

**Unofficial translation**

Lao People's Democratic Republic

Peace, independence, democracy, unity, lasting culture

Ministry of Finance

No.: 3143/MOF

Vientiane Capital, Date: 26 November 2020

**INSTRUCTIONS**

**ON THE IMPLEMENTATION OF THE ASEAN CUSTOMS TRANSIT SYSTEM (ACTS)**

- Pursuant to the Customs Law No. 81 / NA, dated 29 June 2020;
- Pursuant to the Prime Minister's Decree No. 144 / PM, dated 08/05/2017 on the organization and operation of the Ministry of Finance;
- Pursuant to the ASEAN Framework Agreement on the Facilitation of Goods in Transit / AFAFGIT dated 16 December 1998;
- Pursuant to the Decision of the Minister of Finance No. 1234 / MOF, dated 14 May 2020 on the Approval of the ASEAN Customs Transit System (ACTS).
- Pursuant to the Decision of the Minister of Finance No. 1235 / MOF dated 14 May 2020 on the approval of the use of the Transit Accompanying Document (TAD).

The Minister issued an instruction:

**Chapter 1**

**General Provisions**

**Article 1 Purpose**

This instruction sets out the principles, regulations, procedures for customs declaration, inspection and control of the ASEAN Customs Transit System in order to comply with the ASEAN Transit Facilitation Agreement, Laws and Related Regulations.

**Article 2 Principles**

The Customs Administration uses the ASEAN Customs Transit System to manage and facilitate transit of goods within ASEAN Member States in order to reduce the time and expense of processing customs declaration procedures, the use of paper, the exchange of information on the ASEAN Transit System through electronic to increase accuracy, ensure transparency and efficiency.

Customs authorities Coordination with the relevant domestic and international organizations to implement ASEAN Customs Transit System in accordance with principles of the protocol of ASEAN Framework Agreement on the Facilitation of Goods In Transit such as Protocol 1 on routing and transport infrastructure, protocol 2 on requirements of checkpoint, Protocol 3 that determine type and number of transportation's vehicles, Protocol 4 that set the standard of Transportation's vehicles, Protocol 5 on Set regime insurance of vehicle for transportation in ASEAN, Protocol 6 on loading goods at the border by train station, Protocol 7 on ASEAN Customs Transit System with Technical Annex, Protocol 8 on Sanitary, Plant and Animal Quarantine Measures and Protocol 9 on Hazardous Goods Measures.

### Article 3. Glossary

The terms used in this instruction are as follows:

1. **ASEAN Customs Transit System (ACTS):** A system for the transit of goods under the jurisdiction of the Customs Administration to facilitate the movement of goods through the territory of one or more of Parties under protocol 7 of ASEAN.
2. **Transit proceedings** refer to the transit of goods from the customs checkpoint of the country of origin to the customs checkpoint of the destination country under the ACTS regulations.
3. **The ACTS Regulations** refer to the rules, procedures and step for the management of transit goods under the ACTS Regulations.
4. **The authorized officer to control the ACTS system** means customs officer or related agencies that respond accordingly to regulation.
5. **The Customs administration** refers to the customs' organization of the States Parties.
6. **The origin customs office** refers to the customs checkpoint of the country of origin where the transit of goods passes through.
7. **The destination customs office** refers to the customs checkpoint of the destination country where the goods transit through the destination.
8. **The Customs Office of the transit** refer to the customs checkpoint of the country in which monitoring the transit of goods.
9. **The filing of a customs declaration for the transit of goods** means the processing of a customs declaration to customs office to conduct the transit of goods under the rules of ACTS.
10. **Transit Accompanying Document (TAD)** means customs declaration form for declaration of goods in the ASEAN Transit System
11. **Seal of goods** means customs' seal used to control the transport of goods, containers, and transit goods to track the movement from the original customs checkpoint to the destination customs checkpoint.
12. **Customs administration debt** means duty and other obligations that may be occurred on goods transported under the ACTS regulations.
13. **The guarantor** refers to a third party or legal entity authorized in writing, which is effective in accordance with the Customs Law, with the customs authorities responsible for the customs

duties of the country of origin, the country of transit and the destination country occurred during the transit of the goods at the request of the owner.

14. **The guarantor in Lao PDR** refers to a commercial bank operating in accordance with the laws of the Lao PDR, which can issue a written guarantee to the Lao PDR Customs Department for transit goods originating from the Lao PDR to guarantee against the government, customs and excise duties in the country of origin.
15. **The information system** refers to the use of necessary of electronic information to manage and exchange information between the authorities who have the authority to manage the ACTS system.
16. **Authorized operator** means a legal entity or authorized representative who has the right to conduct transit transportation in accordance with ACTS regulations.
17. **Authorized Transit Trader (ATT)** means traders that operators in transit services with excellent performance in transit service, contributes to the government and enforces the law properly.
18. **Faults during transit** means cases of transit, loss, edit, change of condition, damages, etc. that affect the implementation of ACTS regulations.
19. **Complete of transit of goods** means that the vehicle and the goods are delivered to and notified to the destination customs without changing the characteristics of the goods and the seal of the container, which is in normal and correct condition.

#### Article 4 Scope of Application

This instruction applies only to the transit goods that are in principle and in accordance with the ACTS system only, transit goods that do not comply with this instruction must comply with specific regulations.

#### Article 5. Transit Entrepreneurs of the Lao PDR

Transit Entrepreneurs of Lao PDR have the following conditions and standards:

1. Have enterprise registration, business license issued by the Department of Transportation and Industrial and Commercial sector;
2. A company that enters the VAT system and has an annual tax liability certificate;
3. Have good financial background to be able to guarantee debts to the tax administration according to the custom law;
4. Must not be prosecuted for custom purposes and / or not be convicted of a custom offense for 3 years;
5. There must be transit vehicles approved by the relevant authorities and in accordance with Protocol 3 (in the list of 500 vehicles) and Protocol 4 (technical conditions) in accordance with the ASEAN Transit Facilitation Agreement.
6. ASEAN conditions must be complied with from time to time.

#### Article 6. Obligations and rights of transit traders

Transit traders have the following obligations and rights:

- Comply with the ASEAN Transit Rules and Procedures in accordance with these Guidelines;

- Carry out customs declaration and inspection of goods at the international customs checkpoints of import and international customs checkpoints at the point of export of the Lao PDR as prescribed by regulations;
- Provide documents and other information on transit goods in accordance with customs laws;
- Guaranteed by guarantor (bank);
- Pay fees and charges in accordance with the regulations of Lao PDR
- In case of violation of the transit rules, the transit traders must pay taxes and fines in full according to the law, if the transit traders avoids, does not comply with the contract, the guarantor must pay taxes and fines in full according to the law;
- Transit must use specific routes and international customs checkpoints as defined in Protocols 1 and 2 of the ASEAN Transit Facilitation Agreement;
- The guarantee must be refunded by the guarantor after the relevant customs office confirms that the transit has ended.

#### Article 7. Obligations and rights of the guarantor

The guarantor has the following obligations and rights:

- Bank guarantees in accordance with the ASEAN CUSTOMS TRANSIT SYSTEM GUARANTEE DOCUMENT are required for transit of goods in accordance with the ACTS Transit Customs Regulations.
- In case of a violation of the rules of transit in a country and the customs authorities of that country send a formal bill to the guarantor, the guarantor must pay the tax and fines that the operator must pay in accordance with the law and in accordance with the law.
- The guarantor (bank) before or after the payment of taxes and fines must notify the relevant customs authorities formally.
- The guarantee must be returned to the operator after the relevant customs office confirms that the transit has ended.

## Chapter 2

### Defining, managing and using the ASEAN Customs Transit System (ACTS)

#### Article 8 Import-Export Checkpoints

Target international customs checkpoints to implementing the ASEAN Customs Transit System (ACTS) include:

1. International Customs Checkpoint, Friendship Bridge I, Vientiane Capital;
2. Nam Pao International Customs Checkpoint, Bolikhamxay Province;
3. International Customs Checkpoint, Friendship Bridge II, Savannakhet Province;
4. Dansavanh International Customs Checkpoint, Savannakhet Province;
5. Nong Nok Khien International Customs Checkpoint, Champassak Province.

6. International Customs Checkpoint, Friendship Bridge IV, Bokeo Province;

The international customs checkpoints that will implement the transit system in the future may increase or decrease in accordance with the terms and conditions of ASEAN's custom.

#### Article 9. Registration of Trader

Trader who have been assessed and have permit licensed for transit must be registered and recorded in the ACTS (Trader Registration) system in order to access the system to declare customs clearance for transit goods.

#### Article 10: Transit Accompanying Document / TAD

The Transit Accompanying Document (TAD) form has 43 boxes for recording goods' information in the ACTS system, which is approved and used uniformly in ASEAN countries.

Transit Accompanying Document (TAD) is defined in the ACTS system for the recording of goods certified by the system and must be printed out of from system as a movement's document for transit trucks in ASEAN.

#### Article 11 Exchange of information through the ACTS system

The exchange of information through the ACTS system must be authenticated and recorded in the system and can be connected in real time between the customs authorities of the country of origin, transit country and destination country.

### Chapter 3 Guarantee of transit goods

#### Article 12. Type and Methods of Guaranteeing Transit Goods

Guarantees can be made in two types: single-trip and multi-trip, while the guarantee method is in accordance with the ASEAN Customs Transit Principles (ACTS), applicable to the laws and regulations.

#### Article 13. single-trip guarantee

A one-way guarantee is guarantee for single route equal to the customs duties of ASEAN transit goods. Upon completion of the transit, the one-way guarantee is terminated. After that, the customs authorities of the country of origin must formally notify the guarantor.

#### Article 14 Multi-trip Guarantee

The multi-trip guarantee is a multiple guarantee in the amount of the guarantee, not less than the customs duty on each transit trip, and the maximum guarantee period is not more than 1 year, according to the permission of the customs authorities of the country of origin. Upon completion of the transit, the multidisciplinary guarantee is terminated. Subsequently, the customs authorities of the country of origin must formally notify the guarantor.

## Chapter 4

### Products controlled, prohibit and reserved

#### Article 15. Goods, commodities of the controlled in transit

Goods, goods of the controlled type are goods specified in the relevant laws for reasons of social security, national security, sanitation and other reasons for which the transit of the goods of the controlled type must be authorized by the government or other relevant provisions as defined in the law on explosives, biomass and other organisms.

Transit of controlled goods must be authorized by the relevant authorities in accordance with applicable laws and regulations (Appendix of controlled goods).

#### Article 16. Goods, commodities of the prohibited type in transit

Goods, items prohibited in transit are goods, items specified in the relevant laws and regulations, such as firearms, drugs, psychotropic substances, hazardous chemicals, infringement of intellectual property, list of plants and animals endangered under the Convention on Trafficking in Persons (CITES), waste from industrials and etc... not allow for the transit process (Appendix of prohibited goods)

#### Article 17. List of goods of temporary reserve type

Goods, items of temporary reserves that are not allowed to be transported in transit include goods, items that have an impact on socio-economic development, phytosanitary and animal health, environmental protection, which include: all kinds of cigarettes, alcoholic beverages, beer, all kind of vehicle, petrol, gas, energy drink, live animal and fresh fruit (Appendix of temporary reserve goods). The Ministry of Finance will periodically review, revise and promulgate.

## Chapter 5

### Control of transit goods

#### Article 18. Transit Customs Procedures for Lao PDR as a Country of Origin

The process of declaring transit goods for Lao PDR as a country of origin consists of three steps as follow:

1. Authorized transit trader are required to complete detailed customs declarations for exports in accordance with the laws of the Lao PDR. Then enter the transit information into the ACTS e-system, then print out the Transit Customs Certificate (TAD) electronically and submit the supporting documents to the customs officer at the international customs checkpoint where the goods are exported.
2. The customs officer at the International Customs Checkpoint where the goods are exported inspects and signs the TAD form, seals transit container, and records the transit information on the ACTS system to send the information to the customs of the transit country and destination country.
3. Check the release of ASEAN transit goods for export in accordance with regulations.

#### Article 19: Transit Customs Procedures for Lao PDR as a Transit Country

The procedure for declaring transit customs duties for Lao PDR as a transit country at the International Customs Checkpoint for import and export as defined in Article 8 of this guideline consists of two steps:

- International Customs Checkpoint for import:
  1. Transit trader process for customs declaration;
  2. The customs officer at the checkpoint inspects the truck, the container, the customs seals and other information by comparing it with the information on the transit (TAD) attached to the truck. Under normal circumstances, record transit information and then transmit it to the International Export Customs of Lao PDR and the customs of the country of origin, transit (if any) and destination country through the ACTS system.
  3. For international transit trucks imported through the checkpoints of the Lao PDR, fees or service charges must be paid in accordance with the regulations and in accordance with the procedures of the management system for tourist vehicles and electronic transport vehicles (B53).
- International Customs Checkout for export:
  1. Transit trader process for customs declaration
  2. Customs officers at the checkpoint inspect trucks, containers, lead cables and other information by comparing the information on the International Transit (TAD) attached to the truck. Under normal circumstances, record transit information and then transmit it to the International Customs Checkpoints of the Lao PDR and the customs of the country of origin, transit (if any) and destination country through the ACTS system.

3. For international transit trucks exported through Lao PDR checkpoints, fees or service charges must be paid in accordance with regulations and in accordance with the procedures for the management of tourist vehicles and electronic transport vehicles (B53).

#### Article 20 Procedures for Notification of Transit Goods for Lao PDR as a Destination Country

The procedure for declaring transit goods for Lao PDR as a destination country at the international customs checkpoints specified in Article 8 of this guideline includes:

1. The Customs Officer at the International Customs Checkpoint must inspect the truck, the container, the customs seals and other information by comparing the information on the TAD enclosed with the truck. Under normal circumstances, record the transit information of the international transit and send it to the customs of the country of origin and the transit country through the ACTS system.
2. Goods, such goods are the end of the international transit of goods in accordance with ASEAN regulations must carry out detailed customs declarations for imported goods as stipulated in the law of Lao PDR.

#### Article 21 Determining the Period of Transit Transportation

International transit through Lao PDR must follow specific routes and the length of time the customs authorities have authorized the movement of goods in accordance with the customs regulations, in accordance with the rules and regulations set out in the ACTS system and Protocol 1 on the route designation.

#### Article 22. Transit Vehicles

Each type of transit vehicle is as follows:

1. Boxed trucks, refrigerated vans, liquid or gas or cement powder or oil tanker trucks and container trucks; Or
2. Tractor; Or
3. Drag tail.

#### Article 23. Technical Standards for Transit Vehicles

Technical standards for transit vehicles of member countries must comply with Protocol 3 (in the list of 500 vehicles) and Protocol 4 (technical conditions) in accordance with the ASEAN Transit Facilitation Agreement, which has been certified and approved by the relevant authorities of each member country that has entered into the ACTS system.

#### Article 24. Changing of vehicles, drivers and loading and unloading of containers

Changing of vehicles, drivers and unloading containers in transit is allowed one time change in the customs territory of Lao PDR, for transit vehicles must be on the list of 500 vehicles specified in the regulations. Customs officials at the checkpoint must record information such changes in the ACTS system.



#### Article 25 The Causes of God

In transit, in case of accident or unpredictable situation must notify the nearest customs officer. If it is necessary to transfer the goods to a container or a new vehicle, permission must be obtained from the customs officer. In case the goods are damaged by accident which cannot be recovered or have an impact on the environment, the transport trader shall be liable in accordance with the laws and regulations of the Lao PDR.

For items that can be recovered, the carrier must place them in a container or new vehicle, have the customs officer put them on the customs seals and make a note in the ACTS system.

#### Article 26. The information system failures

In case of information system failure, such as ACTS system, transmission system, internet, electricity system down, the carrier must notify the Customs and Excise Department (TAD) that came with the truck to the customs officer at the checkpoint to record the transport information in the customs declaration and allow the vehicle to pass through. After the information system is back to normal, the tax authorities immediately record the information.

### Chapter 6

#### Authorized Transit Trader (ATT)

#### Article 27 Conditions of Authorized Transit Trader ATT

The requirements of the ATT are as follows:

- Good performance and record of ACTS trader ;
- Strict implementation of laws and regulations;
- No history of customs and other related offenses;
- Have a stable financial position, conduct financial transactions through the banking system.
- Other cases have been identified.

#### Article 28. Approval as Authorized Transit Trader

The Customs Department approves the issuance Authorized Transit Trader certificates, which is valid for three years, and periodically evaluates the activities of The ATT for the continuation of the certificate revocation on a case-by-case basis and notifies the country.

#### Article 29. Authorized Transit Trader (ATT) logo

The Customs Department designs and implements the ATT Logo, which symbolizes national identity, modernity, standardization and ASEAN integration. ATT can use this logo to advertise their business, such as printable headers, business cards, stickers, brochures and more.

#### Article 30. Privileges of ATT

ATT will enjoy the following privileges:

1. Considered to waive the deposit and use of multiple guarantee documents;
2. Exemption from inspection of TAD customs declaration and inspection of goods, unless there is any doubt or system issues;
3. Use its special container seals approved by the customs authority to lock the container at customs office at origin destination or the place of the traders;
4. Receive services after office hours as required.

#### Article 31. Responsibilities of ATT

ATT have the following responsibilities:

1. Strictly follow relevant laws and regulations;
2. Summarize the annual activity report to the Customs Department no later than January 20 of the year or at the request of the Customs Department;
3. Implement the conditions and standards set out in this guideline.

#### Article 32 Revocation of the status of ATT

The revocation of the status of ATT as follows:

1. Violation of relevant laws and regulations;
2. Request the right to withdraw from ATT by own need;
3. Unable to meet any of the conditions set out in this guide.

#### Article 33. Measurement

In case of finding the offense of the ATT in violation of the relevant laws and regulations, the Customs Department will take action according to the following steps:

- Educate and warn;
- Suspend the certificate temporarily;
- Cancel the certificate.

## Chapter 7

### Inspection of transit goods

#### Article 34. Inspection of Transit Goods

In case of suspicious information or reliable sources that there is a violation of the laws and regulations on the transit of goods, the customs authorities have the following duties:

1. Goods intended for terrorism;
2. Products that violate international conventions, social security, health National security as defined in Articles 15 and 16 of this guideline;
3. Defective or modified of container seals or reference of seals cable mismatched;
4. Inaccurate product declaration of species, quantities, pods, origin, etc...;
5. Unauthorized movement of goods, scheduling of shifts, shifts of vehicles and containers.

#### Article 35. Measurement against Violation of Transit Goods

Transit goods that violate the laws and related regulations will be prosecuted under the laws of the Lao PDR. The consignee responsible for all costs associated with customs, civil and criminal proceedings for transit.

## Chapter 8

### Final provisions

#### Article 36 Implementation

- Assign the Customs Department to be responsible for the management of the ACTS system, register the use of the ACTS system, and provide guidance to the customs authorities at the checkpoints and the traders in accordance with the regulations.
- Assign the Customs Department to issue instructions on system management, system registration, selection of ATT and ACTS system manual.
- Assign the Customs authorities at all level to dissemination of this instruction to the relevant authorities' agencies and traders throughout the country to implement this instruction strictly.

#### Article 37. Effectiveness

This instruction takes effect 15 days after the date of publication in the Official Gazette.

Minister