



# Chapter 1

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## Integrative Chapter

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# 1. Introduction and Background

Since the baseline ASEAN Seamless Trade Facilitation Indicators (ASTFI) project was conducted in 2018, economic integration of the members of the Association of Southeast Asian Nations (ASEAN) has expanded, most notably through the entry-into-force of the Regional Comprehensive Economic Partnership (RCEP) in January 2022 amongst ASEAN Member States (AMS), Australia, China, Republic of Korea (henceforth 'Korea'), Japan, and New Zealand, as well as participation of some AMS on the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). These new initiatives demand greater focus on trade facilitation since they have specific agreements and commitments on improving trade procedures. Although some of the earlier ASEAN Plus 1 agreements (or their amendments) contained chapters on customs procedures and trade facilitation, these were to be implemented in 'best endeavor' basis (see Box 1.1 for details). In contrast, the RCEP agreement binds the parties to specific timelines of agreement, albeit with some flexibility for less-developed members.

Another major event since 2018 that has impacted the trade facilitation agenda is the coronavirus disease (COVID-19) pandemic. The upheaval of the COVID-19 pandemic has, amongst its many ramifications, brought into sharp relief the central importance of a smooth flow of goods and people for the proper functioning of the global economy. It forced governments everywhere to be nimble and proactive to keep trade flowing by introducing or accelerating digitalisation of the trading process, which has served the trade facilitation agenda enshrined in World Trade Organization (WTO) and ASEAN agreements.

## Box 1.1. Trade Facilitation Commitments in ASEAN Trade Agreements

Chapter 4 of the RCEP Agreement deals with Customs Procedures and Trade Facilitation. It contains provisions on pre-arrival processing, advance rulings, pre-shipment inspection, customs procedures, enquiry points, application of information technology, trade facilitation measures for authorised operators, risk management, amongst others. It also contains a provision to implement specific commitments and timelines of the parties, recognising their different level of readiness to implement those commitments. The arrangement is a phased implementation of the specific commitments until completion. The language of the agreement binds AMS to a higher level of commitments than those provided in the previous ASEAN Plus 1 free trade agreements (FTAs).

Prior to the Agreement establishing the ASEAN–Australia–New Zealand Free Trade Area (AANZFTA), previous ASEAN Plus 1 FTAs did not contain a separate chapter on customs procedures. There may be some provisions related to customs cooperation, but such provisions were limited and not specific unlike the AANZFTA. Following the AANZFTA, in 2015, ASEAN and China signed the 'Protocol to Amend the Framework Agreement on Comprehensive Economic Co-operation and Certain Agreements thereunder between the

Association of Southeast Asian Nations (ASEAN) and the People's Republic of China', which incorporates the Customs Procedures and Trade Facilitation into the ACFTA Trade in Goods (TIG) Agreement. The amended TIG text of the ACFTA includes similar provisions as the AANZFTA, as well as the customs procedures provisions found in the ASEAN Trade in Goods Agreement. Although these FTAs contain more elaborate customs procedures and trade facilitation provisions, it will be noted that the levels of commitment are somehow on a best endeavour basis, unlike the RCEP Customs Procedures and Trade Facilitation Chapter that entered into force in January 2022.

The RCEP commitments are firmer on implementation. For instance, on advance rulings for tariff classification, rules of origin, and customs valuation, the RCEP Agreement provides specific implementation timelines, unlike in AANZFTA or ACFTA, where the language of the text posed a caveat that advance rulings implementation is 'to the extent permitted by its domestic regulations'. Another important provision is the 'Release of Goods' where Parties must comply with time period set for the clearance of goods. Related to the release of goods, RCEP's Chapter 4 has a provision on 'Express Consignment', which requires Parties to maintain customs procedures to expedite the clearance of express consignments for at least those goods entered through air cargo. Other provisions in the customs procedures chapter worth noting include the 'Trade Facilitation Measures for Authorised Operators' where each Party is required to provide additional facilitation measures related to import, export or transit facilities and procedures for operators who meet specific criteria, and 'Post-Clearance Audit', which also contributes to expediting the release of goods, as risk management parameters are applied, and audit will be done post-importation and not at the border. The customs procedures chapter also encourages Parties to use tools such as time release study to identify the gaps in the cargo clearance process in order to come up with policies and measures that will facilitate trade.

Although the RCEP chapter on customs procedures and trade facilitation requires more commitments, it also recognises the different levels of development of the Parties. RCEP has membership from least developed countries to developed countries, and the customs procedures and trade facilitation chapter allows them to implement in stages, especially those commitments that go beyond the World Trade Organization Trade Facilitation Agreement (WTO TFA). Annex 4A (Period of Time to Implement the Commitments) of the Agreement provides some countries with a specific period to implement some of its provisions during which the full implementation of those specified commitments will commence. In this way, countries are required to make specific commitments, but also allow flexibility or a phased implementation for some who are not ready to implement those measures identified in the Annex.

Source: ERIA, 2022

In this report, we discuss the progress made by ASEAN Member States since 2018 in trade facilitation, as shown by the results of the follow-up ASTFI (ASTFI II), which was conducted in 2020–21. Prior to presenting the ASTFI II results, we discuss ASEAN's progress relative to other regions using secondary data, in particular the United Nations Trade Facilitation (UNTF) survey, which has been keeping track of the progress made in fulfilling the WTO-TFA commitments. The measures are categorised into five groups: transparency, formalities, institutional arrangement, paperless trade, and cross-border paperless trade. Figure 1.1 shows the implementation rate of ASEAN and individual member states in 2015 and 2021.

Transparency measures relate to publication and administration of trade regulations. ASEAN had implemented 90% of transparency measures by 2021, an increase from under 80% in 2015. Formalities refer to the trade-related procedures, in which ASEAN's implementation rate is 90% in 2021, an increase from 70% in 2015. The Institutional Arrangement and Cooperation measure specifically requires a national trade facilitation body and ensuring cooperation amongst countries. ASEAN's implementation rate was at 77% in 2021, up from 55% in 2015. The Paperless Trade measures relate to the application of modern information and communication technologies to trade-related services. The implementation rate was 80% in ASEAN, an increase by 20 percentage points since 2015. The Cross-Border Paperless Trade measures the exchange and legal recognition of trade-related data and documents amongst the entire international supply chain. Here, the implementation rate is 60%, the lowest amongst the five categories but vast improvement since 2015.

Within ASEAN, we find some variation in the implementation rate across member states. All AMS have improved their transparency scores, with nine having achieved at least 80% implementation of transparency measures (compared to only three passing this threshold in 2015). In particular, Cambodia, Malaysia, and the Philippines caught up to full implementation in 2021. Implementation rates of formalities are also generally high, with eight AMS achieving at least 80% implementation and five achieving 100% implementation. Indonesia had significantly increased its formalities efficiency by 33.33% since 2015. Implementation of institutional arrangements requires more effort, with only two AMS (Cambodia and Singapore) achieving above 80% implementation. Regarding Paperless Trade, Indonesia and Singapore lead the way with above 96% rate of implementation. Malaysia, the Philippines, and Thailand also have above 80% implementation. The largest improvement was experienced by Myanmar, leaping from 11.1% to 66.7%. Regarding cross-border paperless trade, the leading countries are Singapore and Thailand with 77.78% implementation. But there is much room for improvement in this category.

**Figure 1.1. Implementation of WTO TFA, 2015 and 2021 by ASEAN**



ASEAN = Association of Southeast Asian Nations, BRN = Brunei Darussalam, KHM = Cambodia, IDN = Indonesia, LAO = Lao People’s Democratic Republic, MYS = Malaysia, MMR = Myanmar, PHL = Philippines, SGP = Singapore, THA = Thailand, VNM = Viet Nam, WTO = World Trade Organization, TFA = trade facilitation agreement.

Source: Authors’ calculation from United Nations Trade Facilitations Surveys.

It is also interesting to compare ASEAN with other major regional groups. Compared to other major regional groupings, ASEAN’s progress has been noteworthy. A trade facilitation report by UNESCAP and ADB (2021), also based on the UNTF survey, noted that, in the Asia–Pacific region, ‘ASEAN regional integration efforts and the establishment of the ASEAN Single Window have fostered substantial progress on implementation of trade facilitation’ and that the region has ‘outperformed numerous other subregions in implementation’ (pg. 8). The Southeast Asia region (comprising ASEAN and Timor-Leste) ranked below Australia and New Zealand (97% implementation) and East Asia (comprising China, Japan, Korea, and Mongolia) (83%). Given RCEP, ASEAN must quickly catch up with its five regional partners in implementation of trade facilitation measures.

In Figure 1.2, we compare the full implementation rate of five categories of trade facilitation measures between ASEAN and other major trade blocs: United Nations Economic and Social Commission for Western Asia (ESCWA), United Nations Economic and Social Commission for Latin America and the Caribbean (ECLAC), United States – Mexico – Canada Agreement (USMCA), South Asian Free Trade Area (SAFTA), and Southern Common Market/Mercado Común del Sur (MERCOSUR); we also include the ASEAN+6 as a grouping given the trade linkage. On transparency, over 90% measures have been implemented by ASEAN, closing the gap with USMCA and ahead of MERCOSUR which was similarly situated in 2015. On Formalities, ASEAN has closed the gap with MERCOSUR at 90%. ASEAN is slightly behind MERCOSUR on Paperless Trade, with 80% completion, although rapid progress has been made since 2015.

**Figure 1.2. Implementation of WTO TFA, 2015 and 2021 by Major Regional Groups**



WTO = World Trade Organization, TFA = trade facilitation agreement.

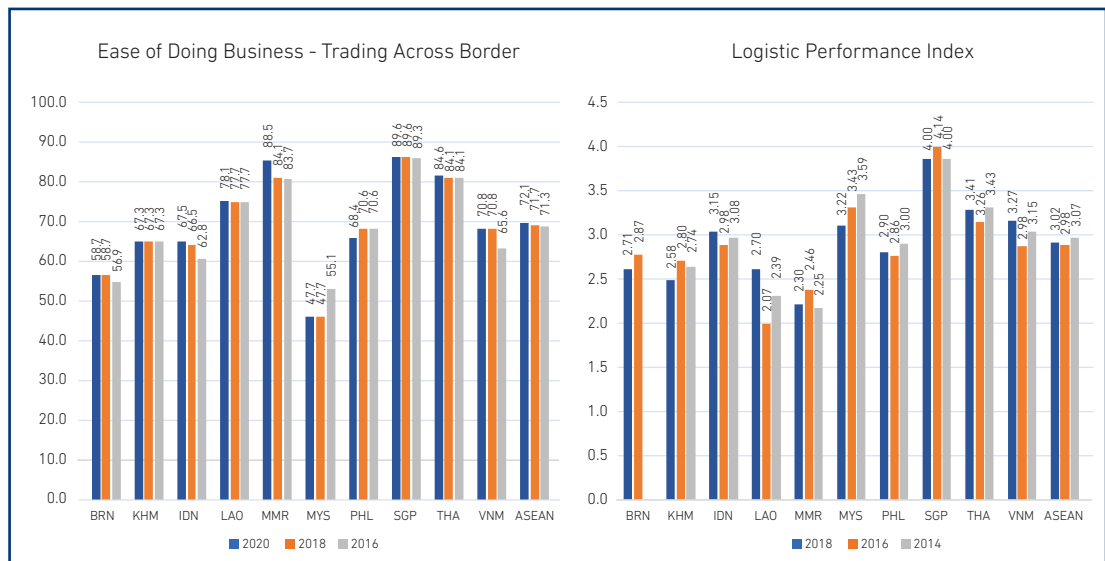
Note: ASEAN+6 consists of ASEAN countries, China, Japan, Rep. of Korea, India, Australia, and New Zealand. NAFTA consists of Mexico, Canada, and the United States. SAFTA consists of Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. ESCWA consists of 17 Arab-region countries. ECLAC includes 46 member states (20 in Latin America, 13 in the Caribbean and 13 from outside the region). MERCOSUR consists of Argentina, Brazil, Bolivia, Chile, Ecuador, Paraguay, Peru, and Uruguay.

Source: Authors' calculation from UNTF Surveys.

The United Nations and the ASEAN Secretariat jointly published a report on trade facilitation status in ASEAN based on the UNTF survey (United Nations, 2022). Amongst other recommendations, the report highlighted the importance of interoperability between the ASEAN Single Window (ASW) with other paperless trading systems, further promoting digital trade within ASEAN and with external partners, and boosting cooperation to minimise the impact of the pandemic.

Despite the improvements seen in trade facilitation measures, the indicators of trade cost have shown limited progress over the past few years.<sup>1</sup> The World Bank Ease of Doing Business–Trading Across Borders indicator focuses on the cost and time necessary in the overall process of exporting or importing a shipment of goods. The ASEAN region as well as most of its members has an increasing trend from 2016 to 2021. Notably, only Myanmar and Cambodia did not show an improvement in the past half-decade. Indonesia has been gradually refining its logistical process of trading, growing from 62.8 to 67.5. Malaysia, Singapore, and Thailand are the only countries in ASEAN that reached above 80 for this indicator. The Logistic Performance Index has fluctuated amongst AMS from 2014 to 2018. In 2016, almost all ASEAN members had a declining score, except Singapore, Myanmar, and Cambodia. However, all other member states experienced an increase in 2018 except those three countries. Lao People’s Democratic Republic (Lao PDR) and Viet Nam showed the most significant improvement, escalating from 2.39 to 2.70 and from 3.15 to 3.27, respectively (Figure 1.3).

**Figure 1.3. Measures of Trade Cost**



BRN = Brunei Darussalam, KHM = Cambodia, IDN = Indonesia, LAO = Lao People’s Democratic Republic, MYS = Malaysia, MMR = Myanmar, PHL = Philippines, SGP = Singapore, THA = Thailand, VNM = Viet Nam.

Source: Authors’ calculation from World Bank data.

<sup>1</sup> More detailed discussion of trade cost is left to the accompanying report on trade transactions cost.

Complementing these existing trade facilitation measures, the ASTFI II survey of trade-related government agencies shows in greater detail the progress each AMS has made in increasing trade facilitation in the region. We find that many trade facilitation provisions are being progressively implemented. Full implementation of ASEAN-wide initiatives, most notably the ASW, ASEAN Customs Transit System (ACTS), and ASEAN-wide Self-Certification scheme (AWSC), have improved the trade facilitation environment. AMS have introduced corresponding regulatory and institutional changes to implement these measures. In addition to exchanging documents through the ASW, National Single Window (NSW) is now operational in more AMS, with increased participation of trade-related government agencies. Furthermore, many countries embarked in the modernisation of their customs procedures by adding elements such as advanced rulings, electronic payments, and trusted trader programmes. While the progress is impressive, there is still much more work to be done to make the flow of goods in the region even more seamless.

The rest of the report is structured as follows. Section 2 gives an overview of ASTFI II survey and methodology. Section 3 provides key insights on the status of trade facilitation in ASEAN. Section 4 provides country specific summary of key reforms done since 2018 (full country-specific reports can be found in later chapters). Section 5 provides recommendations for the region (country-specific recommendations can be found in respective country chapters).

## 2. ASTFI II Survey Overview and Methodology

ASTFI, developed by the Economic Research Institute for ASEAN and East Asia (ERIA) together with the ASEAN Trade Facilitation Joint Consultative Committee (ATF-JCC) in 2018, is an ASEAN-specific set of indicators designed to measure the extent to which trade is being facilitated in the region. The main impetus for ASTFI was to measure progress towards 10% reduction in trade transaction costs (TTCs) by 2020 as set during the 23rd ASEAN Economic Ministers Retreat in March 2017 (Sausa, 2017). Its primary aim is to indicate the overall trading environment, particularly the ease of engaging in international trade at the regional and national levels. In addition, the tool also serves as an indicator for: a) monitoring commitments and evaluating impact, b) improving coordination, c) mobilising dialogue and consensus on priority issues and activities, and d) leveraging external partnerships and cooperation. Furthermore, ASTFI clarifies the implementation of trade facilitation measures in the region.

The ASTFI, combined with the measurement of TTCs, is a significant undertaking toward a more systematic and robust method in measuring the attainment of the goals of the ASEAN Economic Community (AEC). This exercise goes beyond the mere measurement of trade facilitation or seamlessness to understand particularly the policy measures that may significantly reduce TTCs. The goal is to encourage AMS to further improve their trade facilitation regime towards the global best practices, where feasible.



The ASTFI consists of 35 questions across seven main components, with each component corresponding to a different aspect of trade facilitation. The questions reflect the Customs Chapter of ASEAN Trade in Goods Agreement (ATIGA), the ASEAN Trade Facilitation Framework (ATFF), the Protocol 7 of ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAGIT), the Strategic Plan of Customs Development (SPCD), the AEC 2025 Consolidated Strategic Action Plan (CSAP) in its relevant sections, the AEC 2025 Trade Facilitation Strategic Action Plan (ATF SAP), and the World Trade Organization Agreement on Trade Facilitation (WTO TFA) (aspects not covered by ATIGA). There is some overlap between ASTFI and the UNTF survey (see Appendix IV), although ASTFI includes many additional ASEAN-specific agreements that are not found in UNTF.

ASTFI consists of measures on transparency and engagement with the private sector, the core trade facilitation measures of clearance and release formalities, as well as export and import formalities and coordination, and measures for transit, transport, and e-commerce facilitations. Appendix I list the ASTFI variables. Appendix II provides a brief description of the scoring system used for ASTFI. Thus, the ASTFI is very much geared towards ASEAN, based in part on ASEAN agreements and plans as well as global best practices. Nonetheless, many of the indicators echo those of the globally oriented indicators carried by organisations like the Organisation for Economic Co-operation and Development (OECD), albeit with a different approach to scoring.

A baseline ASTFI study was conducted in 2018 and the resulting report submitted to ATF-JCC in July 2018 with recommendations for further improvement in the trading environment and reduction in TTCs. In 2020–21, ASTFI II examined the extent to which trade facilitating measures have been implemented at the AMS level since the baseline study. Based on this, the ASTFI II questionnaire was appropriately modified. The modifications were minor, with some questions in the survey being revised for clarity. All the updated questions were discussed with the ATF-JCC before finalisation. The ASTFI II survey questionnaire was distributed between August–October 2020 and was returned by AMS between November 2020–July 2021.

During the data collection for ASTFI II, there were more than 160 responses received across 10 AMS,<sup>2</sup> covering various government agencies. The data collection process was led by the ERIA team, in close collaboration with the country focal points appointed by the ATF-JCC and in-country authorshired by ERIA. Each country focal point oversaw distributing the survey to trade-related government agencies and submitting the responses via the ASEAN Secretariat. The in-country authors, under supervision of the ERIA team, analysed the survey results and submitted the detailed country reports.

To ensure accuracy, workshops were held at various stages of data collection. Prior to distributing the survey, a socialisation workshop was hosted by ERIA with the focal points and the country

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<sup>2</sup> The list of agencies responding to the baseline and follow-up ASTFI surveys is provided in Annex III.

authors. To verify the results of the data collection, validation workshops were conducted in eight out of the 10 AMS, attended by the respondents of the ASTF II survey questionnaire. For Singapore and Viet Nam, data validation was conducted through email. Consultation-validation meetings proved to be very useful for the ASTFI II, as they clarified responses from the survey questionnaires.

After the validation workshop, preliminary ASTFI II indicators' scores were assigned through internal discussions amongst ERIA team. Then, the ASTFI II preliminary score was used by the in-country author and the ERIA team member to draft the country report. The early ASTFI II country report draft was shared with respective AMS through the ASEAN Secretariat for comments and suggestions. The country report was finalised after both respective focal point and the ASTFI II team agreed on the content of the country report.

### 3. Insights from the ASTFI II Survey

The ASTFI II results are largely consistent with the secondary indicators of trade facilitation discussed earlier but showcase ASEAN's progress in greater detail. The ASTFI II showed a steadily improving trading environment in ASEAN, with all AMS making significant progress since 2018, although the progress varies somewhat. Cambodia and Myanmar have made the largest progress, while Brunei Darussalam and Lao PDR have made the slowest progress, since 2018. The top performing AMS in 2018 – Indonesia, Thailand, and Viet Nam – continued to make improvements as well. Amongst the mid-tier performers in 2018, Singapore has improved quite significantly and now landed amongst the top performers. Malaysia and the Philippines also made notable improvements to their trade environment. Overall, we find all AMS making progress, albeit some more rapidly than others.

Under transparency indicators, all AMS have published trade-related information and procedures on their website, which are mostly available in the English language. Lao PDR and Myanmar have made the most significant progress. Customs trade portals of Brunei Darussalam and Malaysia have improved significantly. Most notably, Brunei Darussalam's provides more complete information on the website, especially on applied rates of duties. National Trade Repositories have become more comprehensive in Myanmar and Singapore. Only three AMS (Brunei Darussalam, Cambodia, and Viet Nam) still yet to provide certain information on their National Trade Repository (NTR) and ASEAN Trade Repository (ATR). A Customs contact centre with English language support is available in all AMS except Lao PDR and Myanmar, which is the same situation as 2018.

The results on Communication and engagement with the private sector have remained similar in most ASEAN countries. A majority of AMS were already performing very high in this component in 2018. Myanmar, which is relatively behind, has improved its private sector engagement. However, Brunei Darussalam did not make any discernible progress in this category since engagement

with the private sector is not regular but on a need basis for major agencies. The National Trade Facilitation Committee (NTFC) has progressed in Cambodia and the Philippines, bringing the number of AMS with fully functioning NTFCs to eight. Only Brunei Darussalam and Singapore do not have a formal NTFC as of 2021, although Singapore has a well-functioning mechanism for dealing with trade facilitation issues. With NTFCs or equivalent mechanism available in all AMS, a regular discussion would enhance cooperation on further facilitating trade within ASEAN.

Release and clearance formalities have also improved in four AMS: Malaysia, the Philippines, Singapore, and Viet Nam. Signing of a mutual recognition agreement (MRA) between Thailand and Singapore for their Authorized Economic Operators (AEOs) programme is a noteworthy achievement during this period. Another important achievement is the implementation of an ASEAN-Wide Self-Certification Scheme. No countries that did not already have advanced ruling in place made any improvements. Incidentally, this is also one of the least implemented measures in the Asia-Pacific region (UNESCAP and ADB, 2021). In ASEAN, only Malaysia, Thailand, and Viet Nam have full implementation of advance ruling for classification and valuation in place. Brunei Darussalam, Indonesia, Lao PDR, and Myanmar have much room for improvement on advanced ruling provision. (Table 1.1).

**Table 1.1. Advanced Ruling Provision in ASEAN**

Country	Publication of the advance ruling procedures			Publication of the advance ruling results		
	TC	V	O	TC	V	O
Brunei Darussalam	✓	✓		✗	✗	
Cambodia	✓	✓	✓	✓	✓	✓
Indonesia	✓	✓		✗	✗	✗
Lao PDR	✗	✗	✗	✗	✗	✗
Malaysia	✓	✓		✓	✓	
Myanmar	✓	✓		✓*	✗	
Philippines	✓	✓	✓	✓	✓*	✓*
Singapore	✓	✓	✓	✓*	✓*	✓*
Thailand	✓	✓	✓	✓	✓	✓
Viet Nam	✓	✓	✓	✓	✓	✓

TC = Tariff Classification, V = Valuation, O = Origin, Lao PDR = Lao People's Democratic Republic, ASTFI = ASEAN Seamless Trade Facilitator Indicator, ASEAN = Association of Southeast Asian Nations.

Note:

\* = Partial publication

Source: Authors' compilation from ASTFI-II survey.

There was also progress on other areas of release and clearance formalities since 2018. Cambodia and Myanmar have added provisions for pre-arrival processing, making the clearance process faster. Pre-arrival processing is now available in some form in all AMS. Risk management is practiced in almost all AMS but is yet to be fully integrated across different agencies. A good example is Indonesia Single Risk Management, a system based on the single identity of business actors aimed at improving service efficiency. It was established in 2018 under NSW with integrated coordination amongst relevant agencies that previously ran risk assessments separately and generated unnecessary redundancy. The Indonesia Single Risk Management adopts the most advanced risk management system from Custom and Quarantine and exchanges risk information amongst agencies with simplification of procedures based on synergy and uniformity. It operates based on risk compliance mapping in which the preference on trade facilitation will be given to a company with minimum risk.

On Separation of Release from Final Determination, Brunei Darussalam, Cambodia, and the Philippines have made improvements. The system on Electronic Payment improved in Lao PDR and Myanmar, with many more trade-related agencies accepting electronic payments. Thus, e-payment is now more widely used across trade-related agencies in ASEAN. The publication of dwell time and time release study (TRS) also improved. AMS conducted the TRS twice for the ASTFI study. However, dwell time publication is still lacking in many ports. AEO programmes have seen progress in the Philippines, so that all AMS except Myanmar have some form of facilitation arrangement for traders that fulfil certain criteria. A full AEO programme with MRA has yet to be implemented in a majority of the AMS. Self-certification is now available in all AMS due to full operationalisation of the AWSC scheme (see Box 1.2). Singapore and Thailand signed an MRA for their AEO programmes in 2019. Simplified clearance and temporary admissions were both widely available in ASEAN since 2018.

The component Import and Export Formalities and Coordination has seen the most improvement in many AMS due to application of NSW and operationalisation of the ASW. All AMS except Myanmar have a functioning NSW where traders can complete at least some of the trade-related procedures, although the number of trade-related government agencies participating in the NSW varies significantly across ASEAN (Table 1.2). In Thailand, 36 agencies participate in the NSW while in Cambodia, only five agencies participate, although this is partly due to the variation in the number of trade-related agencies in each country. AMS should ensure that all trade-related agencies join the NSW as quickly as possible. Exchange of ATIGA Certificate of Origin has also been fully implemented. Documentary requirements, especially acceptance of digital copies rather than originals, have improved in Cambodia, Malaysia and Myanmar, but need much progress in Myanmar, the Philippines, and Thailand. Likewise, coordination amongst customs, immigration, and quarantine could be better aligned in Brunei Darussalam, Lao PDR, and Myanmar.

**Table 1.2. List of NSW Agencies across AMS**

Country	Number of Ministry/Agencies
Brunei Darussalam	20
Cambodia	5
Indonesia	15
Lao PDR	<i>NSW under development</i>
Malaysia	27
Myanmar	<i>NSW under development</i>
Philippines	28
Singapore	13
Thailand	36
Viet Nam	13

ASEAN = Association of Southeast Asian Nations, AMS = ASEAN Member States, Lao PDR = Lao People's Democratic Republic, NSW = National Single Window.

Note: The number of ministry/agencies cannot be directly compared across AMS: some responded with the number of ministries joining the NSW, while some responded with the number of department/agencies joining the NSW.

Source: ASTFI II Survey, ERIA.

Cross-border coordination and transit facilitation has also improved in many countries due to full implementation of ACTS (see Box 1.2). Coordination with border agencies of bordering countries at the institutional level is present in all AMS, but operational coordination is still lacking, especially in Brunei Darussalam, Lao PDR, Malaysia, and Myanmar. Computerised systems for transit are available in six AMS,<sup>3</sup> while transit guarantee mechanisms are fully functioning in four AMS. Simplified procedures for authorised transit traders are only available in three AMS.

Transport facilitation has also improved in some AMS as ASEAN agreements are being implemented. Procedures for issuance of ASEAN good vehicle cross-border permits are available in five AMS, although full implementation has not been achieved yet. Electronic data interchange and port community is available in five AMS. Protocol 1 and Protocol 4 of the ASEAN land transport agreement have been ratified in all AMS. Progress on implementation of AFAFIST and AFAMT has been slow, with only Singapore reporting full implementation.

On the e-commerce component, we observe improvement in some AMS, notably Indonesia and Singapore. Operationalisation of e-identification and authorisation is partially completed in six AMS. A revenue collection framework has been established in Indonesia and Singapore. Legal frameworks for e-commerce dispute settlement are well-established in six AMS.

<sup>3</sup> Cambodia, Lao PDR, Malaysia, Singapore, Thailand, and Viet Nam.

**Box 1.2. Implementation of Major ASEAN Trade Facilitation Initiatives since 2018**

**ASEAN-Wide Self Certification (AWSC):** AWSC allows exporters who have demonstrated their competence to comply with ATIGA rules of origin requirements, known as 'certified exporters', to self-certify the origin status for their goods to be eligible for tariff preferences. With the implementation of the AWSC, the Certified Exporters are now able to make out Origin Declarations to all ASEAN Member States (AMS). The AWSC scheme has been fully implemented since 20 September 2020 across the region and issues have been reduced as AMS have stronger cooperation.

**ASEAN Customs Transit System (ACTS):** ACTS is a computerised Customs transit management system that facilitates the cross-border movement of goods by land within ASEAN in the context of single truck, single declaration, and single bank guarantee.<sup>a</sup> However, the change of trucks at the border is allowed as a temporary measure under the COVID-19 situation. The ACTS Live Operation commenced on 2 November 2020 amongst the six participating Member States: Cambodia, Lao PDR, Malaysia, Singapore, Thailand, and Viet Nam. The onboarding of Myanmar in ACTS Live Operation is targeted for 2023. The efforts of the participating Member States to convince the business/trading community to use ACTS should be intensified.

**ASEAN Single Window (ASW):** ASW is the environment where National Single Windows (NSW) of AMS exchange electronic trade-related documents. The system enables a single submission of data, a single synchronous processing of information, and a single decision-making for Customs release and clearance amongst AMS and participating countries. Full exchange of ATIGA e-Form D by 10 AMS began in December 2019. Exchange of the ASEAN Customs Declaration Document by Cambodia, Malaysia, Myanmar, Singapore and Thailand commenced in 2021. It is expected that full exchange of the ASEAN Customs Declaration Document by all 10 AMS and exchange of e-Phyto Certificates will commence in 2022. Some AMS may not be ready to exchange relevant documents at the same time with other AMS due to their readiness in infrastructure and legal frameworks. The number of documents exchanged through the ASW environment increased from 489,000 in 2019 to over 800,000 by November 2021. Exchange of any new document will require a new backend system set up at the respective government agencies. This will require close collaboration between the NSW team and respective agencies.

**ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT):** The AFAFGIT aims to simplify and harmonise transport, trade and customs regulations and requirements for the purpose of facilitation of goods in transit towards the establishment of an effective, efficient, integrated and harmonised transit transport system in ASEAN. The AFAFGIT has been in force in all AMS. Out of its nine implementing protocols, only Protocol

6 (Railways Border and Interchange Stations) has not yet entered into force. AFAFGIT has been implemented through ACTS since November 2020; however, Protocols 6, 8 (Sanitary and Phytosanitary Measures/SPS) and 9 (Dangerous Goods) are not yet implemented, since ACTS currently only operates by road vehicles and excludes SPS and dangerous goods products. Once ACTS includes other modes of transport (e.g., railway) and expands the scope of products, AFAFGIT will be fully implemented.

#### **ASEAN Framework Agreement on the Trade Facilitation of Inter-State Transport**

**(AFAFIST):** The AFAFIST focuses on facilitation of interstate transport of goods between neighbouring AMS. AFAFIST has been in force amongst seven AMS: Cambodia, Lao PDR, Myanmar, Philippines, Singapore, Thailand, and Viet Nam. The AFAFIST Procedure Manuals for Transport Officials and Private Sector are currently being developed. These manuals will also include customs-related issues on interstate transport of goods, such as temporary admission of road vehicles without payment of import duties and import taxes, as well as export and import procedures for interstate transport of goods. Pilot implementation of AFAFIST amongst those countries which are ready, along with their neighbouring countries, is currently being discussed.

**ASEAN Framework Agreement on Multimodal Transport (AFAMT):** The AFAMT facilitates the end-to-end handling of carriage of goods by multimodal transport. AFAMT has been in force amongst eight AMS: Cambodia, Indonesia, Myanmar, Lao PDR, Philippines, Singapore, Thailand, and Viet Nam. Following the adoption of the Implementation Framework of AFAMT by the ASEAN Transport Ministers in 2019, AFAMT Pilot has been implemented between Thailand and Viet Nam since October 2020. Participation from other AMS that are ready to implement AFAMT, i.e. Indonesia and Singapore, is being awaited. The remaining AMS are still developing/reviewing legal frameworks on multimodal transport to support implementation of AFAMT. As laid out in the Implementation Framework of AFAMT, enhancement of trade facilitation mechanisms is required to simplify and harmonise customs transit formalities to support more efficient multimodal transport operations.

Note:

<sup>a</sup> For multiple journeys, ACTS also allows multiple Bank Guarantees, so Principal Traders do not need to apply for a Bank Guarantee every time they start the ACTS journey.

Source: ASEAN Secretariat.

## 4. Country Summaries

In this section, we provide some accounts of key recent reforms enacted by each AMS. More detailed discussion of each country can be found in the respective country chapters.

### 4.1. Brunei Darussalam

In recent years, Brunei Darussalam has undergone significant institutional changes and policy reforms to improve the business environment, facilitate trade, and attract foreign direct investment. To support fair trade and competitiveness and to address safety and consumer protection, the National Standards Centre (NSC) is tasked with facilitating standards and conformance in accordance with national, regional, and international requirements. NSC also provides guidance and information on standards, conformity assessment, and accreditation to government and other related agencies. Since April 2018, the Brunei Darussalam National Single Window (BDNSW) has undergone several enhancements, including online manifest submission, blanket approval of permits, mandatory advance duty payment upon declaration submission, and online risk profiling. Essentially, this eases the flow of information as well as enhances transparency and efficiency.

The result of ASTFI II shows that Brunei Darussalam performed well in Transparency and Information on Laws, Regulations, and Procedures. Information on laws, regulations, and procedures can be found on the customs website and the BDNSW. In addition, applied duty rates are now published, which were not available in 2018. Brunei Darussalam also has an NTR. Nevertheless, more effort should be taken on the domain of Communication with and Active Engagement of the Private Sector. There is no official mechanism such as an NTFC and the engagement with the private sector is also done on an adhoc basis.

Brunei Darussalam performed moderately well in release and clearance formalities, but with high variation amongst its indicators. The dissemination of advance rulings is restricted only to the applicants and are not published. While the exclusivity of advance rulings may be arguably sensible since export–import transactions could be rather unique, it is not in accordance with best practice whereby decisions are publicly available. The Royal Customs and Excise Department now allows the release of imported goods without payment, based on a provisional manifest or declaration submission with guarantee (previously, a complete manifest was required). However, it only applies to AEO under the Sutera Lane Merchant Scheme. Non-AEOs must still make full payment before the goods are released. The Royal Customs and Excise Department allows all necessary payments for importation and exportation to be made electronically.



In terms of Import/Export Formalities and Coordination, Brunei Darussalam performed moderately high. The BDNSW covers 20 major trade-related agencies and is operating truly as a single window for importation. The processing for exportation is not yet implemented through the single-window system and is therefore an area for improvement in terms of NSW implementation. The BDNSW is now connected and integrated to the ASW, with ATIGA Form D being exchanged through ASW. In 2018, the link to ASW was at a pilot stage.

Brunei Darussalam did not fare well in the domain of Trade Facilitation Environment – Transit, Transport, and E-commerce. There is some, but limited, cross-border coordination, and there are currently no standard procedures for the issuance of ASEAN goods vehicle cross-border permits. By contrast, a standard procedure, with some quotas, was in place in 2018. There is also no electronic data interchange platform available in the country. Presently, the e-commerce is protected sectorally, and the main legislations governing e-commerce are the Electronic Transactions Act 2004 (Chapter 196) and the Computer Misuse Act (Chapter 194). In addition, there are also other related laws that provide consumer protection, intellectual property protection, and regulation of online business activities.

Brunei Darussalam is currently in the process of strengthening its e-commerce protection regime and is considering further revisions to the existing legal framework, as well as the promulgation of new laws that would further strengthen privacy and data protection.

Brunei Darussalam follows the *de minimis* rule for the revenue framework for e-commerce international transaction. Currently, there is no legal framework for e-commerce dispute settlement; however, studies are being conducted for the establishment of a legal framework for online dispute resolution.

## 4.2. Cambodia

Compared with 2018, when the ASTFI baseline survey was conducted, Cambodia has made various trade facilitation efforts. Amongst them, the termination of the role of CamControl at the border points was a significant move. Until then, CamControl has been acting as a technical arm of Customs focusing on high-risk products. However, with the removal of CamControl, Customs has become the only agency stationing at the border crossing point, streamlining all works in one single place. Another noteworthy trade facilitation reform was the removal of Kampuchea Shipping Agency and Broker (Kamsab). Kamsab was established in 1979 as a state agency, with an objective to facilitate trading by ship. However, given the growth of international trade and the private sector, the role of this state agency has been greatly diminished. The termination of Kamsab reduced the level of complexities in doing business for the private sector.

On transparency, the effort of enhancing the NTR and its link to the ASEAN Trade Repository (ATR) was mentioned by the NTR focal point from the Ministry of Economy and Finance's Department of Economic Integration, and ASEAN. Overall, relevant institutions and agencies need to keep up their efforts to provide the necessary and sufficient information for traders by updating their websites on a regular basis.

The inter-ministerial NTFC was officially established in 2020 with a clear structure, including the Ministry of Economy and Finance secretary of state as the chair and the director general of General Department of Customs and Excise (GDCE) as the permanent vice chair. In total, it consists of 13 members where 12 are representatives from related government agencies and one from the Cambodia Chamber of Commerce representing the private sector. The secretariat of NTFC is in the GDCE with supports from development partners. Amongst them, ARISE Plus Cambodia, financed by the European Union (EU) and the German government, is working closely with the GDCE, the Ministry of Commerce and other related agencies on trade facilitation reform agendas from 2019 until 2023. The three key components of ARISE Plus project include: 1) improving customs, trade facilitation, and standards; 2) strengthening institutional capacities and improving regulatory practices for international trade; and 3) enhancing private sector engagement in trade, notably for small and medium-sized enterprises. Separately, the United Nations Conference for Trade and Development (UNCTAD) also increased their support to Cambodia, especially to its NTFC through their e-learning webinar series as part of the capacity building programme.

On Customs Procedures, the use of advanced rulings has increased. Customs has renewed its website, which clearly outlines the procedures for requesting advanced rulings. Before the cargo arrives, the application must be made in writing. The decision on advanced rulings for HS-code classification is published on Customs' website. Currently, 156 advanced rulings are listed, compared to 71 that were listed in the 2018 ASTFI, with the most recent decision being made in March 2020. In the validation workshop, the GDCE focal point mentioned that firms that have requested advanced rulings are mostly large foreign firms. Enhancing information on advanced rulings relevant to traders and firms may be needed to promote wider use.

Pre-Arrival Processing was just a pilot in 2018, but it has now been put into use at major ports. However, the process is still done manually. Upgrading it to a digital system will further facilitate trade. The number of trusted traders who can access more facilitation also increased from 41, up from only 17 in 2017. The AEO programme is not yet available, although the GDCE focal point reported that Cambodia is planning to implement one by the end of 2022, and MRAs will be considered after that.

On import and export formalities, the NSW was still in the pilot stage in 2018. Various levels of progress have been made, resulting in a higher performance on the ASTFI II survey. The NSW was instituted in July 2019. Customs is the lead agency for the implementation of the NSW system, and, as of July 2020, other major agencies and institutions, such as The Council for the Development of Cambodia, The Ministry of Commerce, The Ministry of Health, and The Institute of Standards of Cambodia, are participating in the system. Trade-related documents that can be submitted online through the NSW system include export and import permits, certificates of origin, and licenses. The use of digital copies of documents is generally allowed by Customs for clearance procedures. More agencies have also started to accept such copies. Moving towards greater acceptance of digital copies would enhance the trade process even more.

Cambodia has pursued various efforts for cross-border coordination amongst border agencies with neighbouring countries, such as the alignment of working hours with each other. A memorandum of understanding for coordination with Viet Nam's border agencies is currently in place, while coordination arrangements with other countries are discussed. Due to the regulatory variations with neighbouring countries, bilateral coordination is being undertaken on an adhoc basis. The Cambodian parliament ratified the agreement on trade promotion and facilitation in the Cambodia–Lao PDR–Viet Nam development triangle area in February 2018. The agreement covers each neighbouring country's provinces that share borders with Cambodian provinces (i.e. Ratanakkiri, Stung Treng, Mondulakiri, and Kratie). Protocols under the AFAFGIT have also been ratified, although not all of them are in place yet.

### 4.3. Indonesia

During 2018–20, most of the survey indicators showed Indonesia's great effort in creating a friendly climate for businesses in dealing with trade, but transport facilitation needs improvement. While the improvement is noticeable from the increase in some indicators, there has been some development and innovation with other constant indicators. Several policies have been issued beyond the coverage of the survey.

Indonesia has a commitment to move towards ideal trade facilitation. The government has carried out several reform programmes such as Customs simplification procedures, information technology-based service development, and expansion of customs incentives/facilitations. After the implementation, Customs reported increased performance compared to the previous year. The facilities correlate with variable cost reductions by which firms can reallocate expenses to meet increasing demand during the pandemic.

In 2019, Customs provided a new mobile service, i.e. the Noni Bravo chat bot. It is accessible through the customs website or a specific link using both Indonesian and English. The service applies artificial intelligence for its database and information processing, so that it can serve a larger number of inquiries. The government also established the National Logistic Ecosystem (NLE) as a trade facilitation effort that was more integrated and holistic. Using an NSW, the NLE incorporated cooperation between the government and private agencies through data exchange, simplification processes, elimination of repetition and duplication, and application of an information technology system that connects all related logistic processes and existing logistic systems.

In the past 2 years, Indonesia has implemented two trade agreements, the ASEAN–Hong Kong Free Trade Agreement and the Indonesia–Australia Comprehensive Economic Partnership Agreement. Not only do these agreements offer preferential tariff arrangements, but they also cover other elements including a specific element of Customs Procedures and Trade Facilitation, which promotes simplification, consistency, transparency, and trade facilitation.

In terms of Trade Facilitation, Indonesia has made significant improvements. All supporting documents can be submitted electronically except for specific circumstances such as 'red channelling' for physical inspection by Customs and document verification by other agencies. The electronic certificate of origin has been allowed since 2018. Accordingly, Indonesia can exchange certificate of origin data electronically with all AMS at all ports of entry.

While Indonesia performed very well in cross-border coordination and transit participation, it did not do well for transport facilitation and no change of performance from the previous survey. Indonesia has made efforts in accelerating the distribution of goods/logistics for both national and international transactions through two strategic programmes under the NLE framework, which are the Single Submission of Means of Transport (Domestic Manifest, International Departures and International Arrivals applications) and the Platform Warehouse and Platform Trucking programme. These improve logistics and transportation aspects of trade, not only in Indonesia but also in ASEAN.

In terms of e-commerce, Indonesia's performance is significantly improved. Currently, there is an operational legal framework to govern e-identification and authorisation. Revenue collection is being operationalised for e-commerce, particularly for low-value imports subject to waiver of duties and taxes. Online dispute resolution mechanism systems have also been regulated.

## 4.4. Lao PDR

The Lao PDR Trade Facilitation Secretariat has mandated local governments to establish their own local trade facilitation committees, i.e. the so-called Provincial Trade Facilitation Committees. These committees can attempt to solve an urgent issue locally, as well as propose such issues to the NTFC for further resolution.

In a 2020 amendment to the Customs Law, the Customs Authority published the procedures for traders to request for advance rulings for all three classifications, origins, and valuations. However, workshops or seminars to teach traders about advance rulings not widely available yet. In 2020, there were 20–30 applications for advance rulings. For the moment, Customs has not published the advance rulings, but there is a plan to make them available online in the near future. However, according to Prime Minister order No.12, the Trade Facilitation Committees must conduct TRS every 2 years. Currently, TRS is planned for 2022 and 2024 under the Lao PDR Competitiveness and Trade project supported by the World Bank.

For trusted traders or AEO, Customs has planned and developed regulations. The AEO programme is also embedded in the Customs law regarding the initiative, requirements, conditions, and benefits. The Customs plan is to launch the AEO programme if there are at least four applications; currently there is only one.

In terms of NSW, only the Customs department from the Ministry of Finance, the department of import and export from the Ministry of Industry and Commerce, and the department of transport from the Ministry of Public Work and Transport are joining. In 2022, there is a plan that includes the department of agriculture from Ministry of Agriculture and Forestry, and department of food and drug from Ministry of Health into NSW. Currently, the NSW is only deployed at the first friendship bridge, which covers about 40% of total trade transaction across the country. Regarding linkages to the ASW, currently Lao PDR has a separate system that exchanges form D with it. The NSW is not linked with ASW, with Lao PDR developing another platform to link with it instead.

For border-crossing operational coordination with the neighbouring countries, the Customs Authority launched a pilot project called Single Inspection Project Mekong GMS and partnered with Viet Nam by establishing a common inspection control area to work together. The results of this pilot project are impressive. As a result, the Customs Authority would like to deploy other checkpoints with Thailand and China. However, in some countries such as Thailand the legislation does not allow their officers to work outside the Customs territory, making it difficult for them to work with Lao PDR Customs Authority.

## 4.5. Malaysia

Between 2018 and 2021, except for transport facilitation and e-commerce components, there have been improvements in Malaysia regarding trade facilitation components transparency, release and clearance formalities, import/export formalities, and cross-border coordination and transit facilitation. Progress in Malaysia ASTFI II results could be attributed to the improvements and trade facilitation initiatives.

Engagement in good regulatory practice through the dissemination and transparency of information related to the relevant laws, regulations and procedures, and the engagement of stakeholders in obtaining feedback for new guidelines prior to its implementation. Two major developments in this regard include: (a) Policies and procedures related to transit and trans-shipment procedures have been made known publicly through the Customs Act 1967 via the Customs (Amendment) Act 2019. The Amendment Act, gazetted on 9 July 2019, significantly overhauls the legislative provisions regulating transit and trans-shipment activities, and includes provisions for regional transit; and (b) Most agencies have now established well-defined structures/mechanisms for stakeholder consultation, which involve all (registered) traders (including micro, small and medium-sized enterprises) through regular consultations and ad hoc meetings.

Clear synergies between border inspection/controls and a comprehensive risk management framework have been realised. One example is food safety and the adoption of clear methods for border inspections. The related action plans provide for a more coordinated management of border clearance procedures to avoid overlap of food safety control responsibilities amongst the various regulatory agencies, while the risk-based inspections that have been adopted ensure effective food safety controls and expedite trade in low-risk products.

The AEO programme has expanded to cover more logistics services and warehouse operators. A total of 146 operators have been accredited under the AEO programme. The ACTS, which was piloted in 2017, is now fully operational and a guarantee mechanism has been established. Malaysia has a dual involvement in the ACTS, as a transit and departure country.

Despite this progress, Malaysia still needs to address some areas in cross-border coordination and transit facilitation, transport facilitation, and e-commerce. Seamless logistics are needed to ensure better air and sea connectivity, as well as to reduce choke points along the supply chain. Inter-agency coordination should be enhanced to facilitate some consolidation or service-level agreements for import approval processes at the entry points to address inter-agency delays, especially the approvals for the importation of certain products that involves multiple agencies.

Customs clearance systems could be further improved by addressing some technical problems related to the uCustoms platform. Although the Royal Malaysian Customs Department has a customs rulings database, it should allow online applications for advance rulings to ensure timely and correct receipt and routing of requests. The processing of advance rulings requests should be automated, including completing the legal and policy framework. Concluding bilateral AEO MRAs with non-ASEAN-RCEP members, such as China and Australia (which are already in the pipeline), are important for contributing to trade facilitation and supply chain security from a broader regional architecture.

## 4.6. Myanmar

The results from ASTFI II highlights significant improvement in trade facilitation in Myanmar since 2018. Except for cross-border coordination and transit facilitation, noticeable progress has been made in various areas. Availability and accessibility of trade-related information have been improved through using regulatory agencies' websites. The NTR is linked to ATR with all nine required elements. The Customs Contact Center offers English guidelines via telephone during office hours. However, the Customs website can be further expanded to include all Customs-related information, including Customs procedures for transit and trans-shipment, in both Burmese and English. Likewise, 24-hour service to address inquiries on customs-related information in both English and Burmese is desirable. Engagement with the private sector has improved. NTFC has fully been set up with regular meetings, through which stakeholder consultation is conducted.

Myanmar has made noticeable progress in 'Release and Clearance Formalities', albeit at various levels across the sub-categories. Myanmar has implemented best practices in 'Pre-arrival processing', 'Self-Certification', and 'Appeal and review mechanism'. Improvement in 'Electronic Payment' is observed. Traders can pay duties, taxes, and fees electronically to Customs and some other major agencies since 2020. However, the Myanmar Customs Department(MCD) needs to make further improvements for the publication of advance rulings online, Time Release Study, as well as the implementation of 'Best Practice Risk Management', 'Separation of Release from Final Determination and Payment of Customs Duties', and 'Post-Clearance Audit'. In addition, 'Dwell time publication' and 'Trade Facilitation Measures for AEO' should be prioritised as they have not been implemented yet in Myanmar.

The MCD and major agencies have made noticeable progress in Import and Export Formalities and Coordination. Customs and major agencies in charge of monitoring more than 50% of trade volumes in Myanmar allow traders to attach digital copies of required documents to their declaration submissions or their applications. Customs and a limited number of regulatory

agencies such as the Food and Drug Administration Department, the Petroleum Products Regulatory Department, the Department of Trade, and the Posts and Telecommunications Department have accepted plain copies. However, some major agencies are not ready to accept the digital copies of required documents, as well as e-payment. Myanmar has already joined the ASW live operation for exchanging ATIGA FormD and the ASEAN Customs Declaration Document. However, Myanmar's NSW is still under development. Thus, NSW should be fully operated as soon as possible. In the meantime, the Customs, Immigration, Quarantine (CIQ) agencies also need to strengthen cooperation at main ports to further facilitate trade.

Regarding 'Cross-Border Coordination and Transit Facilitation', there exists ample room for improvement. The CIQ agencies of Myanmar need to strengthen coordination with bordering countries for improving trans-border institutional arrangements. Likewise, the CIQ agencies need to enhance their efforts for implementing all three border-crossing coordination components for facilitating cross-border movement of goods. Moreover, the MCD needs to establish a computerised system for transit, a Transit Guarantee Mechanism, and simplified procedures for Authorised Transit Traders (ATTs) as soon as possible.

Myanmar's transport agencies have made significant progress in Transport Facilitation. Standard procedures for issuance of goods vehicle cross-border permits have been established. An Electronic Data Interchange messaging platform is in place at the main port. Protocols 1 and 4 are fully implemented, while Protocol 2 has been ratified. Moreover, Myanmar has already ratified AFAFIST and AFAMT and national laws and regulations are in place. The implementation of those frameworks is currently underway.

Myanmar needs to have a harmonised and operationalised legal framework for inter-operable, mutually recognised, secure, reliable, and user-friendly e-identification and authorisation at the regional level to improve e-commerce utilisation. Likewise, a harmonised and operationalised legal framework for online dispute resolution with other AMS is not yet in place. Resource constraints, including human resource and digital technology capacity, as well as the ineffective cooperation between agencies are the key bottlenecks in this area. Thus, stronger cross-agency coordination, as well as regional cooperation through the full operationalisation of regional initiatives, would also improve the trade environment.



## 4.7. Philippines

The Philippines had a modest improvement in terms of implementation of trade facilitation measures based on the results of the ASTIF II Study as compared with the ASTFI Baseline Study. The establishment of the Philippine Trade Facilitation Committee (PTFC) in May 2021 will contribute to an integrated approach to formulating and implementing trade facilitation policies. The PTFC, as a decision-making body, would streamline and improve customs procedures and facilitate rational, efficient, and simple customs rules. Although a regular consultation mechanism with the private sector, it is still important for private sector membership in the PTFC to provide better representation to address issues and policies impacting the business community, an area which should be further addressed by the Philippines to deepen collaboration and partnership with the business community.

With the implementation of the AWSC scheme under the first protocol to amend the ATIGA, the Philippines issued guidelines that will simplify and streamline procedures to claim and avail preferential tariff rates for intra-ASEAN exports.

Although the Philippines established its NSW in 2017, it has developed the TradeNet platform to replace it. The trade regulatory government agencies (TRGAs) involved in the issuance of import and export permits and clearances are expected to be onboard the TradeNet before the end of 2021. As the Philippines is now exchanging ATIGA Form D with AMS, TradeNet is likewise expected to connect to the ASW in exchanging other documents such as the ASEAN Customs Declaration Document and electronic copies of sanitary and phytosanitary documents. To facilitate the mandate to bring onboard 73 TRGAs to TradeNet, a Memorandum Circular was issued in February 2021 by the Anti-Red Tape Authority, a government agency mandated to promote accountable and transparent governance by cutting excessive bureaucracy and enhancing the local business environment to facilitate trade. There is a need to promote this area, noting that Trade Net has only eight TRGAs onboard in its platform.

The Bureau of Customs (BOC) has improved its website significantly where laws, regulations, procedures, and documentary requirements for import and export are available for downloading by stakeholders. The BOC website also contains information on the various programmes, references, port updates, monthly entries processed that can likewise be downloaded, including links to the Philippine Tariff Finder of the Tariff Commission, results of the TRS, BOC Annual Report on Container Dwell Time, and the AEO programme, which could contribute to enhance transparency benefiting country's stakeholders. The Philippines was able to conduct TRS in 2019 and 2020 in one main port, but it has yet to be replicated in other ports and sub-ports. The Dwell Time report has yet to be seen as the Philippines has only published one in 2019, as part of the Annual Report of the BOC.

The pandemic made it necessary to streamline and re-engineer government processes to avoid face-to-face interaction and prevent the spread of the COVID-19 virus. The government passed laws and issued regulations that will facilitate trade and at the same time ensure the safety and health of frontline workers. Amongst these are the 'Bayanihan to Heal as One Act' passed by Congress and signed by the President on 25 March 2020, which provided the administrative and legal backing for exemption/conditional relief of customs duties and taxes on import of essential goods during crisis and epidemic. A follow-up law, i.e. the 'Bayanihan to Recover as One Act' was passed by Congress on 11 September 2020 to direct the adoption of measures that will facilitate and improve supply chain movement and minimise disruptions to ensure essential goods, particularly food and medicine, are available. These measures, particularly the 'Bayanihan to Recover as One Act', would complement the efforts being done by ASEAN to facilitate smooth flow of goods and inputs in the supply chain.

In addition, the government made use of information technology to complement its operation and reduce face-to-face interaction with the stakeholders. The pre-arrival processing of goods is being implemented by BOC by allowing electronic submission of goods declaration prior to their actual arrival. Electronic copies of documents are also allowed to be submitted online, which was not possible prior to pandemic. The BOC and almost all the TRGAs are now using electronic systems and facilities in the payment of duties, taxes, and fees.

The BOC, likewise, established one-stop-shop Customer Care Centers in 2020 in almost all its ports and sub-ports to implement a zero-contact policy to help minimise or eradicate corruption and facilitate trade. The challenge is to sustain the post-pandemic use of digital technology in trade facilitation.

The country report highlights other recommendations to further enhance the trade measures in place, such as fast tracking the development or enhancement of digital payment systems for all the TRGAs, regular conduct and publication of TRS and Dwell Time, establishment of MRAs for the AEO programme, and participation of the TRGAs in the NSW platform to allow all types of documents for cross-border transaction trade.

## 4.8. Singapore

Singapore also continued its strategy of building deeper connections with other economies, with implications for trade facilitation. Since 2018, several free trade agreements have entered into force, including the EU–Singapore Free Trade Agreement on 21 November 2019 (the first between the EU and an ASEAN country). Amongst other things, the agreement includes several articles related to trade facilitation. In a survey done by the European Chamber of Commerce in Singapore about the usefulness of trade facilitation measures in customs procedures, 57% of the respondents found them to be useful. In other cases of continued progress in trade facilitation, in November 2020, Singapore Customs signed a letter of intent with the United States Customs and Border Protection to explore Single Window Connectivity. Bilaterally, Singapore is also working closely with Australia, China, Indonesia, and the Netherlands to explore areas of cooperation. Furthermore, Singapore's authorised economic operators enjoy mutual recognition in 10 other countries, one of them being Thailand via the AEO Programme under the Singapore–Thailand Enhanced Economic Relations programme, which was signed in 2019.

On Communication with and active engagement of the private sector, as discussed during the baseline ASTFI report, the lack of formalisation of the NTFC has led to the low performance in the indicator, but Singapore has a well-known practice of private sector engagement in a whole-of-government way. Formalisation of the trade facilitation committee would improve the indicator but might not make any substantive difference to the trade environment.

Singapore had already achieved best practice in terms of the use of digital documents, a well-developed NSW called TradeNet, and domestic coordination across border agencies. While TradeNet was established several decades ago, Singapore is currently building the Networked Trade Platform as a trade and logistics ecosystem connecting business, community systems and platforms, and government systems. When completed, the Networked Trade Platform will replace TradeNet as Singapore's NSW.

NSW usage is also widespread, with the number of agencies using it increasing from 11 in 2018 to 13 in 2020.

## 4.9. Thailand

Thailand is amongst the AMS that have a high rate of implementation of WTO-TFA commitments to date, which stands at 97.1% (Category A at 91.6% and Category B currently stands at 5.5%). Following the implementation of Thai Customs 4.0, more strategies and programmes have been introduced under the current review of ASTFI II. Amongst those programmes include NSW mobile e-tracking of customs clearance status. Thailand has also established a tracking system called e-Lock to supervise, inspect, and track the transportation of transit goods, which increases customs control efficiency. It is also developing an e-drawback system, which is an electronic tax refund system through the NSW for entrepreneurs who use the privileges of tax refunds for export to receive quick and accurate refunds. It also has a Customs Trader Portal, i.e., an online web application that gives business operators a convenient option to register as an importer, exporter, or an operator who conducts customs formalities.

To facilitate trade and ease the restrictions in response to the COVID-19 pandemic, several temporary measures were instituted to include exemption from the regulation for importers to send out transit and trans-shipment goods out of Thailand within 30 days from the date of the goods entered the country. Aside from the exemptions on import tariff on some medical products, Thailand also allowed temporary use of a copy (instead of an original) of the certificates of origin for customs clearance. All government agencies allowed the use of electronic payment for duties, taxes, or fees through internet banking, counter services or QR code via electronic data capture. The Customs Alliance Program has also been expanded with various activities which include seminars on 'Tariff e-Service', 'Time Release Study', and 'Public Hearing on Fee Collection for Customs Goods Declaration Procedure'.

Although Thailand adopted procedures allowing for the expedited release through land ports in 2020, air cargo pre-arrival processing is still only allowed for air and sea, but not yet for land. As with the other AMS, Thailand in 2020 implemented the AWSC for certified exporters. It is also in the final stage of concluding the AEO-MRA with Malaysia, in addition to the Singapore AEO-MRA. Thailand has also established MRAs with Australia in 2021, in addition to the MRAs with Hong Kong and Korea.

Although the Thai Customs Department allows all traders/clients to attach digital copies in the filing of entry declarations, some major agencies still do not allow digital copies for permit and license applications. In addition, Thai Customs and other major agencies accept original documents, certified true copies, and digital copies, but most agencies do not accept plain copies.

Under this review, there are 36 government agencies connecting and exchanging data through 'government-to-government' and 21 government agencies connecting via 'business-to-government'. There are also five private sectors connecting via 'business-to-business' with 18

commercial banks providing e-Payment and e-Guarantee services. The NSW supports single-point electronic permit/ certification requesting with two officially available services: 1) Customs Clearance Information Submission for Import and Export, and 2) E-submission System for Notification of Production Information for Hazardous Substances (Single Entry Form). A pilot project jointly developed by the Department of Foreign Trade, the Federation of Thai Industries, and the Board of Trade of Thailand, on Certificate of Origin request system via NSW single form was launched in 2020.

On Border Crossing Operational Coordination, all three components are now in place, which included development of sharing common facilities, joint controls with neighbouring country authorities, and alignment of working hours between neighbouring country authorities. There were also discussions between Thailand and Lao PDR under the Joint Commission on Cooperation to enhance mutually beneficial cooperation in major areas including the development of the common control area at the Mukdahan–Savannakhet border crossing, enabling single stop inspections and cargo clearances.

Other developments include the transit guarantee mechanism, which is already in place electronically with cross-border exchange of data. In addition to Thailand's adoption of ACTS in 2020, simplified procedures for ATTs are also in place for Thai Customs.

Thailand already has experiences in managing the issuance of permits with applied quotas for multiple agreements under The Greater Mekong Subregion Cross-Border Transport Facilitation Agreement and also permits without quotas for the Thailand–Lao PDR bilateral agreement. Even though ASEAN agreements have yet to be fully implemented, all standard procedures have been laid out for future implementation.

The country report highlights key recommendations such as translating available information into English for better access to other stakeholders. Consultation mechanisms for micro, small and medium-sized enterprises should be more frequent or more regular. Electronic consultation could be an alternative method to communicate with stakeholders. It was also noted that Customs should work with the Port Authority on the publication of average dwell time. This is needed since measuring dwell time can give important insight into port performance.

On cross-border e-commerce dispute settlement, an Online Dispute Resolution (ODR) system called TALK DD developed by the Thailand Arbitration Center is already operational. The ODR system covers different types of disputes, not only e-commerce ones. With the establishment of the system, Thailand should collaborate and discuss ODR issues with other AMS to agree on certain minimum standards, particularly with respect to information technology protocols and operating systems, right from the start. This could lead to smoother progress for the development of ASEAN ODR.

## 4.10. Viet Nam

Overall, Viet Nam has made great efforts to facilitate trade, improve the business environment and, consequently, enhance national competitiveness. In line with the WTO and regional TFA commitments, Viet Nam has reduced cumbersome documentation and harmonised and simplified border procedures. Since the beginning of 2019, the General Department of Viet Nam Customs, together with related line agencies, has formulated and furnished legal documents following uniform and transparent methodology based on legislation and regulatory framework. Electronic and modern customs procedures are promoted. These include Decree No. 85/2019 / ND-CP on implementing administrative procedures through NSW, ASW and specialised inspections of import and export goods; Decision No. 23 /QD-TTg on the updated list of imported goods subject to procedures at the import border; Circular No. 07/2019/TT-BTC on the application of priority regimes for customs procedures, customs inspection and supervision on export and import activities; Circular No. 62/2019/TT-BTC on determining the origin of exported goods import and export; Circular No.80/2019/TT-BTC and Decree No. 14/2018/ND-CP on border trade activities; Circular No. 81/2019/TT-BTC on risk management in customs operations, amongst others.

The results of such vigorous reform are reflected in relatively high performance in the various components of ASTFI II. The country maintains or achieves high performance in more than 50% of ASTFI components. Significant progress is observed in the cross-border coordination and transit facilitation. An operational border crossing coordination mechanism is in place, in which common facilities are shared, working hours with neighbouring countries are aligned, and joint controls are practised. The country is developing a computerised system for transit, while the transit guarantee mechanism has been computerised and allows for cross-border data exchange. Simplified procedures for ATTs are in place as well. Land transport facilitation (category F) has also achieved remarkable progress with the ratification of Protocols 1 and 4, and formation of the legal implementation system in place for Protocol 2.

Moreover, Viet Nam performs well for communication and active engagement with the private sector, release and clearance formalities, and import/export formalities and coordination. Nevertheless, further improvement is expected in some areas. On release and clearance formalities, there is a room for improvement for publications of dwelltime and TRS respectively, as these reports are either conducted on an adhoc basis (dwelltime) or regular basis but the results are not available to the public (TRS).<sup>4</sup> Enhancing access to such information will facilitate both traders and policymakers in decision making and policy formulation. Best practice risk management and trade facilitation for trusted traders or AEOs can be improved as well. As of now, only AEO, not the trusted traders, programme is in place, while MRAs with AMS on AEO is under discussion.

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<sup>4</sup> Viet Nam provides TRS results to the World Customs Organization and ASEAN Secretariat every 2 years.

Regarding information accessibility in transparency and export/import formalities, operation of NTR and NSW is not always smooth. In an annual business survey conducted by Customs and the Vietnam Chamber of Commerce and Industry in 2020, enterprises often cite frequent errors of the NSW, the requirement to submit paper documents in parallel, lack of transparency for certain administrative procedures, missing information about administrative procedures on the NSW Portal amongst key bottlenecks. In addition, the existence of two trade portals operated by two different line agencies adds further difficulty to integrate and streamline information.

Transport facilitation and e-commerce are two areas with the amplest room for reform. Regarding the former, so far, standard procedures for the issuance of ASEAN goods vehicle cross-border permits have not been implemented. However, a draft Government Decree to regulate these procedures is underway. A national legal framework for the ASEAN Framework Agreement on Multimodal Transport has been developed, while the ASEAN Framework Agreement on the Facilitation of Inter-State Transport has just been ratified and a national implementation structure is expected in the future. As for e-commerce, the decree on e-identification and authentication is being drafted. There is no revenue collection framework for cross-border e-commerce trade. Instead, the country maintains threshold values for customs, at a minimum in line with the provisions contained in the WTO trade facilitation agreement. A mechanism for online dispute resolution operates as the legal framework for domestic and cross-border e-commerce dispute settlement, but the framework is not harmonised with that of other AMS.

The findings from ASTFI II highlight the importance (and, to various extents, the lack thereof) of smooth inter-agency as well as cross-border coordination, enhanced technology, and legal frameworks to address emerging issues such as digital trade. Trade facilitation is always vital for an open economy such as Viet Nam, and it has become even more critical to ensure economic resilience against large shocks such as the COVID-19 pandemic. Indeed, Viet Nam has accelerated substantial reform to help the private sector better exploit the opportunities from various trade agreements that the country has pursued. The country is well on track; by addressing the existing bottlenecks, it is expected that Viet Nam will be able to keep its momentum.

## 5. Recommendations

The baseline ASTFI report made several recommendations for ASEAN to further improve its trade facilitation environment. The following table indicates that many of the recommendations have been implemented. NSWs and the ASW have been fully operationalised, the majority of AMS have added trade-related information on the ATR, many of the ASEAN transport facilitation agreements have been implemented, ASEAN e-commerce agreements and AWSChave come into force, and regular conduct of TRSsis more common. Some of the recommendations such as the implementation of MRAs for AEOs are in final stages (Table 1.3).

**Table 1.3. Implementation Status of Baseline ASTFI Recommendations in ASEAN**

No.	Recommendations	Status	Note
1	Full operationalisation of the NSW/ASW/export–import formalities	Full operation.	
2	Completion of populating the ASEAN Trade Repository (ATR) with the appropriate information linked with the National Trade Repository (NTR)	All AMS have completed the uploading of the SPS measure. All AMS completed the uploading of the TBT measure. Nine AMS , namely Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Singapore, Thailand and Viet Nam, completed the validating and uploading other measures (Non-SPS/Non-TBT). All AMS have completed the validation and upload of trade-related information from Category 1 (Tariff nomenclature), Category 2 (MFN tariffs, preferential tariffs offered under the ATIGA and other Agreements of ASEAN with its Dialogue Partners) and Category 3 (Rules of origin) into the ATR/NTRs. The Philippines has not completed the upload of Category 4	MY has completed upload of all Cat 1,2,3 & 4 in the ATR on 8 June 2023



No.	Recommendations	Status	Note
3	Ratification and implementation of the ASEAN transport facilitation agreements and protocols	<p>I. The <b>ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT)</b> has entered into force since November 2020.</p> <p>II. The ASEAN Framework Agreement on the Trade Facilitation of Inter-State Transport (AFAFIST) has been in force amongst seven AMS, namely: Cambodia, Lao PDR, Myanmar, Philippines, Singapore, Thailand and Viet Nam.</p> <p>III. The ASEAN Framework Agreement on Multimodal Transport (AFAMT) has been in force amongst eight AMS, namely: Cambodia, Indonesia, Myanmar, Lao PDR, Philippines, Singapore, Thailand and Viet Nam.</p>	<p>I. <b>AFAFGIT</b> The AFAFGIT has been implemented through ACTS since November 2020.</p> <p>Protocol 6 (Railways Border and Interchange Stations for connecting and transit service on railway lines carrying good trains linking the territories of ASEAN Countries) has not yet entered into force because only nine AMS have ratified the agreement, which left Indonesia.</p> <p>II. <b>AFAFIST</b> Brunei Darussalam and Malaysia are expected to ratify the agreement by end of 2022. Indonesia had signed the Instrument of Ratification of the AFAFIST on 26 June 2023.</p> <p><b>AFAMT</b> AFAMT Pilot has been implemented between Thailand and Viet Nam since October 2020. Participation from other AMS which are ready to implement AFAMT, i.e. Indonesia and Singapore, are being awaited. The remaining AMS are still developing/reviewing legal frameworks on multimodal transport to support implementation of AFAMT.</p>
4	Ratification and implementation of the ASEAN E-Commerce Agreement	The ASEAN Agreement on Electronic Commerce entered into force in December 2021.	
5	Accelerate the implementation of regional trade facilitation initiatives like self-certification	The ASEAN-wide Self-Certification Scheme (AWSC) has been implemented since 20 September 2020 in all AMS.	

No.	Recommendations	Status	Note
6	Full operationalisation of the ASEAN Customs Transit System (ACTS)	ACTS Live Operation commenced on 2 November 2020 amongst the six participating member states: Cambodia, Lao PDR, Malaysia, Singapore, Thailand, and Viet Nam. Myanmar will join the ACTS Live Operation in 2023.	
7	More bilateral MRAs on AEOs (e.g., the Singapore – Thailand MRA on AEOs) or authorised transit traders between AMS	ASEAN is going to sign the AEO MRA in 2023.	
8	Conclusion of the Regional Comprehensive Economic Partnership (RCEP) Agreement	The RCEP Agreement was signed on 15 November 2020. The RCEP Agreement has entered into force on 1 January 2022 for Australia, Brunei Darussalam, Cambodia, China, Japan, Lao PDR, New Zealand, Singapore, Thailand and Viet Nam. Additionally, the RCEP agreement has entered into force on 18 March 2022 for Malaysia. All RCEP Parties have submitted the instrument of ratification for the implementation of RCEP agreement.	
11	Implementation of TRS, with the results publicly available.	Cambodia, Lao PDR, Malaysia, Myanmar, the Philippines, and Singapore have published their TRS reports on their Customs websites.	All AMS have submitted their 2021 TRS Report. However, not all AMS have publicised their the TRS in their relevant agencies' website. Brunei Darussalam, Indonesia, and Viet Nam have not published their TRS reports. Indonesia and Thailand's Customs Department is in the process of publication of the TRS report by 2023.

AEO = authorised economic operator, ASTFI = ASEAN Seamless Trade Facilitation Indicators, ATIGA = ASEAN Trade in Goods Agreement, ATR = ASEAN trade repository, NTR = national trade repository, Lao PDR = Lao People's Democratic Republic, AMS = ASEAN Member State, ASW = ASEAN Single Window, MFN = most favoured nation, NSW = national single window, ASEAN = Association of Southeast Asian Nations, TRS = time release study, SPS = Sanitary and Phytosanitary Measures, TBT = technical barrier to trade, MRA = mutual recognition arrangement.

Source: ASEAN Secretariat (2022).

Notwithstanding the enormous progress made since the publication of the baseline ASTFI report, trade facilitation is a continuous process and must adapt to emerging challenges and opportunities in international flow of goods. The continual liberalisation of ASEAN economies requires greater trade facilitation to reap maximum benefits, particularly for smaller businesses that may be excluded due to high trade transactions costs. ASEAN must continuously strive to better implement existing measures, strengthen institutional mechanisms, and identify new areas of cooperation not only within ASEAN, but also with external trade partners.

ASTFI II has the following recommendations for ASEAN's consideration.

- Given RCEP, ASEAN must catch up with its five partners in implementation of trade facilitation measures and enhance efforts to extend them.
- As an example of joint learning and regional cooperation between AMS, institutionalising regular discussions amongst the NTFCs would further facilitate trade within ASEAN. AMS may wish to establish an ASEAN-level federation of NTFCs to identify and solve region-wide trade facilitation issues.
- Work towards a common framework for issuance of advance rulings on origin and valuation, so that ASEAN traders have greater certainty when trading intra-regionally. The ASEAN–Australia–New Zealand FTA already contains provisions on advanced rulings (Kieck, 2020), although the implementation is on a best endeavour basis. Similar provisions could be added to ATIGA. ATIGA's current provision on advanced ruling is not mandatory. The RCEP has clearer commitments, unlike the ATIGA and AANZFTA, and could be used as a model for improving the trade facilitation provisions in ATIGA.
- Learning from experiences of Singapore and Thailand, other AMS could expedite improvements in their AEO programmes and signing MRAs with other AMS. Work towards ASEAN-wide recognition of AEOs from other AMS.
- Increase the number of government agencies participating in the NSW, as well as enhance coordination amongst government agencies. In some AMS, update Customs law to include additional facilitation provisions.
- Monitor and evaluate the performance of ACTS by assessing its trade facilitation benefits.
- Institutionalise regular conduct and publication of TRS to continually solve bottlenecks in the cargo clearance process.
- Implement cross-border coordination between neighbouring countries for seamless flow of goods.

## References

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# Appendix I

**Table A1.1. ASEAN Seamless Trade Facilitation Indicator (ASTFI) Sub-indicators and Components.**

<b>Transparency and Information on Laws, Regulations, and Procedures</b>	
VA01	Customs Website/Trade Portal and Information
VA02	Information on Export and Import Formalities of Regulatory Agencies
VA03	National Trade Repository (NTR) and ASEAN Trade Repository (ATR)
VA04	Implementation of Interactive Information Channels/Customs Contact Centre
<b>Communication with and Active Engagement of the Private Sector</b>	
VB01	National Trade Facilitation Committee (NTFC), and Equivalent Title and Mechanisms
VB02	Stakeholders, including Micro, Small, and Medium-sized Enterprises (MSMEs)
<b>Clearance</b>	
VC01	Advance Rulings (AR) for Classification and Valuation
VC02	Pre-Arrival Processing
VC03	Best Practice Risk Management
VC04	Separation of Release from Final Determination and Payment of Customs Duties
VC05	Electronic Payment
VC06	Appeal and Review Mechanism
VC07	Post-Clearance Audit (PCA)
VC08	Dwell Time publication
VC09	Time Release Study publication
VC10	Trade Facilitation Measures for Trusted Traders or Authorized Economic Operators
VC11	Self-Certification
VC12	Simplified or Expedited Clearance
VC13	Temporary Admission
<b>Import / Export Formalities and Coordination</b>	
VD01	Documentation Requirements
VD02	Acceptance of Copies
VD03	National Single Window
VD04	ASEAN Single Window
VD05	Border Agency (Customs, Immigration, Quarantine / CIQ) Coordination (Domestic)

<b>Cross-Border Coordination and Transit Facilitation</b>	
VE01	Border Agency Institutional Coordination (With bordering countries)
VE02	Border-crossing operational coordination with neighbouring countries
VE03	Computerised System for Transit
VE04	Transit Guarantee Mechanism
VE05	Simplified Procedures for Authorized Transit Traders (ATT)
<b>Transport Facilitation</b>	
VF01	Procedures for Issuance of ASEAN Goods Vehicle Cross Border Permits
VF02	Electronic Data Interchange (EDI) and Port Community
VF03	Land Transport Facilitation: operationalisation of Protocol 1, Protocol 2, and Protocol 4
VF04	Land Transport Facilitation: operationalisation of the AFAFIST and the AFAMT
<b>E-commerce</b>	
VG01	Legal Framework and operationalisation of e-identification and authorisation
VG02	Revenue Collection Framework for Cross-Border E-commerce Trade
VG03	Legal Framework for Domestic and Cross-Border E-commerce dispute settlement

Source: ASEAN Seamless Trade Facilitation Indicators (ASTFI) Survey 2020.

# Appendix II

## Scoring

Scoring is graduated to measure improvements over time as well as movement towards internationally agreed best practice and/or operationalisation of ASEAN agreements and plans.

A uniform scoring method is used whereby:

- 0% is taken to mean that a programme/regulation/practice has not been adopted or implemented;
- 33% is taken to mean that a programme/regulation/practice is being piloted/under development/implemented in a limited scale;
- 66% is taken to mean that a programme/regulation/practice is being implemented on a wider scale or a higher level of performance; and
- 100% is taken to mean that a programme/regulation/practice is being fully implemented or at the internationally accepted best practice.

This structure is consistently applied to all variables, yet variation in wording may occur to reflect the nature of the measure or principle under verification. The discrete nature of the scoring allows for clear measurement. Nonetheless, there are instances when a country lies between two scoring levels. Although the score would be the lower of the two levels, the discussion in the report describes the country being well into the next level. This acknowledges that countries undertake reforms and improvements over the course of many years, if not decades, in light of changing market, economic and technological environments. The scoring approach has been approved by ATF-JCC.

## Appendix III

**Table A1.2. Concordance between ASTFI and UNTF surveys**

UN Global Survey on Digital and Sustainable Trade Facilitation	ASEAN Seamless Trade Facilitation Indicators
<b>Transparency</b>	
Publication of existing import–export regulations on the internet	VA01. Customs Website/Trade Portal and Information VA02. Information on Export and Import Formalities of Regulatory Agencies VA03. National Trade Repository (NTR) and ASEAN Trade Repository (ATR)
Stakeholders' consultation on new draft regulations (prior to their finalisation)	VB02. Stakeholder Consultation, including Micro, Small and Medium-sized Enterprises, Consultations on Rules and Regulation on Trade Related Measures including NTMs
Advance publication/notification of new trade-related regulations before their implementation	
Advance ruling on tariff classification and origin of imported goods	VC01. Advance Rulings (AR) for Classification, Origin and Valuation
Independent appeal mechanism	VC06. Review and Appeal Mechanism
<b>Formalities</b>	
Risk management	VC03. Risk Management
Pre-arrival processing	VC02. Pre-Arrival Processing
Post-clearance audits	VC07. Post-Clearance Audit
Establishment and publication of average release times	VC08. Dwell time publication VC09. Time release study and publication
Trade facilitation measures for authorised operators	VC10. Trade Facilitation Measures for Trusted Traders or Authorized Economic Operators
Expedited shipments	VC12. Simplified or Expedited Clearance
Acceptance of copies of original supporting documents required for import, export or transit formalities	VD01. Documentation Requirements VD02. Acceptance of Copies
<b>Institutional Arrangement and Cooperation</b>	
National Trade Facilitation Committee or similar body	VB01. National Trade Facilitation Committee (NTFC), and Equivalent Title and Mechanisms
National legislative framework and/or institutional arrangements for border agencies cooperation	VD05. Border Agency (Customs Authority, Immigration, Quarantine) Coordination (Domestic) VE01. Border Agency Institutional Coordination (With bordering / neighbouring countries) VE02. Border-crossing operational coordination with the neighbouring countries



UN Global Survey on Digital and Sustainable Trade Facilitation	ASEAN Seamless Trade Facilitation Indicators
Government agencies delegating border controls to Customs authorities	VD05. Border Agency (Customs Authority, Immigration, Quarantine) Coordination (Domestic)
<b>Paperless Trade</b>	
Automated Customs System	VD01. Documentation Requirements
Internet connection available to Customs and other trade control agencies	VD03. National Single Window
Electronic submission of Customs declarations	VD01. Documentation Requirements.
Electronic application and issuance of import and export permit	VD03. National Single Window
Electronic Submission of Air Cargo Manifest	VD02. Acceptance of Copies
E-Payment of Customs Duties and Fees	VC05. Electronic Payment
<b>Cross Border Paperless Trade</b>	
Laws and regulations for electronic transactions	VG01. Legal Framework and operationalisation for inter-operable, mutually recognised, secure, reliable and user-friendly e-identification and authorisation VG02. Revenue Framework for Cross-Border E-commerce Trade VG03. Legal Framework for Domestic and Cross-Border E-commerce dispute settlement
Recognised certification authority	
Electronic exchange of Customs Declaration	
Electronic exchange of Certificate of Origin	VD04. Link to ASEAN Single Window
Electronic exchange of Sanitary & Phyto-Sanitary Certificate	VD04. Link to ASEAN Single Window
Paperless collection of payment from a documentary letter of credit	

Source: United Nations Global Survey on Digital and Sustainable Trade Facilitation, [untfsurvey.org](http://untfsurvey.org), 2021 and ASEAN Seamless Trade Facilitation Indicators (ASTFI) Survey, 2020.