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KLIA Customs clearance going fully online at last

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THE Royal Customs and Excise Department will on Friday begin implementing a "paperless" Customs clearance system in phases at the Kuala Lumpur International Airport (KLIA).

This is six years after the online Customs information system was introduced.

Trials will begin with non-dutiable and non-prohibited export items, followed by inbound cargo on November 18.

"The total implementation of the Sistem Maklumat Kastam Elektronik (SMK) is to be completed by December 15.

"We expect the clearance of transshipment goods to go fully online by end- or early-December," a source close to the Customs Department told Business Times.

An industry briefing-cum-meeting will be held tomorrow at the KLIA Kargo premises in Sepang to discuss the exercise. It will be chaired by Customs' information technology division director Chuang Chu Chuan, according to a circular dated October 9 issued by the Customs headquarters.

Last week, Malaysian air freight forwarders had claimed that they have collectively paid close to RM17 million over the years for an online Customs clearing system that never existed.

Operations are effectively still manual as their agents must be physically present at the airport to have documents processed, they alleged.

The Government first introduced the SMK at the Sultan Abdul Aziz Shah Airport in Subang in April 1996, and freight forwarders were required to use the services.

When the system was unveiled in 1994, the industry was informed that fully online Customs clearance was the ultimate objective.

Freight forwarders were expected to use the system except when other government agencies (OGA) or the Customs required their shipment to undergo checks.

The clearance system has been installed by 25 OGAs to date, of which only five are active. They are the Ministry of International Trade and Industry, Sirim Bhd-Jabatan Telekom Malaysia, the Veterinary Department, the Malaysian Pesticide Board and the Wild Life Department.

It is learnt that the other OGAs remain in "wait-and-see" mode.

When fully operational, the clearance system was supposed to reduce the time needed to handle cargo documentation to as little as five minutes, from up to six hours now.

In welcoming the "long overdue" decision, Airfreight Forwarders Association of Malaysia (Afam) chairman Walter Culas said: "Customs deputy director-general Datuk Abdul Rashid Bulong was instrumental in getting things moving".

"He was very concerned about the delay... we (Afam) were already preparing to write to Prime Minister Datuk Seri Dr Mahathir Mohamad to seek his intervention... members have paid in excess of RM2.8 million a year to use the SMK," Culas said.

The Customs has had many "interesting proposals," and it is unfortunate that most if not all do not get off the ground, he added.

For example, it was decided back in 1994 that 97 per cent of all shipments handled by freight forwarders would eventually be treated on a direct release basis through the online clearance system.

The balance would be subject to random inspection.

"There was even a proposal that the Customs form a mobile squad to conduct the random checks at the premises of the consignees.

"And freight forwarders in turn proposed that a high penalty clause be drawn up to guard against evasion of import duties... this includes requiring repeat offenders to undergo 100 per cent checks for one year.

"We also offered to help create a database of `clean' shippers but all these ideas were never followed through," said Culas.

On the decision to start implementing the online system at KLIA, he said it is crucial for senior Customs officials to be fully familiar with the system.

"They have also to be more commercial-minded and less bureaucratic, and benchmarks for the SMK processes ought to be established as well," he added.