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# INTRODUCTION TO TRS

**– Overview, Guidelines, Tools and  
Methodology**

# Time Release Study (TRS) - Background

- Developed by the World Customs Organization (WCO)
- The TRS is an element of the recently approved World Trade Organization (WTO) – Trade Facilitation agreement and is now used by many countries world wide to assist in enhancing their competitiveness
- Measures average time to clear cargo through Borders from the time of arrival to time of departure using a range of data collection and analysis tools
- Allows Border Agencies to identify the causes of bottlenecks at the Borders and identifies potential corrective actions to increase the efficiency thus improving trade facilitation

# Time Release Study (TRS) - Background

- Border agencies and the private sector work in partnership to identify specific actions to eliminate or reduce bottlenecks, such as manual processes which are incompatible with a modern ICT environment
- Countries in South East Asia such as Thailand, Malaysia and Vietnam have significantly reduced cargo clearance times by conducting multiple TRS studies over several years allowing agencies to benchmark performance
- Efficiencies have been realized and costs reduced, for example, by eliminating the duplication of documents used by different border agencies, reducing the number and time for physical examinations by Border agencies working together to reduce the number of examinations to those based on risk



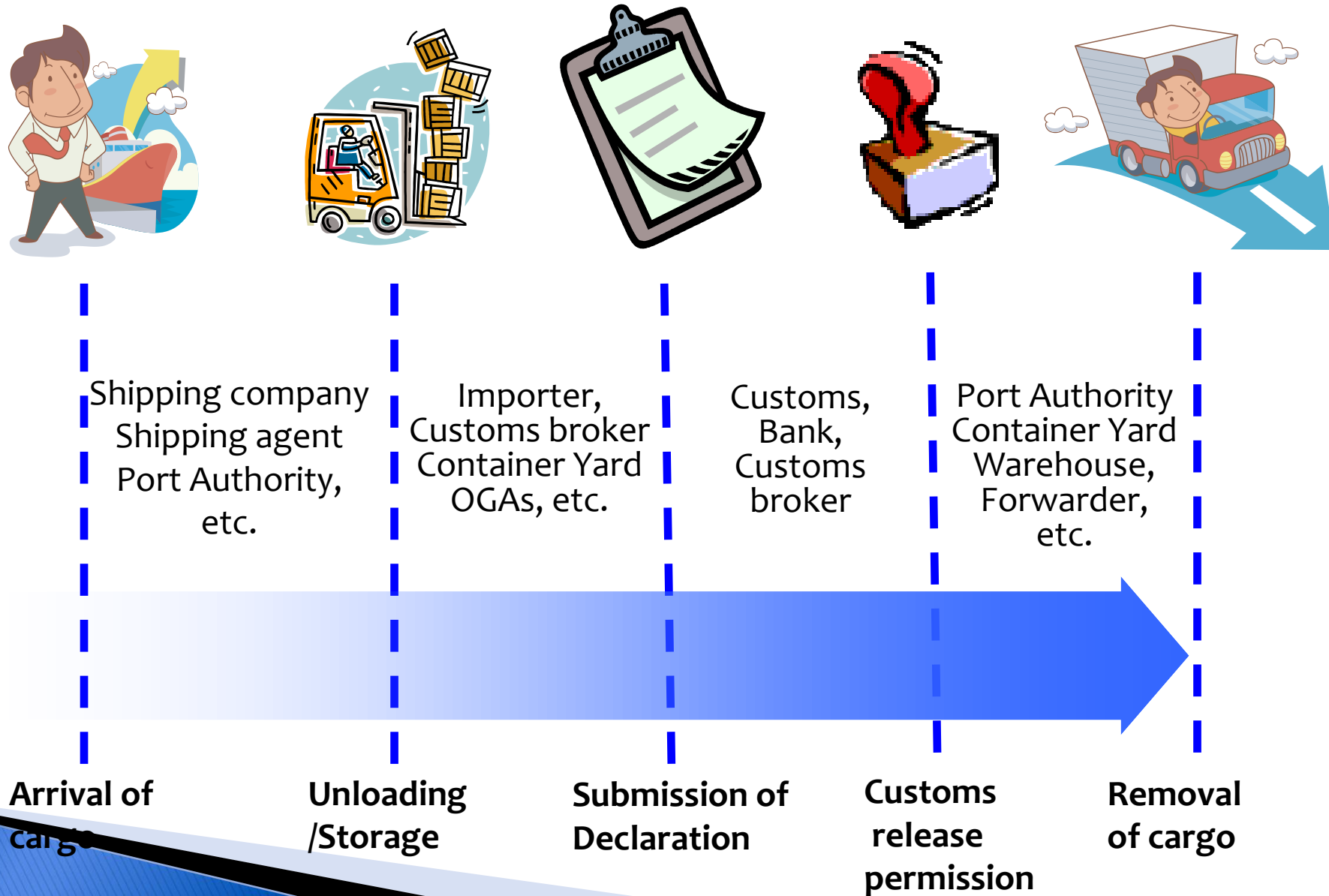
# TRS: Overview

# Basic Concept

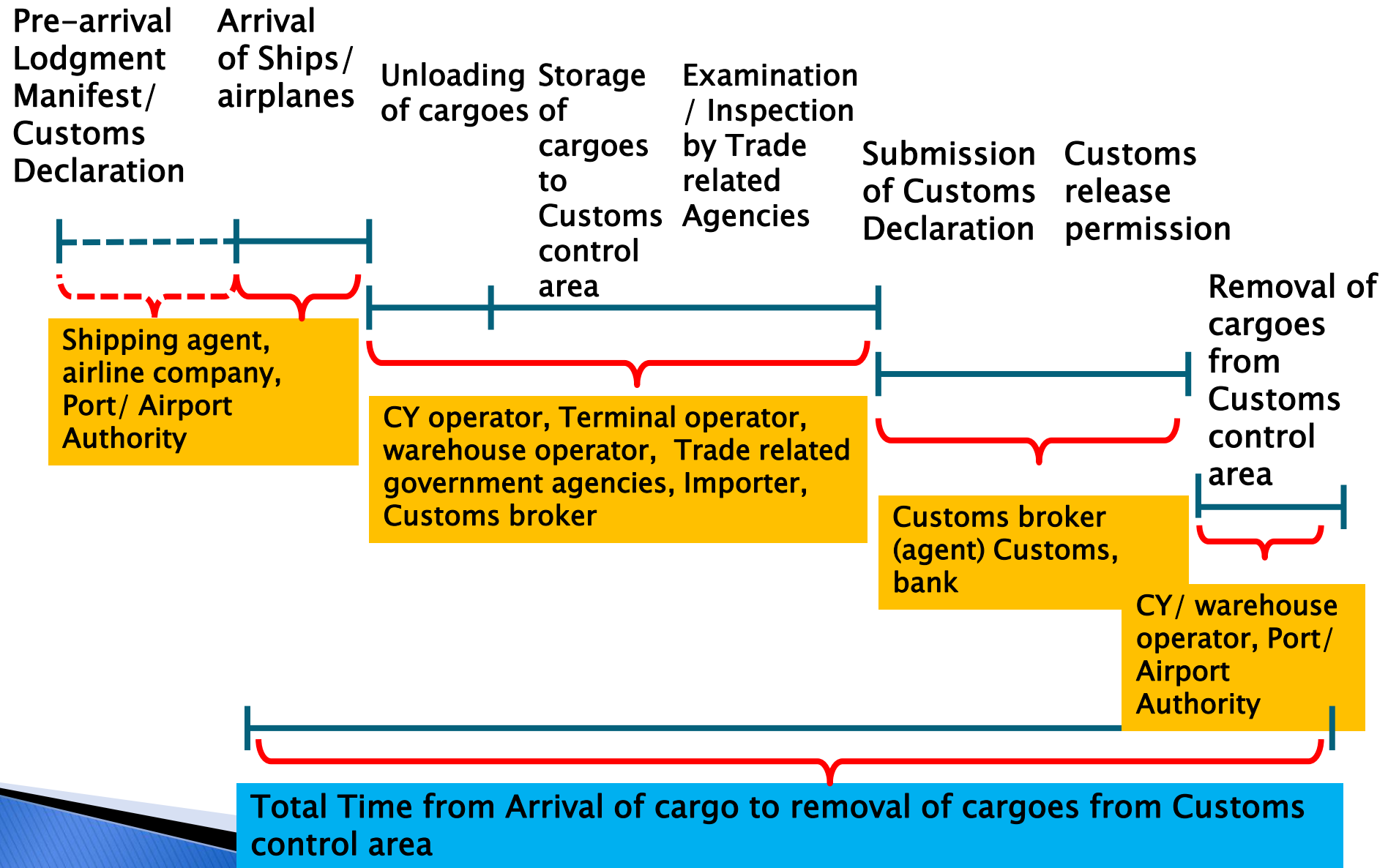
## TRS and Trade Facilitation

- ✓ Huge increase in cross border trading as a result of globalization, customs role in trade facilitation (TF) becomes more prominent.
- ✓ TF : expediting the movement, clearance & release of goods
- ✓ TRS is a unique tool and method for measuring the actual time required from arrival of goods to its release.

# What is TRS?



# Cargo flow and Import procedures



# Why do we focus on TRS?

## For Border Agencies:

- ✓ Establish Baseline of the Current Border Performance
- ✓ Self-Assessment of Ourselves
- ✓ Improvement for Our Border Performance
- ✓ Further Transparency
- ✓ Further Trade Facilitation
- ✓ Further Foreign Direct Investment

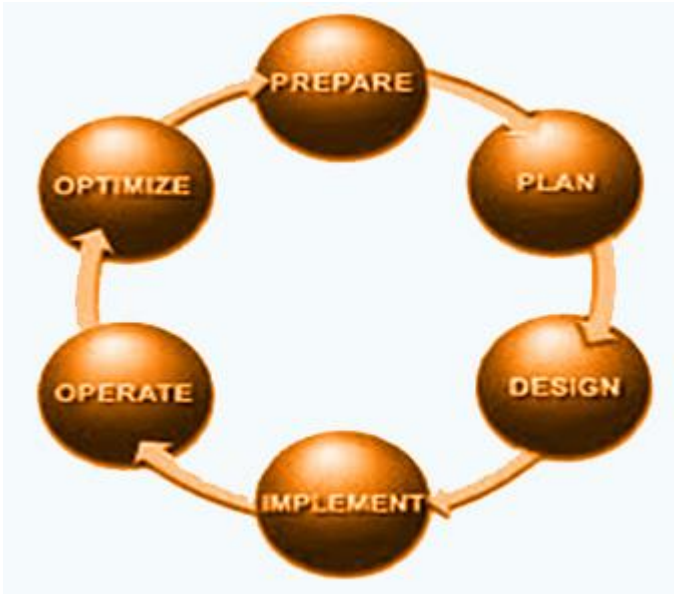




# TRS: Purpose

# Objectives

- ✓ Identifying bottlenecks in processes affecting customs release
- ✓ Assessing new procedures, operations, etc.
- ✓ Establishing baseline TF performance measurement
- ✓ Identifying opportunities for TF improvement
- ✓ Estimating the country's approximate position as a benchmarking tool



# TRS: Methodology

# 3-Phases TRS Framework

**Phase 1:** Preparation of the Study

**Phase 2:** Data Collection and Recording

**Phase 3:** Data Analysis and Conclusions

# Phase 1: Preparation of the Study



- (1) Establishment of Working Group (WG)
- (2) Scope and Design for the Study
- (3) Planning and Methodology
- (4) Test-run

# (1) Establishment of WG

- ✓ Headed by Customs officials and Other border Agencies at senior management
- ✓ 5-10 core members, whose expertise should cover customs and other border agencies procedures & legislation; organization matters & administrative procedures; computer & statistic processing;
- ✓ Liaison officers from Selected offices
- ✓ Representatives form Various Stakeholders;
- ✓ Technical Collaborator  
(WCO, Donors).

## (2) Scope & Design for the Study



- ✓ All parties in supply chain?
- ✓ Locations?
- ✓ Procedures to be covered (import / export / transit)?
- ✓ Types of consignments?
- ✓ Duration?

# (3) Planning and Methodology

## ✓ Duration and Timing

- Cover at least 7 consecutive working days
- Choose the period of normal traffic (not seasonal peak)

## ✓ Types of Goods

- Recommend to include all types





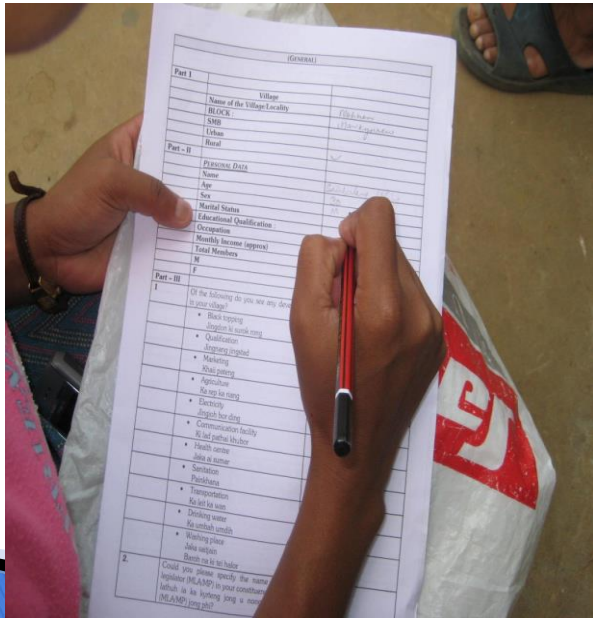
## (3) Planning and Methodology (Cont'd)

- ✓ Environmental Scan and Workflow Mapping
  - Conduct environmental scan to attain comprehensive information on the TRS-related operations (involving all parties in the supply chain) and physical environment of the locations chosen
  - Map out various workflows for locations chosen
- ✓ Preparation for Data Collection
  - Design a form for data collection – input later to WCO, TRS software
  - Formulate guidelines for data collection and input (what? how? by whom?)
  - Provide a list of definitions for certain activities

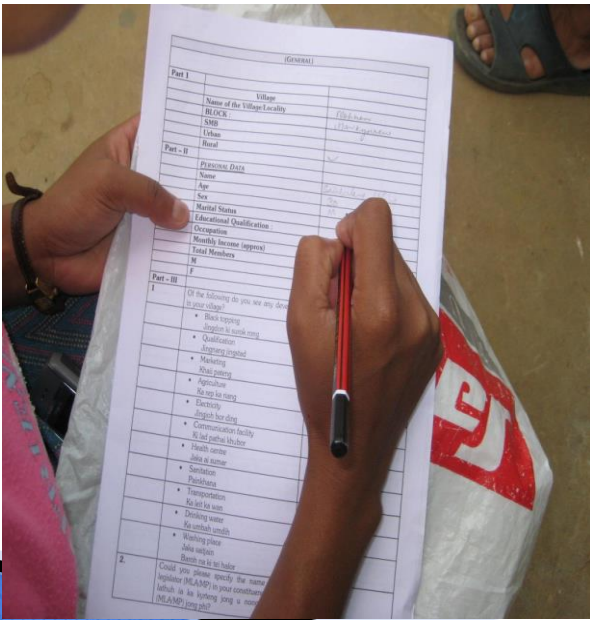
# Phase 2: Data Collection & Recording



- ✓ Ascertain all the processes and records involved (automated / manual)
- ✓ Ascertain the processes and the parties responsible for collection & recording the data
- ✓ Arrange to distribute the survey forms to customs brokers and freight forwarders in advance
- ✓ Arrange appropriate training / briefing to staff / parties involved where necessary



# Phase 2: Data Collection & Recording



# Step 5: Input data

## Example 1

Section A: General Information	
1. Customs Office (*)	Customs Office A
2. ID number of Goods Declaration (*)	10114725
3. Pre-Arrival Logement of Goods Declaration (*)	Yes
4. Physical Inspection (*)	No
5. Intergention by Trade Related Agencies (*)	No
Section B: Cargo Information	
6. Arrival of Goods (*)	10:25, 1 October 2013
7. Unload (Storage) of Goods (*)	14:35, 1 October 2013
8. Submission of Customs Declaration (*)	15:00, 3 October 2013
9. Customs Permission (*)	17:05, 3 October 2013
10. Cargo removal from Customs Area (*)	09:50, 4 October 2013

# Step 5: Input data

## Example 2

Section A: General Information	
1. Customs Office (*)	Customs Office B
2. ID number of Goods Declaration (*)	10216824
3. Pre-Arrival Logement of Goods Declaration (*)	No
4. Physical Inspection (*)	Yes
5. Intergention by Trade Related Agencies (*)	Quarantine
Section B: Cargo Information	
6. Arrival of Goods (*)	10:00, 2 October 2013
7. Unload (Storage) of Goods (*)	10:35, 3 October 2013
8. Submission of Customs Declaration (*)	09:00, 8 October 2013
9. Customs Permission (*)	15:00, 10 October 2013
10. Cargo removal from Customs Area (*)	14:15, 11 October 2013

# Step 5: Input data

## Example 3

Section A: General Information	
1. Customs Office (*)	Customs Office A
2. ID number of Goods Declaration (*)	10125621
3. Pre-Arrival Logement of Goods Declaration (*)	No
4. Physical Inspection (*)	No
5. Intergention by Trade Related Agencies (*)	Food Sanitation
Section B: Cargo Information	
6. Arrival of Goods (*)	10:25, 1 October 2013
7. Unload (Storage) of Goods (*)	13:30, 1 October 2013
8. Submission of Customs Declaration (*)	09:10, 4 October 2013
9. Customs Permission (*)	16:35, 4 October 2013
10. Cargo removal from Customs Area (*)	09:50, 7 October 2013

# Step 5: Input data

## Example 4

Section A: General Information	
1. Customs Office (*)	Customs Office C
2. ID number of Goods Declaration (*)	10400815
3. Pre-Arrival Logement of Goods Declaration (*)	Yes
4. Physical Inspection (*)	No
5. Intergention by Trade Related Agencies (*)	No
Section B: Cargo Information	
6. Arrival of Goods (*)	10:45, 1 October 2013
7. Unload (Storage) of Goods (*)	14:55, 1 October 2013
8. Submission of Customs Declaration (*)	19:00, 2 October 2013
9. Customs Permission (*)	19:20, 2 October 2013
10. Cargo removal from Customs Area (*)	10:15, 3 October 2013

# Phase 3: Data Analysis & Conclusion



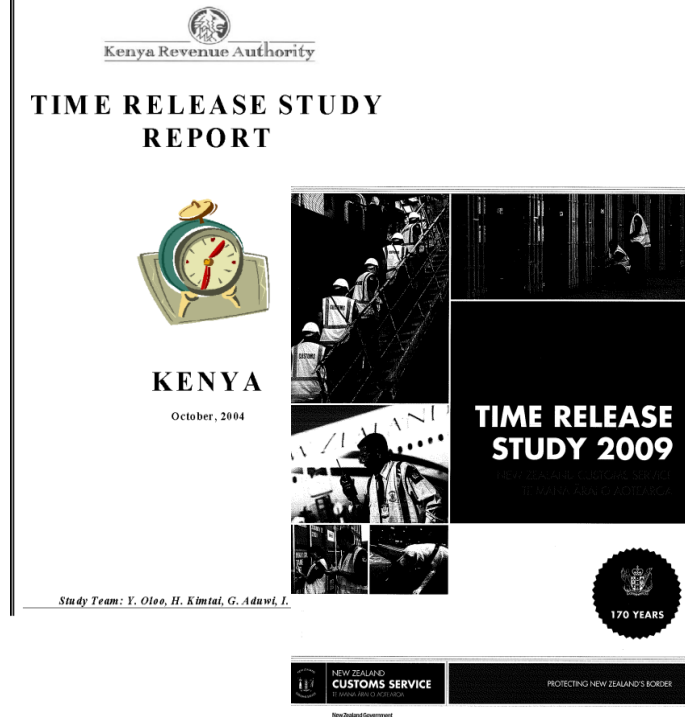
- Ensure that all data collection forms are returned
- Verify raw data in every form for accuracy & quality
- Set aside data collection forms with errors pending further verification (Data still usable if the errors are not significant)
- Set aside incomplete forms pending further examination (Missing data may be extracted from the automated clearance system.)
- Use WCO software or alternative means for data processing
- Analyze the verified data with due regard to the objectives and approach adopted



# Phase 3: Data Analysis & Conclusion

## ✓ Final Report

- Objectives
- Scope
- Methodology
- Analysis
- Conclusion
- Recommendations  
(Action Plan)



# Tips for Success

- ✓ Proper planning and monitoring
- ✓ Good communication with parties involved
- ✓ Objectivity in analysis and report
- ✓ Adequate publicity for the findings & way forward



# TRS Findings

- ✓ Approximately 70% of declaration were examined by the TRS. Some are still being process with no release note yet issued
- ✓ Customs - Average Time to clear goods is a minimum of 4 days (therefore many of the declarations have not yet been released)
- ✓ Customs Brokers – Average time three days from receipt of documents to lodgment of declaration. They advised in the TRS that many had been delayed due to no payment issues
- ✓ Quarantine – 1 hour minimum – but most cargo subject to quarantine yet to be cleared (released)

# TRS Findings

- ✓ Arrival to lodgement – 3 days +
- ✓ **Note – Arrival to lodgement may include Quarantine intervention**
- ✓ Lodgement to assessment – 1 day+
- ✓ **Note – Assessment process was reported to be quicker due to the TRS study and payment issues caused delays**
- ✓ Assessment to Release – 3 days plus
- ✓ **Note – Assessment to Release includes Inspection**
- ✓ Release to movement – 4 days+
- ✓ **Note – Demurrage at the Port is 5 Days**

# TRS Findings

- ✓ All goods are examined – however the TRS shows they were conducted quickly (average around 30 minutes).  
Quality?
- ✓ Key clearance documents require signatures from 5 – 6 different senior Customs staff. Often they are not available and the document (and cargo) must wait
- ✓ Time Management – There appears no urgency from Customs staff to clear cargo that is low risk
- ✓ Manual documents – Brokers have to lodge all documents manually for all declarations, delaying release of the cargo, including business registration

# TRS Findings

- ✓ The declared value of goods and freight is often uplifted without any explanation or investigation. Once the WTO is in place Customs will have to use defined methods – normally transaction value
- ✓ No Risk Management, Intelligence, Profiling or selectivity
- ✓ Little evidence noted as to the reason for the delay in clearance
- ✓ Paying Taxes at the Bank can be time consuming

# TRS Findings - Observations

- ✓ Quarantine assess cargo before Customs assessment
- ✓ Port – Absence of ASYCUDA in the Port (Control?)
- ✓ Border Posts – Lack of reporting function of ASYCUDA to HQ in Dili
- ✓ Port and Border Posts – Cargo scanners not working
- ✓ Port – Security do not monitor the movement of cargo from the Port for Customs Release
- ✓ Port – No reconciliation of cargo manifest (B/L) to declarations to ensure cargo acquittal
- ✓ Port – No accountability of cargo release from the Port
- ✓ Port – Lack of Coordinated Border Management (Customs and Quarantine)

# TRS Findings - Observations

- ✓ All cargo clearance processes and procedures need to be reengineered to reflect WTO and WCO standards
- ✓ Capacity Building needs to focus on practical knowledge “on the Job”
- ✓ No published standards of clearance times – client charter



# TRS Findings – Best Practice

- ✓ Advanced Cargo Manifests
- ✓ Intelligence, Targeting, Cargo profiling and selectivity
- ✓ Focus resources on high risk cargo whilst speedy release of low risk “green Lane” cargo – quality assurance through Post Clearance Audit (PCA)
- ✓ Compliance Management – Treat the behavior of clients differently
  - ✓ High risk – Cargo Examination, PCA, Penalties, counselling, prosecution
  - ✓ Medium Risk – Reduced Cargo Examination, Education and training, PCA and counselling
  - ✓ Low Risk – Minimal intervention, PCA, Simplified procedures, deferred payment and periodic entries

# TRS Findings – Best Practice

- ✓ Pre-lodgement of declarations and Pre-Clearance of cargo
- ✓ Transparency of information through web-site, education seminars, Information call centres, PCA education visits
- ✓ Advanced Rulings issued for HS tariff, Valuation and Origin
- ✓ Authorized Economic Operator Program for large, low risk importers
- ✓ Establish a Post Clearance Audit Unit to reduce intervention at the Borders
- ✓ All documents submitted electronically through the ASYCUDA World system and legislate for electronic signatures.
- ✓ Results of cargo Inspections recorded in ASYCUDA for risk management purposes

# TRS Findings – Best Practice

- ✓ Payment of Duties and Taxes Electronically through the banks
- ✓ Real Time recognition of payment in the ASYCUDA system

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