



## FISCAL REFORM COMMISSION

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### Press Release

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#### ***Customs to release goods faster under new system***

*Dili*-- After months of preparatory work, the Customs Administration is today launching its 'Self Assessment' Pilot programme. The launch was opened by the Minister of Finance and attended by the members of the Customs Brokers' Association.

"There are many steps in the process of reforming Customs Administration," said Minister of Finance Santina Cardoso. "We need to update the laws, strengthen the IT systems, standardize our practices with regional and international norms, and make sure that our staff have the training and knowledge to do their job properly."

Minister Cardoso declared her resolve to see the much-needed reforms implemented. "We are at a critical moment in our young nation's history," said the Minister. "It is now that we need to reform, now that we need to change. We cannot wait for an imaginary future. We need to embrace new ways of doing things including new technology that will integrate us into regional trade communities. This will demand a lot of us, but I believe we can do it."

Since January last year, Customs Administration has worked to improve the business models needed to process goods more efficiently. They have given training to brokers on how to classify and declare their goods properly, and training to Customs staff on how to use the new systems.

"This training has been one of the biggest successes of our reform so far as it has accredited all brokers who have successfully completed the training," said Director General of Customs Jose Abilio. "This is good for Customs as we know that the declarations will be more accurate, but it is also good for importers who will be able to trust that their goods are being handled professionally."

The training and knowledge of the brokers and Customs staff will be put to the test during the self-assessment pilot trials. Under the pilot, Customs import clearance work areas will be divided into two teams; one which will continue the existing process and the second which will trial the new system. Three brokers have been selected to take part in the trials. The selected brokers will lodge their declarations independent of any direct support from Customs.

If the system certifies their declaration as green, which means that they have fulfilled all the requirements, they can proceed to paying the duties and collecting their goods. This will reduce the processing time by several days. If the system certifies their declaration as red or yellow, this may mean that they have not provided sufficient information or that their declaration has been selected for audit or examination. The broker will then need to attend Customs to discuss the issue. Customs has also developed post auditing measures to catch and punish anyone who attempts to 'cheat' this process.

The pilot will gradually expand to include all certified brokers which will ensure the success of the new Customs systems when it becomes fully operational in 2017.

"The self-assessment system will reward honest importers and exporters and will allow Customs to put more resources to deal with those who are non compliant," said Director General Abilio. "This will save a great deal of money for importers and ultimately for consumers."

"We continue to seek the cooperation of brokers and the business community," said Minister Cardoso. "And we look forward to working with all stakeholders to achieve these results."

The Minister expressed her great thanks to UNCTAD\* for starting the process with Customs and getting Customs to the stage where they could launch the self-assessment.

The training and self-assessment pilot of the Customs brokers was undertaken through an MOU between the Ministry of Finance and the World Bank.

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\*United Nations Conference on Trade and Development