General of Customs welcomed the participation of their counterparts from Cambodia, Laos and Myanmar to their meeting as Observers.

Cambodia, Laos and Myanmar are potential Members of ASEAN. When these countries become Members of ASEAN, they would be acceding, among others, to the ASEAN Agreement on Customs.

16. The Directors-General had an exchange of views with colleagues from Cambodia, Laos and Myanmar on their customs practices and regimes. ASEAN also conveyed the requirements and commitments as stipulated in the ASEAN Agreement on Customs to Cambodia, Laos and Myanmar, and expressed the hope that these countries would be able to fully participate in ASEAN customs cooperative activities when they join the ASEAN customs fraternity.
17. The Directors-General also had a discussion on possible technical assistance programmes which could be extended to Cambodia, Laos and Myanmar. It was noted that such assistance would assist these countries to align their customs systems with that of ASEAN, and would further support their implementation of the ASEAN Free Trade Area (AFTA) and their integration into the ASEAN economies.

ASEAN Harmonised Tariff Nomenclature Ready to be Implemented in 1998

18. As part of efforts to simplify trade transactions in ASEAN and facilitate intra-ASEAN trade, an ASEAN Harmonised Tariff Nomenclature has been drafted. The Directors-General reiterated the significant benefits of a harmonised tariff nomenclature to enhance transparency, uniformity and simplicity in ASEAN to the trading community. Such a system would avoid unnecessary confusion or complexity at the border as to the appropriate classification of a product so as to facilitate the cross-border flow of goods in the region.
19. As a start, Brunei Darussalam, Philippines and Singapore would be implementing the system in 1998. Indonesia shall work towards implementing the ASEAN Harmonised Tariff Nomenclature in 1998. Malaysia, Thailand and Vietnam will be implementing the system by the year 2000. Cambodia, Laos and Myanmar shall adopt the ASEAN Harmonised Tariff Nomenclature.

Technical Assistance Programme on Customs (*TAP on Customs*) Formulated

20. The Directors-General of Customs agreed to formulate a Technical Assistance Programme on Customs or *TAP on Customs*. Mandated by the ASEAN Finance Ministers at their first Meeting on 1 March 1997, the Program aims to enhance the capability, technical expertise and abilities of ASEAN Customs Administrations to implement measures under the ASEAN Customs Vision. The Programme will also promote greater uniformity and equivalence in customs treatment in ASEAN.
21. *TAP on Customs* will also cover Cambodia, Laos and Myanmar when they join ASEAN in order to align their customs infrastructure and systems with that of ASEAN.

Advances Made in Harmonisation of Customs Procedures in ASEAN

22. Following the decision to harmonise customs procedures in ASEAN, the Directors-General agreed to an initial set of procedures where work on harmonisation shall begin, which, among others, include the following:
 - a) where possible, to correlate business hours for customs offices located at borders;

- b) under certain conditions deemed valid by customs, to allow a declarant to lodge a provisional or incomplete declaration provided it contains necessary information for the release of goods and that the declarant undertakes to submit further information within a specified period;
- c) to allow lodgement, checking, registration of goods declaration prior to the arrival of goods;
- d) to allow the pre-clearance of goods, that is some goods can be cleared before they arrive;
- e) to explore the simplification and harmonisation of procedures for goods in transit;
- f) to develop a glossary of customs terms in ASEAN to promote a uniform understanding of the terms.

ASEAN Customs to be More Pro-Active in the International Customs Fora

23. The Directors-General had an exchange of views on international customs meetings including those discussed at ASEM, APEC and the World Customs Organisation.
24. In noting the increasing maturity in ASEAN Customs Administrations, the Directors-General recognised the need for ASEAN countries to be more pro-active role in the international customs fora. In this regard, an institutional mechanism has been formulated where an ASEAN Brussels Committee on Customs Matters has been established to monitor closely international developments.

Progress Achieved in Other Areas of Cooperation

25. The Directors-General were pleased to note the following progress in other areas of cooperation in customs:
- a) **Harmonisation of Customs Valuation Systems:** Member Countries are making preparations to implement the GATT Valuation Agreement by 1998. Efforts are underway to ensure this. ASEAN is also working towards aligning the implementation of the GVA for greater uniformity;
 - b) **Green Lane System for CEPT Products:** although the Green Lane System, which is accorded to products under the ASEAN Free Trade Area, provided expeditious customs clearance for these goods, the Directors-General agreed to continuously review the system with the view to improving on it. The Directors-General also encouraged the ASEAN private sector to take advantage of this facility;
 - c) **Joint Efforts on Anti-Smuggling and Customs Control,** as a follow-up to the mandate of the ASEAN Finance Ministers, the Directors-General agreed to formulate ASEAN guidelines to enhance joint efforts in anti smuggling and customs control.