



DEMOCRATIC REPUBLIC OF TIMOR-LESTE

MINISTRY OF FINANCE

GENERAL DIRECTORATE OF REVENUE AND CUSTOMS

NATIONAL DIRECTORATE OF CUSTOMS



DEMOCRATIC REPUBLIC OF TIMOR-LESTE

- Under Portuguese Administration for 450 years
- Under Indonesian rule for 24 years
- Independence Day on 28 November 1975
- UN-sponsored referendum on 30 August 1999
- Internationally restored the independence on 20 May 2002
- 191st Member of the United Nations on 27 September 2002
- Number of population : 923,642 (male:467,257; female:456,385) --- Census done in July 2004
- Majority of the people : Roman Catholic (over 90%)
- Official languages : Portuguese and Tetum
- Working Languages : English and Indonesia
- Season : Rainy and Dry
- Official Currency : US Dollar



Customs has the following posts:

- Dili Sea Port
 - Dili International Airport President Nicolau Lobato
 - Dili Post Office
 - Maliana Customs (western border area)
 - Batugade Customs (western border area)
 - Salele - Suai Customs (western border area)
 - Baucau Customs (in the eastern part of the country)
 - Oecusse Customs (Sakato and Bobometo - in the enclave of Oecusse).
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- Timor-Leste Customs became 162nd member of the World Customs Organization in July 2003
 - Currently using ASYCUDA⁺⁺ (Automated System for Customs Data)

Mission:

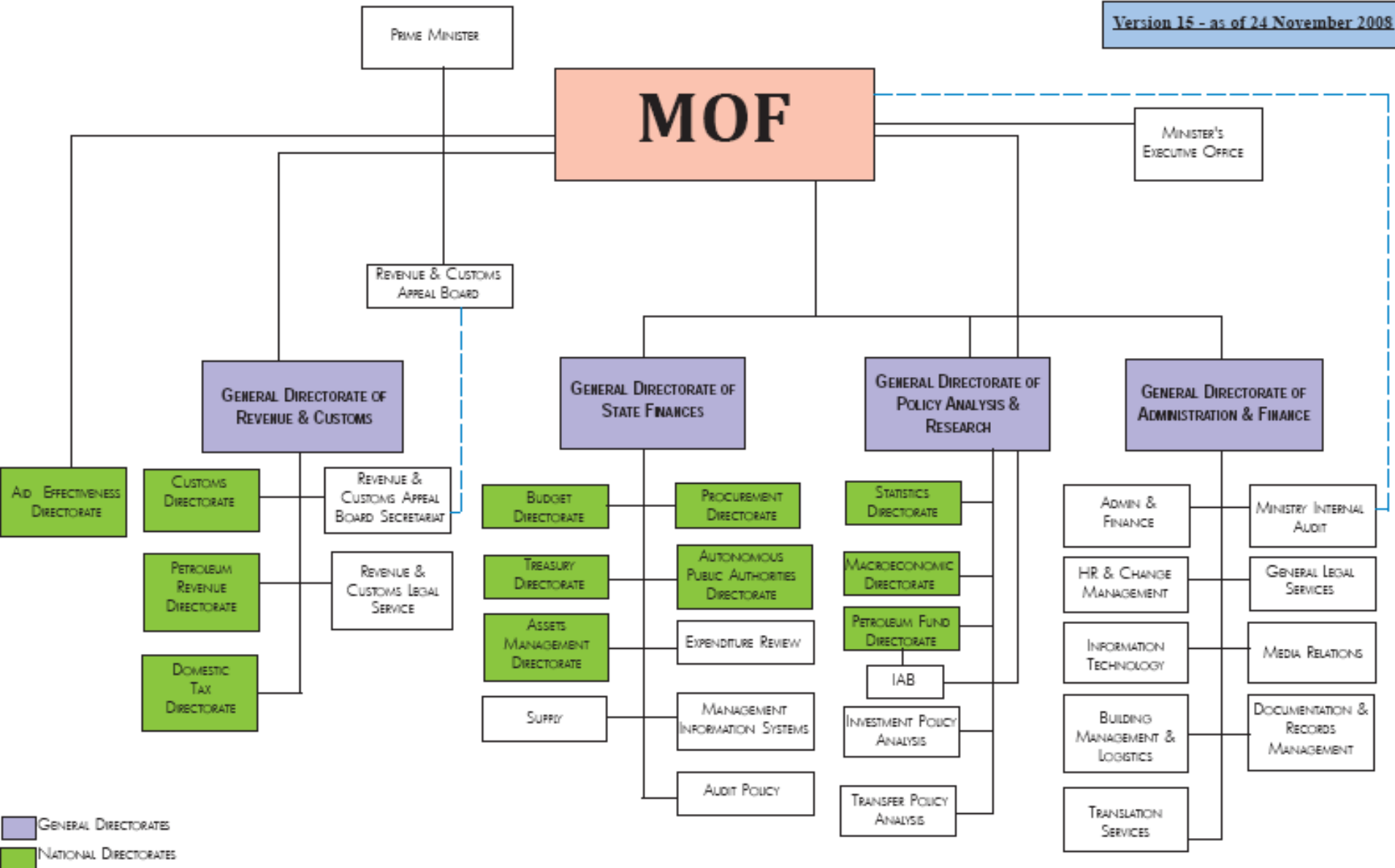
- Collect revenue
- Protect public health
- Facilitate legitimate trade
- Strengthen national stability
- Control the international movement and circulation of goods
- Intercept illegal goods
- Promote and facilitate domestic and foreign investments

Vision:

- Good quality of service to the community
- The confidence of the community in the integrity of Customs staff
- Transparency and consistency in professional performance
- Internationally acceptable standards and practices
- National stability and international security

Organizational Structure of the Ministry of Finance

Version 15 - as of 24 November 2008



Taxation in Customs

There are three types of taxes:

- Import duty (2.5% for all goods imported)
- Sales Tax (2.5% for all goods imported)
- Excise tax (only for certain goods)

Aside from the above-mentioned taxes, we also collect taxes and administrative fine for goods that are brought illegally into the country, i.e. smuggling.

Excise Tax

The list of excisable goods

Beer	1.90/liter
Wine, vermouth, fermented beverages	2.50/liter
Other alcoholic beverages	8.90/liter
Gasoline, diesel fuel products, etc	0.06/liter
Tobacco and tobacco products	19.00/kg
Cigarette lighters	12% of customs value
Smoking pipes	12% of customs value
Arms and ammunition	200% of customs value
Motor cars (on the value in excess of \$70,000)	35% of customs value
Private boats and aircrafts	20% of customs value

Customs Infractions

Some common types of infractions in Customs context:

- Undervaluation
- Wrong declaration of quantity of goods
- Wrong declaration of type of goods
- Goods are not declared to Customs in the authorized points of entry
- Goods are brought into the country through unauthorized points of entry

Reform and Modernization

Outcomes:

- Reforms based on Kyoto Convention
- Automation is central to reforms
- New Customs Consolidated Code
- Based on Risk Management
- Partnerships with Stakeholders
- Business process reengineering
- Restructured Organization
- Improved training and development

International Merchandise Trade Statistics

- Customs is responsible for providing statistical data of international trade to the National Directorate of Statistics
- ASYCUDA facilitates collection and compilation of international trade statistics

Statistical data can be obtained from the following categories: country of origin, time of recording, customs regimes (export, imports, etc), names of companies, names of importers and exporters. We are in the process of developing our electronic system (ASYCUDA – Automated System for Customs Data). This process will improve the collection and compilation of statistical data.

National Directorate of Statistics is responsible for the compilation and dissemination of international merchandise trade statistics. There is memorandum of understanding between Customs and Statistics Offices in relation to the submission or delivery of statistical data. Under the law of the National Directorate of Statistics, the National Directorate of Customs has to provide data on imports and exports to the National Directorate of Statistics. Customs computerized system (ASYCUDA-Automated System for Customs Data) allows Customs staff to obtain data on foreign trades. All customs declarations for sea and air cargoes are recorded electronically in the ASYCUDA. ASYCUDA covers all significant export and import flows.

- Customs classifies goods in accordance with their proper codes
- Customs adopts the principles of the Revised Kyoto Convention as the basis for the definition of customs procedures
- All customs declarations are stored electronically. We use a threshold value of US\$ 10. Below this amount, customs declarations are not required to be filed.
- Some columns in the ASYCUDA declaration form are mandatory, such as: types of goods to be imported or exported, names of importers or exporters and values of goods.
- Customs verifies the accuracy of data provided by traders from partner country. In relation to the quantity of goods declared by traders to Customs, we conduct physical check to certify the declaration

- Customs does not use estimates to replace missing value or quantity in customs declaration. All declarations are from traders
- We have not conducted any bilateral or multilateral reconciliation studies with our trading partners yet, but as a Customs Administration in this modern era, the initiative for that kind of study is possible
- Mutual assistance is available in many Customs Administrations. This assistance can help to certify declarations provided by traders. If errors are detected in a declaration, traders are asked to clarify and correct their declaration

Imports and exports are recorded by Customs. Date of submission of customs declaration at Customs Office is used as an approximation for the time when goods enter or leave the national territory. We do not use the change of ownership between residents and non-residents as a basis for inclusion of certain goods in trade statistics.

Under Customs law, customs territory is equal to national territory. Free zone is not available in our country at this moment, but there are parts of Customs law that regulate issues related to free zone. Under the law, goods brought into free zone do not need to have documentation that is normally required in normal imports and exports.

Goods from foreign countries are brought into our country through three types of transport: maritime transport, airline, land transport. Every entry and exit of means of transport is recorded

Customs classifies import and export of goods based on the Harmonized System. Our Customs uses 6-digit codes. We use Harmonized System edition of 2002. We do not use the chapters 00, 98 and 99 for special use. We collect quantity data based on the net weight (for example: cigarettes --- the excise tax for 1 kg of cigarette is US\$19) and we do not collect supplementary quantity unit. We do not compile World Customs Organization (WCO) recommended units of quantity for each of the sub-heading of Harmonized System (6-digit codes). For tobacco and tobacco products (cigarettes), we compile net weight for quantity measurement because under the law, the excise tax for cigarettes is US\$ 19/kg.

We use CIF (cost, insurance and freight) value and FOB (free on board) for exports. If values declared to Customs in import declaration are FOB, Customs has to change the values to CIF. Customs values of goods have to be CIF. Our official currency is United States Dollar. If the currency declared to Customs is not United States Dollar, the final amount to be paid must be in United States Dollar. The rate for the conversion of foreign currencies is obtained from the Banking and Payment Authority. This Authority issues weekly rate of exchange. We use the exchange rate, which is in effect at the date of submission of declaration to Customs.

We compile import statistics by country of origin.
In relation to export statistics, we compile data
in accordance with country of destination.

Thank you very much = *Obrigadu barak*

