



PROTOCOL 7 CUSTOMS TRANSIT SYSTEM

The Governments of Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, the Lao People's Democratic Republic, Malaysia, the Republic of the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand and the Socialist Republic of Viet Nam, Member States of the Association of South East Asian Nations (ASEAN) (hereinafter referred to singularly as "Contracting Party" and collectively as "Contracting Parties");

RECALLING the ASEAN Framework Agreement on the Facilitation of Goods in Transit signed on 16 December 1998 in Ha Noi, Viet Nam (hereinafter referred to as "the Agreement");

RECOGNISING that Articles 18 and 25 thereof provide for the conclusion of implementing Protocols which shall form integral parts of the Agreement;

RECALLING that the ASEAN Customs Transit System works towards the establishment of the ASEAN Economic Community as stipulated in the ASEAN Economic Community Blueprint;

DESIRING to encourage and facilitate inter-state and transit transport operations among the Contracting Parties;

REITERATING that the conclusion of this Protocol shall provide for the efficient and effective arrangement for transit trade among the Contracting Parties;

HAVE AGREED as follows:

Article 1 Definitions

For the purpose of this Protocol:

- (a) "ASEAN Customs Transit System" or "ACTS" means the Customs system of transit transport under Customs control to facilitate the movement of goods across the territory of one or more Contracting Parties established under this Protocol, when the passage across such a territory or territories is only a

portion of a complete journey beginning and terminating beyond the frontier of one or more Contracting Parties across whose territory the traffic passes;

- (b) "ACTS procedure" means the rules and procedures governing the ACTS as specified in this Protocol and its Technical Appendix;
- (c) "Competent authorities" means the Customs authority or any other authority responsible for applying the provisions of this Protocol;
- (d) "Customs" means Customs authorities of the Contracting Parties;
- (e) "Customs debt" means the Customs duties, taxes and charges which may be incurred in respect of goods placed under the ACTS procedure;
- (f) "Customs office of departure" means any Customs office at which a transit operation commences;
- (g) "Customs office of destination" means any Customs office at which a transit operation is terminated;
- (h) "Customs office of transit" means any Customs office at the point of exit from or entry into a Contracting Party in the context of a transit operation;
- (i) "Customs transit declaration" means the declaration to be lodged by the Principal to the Customs office of departure to place goods under the ACTS procedure;
- (j) "Data-processing techniques" means the introduction of information required for completion of the formalities concerned into the data-processing systems of the competent authorities or the exchange of electronic standard messages with the competent authorities;
- (k) "Guarantor" means any natural or legal third person who undertakes in writing to pay jointly and severally with the Principal any potential Customs debt up to the amount guaranteed;
- (l) "Office of guarantee" means the office(s) designated by a Contracting Party to manage arrangements in that country for the authorisation of guarantors and supervision of guarantees covering transit operations;
- (m) "Principal" means the person who places goods under the ACTS procedure, even where this is done by an authorised representative;
- (n) "Transit operation" means the transport of goods from a Customs office of departure to a Customs office of destination under the ACTS procedure.

Article 2
Scope of Application

Pursuant to Article 18.1 of the Agreement, the Contracting Parties hereby agree to establish the ACTS and to apply the provisions of this Protocol to the transit of goods in their territories.

Article 3
General Provisions

1. Without prejudice to paragraphs 2 and 3 of this Article, each Contracting Party shall allow goods to be transported across its territory under the ACTS procedure.
2. Contracting Parties may prohibit and/or restrict certain goods from the use of the ACTS, where this is justified on the grounds of public morality, public policy or public security, the protection of health and life of humans, animals or plants, the protection of national treasures possessing artistic, historical or archaeological value, or the protection of industrial or commercial property.
3. After the signing of this Protocol, the list of prohibited and/or restricted goods for each Contracting Party shall be specified in an Annex to this Protocol. Each Contracting Party may amend its list of prohibited and/or restricted goods by promptly notifying the Secretary-General of ASEAN of the amendments. The Secretary-General of ASEAN shall promptly communicate the updated Annex to the Contracting Parties.
4. Goods placed under the ACTS procedure shall not be subject to the payment of duties and taxes, other than charges for transportation or those commensurate with administrative expenses entailed by transit or with the cost of services rendered, provided that the provisions of the ACTS are observed and any security required under Article 5 of this Protocol has been furnished. This provision, however, does not prevent:
 - (a) the collection of duties and taxes in the country of exportation when such duties and taxes remain due whether the goods are exported under transit or under a national exportation procedure; or
 - (b) the collection of duties and taxes in a country of destination when the transit operation is terminated and the goods are cleared for home use.
5. The conditions to be fulfilled and Customs formalities to be applied to a transit operation shall be specified in national legislation and/or administrative notices issued by the competent authorities.
6. As a general rule, goods placed under the ACTS procedure shall be exempt from:

- (a) routine physical Customs inspections en route other than inspection of seals and non-intrusive inspection;
 - (b) Customs escorts; and
 - (c) the requirement to provide any security or bond in addition to that prescribed under this Protocol and its Technical Appendix.
7. Contracting Parties will promote the use of information and communication technology systems and risk management techniques as regards all provisions introduced to manage the ACTS to ensure the most efficient management environment for both Customs and the traders.

Article 4
Customs Transit Declaration

1. A Customs transit declaration shall be made by the Principal or his authorised representative for goods to be placed under the ACTS procedure.
2. The Customs transit declaration and the Transit Accompanying Document for the purposes of the ACTS procedure shall be in accordance with the Technical Appendix to this Protocol.

Article 5
Security for Customs Debt

1. In order to ensure payment of Customs debt which may be incurred in respect of the goods placed under the ACTS procedure, and except where otherwise provided for, a transit operation shall be covered by a guarantee valid for all Contracting Parties involved in that operation.
2. The guarantee shall be furnished by the Principal and the maximum sum shall not exceed the potential Customs debt due.
3. The guarantor shall be established in and approved by the office of guarantee in the Contracting Party where the guarantee is furnished. The guarantor shall furnish an address for service in the territory of each of the Contracting Parties involved in the transit operation in question. In the case of where the guarantor has no address for service, the guarantor shall appoint an agent in each of the Contracting Parties involved in the transit operation in question.

Article 6
Incidents En Route

In the case of loss or destruction of the goods, damage to the transit seals or any other incident or accident capable of affecting the ability to comply with the ACTS procedure, the Principal, transport operator or other persons having control over the

goods shall report the occurrence immediately to the competent authorities of the Contracting Party in whose territory the means of transport is located, which shall adopt rules and procedures for such occurrences in accordance with the Technical Appendix to this Protocol.

Article 7 **Offences**

1. Each of the Contracting Parties shall have the right to exclude temporarily or permanently from the use of the ACTS procedure any person guilty of a serious offence against Customs or other relevant laws or regulations applicable to the international transport of goods which in the judgment of the competent authorities justifies such action.
2. Any offence detected in connection with a transit operation shall be dealt with in accordance with the national legislation of the Contracting Party concerned.

Article 8 **Simplified Procedures**

1. The competent authorities of the Contracting Party in whose territory the application for authorisation is made may authorise certain traders to use simplified procedures for transit operations.
2. The responsibilities of such authorised traders together with the simplified procedures are set out in the Technical Appendix to this Protocol.

Article 9 **Administrative Assistance and Recovery**

The competent authorities of the Contracting Parties shall render assistance to each other in accordance with their national legislation with respect to enquiries and the investigation and/or recovery of claims where these claims arise in connection with a transit operation.

Article 10 **Institutional Arrangements**

1. The ASEAN Directors-General of Customs Meeting shall be responsible for monitoring, reviewing, coordinating and supervising all aspects relating to the effective implementation of this Protocol. The ASEAN Directors-General of Customs Meeting may designate relevant groups or committees to assist them in discharging their responsibilities under this Protocol.

2. The ASEAN Secretariat shall provide the necessary administrative support and assistance to the ASEAN Directors-General of Customs Meeting in carrying out its functions and discharging its responsibilities under this Protocol.
3. All amendments to the Technical Appendix to this Protocol shall be subject to the approval of the ASEAN Directors-General of Customs Meeting. The said amendments shall be administratively annexed to this Protocol and serve as an integral part of this Protocol.¹

Article 11
Miscellaneous Provisions

1. Each Contracting Party shall take appropriate measures to ensure that the provisions of this Protocol are effectively and harmoniously applied, taking into account the need to reduce as far as possible the formalities imposed on any party using the ACTS procedure and the need to achieve mutually satisfactory solutions of any difficulties arising out of the operation of these provisions.
2. The Contracting Parties shall, to the extent possible and subject to their national legislation, furnish each other with any information and keep each other informed of any measure that affects the operation of this Protocol.

Article 12
Final Provisions

1. This Protocol shall be deposited with the Secretary-General of ASEAN who shall promptly furnish a certified copy thereof to each Contracting Party.
2. This Protocol with its Annex and Technical Appendix shall form an integral part of the Agreement. In the event of inconsistency or conflict, the Agreement shall prevail over this Protocol.
3. This Protocol shall be subject to ratification or acceptance by the Contracting Parties. The Instrument of Ratification or Acceptance shall be deposited with the Secretary-General of ASEAN who shall promptly inform each Contracting Party of such deposit.
4. The Protocol shall enter into force upon the deposit of Instruments of Ratification or Acceptance by all Contracting Parties with the Secretary-General of ASEAN.
5. No reservations may be made to this Protocol either at the time of signature or ratification or acceptance.

¹ The approval by the ASEAN Directors-General of Customs Meeting shall be given only upon the completion of each Contracting Party's internal procedures.

6. Any amendment to the provisions of this Protocol, except for amendment to the Annex and the Technical Appendix as provided under paragraph 3 of Article 3 and paragraph 3 of Article 10 of this Protocol respectively, shall be effected by the consent of all Contracting Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorised to sign by their respective Governments, have signed Protocol 7 on Customs Transit System to implement the ASEAN Framework Agreement on the Facilitation of Goods in Transit.

DONE at Bangkok, Thailand on the 24th day of February 2015
in a single copy in the English language.

For the Government of Brunei Darussalam,



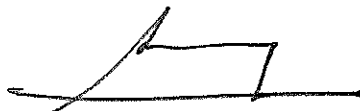
PEHIN DATO ABD RAHMAN IBRAHIM
Minister of Finance II at the Prime Minister's Office

For the Government of the Kingdom of Cambodia,



KEAT CHHON
Deputy Prime Minister, Minister of Economy and Finance

For the Government of the Republic of Indonesia,



AGUS D.W. MARTOWARDOJO
Minister of Finance

For the Government of the Lao People's Democratic Republic,



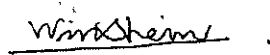
SANTIPHAB PHOMVIHANE
Vice-Minister of Finance

For the Government of Malaysia,



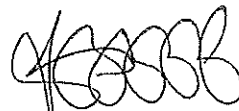
DATO' SERI AHMAD HUSNI MOHAMAD HANADZLAH
Minister of Finance II

For the Government of the Republic of the Union of Myanmar,



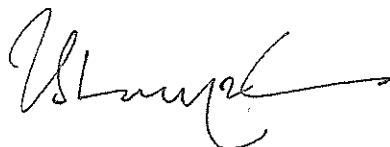
U WIN SHEIN
Union Minister, Minister of Finance and Revenue

For the Government of the Republic of the Philippines,



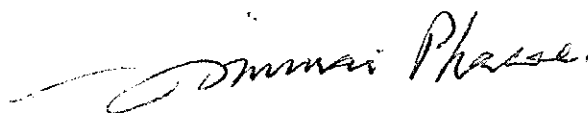
CESAR V. PURISIMA
Secretary Department of Finance

For the Government of the Republic of Singapore,



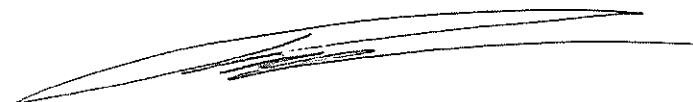
THARMAN SHANMUGARATNAM
Deputy Prime Minister and Minister for Finance

For the Government of the Kingdom of Thailand,



SOMMAI PHASEE
Minister of Finance

For the Government of the Socialist Republic of Viet Nam,



TRUONG CHI TRUNG
Vise-Minister of Finance

TECHNICAL APPENDIX

ASEAN CUSTOMS TRANSIT RULES AND PROCEDURES

SECTION 1 GENERAL PROVISIONS AND PROCEDURES

Article 1 Scope

As provided for in Protocol 7 "Customs Transit System", this Appendix lays down the rules and procedures governing the ASEAN Customs Transit System (ACTS).

Article 2 Obligations of the Principal

1. In placing goods under the ACTS procedure, the Principal shall be liable for the payment of any Customs debt which may become due as a result of an irregularity occurring before the termination of the transit operation. This liability applies equally where the goods have been placed under the ACTS procedure by the Principal's authorised representative.
2. The Principal shall be required to:
 - (a) present the goods intact with the necessary documents, at the Customs office of destination, within any prescribed time limits, unless an authorisation to end the ACTS procedure at a trader's premise has been granted under Article 41 of this Appendix;
 - (b) present to the competent authorities, upon request and within any stipulated deadline, all documents and other information relevant to the transit operation; and
 - (c) observe the provisions relating to the ACTS.
3. Paragraphs 1 and 2 of this Article shall also apply to a carrier or other legal or natural person who accepts the goods and has knowledge that such goods are being transported under the ACTS procedure.

Article 3 Sealing

1. As a general rule, the goods in transit shall be secured by sealing:
 - (a) the space containing the goods, when the means of transport has been approved by the competent authorities under relevant regulations and/or

those being recognised by the Customs office of departure as suitable for sealing; or

- (b) each individual package in other cases.
2. Means of transport may be recognised as suitable for sealing if:
 - (a) seals can be easily and effectively affixed to them;
 - (b) they are so constructed that no goods can be removed or introduced without leaving visible traces of tampering or without breaking the seals;
 - (c) there are no spaces where goods may potentially be hidden; and
 - (d) the spaces reserved for the goods are readily accessible for inspection by the competent authorities.
 3. The Customs office of departure may waive the requirement for sealing where the nature of the goods being transported makes this impracticable, subject to sufficient description of such goods to ensure easy identification.

SECTION 2 USE OF INFORMATION TECHNOLOGY

Article 4

Application of Electronic Data Exchange for the Facilitation of Goods in Transit

1. Without prejudice to special circumstances referred to in paragraph 2 of Article 32 of this Appendix, the competent authorities of the Contracting Parties shall use information technology to manage risk and register, control, monitor and exchange data concerning the ACTS procedure.
2. Pursuant to paragraph 1 of this Article, the systems adopted shall include measures for checking the source, authenticity and integrity of data and protecting them against accidental or unlawful destruction or accidental loss, alteration or unauthorised access.
3. The competent authorities shall establish and maintain adequate security arrangements for the effective, secure and reliable operation of the computerised systems for the ACTS.

Article 5

Standard Electronic Messages for Transit Operation Control

1. On release of the goods, the Customs office of departure shall transmit details of the ASEAN Customs transit declaration to the Customs office of destination using the "Anticipated Arrival Record" message and to each Customs office of transit using the "Anticipated Transit Record" message.

2. The Customs office of transit shall record the passage of the goods against the "Anticipated Transit Record" message received from the Customs office of departure. The passage of the goods shall be notified to the Customs office of departure using the "Notification Crossing Frontier" message. This notice can also be used by Customs offices of transit to verify that the goods were subsequently taken under Customs control.
3. The Customs office of destination shall use the "Arrival Advice" message to notify the Customs office of departure of the arrival of the goods. The message shall be transmitted not later than the following day after which the goods are being presented at the Customs office of destination. The Customs office of destination may retain a copy of the Transit Accompanying Document as required.
4. Where the transit operation ends at a trader's premises pursuant to the authorisation granted under Article 41 of this Appendix, the relevant Customs office of destination must be informed of the arrival of the goods before they are disposed of.
5. Where the office of guarantee and Customs office of departure are located in the territories of different Contracting Parties, the messages to be used for the exchange of guarantee data shall be defined by mutual agreement between the Contracting Parties.
6. Except where justified, the Customs office of destination shall forward the "Control Results" message to the Customs office of departure not later than two days after the goods has been presented to the Customs office of destination.

SECTION 3 GUARANTEES

Article 6 General

1. The Principal shall be required to provide a guarantee to cover payment of the Customs debt which may be incurred in respect of goods placed under the ACTS procedure unless a guarantee waiver has been granted under paragraph 8 of Article 11 of this Appendix.
2. This may either be:
 - (a) a single journey guarantee covering a single transit operation; or
 - (b) a multiple journey guarantee covering a number of transit operations.
3. The guarantor shall be established in the territory of the Contracting Party where the guarantee is furnished and must be approved by the office of guarantee. The guarantor shall indicate an address for service in the territories of each of the Contracting Parties involved in the transit operation for which he is acting as

guarantor. In the case of where the guarantor has no address for service, the guarantor shall appoint an agent in the territories of each of the Contracting Parties involved in the transit operation in question.

4. The office of guarantee shall refuse to approve a guarantor who does not appear to be capable of ensuring payment within the prescribed period of any Customs debt liable to be incurred up to the maximum amount guaranteed.
5. Single journey guarantees shall conform to formats to be agreed by the Contracting Parties.
6. Multiple journey guarantees shall conform to formats to be agreed by the Contracting Parties.
7. The liability of the guarantor shall be based on the acceptance of his guarantee by the office of guarantee. It becomes effective from the date the Customs transit declaration which he guarantees is accepted by the Customs office of departure.
8. In the case of a single or multiple journey guarantee, the liability of the guarantor is limited to the maximum amount shown in the guarantee.
9. The office of guarantee shall maintain evidence that it has accepted the guarantor's guarantee and make this available electronically to Customs offices of departure on request.
10. The office of guarantee shall revoke its acceptance of the guarantor's guarantee if the conditions laid down at the time of issue are no longer fulfilled.
11. All Contracting Parties shall be allowed to register their concerns on the ability of a guarantor to fulfil claims and provide their justifications to the relevant office of guarantee, based on which the guarantor may be revoked.

Article 7 **Single Journey Guarantees**

1. A single journey guarantee shall cover the full amount of the Customs debt liable to be incurred on the transit operation concerned, which shall be calculated on the basis of the highest rates of duties, taxes and charges applicable to the goods in the territories covered by the transit operation.
2. Single journey guarantees may be provided in the following form(s):
 - (a) a cash deposit lodged with the office of guarantee;
 - (b) guarantee vouchers issued to the Principal by a guarantor; or
 - (c) a guarantee given by a guarantor.

The acceptable form(s) of guarantee will be determined by the office of guarantee in the territory of the Contracting Party in which the Customs office of departure is located.

Article 8 **Cash Deposits**

1. The value of the cash deposit must be equivalent to the value of the total amount of the Customs debt which may be incurred.
2. Cash deposits shall be in the currency of the country of departure or by submission of any other means of payment recognised by the office of guarantee of that country and lodged in accordance with the provisions in force in the country of departure.
3. Single journey guarantees in the form of cash deposits shall be valid for all Contracting Parties.
4. Cash deposits shall be repaid by the office of guarantee when the transit operations to which they relate have been discharged.

Article 9 **Single Journey Guarantee Vouchers**

1. The Principal may use single journey guarantee vouchers issued by a Guarantor.
2. The Principal shall deliver to the office of guarantee single journey guarantee vouchers to the value of the total amount of the Customs debt which may be incurred.
3. The guarantor shall indicate on the single journey guarantee voucher the territory of the Contracting Parties for which it is valid, the validity period of the said voucher and the last date on which it may be used, which shall not exceed ninety days from the date it was issued.
4. Provided that a guarantee voucher has been accepted by the Customs office of departure on or before the final date of validity, the said voucher shall remain valid until the transit operation to which it relates terminates.
5. Single journey guarantee vouchers must be uniquely numbered and conform to a format to be agreed by the Contracting Parties.
6. The guarantor shall provide the office of guarantee the required details relating to the vouchers he has issued.

Article 10
Use of Single Journey Guarantees

1. A guarantor may provide a single journey guarantee to cover a single transit operation.
2. The single journey guarantee shall conform to a format to be agreed by the Contracting Parties and must contain the name of the Principal and its value shall be equivalent to the value of the total amount of the Customs debt which may be incurred.
3. Each single journey guarantee must be lodged with the office of guarantee and a copy of the guarantee will be retained by the Customs office of departure.

Upon the discharge of the transit operation, a single journey guarantee shall be cancelled and the guarantor shall be advised accordingly.

Article 11
Multiple Journey Guarantee

1. The Principal may use a multiple journey guarantee based on a reference amount. The reference amount shall be equivalent to the value of the total amount of the Customs debt which may be incurred in respect of the goods which the Principal places under the ACTS procedure for a period of at least seven days.
2. The relevant office of guarantee shall establish the reference amount in collaboration with the Principal taking into account:
 - (a) information on the goods he has placed in the past and/or an estimate of the number of consignment and value of goods he intends to place under the ACTS procedure; and
 - (b) the highest rates of duties, taxes and charges applicable in the countries of transit.
3. The office of guarantee shall review the reference amount at least once a year, using the information received from the Customs offices of departure, and shall make adjustment if it deemed necessary.
4. The Principal shall inform the office of guarantee if the reference amount falls below a level sufficient to cover his current or anticipated transit operations.
5. The amount to be covered by a multiple journey guarantee shall be equivalent to the reference amount referred to in paragraph 1 of this Article.
6. A Principal that satisfies criteria regarding his experience, reliability and financial standing may be authorised to provide a guarantee for a reduced amount or to

have a guarantee waiver, subject to the agreement of the Contracting Parties involved in the transit operations.

7. The amount of guarantee required may be reduced to
 - (a) 50% of the reference amount where the Principal demonstrates he has sufficient experience of Customs procedures; or
 - (b) 25% of the reference amount where the Principal demonstrates he has sufficient experience of Customs procedures and cooperates very closely with the competent authorities.
8. A guarantee waiver may be granted where the Principal demonstrates he meets the criteria specified in Article 15 of this Appendix, is in command of transport operations and has sufficient financial resources to meet his obligations.
9. In applying the above paragraphs all Contracting Parties shall take account of:
 - (a) information provided by the Principal in the standard application forms in a format to be agreed by the Contracting Parties; and
 - (b) any comment received from other Contracting Parties as provided for in paragraph 7 of Article 16 of this Appendix.

Article 12 **Use of Multiple Journey Guarantees**

1. The multiple journey guarantee shall be issued by a guarantor.
2. The office of guarantee shall issue the Principal with one or more multiple journey guarantee certificates conforming to a format to be agreed by the Contracting Parties to enable him to provide proof that he holds a multiple journey guarantee.
3. Where guarantee data is exchanged between the office of guarantee and the Customs office of departure using information and communication technology particulars of the guarantee certificate shall be entered into the Customs transit declaration and be printed on the Transit Accompanying Document.
4. In the absence of electronic exchange of data, the certificate must be presented to the Customs office of departure by the Principal.

Article 13 **Liability of Guarantor**

1. The guarantor shall undertake to pay the Customs debt, due under the Customs laws and other relevant laws and regulations of the Contracting Party in which an irregularity has been identified in connection with a transit operation. The

guarantor shall be liable, jointly and severally with the Principal, for the payment of such sums.

2. The liability of the guarantor shall commence when a Customs transit declaration which he guarantees is accepted by the Customs office of departure and shall be to the competent authorities of that Contracting Party. The guarantor shall be automatically liable to the competent authorities of each succeeding Contracting Party at the time when the goods enter the territory of each succeeding Contracting Party.
3. Subject to paragraph 8 of Article 6 of this Appendix, the liability of the guarantor shall cover not only those goods which are included in the Customs transit declaration but any other legitimate goods which may be contained in the normal load compartment of the road vehicle or container and should have been declared. It shall not extend to any other goods.
4. Where the transit operation has not been discharged, the competent authorities of the Contracting Party in which the irregularity has been identified shall:
 - (a) within a period of ninety days of the date the Customs transit declaration was accepted by the Customs office of departure, notify the guarantor that the procedure has not been discharged; and
 - (b) within two hundred and seventy days of the date the Customs transit declaration was accepted by the Customs office of departure, notify the guarantor that he is, or might be required, to pay the Customs debt for which he is liable as guarantor to the transit operation in question. The notification must contain:
 - (i) the number and date of the Customs transit declaration;
 - (ii) the name of the Customs office of departure;
 - (iii) the Principal's name and address; and
 - (iv) the amount to be claimed.
5. The guarantor shall be released from his obligations by the competent authorities in respect of the transit operation if either of the notifications provided for in paragraph 4 of this Article has not been issued to him in writing before the expiry of the relevant time limit.
6. Where a notification has been issued in accordance with paragraph 4 of this Article the guarantor shall be informed by the office of guarantee of the recovery of the Customs debt or the discharge of the ACTS operation.
7. When the competent authorities of a Contracting Party have discharged an ACTS operation, they can no longer claim from the guarantor unless the discharge was obtained by virtue of fraudulent information.

8. Where the guarantor has not been advised of a potential claim arising from a fraudulent discharge within one year from the date the relevant Customs transit declaration was accepted by the Customs in the country of departure, he shall in any case be absolved from all liability relating to that transit operation.
9. The guarantor shall have a period of thirty days from the date on which a written claim for payment was made to pay the amounts claimed. The sums paid shall be reimbursed to the guarantor if, within one year following the date on which the payment was made, it is established to the satisfaction of the competent authorities making the claim that no irregularity was committed in connection with the transit operation in question.

Article 14
Cancellation and Revocation of Guarantees

1. The office of guarantee shall revoke its acceptance of a guarantee or a Principal's guarantee waiver authorisation if the conditions laid down at the time of issue are no longer fulfilled. Revocation shall be with immediate effect.
2. A guarantor may cancel his guarantee at any time. Cancellation shall take place on the fourteenth day following the date the decision was notified in writing to the office of guarantee
3. Revocation or cancellation shall be without prejudice to any obligations incurred as a result of transit operations commenced prior to the date on which revocation or cancellation takes effect.
4. From the date on which such revocation or cancellation takes effect, any certificate issued prior to that date shall not be valid for placing goods under the ACTS procedure and the Principal must return any certificates in his possession to the office of guarantee without delay.
5. The relevant office of guarantee shall notify each Contracting Party of actions taken under paragraph 1 of this Article.

SECTION 4
AUTHORISED TRANSIT TRADERS

Article 15
General Criteria

1. To be eligible for Authorised Transit Trader status and the use of simplified procedures, the following general conditions must be fulfilled.

The applicant:

- (a) shall be established with a registered office, central headquarters or permanent business establishment in the territory of the Contracting Party where the application for authorisation is made; and
 - (b) must regularly use the ACTS procedure or, in the case of a first application for authorisation, demonstrate an intention to do so.
2. To ensure proper management of the simplified procedures, authorisations may only be granted where the person concerned keeps records which enable the competent authorities to supervise the procedure and carry out effective controls.
 3. In considering applications the competent authorities must take account of any convictions under Customs or tax legislation in the past five years.

Article 16

Applications and Decisions for Authorised Transit Traders

1. An application for Authorised Transit Trader status shall be made in writing in a format to be agreed by the Contracting Parties and be signed and dated. It shall specify all the simplified procedures for which the trader has applied.
2. A person applying for Authorised Transit Trader status and related simplified procedures shall be responsible for:
 - (a) the accuracy of the information given; and
 - (b) the authenticity of the accompanying documents.

Authorisations found to have been granted on the basis of false or misrepresented information shall be revoked with immediate effect.

3. Applications shall be lodged with the competent authorities of the Contracting Parties in which the applicant is established. Where an applicant is established in the territories of more than one Contracting Parties, nothing shall prevent him lodging applications in the territories of each of those Contracting Parties if he so wishes.
4. Authorisations shall be issued and applications shall be rejected in accordance with the current provisions of the Contracting Parties.
5. Decisions rejecting applications in total, or one or more of the simplified procedures applied for, shall be in writing and state the reasons for the rejection.
6. Decisions on applications, provided such applications contain sufficient information, shall be given within ninety days from the date of receipt by the competent authorities.
7. Decisions shall be communicated to the other Contracting Parties. Such decisions shall be subject to review by the other Contracting Parties, with

comments to be received within a period not exceeding thirty days from the date of receipt of the communication, based on which the decisions may be modified or retained.

Article 17 **Authorisations**

1. Following an application from a Principal satisfying the criteria in Article 15 of this Appendix, the competent authorities may grant Authorised Transit Trader status with use of one or more of the following simplified procedures:
 - (a) use of a multiple journey guarantee;
 - (b) exemption from the requirement to present the goods and means of transport at the Customs office of departure;
 - (c) use of approved special seals; and
 - (d) use other simplified procedures as determined by the Contracting Parties.
2. Except where otherwise provided, authorisation granted to use the simplified procedures specified in subparagraph 1(a) of this Article shall apply in the territories of all Contracting Parties. The simplified procedures in subparagraphs 1(b) and 1(c) of this Article shall apply only to transit operations beginning in the territory of the Contracting Party where the authorisation was granted.
3. The dated and signed original of an authorisation and one or more copies shall be given to the holder of the authorisation.
4. The authorisation shall be valid from the date of issue and specify the conditions relating to the use of any granted simplified procedures.

Article 18 **Amendment, Surrender or Revocation of Authorisations**

1. The holder of an authorisation shall inform the competent authorities of any factor arising after the authorisation was granted which may influence its validity or content.
2. The competent authorities shall revoke or amend an authorisation where:
 - (a) the holder indicates a wish to relinquish his authorisation;
 - (b) one or more of the statements made at the time of issue were not, or are no longer, valid;
 - (c) a factor arising after the authorisation was granted influences its continuation or content; or

- (d) the holder fails to fulfil his obligations as an Authorised Transit Trader.
3. Other than where it has been surrendered voluntarily, the holder shall be advised in writing of the reasons for any decision amending or revoking the authorisation.
 4. The revocation or amendment of an authorisation shall take effect from the date indicated in the written notification.

SECTION 5 SIMPLIFIED PROCEDURES

Article 19

Exemption from Presentation of Goods at the Customs Office of Departure

1. A Principal who has been granted Authorised Transit Trader Status including the right to use a multiple journey guarantee may also be authorised to carry out transit operations without presenting the goods and the corresponding Customs transit declaration at the Customs office of departure. Such exemption shall apply *inter alia* to the means of transport for the goods concerned.
2. This facility shall only be granted where the Principal lodges transit declarations and communicates with the Customs office of departure using electronic data processing techniques.
3. The Customs transit declaration must be lodged with the Customs office of departure before release of the goods.
4. The authorisation shall include the time limit within which the Customs office of departure shall indicate an intention to carry out checks, after the expiry of which the goods shall be automatically released.
5. Such an authorisation shall specify:
 - (a) the Customs office or offices of departure that will be responsible for forthcoming transit operations;
 - (b) how, and by when, the Principal is to inform the Customs office of departure in order that the office may carry out any necessary controls before the departure of the goods; and
 - (c) the measures to be taken to ensure the goods can be readily identified including the use of any special seals to be affixed by the Principal.

Article 20
Use of Approved Special Seals

1. The competent authorities may authorise a Principal to use special types of seals on means of transport or packages provided the competent authorities approve the seals as complying with the features to be agreed by the Contracting Parties.
2. The Principal shall enter the seal number in the prescribed field in the Customs transit declaration.
3. The Principal shall affix seals no later than when the goods are released.

Article 21
Waiver of Written Signature

The Principal may be authorised to use an electronic signature or other means of authentication to validate Customs transit declarations which are made out by an integrated electronic or automatic processing system.

**SECTION 6
TRANSIT OPERATIONS AND PROCEDURES**

Article 22
Means of Transport and Declarations

1. Each Customs transit declaration shall include only the goods to be loaded on a single means of transport for carriage from one Customs office of departure to one Customs office of destination.
2. For the purposes of this Article, a single means of transport includes:
 - (a) a road vehicle accompanied by its trailer(s) or semi-trailer(s); and
 - (b) containers loaded on a single means of transport as defined in subparagraph 2(a) of this Article.
3. A single means of transport may be used for loading goods at more than one Customs office of departure and for unloading at more than one Customs office of destination.

Article 23
Customs Transit Declarations

1. A Customs transit declaration shall be lodged at the Customs office of departure by means of electronic data-processing techniques.

2. Customs transit declarations lodged electronically by the exchange of standard messages shall comply with the structure and particulars set out in a format to be agreed by the Contracting Parties.
3. In such cases the competent authorities shall ensure that the transit data is exchanged between the relevant Customs offices of departure, transit and destination using information and communication technology.
4. The Customs transit declaration shall be signed electronically or otherwise authenticated by the Principal or authorised representative who thereby renders himself responsible for:
 - (a) the accuracy of the information given in the declaration;
 - (b) the authenticity of any documents attached; and
 - (c) compliance with all his obligations relating to use of the ACTS procedure.
5. The Customs office of departure shall accept and register the Customs transit declaration on condition that:
 - (a) it contains all the necessary information;
 - (b) it is accompanied by all the necessary documents; and
 - (c) the goods to which it refers are presented to Customs if so required.
6. Where the Principal is authorised to commence transit operations without presentation of the goods at the Customs office of departure, he shall enter, not later than on consignment of the goods, in the designated fields of the Customs transit declaration, if so required, details of any prescribed itinerary, the period within which the goods must be presented at the Customs office of destination, the identification measures applied, and the following phrase shall be printed on the Transit Accompanying Document:

In English - "Authorised Transit Trader – Presentation at Customs office of departure exemption".
7. Where the competent authorities of the country of departure check a consignment before its departure, they shall record the fact in the designated box of the Transit Accompanying Document and update the system accordingly.
8. The Principal may, with the approval of the competent authorities at the Customs office of departure, amend one or more particulars of the Customs transit declaration after it has been accepted. The amendment shall not affect the nature, type or official description of the goods.
9. No amendment shall be permitted where the request is made after the competent authorities at the Customs office of departure have:

- (a) informed the Principal that they intend to examine the goods;
- (b) established that the particulars in question are incorrect; and
- (c) released the goods.

Article 24

Transit Accompanying Document

1. Where a Customs transit declaration is processed at a Customs office of departure by a computerised system, that office shall retain the declaration and authorise release of the goods by issuing to the Principal a Transit Accompanying Document conforming to a format to be agreed by the Contracting Parties.
2. Where appropriate, the Transit Accompanying Document shall be supplemented by a list of items which shall form an integral part thereof and conform to a format to be agreed by the Contracting Parties.
3. The Transit Accompanying Document may be printed out from the Principal's own premise or other authorised computer system after the Customs transit declaration has been approved by the Customs office of departure.

Article 25

Procedures at the Customs Office of Departure

1. When so required by the competent authorities, the road vehicle, trailer and any container together with the goods and the Transit Accompanying Document shall be presented to the Customs office of departure. The Customs office of departure shall take such measures as are necessary for satisfying themselves as to the accuracy of the Customs transit declaration and for affixing the Customs seals or verifying the special seals.
2. Unless otherwise exempted, the release of goods to be placed under the ACTS procedure shall be refused if they cannot be sealed in accordance with Article 3 of this Appendix.
3. Seals shall not be broken without the authorisation of the competent authorities.
4. Where the Customs office of departure prescribes an itinerary, account shall be taken of what constitutes an economically justified route and any information supplied by the Principal. The Principal shall be notified of the prescribed itinerary, which shall be printed, as required, on the Transit Accompanying Document.
5. The Customs office of departure shall set a time limit for completion of the transit operation by the presentation of the goods at the Customs office of destination. This should take into account of the itinerary, any current transport legislation and, where appropriate, information provided by the Principal.

6. The time limit set by the Customs office of departure shall be binding on the competent authorities of the Contracting Parties whose territories are entered during a transit operation.
7. Where the goods are presented at the Customs office of destination after the expiry of the prescribed time limit but this failure is due to circumstances not attributable to the carrier or Principal, the latter shall be deemed to have complied with the time limit prescribed.

Article 26

Procedures During Transit Operation

1. At each Customs office of transit and at the Customs office of destination, the means of transport shall be presented for the purposes of control to the competent authorities with the goods and the Transit Accompanying Document together with any list of items relating thereto.
2. As a general rule, the Customs offices of transit of each of the Contracting Parties shall accept the Customs seals of other Contracting Parties or other approved special seals, provided they are intact. The seals thus accepted shall have in the territory of that Contracting Party the same legal protection as is accorded to their own Customs seals.
3. In exceptional circumstances, the competent authorities of the Contracting Party may require the means of transport to be escorted on their territory; any charges related to the cost of escort should be commensurate with the service rendered.
4. The competent authorities shall not require routine examination en route of the means of transport.
5. Notwithstanding the provisions paragraph 6 of Article 3 of Protocol 7, if control requirements make it essential for the competent authorities to carry out an examination of a means of transport and the goods contained therein in the course of a journey or at a Customs office of transit, they shall record in the designated box of the Transit Accompanying Document, and update into the computerised system accordingly, particulars of the controls carried out and the number of the new seals affixed.

Article 27

Incidents During Transit Operation

1. In the cases set out below, the carrier shall make the necessary entries in the Transit Accompanying Document and present it with the consignment and any other related transit documents to the competent authorities of the Contracting Party in whose territory the means of transport is located:
 - (a) if the itinerary prescribed by the competent authorities is changed;

- (b) if the seals are broken in the course of a transport operation for reasons beyond the carrier's control;
 - (c) if goods are transferred to another similar means of transport for reasons beyond the carrier's control;
 - (d) in the event of imminent danger necessitating immediate partial or total unloading of the means of transport; and
 - (e) in the event of any incident or accident capable of affecting the ability of the Principal or the carrier to comply with his obligations.
2. Where the competent authorities consider that the transit operation concerned may continue in the normal way, they shall endorse the designated box of the Transit Accompanying Document and update the computerized system accordingly.
 3. Where, for justifiable reasons, goods are transported via a Customs office of transit other than that notified to the Customs office of departure and mentioned in the declaration, the said office shall notify electronically the Customs office of transit originally designated.

Article 28
End of Transit Operation

1. Presentation of the goods and related transit documents to the Customs office of destination shall be deemed to constitute the end of the transit operation.
2. The Customs office of destination shall register the presented documents and record on the Transit Accompanying Document the date of arrival and enter the details of controls carried out, and update the computerized system accordingly.
3. The Customs office of destination shall notify the Customs office of departure and the Customs office(s) of transit that the transit operation has ended by sending an "Advice of Arrival" message.
4. A transit operation may end at an office within the country of destination other than the one entered in the Customs transit declaration. The said office, which shall then become the Customs office of destination, shall notify the original Customs office of destination and the Customs office of departure accordingly.

Article 29
Receipt for End of Transit Operation

1. At the request of the Principal or the carrier, and for purposes of providing additional evidence that the transit operation has been correctly ended, the

Customs office of destination shall endorse the Transit Accompanying Document appropriately.

2. The endorsed Transit Accompanying Document shall be kept by the carrier of the transit operation as documentary proof.

Article 30

Termination of Transit Operation

1. Control of the goods and related entries in the records of the Customs office of destination shall be deemed to constitute the termination of the transit operation.
2. The termination of a transit operation shall be certified by the Customs office of destination without delay. Termination may be with or without reservation. Where termination is certified with reservation this shall be on account of facts connected with the transit operation itself.
3. The Customs office of destination shall notify the Customs office of departure that the transit operation procedure has been terminated by sending a "Control Results" message.
4. In cases where the goods are placed under another Customs procedure or another system of Customs control, all irregularities that may be committed under that other Customs procedure or system of Customs control shall not be attributed to the liability of the guarantor of the transit operation.

Article 31

Discharge of Transit Operation

The Customs office of departure shall discharge the transit operation when it is in a position to establish on the basis of a comparison between the Customs transit declaration made to the Customs office of departure and information from the Customs office of destination that the procedure has been terminated correctly.

Article 32

Fall-back Procedures

1. The fall-back procedures set out in this Article refer to procedures based on the use of paper documents to allow the lodging and control of Customs transit declarations and the monitoring of transit operations when it is not possible to implement the standard electronic procedures in whole or part due to breakdown of the computerised systems.
2. Fall-back procedures shall apply:
 - (a) where the computerised systems of the competent authorities are not functioning;

- (b) where the computerised systems of the Principal are not functioning; or
 - (c) where the whole or part of the network between the Principal and the competent authorities is not functioning.
3. In the above mentioned situations in paragraph 2 of this Article, goods may be placed under the ACTS procedure by means of a paper transit declaration made out in a form corresponding to a standard format to be agreed by the Contracting Parties and in accordance with procedures agreed between the Contracting Parties.
 4. Where the computerised systems between the Customs office of departure and the Customs office of destination and/or one or more Customs offices of transit are not functioning, then one additional copy of the Transit Accompanying Document shall be produced for each such office.
 5. The carrier must present the Transit Accompanying Document and one additional copy to each such office. The copy shall be retained by the processing Customs office. The original Transit Accompanying Document shall be stamped and returned to the carrier.
 6. All manual records relating to transit operations must be input to the computerised systems as soon as reasonably practicable by the Principal and respective Customs offices of departure, transit and destination.

SECTION 7 POST TRANSIT PROCEDURES

Article 33

Enquiry Procedure to Establish Correct Termination of a Transit Operation

1. The Customs office of departure shall initiate an enquiry procedure forthwith each time they have not received the "Arrival Advice" message within two days of the time limit within which the goods must be presented at the Customs office of destination or the "Control Results" message within six days after having received the "Arrival Advice" message.
2. The enquiry procedure shall be initiated to obtain the information necessary to discharge the transit operation, or where this is not possible to:
 - (a) establish whether a Customs debt has been incurred;
 - (b) identify the debtor; and
 - (c) determine the competent authorities responsible for recovery.
3. In cases where the Customs office of departure has received the "Arrival Advice" message, but not the "Control Results" message, it shall initiate an enquiry

procedure by sending the Customs office of destination a reminder request for the "Control Results" message.

4. If the Customs office of departure has not received the "Arrival Advice" message, they shall initiate an enquiry procedure by sending the Customs office of destination a request to confirm that the goods have not been presented. The Customs office of destination shall reply to such requests within seven days.
5. Where the enquiry procedure referred to above does not produce satisfactory evidence that the transit operation was correctly terminated, the further procedures specified in Article 34 of this Appendix shall then apply.

Article 34

Informing the Principal and Alternative Proof of Termination

1. If the Customs office of departure, having initiated an electronic enquiry procedure under Article 33 of this Appendix, has not received confirmation of termination within the prescribed time-limits, it shall inform the Principal and ask him to furnish, within thirty days of receipt of the letter, proof that the procedure was correctly terminated.
2. The proof referred to in paragraph 1 of this Article may be in the form of a document certified by the competent authorities of the country of destination establishing that the goods have been presented at the Customs office of destination.
3. The transit operation shall also be considered to have been terminated where the Principal presents to the satisfaction of the competent authorities, evidence showing that the goods have entered subsequently into another Customs procedure in the country of destination.
4. Where the Principal provides satisfactory evidence that the transit operation was terminated correctly under Customs control, the Customs office of departure may discharge the transit operation notwithstanding that the goods were not presented to the original Customs office of destination. The original Customs office of destination shall be notified within six days.
5. Where enquiries conducted by the Customs office of departure independently establish that the transit operation was terminated correctly under Customs control, it shall inform the Principal and notify the original Customs office of destination accordingly.

Article 35

Customs Debt and Recovery

1. A Customs debt within the meaning paragraph (d) of Article 1 of Protocol 7 shall be incurred:

- (a) through the unlawful removal of goods from the ACTS procedure; or
 - (b) where goods have not been unlawfully removed but there has been a failure to fulfil one of the obligations arising from use of the ACTS procedure or failure to comply with a condition governing the placing of goods under the ACTS procedure.
2. The right of a competent authority to claim a Customs debt shall be determined:
- (a) by the place where the irregularity giving rise to the Customs debt occurred; or
 - (b) when it is not possible to establish in which territory an irregularity was committed, it shall be deemed to have been committed in the territory of the Contracting Party where it is detected.
3. The person primarily responsible for the Customs debt shall be the Principal. The guarantor shall be jointly and severally liable for the Customs debt.
4. The following persons shall also be liable for the Customs debt:
- (a) the person who unlawfully removed the goods from the ACTS procedure;
 - (b) any persons who participated in such removal and who were aware or should reasonably have been aware that the goods were being unlawfully removed from the ACTS procedure; and
 - (c) any persons who acquired or held the goods in question and who were aware or should reasonably have been aware at the time of acquiring or receiving the goods that they had been unlawfully removed from the ACTS procedure.

The fact that the persons above are responsible for the Customs debt does not relieve the Principal and the guarantor of their liability. Notwithstanding this, the payment of Customs debt by those persons responsible shall partially or completely discharge the liability of the Principal and/or the guarantor as the case may be.

5. No Customs debt in respect of goods placed under the ACTS procedure shall be incurred where the person concerned proves that a failure to fulfil the consequential obligations is due to the total destruction or irretrievable loss of those goods as a result of their actual nature, *force majeure* or the consequence of authorisation by the competent authorities. Goods are deemed to be irretrievably lost when they are certified unusable by the competent authorities with the right to claim.
6. Where the competent authorities deem that the goods have undergone a substantial change as a result of their actual nature, *force majeure* or the consequence of authorisation by the competent authorities, but a Customs debt remains, the competent authorities shall calculate this debt by considering the

type, quality, quantity, weight, and corresponding Customs value of such goods at the time the debt is due.

Article 36

Administrative Assistance - General Provisions

1. Contracting Parties shall afford each other mutual assistance with a view to determine the status of transit operations and for the recovery of claims arising from unresolved irregularities.
2. The extent of assistance to be given should be within the competence of the authority concerned and subject to its national laws and, in particular, without prejudice to national legislation on data protection or other legal restrictions on the transmission of information.
3. All information provided in relation to a transit operation enquiry may only be used for the purposes of resolving the status of the transit operation(s) concerned and pursuing claim(s) arising directly from any irregularity in the transit procedure.
4. The competent authorities of the Contracting Parties concerned shall furnish each other with any details necessary to identify those responsible for a transit operation including those of:
 - (a) the Principal;
 - (b) the Carrier (if different from the Principal);
 - (c) the Consignor (if different from the Principal);
 - (d) the Consignee;
 - (e) the Guarantor; and
 - (f) the Guarantor's National Agent(s).
5. All enquiries relating to specific transit operations shall quote:
 - (a) the Customs transit declaration reference number;
 - (b) other information required to identify the transit operation; and
 - (c) the grounds for the enquiry.
6. In the event of suspected deliberate irregularities, requests for information may be extended to a given Principal's general use of the transit system.
7. Material made available to another Contracting Party may include, but shall not be restricted to, all relevant:

- (a) documents;
 - (b) reports;
 - (c) records of proceedings; and
 - (d) information related to irregularities and infringements arising from use of the ACTS procedure.
8. Where, as a result of an enquiry, the Principal is deemed to have incurred a liability for Customs debt as provided for under Article 2 of this Appendix, the competent authority in the Contracting Party where he is established shall provide assistance to the claiming authority in notifying him of this liability.
 9. Requests for information and assistance shall be made in a standard format to be agreed by the Contracting Parties.
 10. Nothing in these Articles shall preclude the competent authorities in a transit country from initiating an enquiry procedure where it appears that an irregularity has occurred on its territory.
 11. Nothing in these Articles shall preclude a competent authority from making a claim when it is established that an irregularity incurring a Customs debt occurred on its territory.
 12. Irrespective of any maximum time limits specified, the competent authorities of the country of destination and, where appropriate, the Customs office(s) of transit called upon to act in connection with an enquiry, shall respond without delay.

Article 37

Administrative Assistance for the Recovery of Claims

1. This Article sets out the rules on mutual assistance for the recovery of claims in respect of a transit operation where these arise in the territory of a Contracting Party other than where the Principal is based.
2. The request for assistance in recovery of a claim shall indicate:
 - (a) the name and address of the person concerned;
 - (b) details of the transit operation concerned;
 - (c) the grounds for the claim;
 - (d) the amount to be claimed; and
 - (e) any other relevant information as required by the requested authority.

3. The requested authority shall promptly, and in any case within sixty days from receipt of the request, advise the applicant authority of actions taken to assist in recovering the claim and of any outcome.
4. Alternatively, the requested authority shall promptly inform the applicant authority of any grounds for refusing assistance.
5. The applicant authority may not make a request for recovery where the claim is being contested under its own national legislation.
6. The requested authority shall suspend any recovery action where the Principal provides satisfactory evidence that the claim is being contested in the country of the applicant authority. In such cases the requested authority shall promptly notify the applicant authority.
7. The applicant authority shall state the amount of the claim to be recovered both in the currency in which it is situated and also in the currency of the requested authority at the exchange rate prevailing on the date the request is made.
8. Under normal circumstances, the Principal or the guarantor, as the case may be, shall remit the recovered sum directly to the applicant authority.
9. Where the guarantee is in the form of a cash deposit, the requested authority shall arrange for the payment to be remitted to the applicant authority in its national currency.
10. Where the claim cannot be recovered from the Principal, the applicant authority shall be notified accordingly and thereupon enact recovery proceedings against the guarantor through his nominated national representative.

SECTION 8 MISCELLANEOUS PROVISIONS

Article 38

Vehicles and Containers for the Purposes of Transit Operation

1. Road transit transport vehicle, combination of road transit transport vehicle and trailer or container carrying goods shall not be required to be declared as goods under the ACTS procedure. No guarantee shall be required for the road vehicle, combination of road transit transport vehicle and trailer or container.
2. The provisions of paragraph 1 of this Article shall not prevent a Contracting Party from requiring the completion of formalities at the Customs offices of transit or destination to ensure that the road vehicle, combination of road vehicle and trailer or container will be re-exported.

Article 39
Minor Discrepancies

1. The Contracting Parties shall disregard minor discrepancies in the observance of time-limits or routes prescribed.
2. Minor discrepancies, such as those arising from a typographical error, between the particulars in the Transit Accompanying Document, or Customs transit declaration, and the actual contents of the means of transport shall not, *ipso facto*, prevent the discharge of the transit operation.

Article 40
Exclusion

1. Each of the Contracting Parties shall have the right to exclude temporarily or permanently from the use of the ACTS procedure any person guilty of a serious offence against Customs or other relevant laws or regulations applicable to the international transport of goods which in the judgment of the competent authorities justifies such action.
2. This exclusion shall be notified within seven days to the competent authorities of all the other Contracting Parties and, where applicable, to the relevant guarantor.

Article 41
Authorisation to end an ACTS Procedure at a Trader's Premises

1. Traders may be authorised to take delivery of goods placed under a transit operation without the goods and the corresponding Transit Accompanying Document having to be presented at the Customs office of destination.
2. Such authorisation shall only be granted where the trader:
 - (a) is a Principal who has been granted Authorised Transit Trader status; or
 - (b) is not a Principal as defined in subparagraph 2(a) of this Article but can meet such criteria as determined by the Contracting Party in whose territory he is established.
3. The authorisation shall specify in particular:
 - (a) the Customs office(s) of destination responsible for the goods received by the authorised consignee;
 - (b) how, and by when, the authorised consignee is to inform the Customs office of destination of the arrival of the goods in order that the office may carry out any necessary controls;

- (c) any goods to which the authorisation does not apply and which must be presented at the Customs office of destination; and
 - (d) the arrangements for the trader to receive the "Anticipated Arrival Record" message from the Customs office of destination.
4. The competent authorities shall specify in the authorisation whether any action is required by the Customs office of destination before the trader may dispose of the goods.
 5. When the goods arrive at his premises or at places specified in the authorisation, the trader shall:
 - (a) immediately inform the Customs office of destination of any excess quantities, deficits, substitutions or other irregularities such as broken seals; and
 - (b) immediately, and before unloading, send the Customs office of destination an electronic "Arrival Advice" message.
 6. The transit operation shall be deemed to have ended when the documents which accompanied the consignment, together with the intact goods, have been delivered within the prescribed time to the authorised trader's premises.
 7. At the carrier's request, the consignee as authorised under paragraph 1 of this Article shall issue a receipt for each consignment delivered.
 8. Upon receiving the "Arrival Advice" message, the Customs office of destination shall determine whether inspection is required and perform the termination of the transit operation in accordance with Article 30 of this Appendix.

Article 42 **Confidentiality**

1. Nothing in this Appendix shall be construed to require any Contracting Party to allow access to confidential information, the disclosure of which would:
 - (a) be contrary to the public interest as determined by its legislation;
 - (b) be contrary to any of its legislation, including but not limited to, legislation protecting personal privacy or the financial affairs and accounts of individual customers of financial institutions;
 - (c) impede law enforcement; or
 - (d) prejudice legitimate commercial interests, which may include the competitive position, of any particular enterprise, public or private.
2. Where a Contracting Party provides information to another Contracting Party in accordance with this Appendix and designates the information as confidential, the

Party receiving the information shall maintain the confidentiality of the information, use it only for the purpose specified by the Party providing the information and not disclose it without the specific written permission of the Party providing the information.
