



**ACTS**

**ASEAN CUSTOMS  
TRANSIT SYSTEM**



# **ASEAN CUSTOMS TRANSIT SYSTEM (ACTS)**

**SUPPORTED BY THE EUROPEAN UNION**

THE ASEAN CUSTOMS TRANSIT SYSTEM (ACTS), which was developed with the technical and financial support of the European Union (EU), is a secure distributed online IT system designed to make movement of goods in transit across the borders of ASEAN countries quicker and easier. Key features include a temporary suspension of import duties and taxes, simplified and harmonized customs procedures, and reduced paperwork. The system links all Customs offices at points of departure, border crossings and destinations across the region to simplify and speed up Customs clearance formalities and provide detailed real time data on goods in transit.

**ACTS MAKES CROSS-BORDER TRADE EASIER, FASTER AND MORE COST EFFICIENT  
FOR BUSINESSES OPERATING IN THE ASEAN REGION.**

Despite the recognition of the importance and wide-ranging benefits of the free movement of goods across international borders by the international community decades ago, developing a secure, efficient and reliable transit system remains a significant challenge. Progress in information and communication technologies has however shifted the paradigm in how transit operations are run. As transit involves sharing information among many stakeholders - freight forwarders, transporters, customs and transport authorities - an automated transit system can enhance efficiency enormously. Across the world, it is now recognised that paperless Customs transit systems facilitate trade and reduce related costs, benefiting consumers, traders, producers and government agencies.



The New Computerized Transit System (NCTS), implemented by European Union from 2000, and operating successfully since 2003, now facilitates freedom of movement of goods in transit in 35 European countries and their neighbours. Until recently, NCTS was the only fully operational paperless transit system in the world and its success has inspired the ASEAN Customs Transit System (ACTS), developed by ASEAN with the support of the European Union, which officially launched live operations on 2 November 2020.

## **ACTS IS ESSENTIAL TO BUILDING THE ASEAN ECONOMIC COMMUNITY (AEC).**

An efficient Customs transit system is a cornerstone of regional economic integration. The ASEAN Framework Agreement on Facilitation of Goods in Transit (AFAFGIT), first conceived in 1998, defines Customs procedures and requirements for the creation of an effective and efficient Customs transit system. Protocol 7 and its Technical Appendix, which are in line with international standards such as the Revised Kyoto Convention (RKC) and the WCO Trade Facilitation Agreement (TFA) are key elements. The AFAFGIT is a core instrument aimed at achieving the key objective of the ASEAN Economic Community (AEC): to enable the free flow of goods in the ASEAN region. By establishing a fully harmonized Customs and Transport environment, ACTS facilitates the movement of goods in transit by simplifying transport, trade and customs procedural and documentary requirements imposed by ASEAN Member States.

As global trade slowed with increasing protectionism, in 2018 the ASEAN Economic Ministers (AEM) decided to set two ambitious targets to accelerate the region's economic integration process by 2025. One was to double intra-ASEAN trade, and the other was to reduce cross-border trading costs by 10%. ACTS supports these objectives practically by allowing a vehicle operating under the system to move goods from a point of departure in one ASEAN Member State to a point of destination in any other AMS via any number of transit countries and minimal procedure at borders.

## **ACTS IS A CUTTING EDGE BUSINESS-TO-GOVERNMENT AND GOVERNMENT -TO-GOVERNMENT REGIONAL IT SYSTEM THAT BENEFITS CONSUMERS AS WELL AS TRADERS, CUSTOMS AND TRANSPORT AUTHORITIES IN THE ASEAN REGION.**

ASEAN Member States have eliminated import duties on about 99% of products traded in the ASEAN region. However, transaction costs associated with non-tariff measures (NTMs) and particularly rigorous Customs regulations are considerably higher than import tariffs. This negatively affects cross-border flow of goods and discourages businesses from engaging in trade as non-tariff compliance costs are higher than potential profits. Consequently, ACTS was developed to reduce these unnecessary burdens to traders. ACTS reduces delays at borders and minimizes physical inspections of goods in transit by Customs authorities.

ACTS is a distributed online IT system that links all Customs offices on the transit routes with Customs offices at the points of departure and destination via a secure closed communication network. It allows qualified traders to make a single electronic goods declaration at departure, which along with departure inspection decisions and results, is automatically transmitted and legally recognised for Customs formalities at all entry, exit and destination points on the route. This single declaration, along with a mutually recognised risk management system based on the Authorised Transit Trader (ATT) scheme, benefits qualified traders with faster Customs clearance at departure, borders and destination by eliminating the need for repeated Customs declarations or multiple physical inspections. This accelerates transit movements and reduces the time and expenses of carrying out cross-border trade in goods in ASEAN.

ACTS also permits mutual recognition by ASEAN Member States of transport documents, including vehicle inspection certificates and driving licenses, resulting in minimal movement restrictions on approved trucks or the need to change drivers and/or vehicles at each border. Moreover, ACTS keeps traders and transport operators automatically updated with real-time information from Customs on various stages of their goods in transit.

Importers, exporters, transporters, freight forwarders, and Customs agents can take advantage of ACTS, as long as they register as transit operators with the Customs of participating ASEAN Member States in accordance with their respective criteria for eligibility. Recognised reliable traders can subsequently apply for Authorised Transit Traders (ATT) status in accordance with the qualifying criteria set by national competent authorities. The ATT status permits transit movements to start from the premises of the trader without presenting goods to Customs authorities physically, and for goods to be delivered directly to the trader's own premises at the destination.

ACTS benefits ASEAN Customs authorities by allowing them to monitor and control transit movements effectively. This control system improves the detection and prevention of smuggling and fraud, thereby reducing negative economic impacts such as reduced government revenues, and distortion in commodity prices.

**ACTS WILL BENEFIT ASEAN CONSUMERS BY PROVIDING THEM WITH INCREASED ACCESS TO AFFORDABLE AND QUALITY PRODUCTS, AS WELL AS HELPING TO DRIVE ECONOMIC GROWTH IN THE REGION.**



## **ACTS IS MADE POSSIBLE WITH THE SUPPORT BY THE EUROPEAN UNION UNDER ARISE PLUS PROGRAMME.**

The EU has been instrumental in achieving this important milestone in intra-ASEAN economic integration. It has supported ACTS from the late 2000s, contributing technically and financially to the initial design of the system. From 2012, first under ARISE and subsequently under ARISE Plus programme, the EU has contributed 10 million Euros to the implementation of ACTS and rolling out the system in six ASEAN Member States: Cambodia, Lao PDR, Malaysia, Singapore, Thailand and Vietnam. The EU will continue to support ACTS implementation under the ARISE Plus programme for at least next two years. The programme aims to include Myanmar by 2021 and set the foundations for Indonesia, Philippines and Brunei to join in the future by introducing support for multi-modal transport, such as river, rail and sea transport. Future developments will also include enhancements of ACTS that will allow the monitoring of the movements of trucks irrespective of the Customs regime, and the transit of sanitary and phytosanitary and dangerous goods under the ACTS regime.

**ASEAN has invested the equivalent of 5 million Euros to date in the implementation of ACTS which in combination with the 10 million Euros invested by the EU, constitutes one of the biggest financial contributions towards the practical establishment of the ASEAN Economic Community (AEC).**

In addition to ACTS, the EU's ARISE Plus programme includes two other important trade facilitation tools which support ASEAN economic integration. The first, the ASEAN Trade Repository (ATR), provides a single point of online access to all trade-related information of all ASEAN Member States (<https://atr.asean.org>). The second, the system of ASEAN Solutions for Investments, Services and Trade (ASSIST), serves as an online platform for businesses to lodge cross-border trade implementation issues related to ASEAN economic agreements (<https://assist.asean.org>).



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Additional information on ACTS can be found on the ACTS website at  
<https://acts.asean.org>

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And details of the technical assistance activities of ARISE Plus are available at  
[ariseplus.asean.org](https://ariseplus.asean.org)

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ACTS is managed by a permanent Central Management Team based in the ASEAN Secretariat in Jakarta, Indonesia. Regional and national helpdesks are also available. For more information, please contact:

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## SUPPORTED BY

### ASEAN Regional Integration Support from the EU (ARISE) Plus Programme

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