



Open Bond System to Facilitate Trade



The Open Bond System (OBS)

Customs and Excise Department will implement the OBS on 1 April 2003 in respect of the control over bonded warehouses for the storage of dutiable commodities. Under OBS, no Customs officer will be stationed at the bonded warehouse. Customs control over bonded warehouses will be exercised by means of comprehensive post-transaction auditing and compliance checks instead of physical supervision by Customs officers. The new system will facilitate not only warehouse operators but also the importers and exporters of dutiable commodities (I/E Traders).

Facilitations to I/E Traders

- ▶ Savings in operating costs, e.g. waiving of Customs attendance fees for supervision of vanning / devanning and sampling of dutiable goods
- ▶ Flexible opening hours of bonded warehouses
- ▶ Reduced level of checks on vanning and devanning operations

Enquiries

For further information, please contact the Customs and Excise Department at 2424 4496 (24 hours)

Major Changes brought to I/E Traders

Operations	Closed Bond System	OBS
Opening hours of warehouse	▶ Office hours	▶ Determined by warehouse operators
Opening hours of Customs & Excise Warehouses	▶ Office hours	▶ On appointment basis
Vanning / devanning of dutiable goods	▶ Prior Customs appointment ▶ 100% check	▶ Notification only ▶ Selective check
Labeling, re-marking, re-packing and surveying of dutiable goods at warehouse	▶ Application lodged with Permit Office and Excise Control Division ▶ 100 % supervision	▶ Application lodged with Excise Compliance and Audit Division ▶ Selective check
Levying of Customs attendance fee	▶ All attendance	▶ Waived; except attendance for destruction of dutiable goods
Basis of claims on breakage / shortage upon importation	▶ Customs endorsement upon attendance	▶ Submission of documentary proof by permittee