



ASEAN Customs Enforcement and Compliance Working Group (CECWG) Meeting Ensures Economic Stability and Resilience through Enhanced Customs and Tax Cooperation in ASEAN

Bali, 7 February 2023 – The 33rd Meeting of the ASEAN Customs Administration which is part of the *Customs Enforcement and Compliance Working Group* (33rd CECWG) is held on 7-9 February 2023 in Nusa Dua, Bali on a hybrid basis. The 33rd CECWG meeting is to continue the discussion of the ASEAN agenda in the field of Customs Enforcement and Compliance which is attended by delegations from the Customs Administration of ASEAN member states, ASEAN *Dialogue Partners* (DPs) namely Australia and Japan, the ASEAN Secretariat and other ASEAN *sectoral bodies*, namely the ASEAN *Network of IP Enforcement Experts* (ANIEE) and ASEAN *Working Group on Chemical and Waste* (AWGCW).

This three days' meeting aims to provide updates on the implementation progress of activities in the Strategic Plan for 2021-2025 related to Post Clearance Audit; Customs Enforcement and Mutual Assistance; and Public Safety and Protection of the Community.

Anita Iskandar as Director of International Affairs, Directorate General of Customs and Excise (DGCE), the Ministry of Finance of the Republic of Indonesia (MoF RI) and also Co-Coordinator Strategic Plan on Post Clearance Audit (PCA), on her opening speech in the 33rd CECWG meeting stated that under Indonesia Chairmanship in ASEAN 2023, MoF RI has proposed activity of increasing cooperation between the Customs Administration and the Tax Authority in ASEAN. This activity can be achieved through the development of the ASEAN Guideline on Cooperation between Customs Administration and Tax Authority as one of the expected outputs under the Priority Economic Deliverables (PED), "Fostering recovery and ensuring economic and financial stability and resilience".

"Indonesia as the Country Coordinator on Post Clearance Audit (PCA) has initiate to improve cooperation between customs and tax administration in ASEAN as one of the activities in the Strategic Plan since 2021 and has develop a Guideline concept related to this matter to be used as a guideline or best practices in ASEAN. This initiative was proposed by Indonesia aims to encourage the Synergy Program that has been initiated at the Ministry of Finance since 2013 through the implementation of a Joint Audit between the Directorate General of Customs and Excise and the Directorate General of Taxes into the international forum within the ASEAN region," Anita explains.

The implementation of cooperation between the Customs Administration and the Tax Authority in ASEAN is expected to optimize state revenues, reduce risk of revenue loss, and improve services to taxpayers by encouraging taxpayer compliance in fulfilling their tax obligations and increasing supervision without increasing compliance costs. This synergy program is the basis for implementing five pillars of reformation, namely (i) legislation, (ii) business processes, (iii) organizational structure, (iv) Human Resources (HR) which includes incentives and discipline, and (v) information technology and databases to create a reliable information system in processing tax data with technology-based accuracy.

The synergy between customs and tax authorities includes data exchange, joint analysis, joint examination, and even joint investigation when there is sufficient preliminary evidence of fraud. These guidelines are expected to be useful to the customs authorities of each ASEAN member states in improving cooperation mechanisms (including MoUs, if needed), which can be adjusted to meet specific situations and conditions for cooperation with stronger taxing authorities.

Anita Iskandar also hopes that the ASEAN Customs forum under the Ministry of Finance of the Republic of Indonesia can contribute and support the initiative by finalizing and endorsing the ASEAN Guideline on Cooperation between Customs Administration and Tax Authority.

Indonesia as the Country Coordinator of Post Clearance Audit (PCA) also regularly provides training in the field of Post Clearance Audit to other ASEAN member states base on their request. In 2021 Indonesia gave a virtual workshop to Brunei Darussalam and Malaysia with the theme Strategic Planning on PCA and Risk Management. In 2022, Indonesia also provides On-the-Job Training (OJT) program by inviting Lao Customs Department employees to share knowledge and audit practices/simulations at the Indonesia Customs and Excise (DJBC) head office.


In addition to the issues related to Customs Audit, the 33rd CECWG meeting will also discuss agendas related to the exchange of intelligence information, the implementation of joint operations, and the capacity building program of the Customs Administration in order to improve Supervision and Security for the Community from the circulation of dangerous goods that may threaten public safety.

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