

# ASEAN Customs Reform to Advance Regional Supply Chain Resilience

## Recommendations Paper

for the 33rd Meeting of ASEAN Directors-General of Customs

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For over 20 years, US-ABC's engagement with ASEAN Directors-General of Customs has been instrumental in supporting a more integrated and prosperous ASEAN through efficient, secure, compliant, and competitive supply chains across the region. As ASEAN becomes an increasingly critical player in the Indo-Pacific, more than ever, it is important to continue reform and innovation related efforts on pressing issues in a more coordinated approach involving the private sector stakeholders. While ASEAN has various tools and instruments in place to ensure regional cohesion through regulatory harmonization, domestic agencies must engage more in the end-to-end processes. A modern Customs regime is also key to transforming cross-border trade processes that are more interoperable, sustainable, and resilient. Customs and border protection remain integral parts of international trade and serve as the gateway to enable free movement of goods and services. The ASEAN Trade in Goods Agreement (ATIGA) is one of the important instruments that realize the vision of a more harmonized ASEAN and thus, its upgrade is timely to enhance the flow of Foreign Direct Investment (FDI) into Southeast Asia. Furthermore, the central role of Customs in trade facilitation is recognized in multilateral agreements such as the World Trade Organization Trade Facilitation Agreement (2017) and ASEAN regional and bilateral free trade agreements. ATIGA is therefore a key instrument in opening opportunities for collaboration to enable ASEAN Micro Small Medium Enterprises (MSMEs) to plug into regional and global supply chains. This paper summarizes 3 priority areas where reform is most impactful with an attached Annex providing more detailed recommendations.

## ***Supply Chain Resilience***

Supply chains have gotten more complex and fragmented in recent years due to the need to accommodate increased efforts for diversification across varied geographies. Add to this, the decreasing inclination by governments towards multilateral cooperation has fostered a global environment that is continuously battling multiple supply chain crises at any given point in time. Therefore, supply chain resilience has become critical for economic competitiveness and ensuring continued economic growth in today's fast-growing economies.

As companies look to find new manufacturing hubs, ASEAN continues to become a more globally competitive viable alternative option for global manufacturers. This will significantly impact how ASEAN supply chains operate. As supply chain patterns evolve, ASEAN will continue to become more relevant. More countries are choosing to negotiate trade agreements at a bilateral and/or regional level, giving ASEAN Member States (AMS) access to bigger markets, with reduced trade barriers. Essentially, ASEAN continues to play a crucial role in supporting the recovery of global supply chains and in building future resilience.

Despite positive trends, trade headwinds continue to increase and create barriers to the flow of goods. For instance, supply chain bottlenecks, raw materials and component shortages, and increased freight costs continue to hamper the distribution of goods to organizations and consumers. Similarly, the rise of e-commerce has prompted unexpected actions from regulators that may have caused constrictions at borders, delays low-value shipments, and the imposition of administrative customs burdens on electronic transmissions.

Managing trade and customs compliance locally, while maximizing global trends is becoming more complicated. As a result of these uncertainties, companies are expected to prioritize the development of supply chain risk management and risk mitigation approaches along with investments in supply chain technologies. In support, global policymakers should now look more closely at adaptive strategies in response to near-constant changes.

It has become imperative to adopt digital solutions tailored towards greater supply chain visibility and transparency to ensure resilience. Such solutions can help identify supply chain bottlenecks in good time to address them and prevent significant disruption. Visibility on different levels of a supply chain can prevent over reliance on high-risk suppliers, identify instances of forced labor, and even help organizations track their environmental emissions, specifically Scope 3 emissions, better.

Understanding the environmental footprint of supply chains has become increasingly important as companies work towards complying with climate-related disclosure regulations being mandated globally. Emerging technology such as artificial intelligence (AI) can provide support to companies in tracking emissions across their supply chains, especially Scope 3 emissions, which are the most challenging to track.

## ***Accelerating Trade and Investment***

The opportunities that supply chain diversification bring are clear for Southeast Asia – it will drive regional economic growth, accelerate infrastructure development, attract more FDI, and create more jobs. The entry of international businesses will help ASEAN stay competitive vis-à-vis other global economies. A modern customs regime is critical for the resilient supply chain needed to attract more investments in the region. Considering the unique yet complimentary nature of AMS, more can be done on sharing best practices and principles on trade and investment, economic governance, digitalization, and business conduct. The region needs to build stronger resilience while expanding trade, investment, and regional integration for it to remain as an important supplier, stopover, and end user in global production networks.

## ***International Cooperation and Collaboration with the Private Sector***

Stakeholders from both public and private sectors need to work closely to build more resilience. International cooperation and effective rules-based order, resulting from a new sense of urgency to strengthen economies, require effective partnerships among regions and will be necessary to ensure global connectivity that will foster economic growth and a more sustainable future. The roles of policymakers and implementing agencies are fundamental in creating a sound regulatory environment, formulating procedures with minimal trade disruptions, and building elasticity to external shocks. Data collected during the pandemic shows that countries operated better under stable and predictable trade policies. Governments can work closely with the private sector in capacity development of customs and other trade facilitation related infrastructure. Private sector engagement continues to be crucial in gaining a more comprehensive understanding of what industries need and in formulating optimal solutions.

There is a need for greater public-private cooperation to support governments in creating a conducive policy environment for the adoption of emerging technologies that enhance supply chain resilience. Private sector partners can engage with policy makers to facilitate:

- Awareness building on existing market solutions leveraging AI that may be utilized for supply chain optimization;
- Knowledge exchange among governments on best practices to effectively adopt a digital approach to supply chain management; and
- Capacity building on creating the relevant governance-related and digital infrastructure for ease of technology adoption.

Other possible areas for collaboration for the Council and ASEAN Customs are Customs and private sector best practice sharing of MSME capacity building activities. The Council could also convene public-private sector dialogue on newer trade facilitation policy issues such as green trade strategies, the nexus between trade and environment, and sustainable supply chains.

US-ABC applauds ASEAN's commitment to advancing its digital transformation agenda, which is not only a prerequisite to the acceleration of economic recovery, but also a necessity for unlocking the potential of the region's digital economy. With meaningful commitments to digitalization, ASEAN has a unique opportunity to serve as a model of digital integration and advance a digital trade community. In this regard, ASEAN should seek to establish mutually cooperative mechanisms with other players on the forefront of digital trade, including the U.S. government, IPEF member governments, and the U.S. private sector. US-ABC also recommends consultations on how the provisions and principles of trade frameworks can facilitate the cross-border movement of goods and customs data sharing between ASEAN authorities and ASEAN Member States' trading partners more seamlessly and more effectively.

US-ABC continues to work closely with the ASEAN Secretariat, ASEAN Business Advisory Council (ASEAN-BAC) and Joint Business Councils (JBC) to discuss ways to modernize customs regimes in ASEAN. In past years, US-ABC regularly participated in the consultations with the ASEAN Trade Facilitation Joint Consultative Committee (ATF-JCC), Sub-Committee on ATIGA Rules of Origin (SCAROO), ASEAN Single Window Steering Committee (ASW-SC), Feasibility Study Group on ASEAN Low Value Shipment (FSG-LVS), Coordinating Committee on ASEAN Trade in Goods Agreement (ATIGA) and Coordinating Committee on Customs (CCC). Through these engagements, US-ABC continues to advocate for the simplification of trade procedures (specifically for essential and critical goods), and reduction of technical barriers to trade, as well as utilization of new technology to reform trade, where appropriate.

# Annex – US-ABC Recommendations: Reforming ASEAN Customs Regime

Regional Comprehensive Economic Partnership (RCEP) and ASEAN+1 Free Trade Agreements (FTAs) with its trade partners, to maximize economic gains for all AMS through a more harmonized and coordinated approach. In reality, there are situations where different interpretations among local agencies, complex border clearance procedures, reliance on manual processing and lack of manpower, create burdens on business due to higher costs and result in economic loss. Customs and border agencies need to be more agile in capturing the benefits of the supply chain shifts and FDIs flows into Southeast Asia expeditiously.

The Council and our members have consolidated the following challenges that we face at the border, with a view to seeking mutually beneficial solutions for both the private and public sectors to advance cross-border trade. These are critical in the process of reviewing and upgrading ATIGA as well as other trade instruments in the future. We have also highlighted a number of practical programs/initiatives that ASEAN Customs can consider for ASEAN to become more advanced, cohesive and trade facilitative.

Provisions	Main Issues/ Challenges	Recommendations
<p><b>Operational Certification Procedures and Rules of Origin</b></p>	<p><b>Differing interpretation and application of HS Codes</b></p> <p>Due to different national interpretations of HS Codes e.g., at 6 digit or ASEAN Harmonized Tariff Nomenclature (AHTN) (8 digit) level, Form Ds can be disputed or even rejected by importing customs authority due to lack of clear mechanism or guidance for Customs authorities to manage these differences.</p> <p>This results in the importer having to pay for excess duties at the prevailing MFN rates when in fact the product qualifies for ATIGA’s preferential tariff treatment or having to deal with delayed clearance times to manage Customs queries.</p>	<ul style="list-style-type: none"> <li>• ATIGA ROO should state clearly that originating goods that qualify and have the necessary supporting documents all in order, including the authorities issued in the exporting ASEAN Member State (AMS) should be granted preferential treatment, even if the authorities in the importing member state disagree with the applied HS Code. Importing authorities can insist on using the HS code they believe to be correct but should apply the preferential tariff rate applicable to that code.</li> <li>• There should be a clearly defined process on how importers and exporters can approach these practical challenges with Customs in a timely manner, including what supporting documents should be provided to Customs for verification, with a specific timeline for issues to be resolved.</li> <li>• Currently there is no formal mechanism, procedure or guidance either in ATIGA itself or in its annexes to settle such discrepancies, nor any process for companies to convey such disputes to a body for a clear adjudication or decision.</li> <li>• Generally, member states should revisit and discuss commitments – for example those concerning the classification of goods and standards – to examine how current proposals or enacted measures might run counter to the purpose of ATIGA.</li> </ul>
	<p><b>Guidance on E-Form D treatment and issuance – different practices for different countries create operational confusion</b></p> <p>Currently, there is an absence of clear guidance on how to manage situations where respective forms could be delayed e.g. e-Form D transmission errors etc.</p>	<ul style="list-style-type: none"> <li>• Need more clarity on the validity of the respective forms in different situations e.g., cases where e-Form D transmission is faulty, errors in Forms due to exporting country customs’ system errors, or when mandatory requirement for manual form could lead to delays in its provision and thus cause the imported goods to fail to enjoy a preferential duty rate.</li> </ul>

Provisions	Main Issues/ Challenges	Recommendations
<b>Operational Certification Procedures and Rules of Origin</b>	<p><b>Varied acceptance towards origin declarations vs physical/e-Form Ds</b></p> <p>Acceptance of ASEAN-wide self-certification (AWSC) varies by country. There are situations where customs officers in certain member states are not familiar and may question an origin statement which creates delays for clearance. This results in having to repeatedly clarify with the importing side on acceptance which creates inefficiency.</p>	<ul style="list-style-type: none"> <li>• Include official update by member customs administrations on status of acceptance and usage of AWSC in each country.</li> <li>• Report on progress and mechanism where Certified Exporter information is shared universally with all AMS.</li> </ul>
	<p><b>Treatment of minor discrepancies:</b> Need for clearer definition on what constitutes a minor discrepancy.</p>	<ul style="list-style-type: none"> <li>• Recommend to review and expand on the list of minor discrepancies developed in 2021 and update into the ROO itself.</li> <li>• Conditions should be made clearer to aid exporters and importers and prevent varying interpretations between customs authorities.</li> <li>• Define what it means and how customs administrations can conclude that “When ASEAN origin of the goods is not in doubt...” when there are minor discrepancies in the Form D.</li> </ul>
	<p><b>Operational certification procedures around third-party invoicing do not address situations where a third-party invoice is domestically issued.</b></p> <ul style="list-style-type: none"> <li>• Inconsistency in treatment of domestically issued third party invoice across member states.</li> <li>• Given absence of a clear decision at the ASEAN level or any local domestic legislation prescribing acceptability of this fact pattern, different AMS have differing views - This results in rejection of the form D in some countries and has a negative impact on trade, especially for companies implementing such invoicing structure - where goods are shipped from overseas but invoiced through a local intermediary located in the same importing country despite ROO being met.</li> </ul>	<ul style="list-style-type: none"> <li>• Need for ASEAN level discussion and formal decision by Sub-Committee on ATIGA Rules of Origin (SC-AROO) to provide clarity on acceptability of this trade flow scenario under ATIGA and outline an aligned approach for all AMS and customs authorities to reference and follow.</li> </ul>



# Annex – US-ABC Recommendations: Reforming ASEAN Customs Regime

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<p><b>Tariff and Goods Classification</b></p>	<p><b>Definition and Scope</b></p> <p>Based on the definition of “goods,” that says goods shall include materials and/or products, which can be wholly obtained or produced, even if they are intended for later use as materials in another production process, it should include materials that are later intended for remanufacturing.</p> <hr/> <p><b>Eligibility for preferential tariff treatment</b> only supported by a Certificate of Origin issued by a government authority designated by the exporting member state.</p>	<ul style="list-style-type: none"> <li>• Goods shall include materials and/or products, which can be wholly obtained or produced, even if they are intended for later use as materials in another production process, <b>such as remanufacturing and allowed for importation</b>. For the purposes of this Chapter, the terms “goods” and “products” can be used interchangeably.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Easing application for preferential tariffs will reduce costs and promote trade. It is important that ATIGA recognizes self-certified product of origin as this will streamline and facilitate trade.</li> <li>• More recent free trade agreements such as the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) already acknowledged a self-certified certification of origin by an exporter or a producer of the good.</li> </ul>
<p><b>Customs Valuation and Transfer Price</b></p>	<p><b>Alignment between Customs and Tax authorities</b></p> <p>Customs to take into account available transfer pricing information prepared for direct tax purposes when examining related party transactions and also give consideration to the impact of transfer pricing adjustments on the Customs value. It has been recognized that at this stage any alignment or merger of tax and Customs methodologies is not a realistic proposition given the particulars of the existing legal frameworks upon which they are based.</p>	<p>To follow the WCO Guide to Customs Valuation and Transfer Price</p> <ul style="list-style-type: none"> <li>• Customs authorities should elaborate on the treatment of related party prices and/or prospective/retroactive transfer pricing adjustments from a customs perspective, in concert with the tax authorities, by finding a common way of interpreting the arm’s length principle and attempt to harmonize valuation determinations.</li> <li>• Develop a simplified process for recognition of the Advance Pricing Arrangements (APAs), to help facilitate MSMEs.</li> <li>• Tax and Customs authorities should clarify rules to reduce the financial impact linked to divergent valuation and to simplify the regulations.</li> <li>• Calculate the weighted average customs duty rate by dividing the customs duties’ total amount for the year by the respective customs value total amount for the same year. This may include the possibility of a lump-sum adjustment at the end of the year. For example, if at the end of the year, the transfer price adjustments result in an additional payment to the seller, then we recommend that the importer be able to report this lump-sum amount. That way customs will be able to allocate this to all entries declared within the year and the duty adjustment will be the weighted average duty rate.</li> </ul>

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<p><b>Trade Facilitation</b></p>	<p><b>No avenue to download import and export transaction filing data from Customs</b></p> <p>Currently, most ASEAN customs administrations do not provide a mechanism for importers and exporters to download a list of import and export declarations from the Customs portal. Companies would need this data to have full visibility on their import and export transactions to be able to conduct comprehensive and reliable self-assessments on compliance levels.</p>	<ul style="list-style-type: none"> <li>• For ASEAN customs administrations that have implemented an automated clearance system, to recommend for Customs administrations to allow option for traders to request and retrieve of import and export data (for a stipulated period) by importing / exporting entity</li> <li>• To set up more frequent dialogue mechanism with private sector on sectoral basis or by industry to more effectively include corporate feedback</li> </ul>
	<p>There is a need to recognize <b>simplified and immediate release</b> of goods, especially for express shipments.</p>	<ul style="list-style-type: none"> <li>• ATIGA members should seek to introduce simplified clearance procedures that are significantly more facilitative than procedures for formal clearance. Simplified clearance allows importers and SMEs to save money on imports. In addition, for SMEs that import low value inputs for their manufacturing operations, these reduced import and logistics costs could lead to more purchases as well as increased manufacturing and exports – all of which generate more jobs.</li> <li>• ATIGA to include provisions on express shipments by providing guidance on the need of promoting paperless and pre-arrival clearance, minimizing documentation, and providing a timeline for clearance while maintaining appropriate customs control.</li> <li>• The RCEP Chapter 4 recognized the above and provides express consignments to be released, under normal circumstances as rapidly as possible, and within six hours when possible.</li> <li>• Similarly, Republic of Korea and Singapore Digital Partnership Agreement signed on November 21, 2022, recognized expedited customs procedures with express shipments to be released within four hours of submission of the necessary customs documents, provided the shipment has arrived.</li> </ul>



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<p><b>Trade Facilitation</b></p>	<p><b>Revenue collection for imported low value goods</b></p> <p>US-ABC observed that countries in the region are increasingly introducing a tax regime for imported low value goods, and they include Singapore, Malaysia and now Thailand. Collecting tax from imported low value goods at the border may increase the complexity of customs clearance and cause delay for the release of goods, raising the cost of trade for businesses.</p>	<ul style="list-style-type: none"> <li>• Customs administrations are strongly encouraged to consider the Vendor Collection Model for low value shipments, where tax can be collected directly from overseas vendors shipping low value goods into the country. The Vendor Collection Model eliminates the need for Customs administrations to collect tax for those shipments as part of the customs clearance process at the border. The Vendor Collection Model is recommended by the OECD, and is also a best practice for the region – implemented in Australia, New Zealand, Singapore and Malaysia.</li> </ul>
	<p><b>Trade/Customs harmonization</b></p> <p>Last minute changes in commodities criteria requirement disrupt the operation, mainly driven and impacted by commodities in healthcare, drugs, chemical, and manufacturing practices rules, labelling packaging procedure that highly affected by dynamic changes currently worldwide.</p> <p>For some imports into AMS, companies need to pre-notify a retroactive claim via system which can be a hindrance for shipments’ COO not yet available during time of arrival. Retroactive FTA claim is not possible without this pre-notification in system which overrules the FTA guidelines of being able to claim through retroactive within a 12-month period.</p> <p>There is also a case where refund/retroactive claims can only be submitted once for each shipment, which is also a hindrance for new SKUs pending ROO assessments.</p>	<ul style="list-style-type: none"> <li>• There needs to be a platform that enables subscription with direct updates that can alert the importer with specific SOP to smoothen the operation with alternative plans and sufficient resolution and resumption time.</li> <li>• Remove the need to pre-notify claims done via retroactive.</li> <li>• To allow multiple refund/retroactive claims for a single shipment.</li> </ul>

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<p><b>Trade Facilitation</b></p>	<p><b>Easing Import Requirements for Self-use Equipment for Qualified Traders/Investors</b></p> <p>Investors in key sectors such as automobiles, digital economy, and agriculture import equipment for self-use. These imports are often subject to similar import requirements or restrictions as those intended for domestic sale. This includes declaration, authorization or certification requirements related to certain technical standards.</p> <p>This creates unnecessary cost and administrative burden for importers especially as these equipment imports carry lower risk as they are not intended for consumer markets. Ultimately, it creates disincentives for investments in critical sectors of the economy that rely on imports of self-use equipment (not for domestic sale).</p> <p>Further, in some ASEAN countries where there are programs for self-use exemption, the implementation is often patchy and fragmented between different countries.</p>	<ul style="list-style-type: none"> <li>• We recommend ASEAN countries to create programs for qualified traders/investors to (a) provide bulk exemptions for import requirements/restrictions, and/or (b) provide streamlined processes for declaration/self-declaration to meet any additional import requirements. This program should be offered to traders/investors that are importing self-use equipment (not for domestic sale) for key sectors such as the digital economy.</li> <li>• We also further recommend that ASEAN countries work together to develop a region-wide harmonized program for qualified traders/investors to further facilitate imports and lower costs and administrative burden for traders/investors operating across multiple countries.</li> </ul>

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<p><b>Electronic Commerce and Digital Economy</b></p>	<p>The surge of e-commerce goods volume has created new challenges for border agencies, postal, and express delivery services.</p> <p>A coordinated e-commerce market will promote intra-regional flow of goods, present more opportunities for ASEAN’s MSMEs, and ultimately result in new economic and social gains for AMS. MSMEs stand to benefit the most from a vibrant and growing e-commerce market in the region but are also most vulnerable to the business impact of e-commerce regulations and restrictions. As such, customs regulation over e-commerce shipments should not be too onerous to the extent that it hampers growth opportunities from cross-border e-commerce or even exacerbates existing supply chain issues such as the creation of bottlenecks at the border</p>	<ul style="list-style-type: none"> <li>• A predictable regulatory, trade, and investment environment, reconfigured supply chains, adoption of digital goods and real-time data, reduced costs and border frictions, and the utilization of e-commerce platforms are all necessary for the implementation of seamless cross-border e-commerce transactions.</li> <li>• While AMS have decided not to pursue a pathfinder approach, we continue to believe that the ASEAN Low Value Shipment Program (ALVSP) is an optimal way to facilitate faster and simpler processing of low value shipments in the region.</li> <li>• US-ABC requests that AMS continue to review this matter with the objective of achieving regulatory alignment in a timely fashion.</li> <li>• As ASEAN embarks on the formulation of a regional DEFA, a coordinated approach between industry and relevant agencies including customs and trade is paramount in promoting seamless movement of goods, presenting more opportunities for ASEAN MSMEs, and contributing to new economic and social gains for all AMS.</li> </ul>
<p><b>Harmonized implementation of the ASEAN Single Window</b></p>	<p>The provision to use electronic form as an alternative to the paper-based documentation is not only doubling the time and cost to move goods across borders, but also adding bureaucratic burdens and diluting the goals of simplifying customs clearance procedures.</p> <p>The perceived lack of progress in the expansion of the ASW inhibits trade growth, continues to add cost and complexity, and reduces the region’s FDI attractiveness.</p>	<ul style="list-style-type: none"> <li>• US-ABC welcomes any new initiative for ASEAN to explore the expansion of ASW’s scope to include the exchange of other shipment information and documents.</li> </ul>

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<b>Electronic Commerce and Digital Economy</b>	<p><b>Customs Duties on Electronic Transmission</b></p> <p>The WTO Moratorium provides predictability and accessibility of digital tools for MSMEs and start-ups. Similarly, it supports the growth of domestic technology providers – particularly those that complement customs modernization and related solutions (e.g., digital identity, digital payments) by lowering export costs to new markets.</p> <p>Allowing the Moratorium to lapse would also mean that countries would need to develop and impose new customs administration requirements for electronic transmissions (as is the case for physical goods) such as rules of origin, customs valuation, and customs inspection, among others. Imposition of customs procedures and documentary requirements will not only increase the administrative and compliance burden that MSMEs and entrepreneurs must manage, but also create new resourcing and workload incumbrances on customs agencies themselves.</p>	<ul style="list-style-type: none"> <li>US-ABC would like to urge AMS to support a permanent adoption of the Moratorium on electronic transmissions, including content transmitted electronically, as well as including such provisions in the ASEAN Digital Economy Framework Agreement (DEFA).</li> </ul>
<b>Customs Automation and Digitalization</b>	<p><b>Adoption of new technologies and digitalization</b></p> <p>There is work that needs to be done in terms of leveraging information and communication technologies to streamline customs procedures and electronic exchange information.</p>	<ul style="list-style-type: none"> <li>Customs administrations are encouraged to look at the way goods are cleared at the borders from a new perspective. Advanced technology is key to helping regional customs teams create a resilient global infrastructure for transactional trade activities.</li> <li>Of equal importance is ensuring that access to critical technology, software, and other electronic transmission is not inhibited by national tariffs, considering that trade in these goods is crucial to resilient supply chains and future investments in the region. ASEAN countries should embrace the availability of new technologies that fast-track innovation induced by the pandemic.</li> </ul>



# Annex – US-ABC Recommendations: Reforming ASEAN Customs Regime

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<b>Electronic Commerce and Digital Economy</b>	<b>Policy on document retention and requirement</b>	<ul style="list-style-type: none"> <li>US-ABC recommends that AMS gradually eliminate this process by introducing and integrating with digital tools only require soft copies for clearance and retention for companies.</li> <li>Leverage on technologies available today such as blockchain to encrypt soft copy documents so that they can be shared among the countries for seamless flow of goods, import clearance and automate import declaration.</li> <li>This is expected to save up to 80% of time and cost with smooth clearance.</li> </ul>
	<p>Require hard copies document retention and upon clearance increase its operating cost in storage and logistics arrangement.</p>	
<b>Authorized Economic Operator (AEO) Program</b>	<b>Policy requires wet signature</b>	<ul style="list-style-type: none"> <li>Eliminate all kinds of signature on document and let letterhead, company's digital stamp serve its legal liability.</li> <li>Leverage on technologies available today such as block chain to encrypt soft copy documents to prove document authenticity.</li> </ul>
	<p>Require signing on documents for clearance exhausting more working time and furthermore documents are printed in soft copies version at first.</p>	
<b>Authorized Economic Operator (AEO) Program</b>	<b>Implementation of the Mutual Recognition Arrangement (MRA)</b>	<p>US-ABC would like to propose active consultation with the private sector in the implementation of the AEO programs.</p>
	<p>The establishment of an AEO program by individual AMS is a positive development that increases supply chain security and safety, while enhancing trade facilitation by expediting customs procedures for low-risk shipments. MRAs are important to the success of AEO programs, allowing customs officials to target high-risk shipments more effectively, permit the quicker release of goods for AEOs, and thereby increasing economic competitiveness.</p>	
<b>Authorized Economic Operator (AEO) Program</b>		<p>US-ABC would like to encourage AMS to practice consistency across established frameworks:</p>
		<ul style="list-style-type: none"> <li>In order to ensure the proper utilization of the AEO, its implementation across various AMS must be fully adaptable by local authorities.</li> <li>Similarly, across programs (e.g. AEO and ASEAN Customs Transit Systems (ACTS), ATIGA), there are opportunities to unify the interpretation of the framework to improve their adoption and minimize conflicting interpretation based on own understanding or local laws.</li> </ul>





## ***About US-ASEAN Business Council***

For over 40 years, the US-ASEAN Business Council has been the premier advocacy organization for US corporations operating within the dynamic Association of Southeast Asian Nations (ASEAN). Worldwide, the Council's membership, more than 160 companies, generate over US\$6 trillion in revenue and employ more than 13 million people. Members include the largest US companies conducting business in ASEAN and range from newcomers to the region to companies that have been working in Southeast Asia for over 100 years.

We believe opening and investing in the sustainability of efficient, resilient, and competitive markets are critical to the continued growth of our member companies and innovation and job creation in the United States and Southeast Asia.

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