



ASIA/PACIFIC CUSTOMS NEWS

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Fortifying Borders:

Enhancing Customs Enforcement Against Transnational Crime



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Fortifying Borders: Enhancing Customs Enforcement Against Transnational Crime

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A Brief Note

from the WCO Vice-Chairperson for the Asia/Pacific Region

Tsz-tat CHAN

WCO Vice-Chairperson for the Asia/Pacific Region
Commissioner of Hong Kong Customs



Dear Esteemed Members of the WCO Asia/Pacific Region,

It is my great pleasure to introduce the 75th issue of the WCO Asia/Pacific Customs News. As we mark the completion of our first year tenure, I would like to take this opportunity to reflect on the progress we have made together and the common goals that continue to drive our regional co-operation.

This issue features a theme of vital regional importance: Fortifying Borders: Enhancing Customs Enforcement Against Transnational Crime. The challenges posed by transnational organised crime, emerging trade-related risks and increasing global interconnectedness require Customs administrations to remain agile, innovative and united. This issue showcases our Customs advancements, ranging from non-intrusive inspections and satellite-based laboratories to the strategic deployment of cutting-edge technology at maritime boundaries, demonstrating the power of our collective commitment.

I am particularly inspired by the diverse initiatives led by our members – from Indonesia’s scientific innovations in combating crime, focusing on strategic trade control in archipelagic waters, to New Zealand’s smart

tech applications safeguarding maritime access. These progressive approaches to border management highlight the pivotal role of Customs in strengthening both national and regional security.

This issue also sheds light on the increasingly intricate regulatory landscapes, such as the evolving dynamics of cannabis legalization and how Customs upholds professionalism and vigilance in the face of these changes. The inspiring feature, “Borders with Wings”, pays tribute to the ingenuity and steadfast dedication of frontline officers combating illicit trade.

I am also delighted that the “Customs Appreciation” section continues to recognise the exemplary dedication of officers who have gone above and beyond in serving their communities. Their stories not only inspire us but also reinforce our shared mission in humanity and purpose.

Let us continue to build upon these achievements with a stronger commitment to co-operation, strategic foresight and regional solidarity. I look forward to closer collaboration with all of you as we shape a more secure, efficient and innovative future for Customs across the Asia/Pacific Region.

A Brief Note

from the Secretariat Office of the WCO Vice-Chairperson for the Asia/Pacific Region

Kin-kei LI

Head of Secretariat Office
WCO Vice-Chairperson for the Asia/Pacific Region
Assistant Commissioner (World Customs Organization) of Hong Kong Customs



Dear WCO Asia/Pacific Colleagues,

We are pleased to present the 75th issue of the Asia/Pacific (A/P) Customs News, which highlights our region's unwavering commitment to safeguarding borders and combating the increasingly sophisticated threats posed by transnational organized crime. This edition focuses on "Fortifying Borders: Enhancing Customs Enforcement Against Transnational Crime" – and reminds us that Customs administrations across the globe must continue to cooperate to protect the integrity of our borders while facilitating legitimate trade.

In this issue, A/P colleagues have shared a compelling array of strategies and tools to address transnational criminal threats. These stories reflect the strength of our collective vigilance, such as enhanced non-intrusive inspection systems and the development of Indonesia's pioneering Customs Satellite Laboratory, demonstrating how scientific innovation strengthens enforcement. Other articles are highlighting the unique challenges faced by archipelagic nations like Indonesia and the bold steps they are taking in trade control to manage dispersed maritime borders.

Some articles have given us new insights in the fight against contrabands. New Zealand has demonstrated cutting-edge technologies to disrupt organized crime at sea, and Sri Lanka

has shown us their collaboration with airline operators to detect smuggling patterns at air borders which showcases how public-private partnerships drive success. Such initiatives reveal Customs' agility in responding to illicit trade networks that endangers global trade security.

The news also covers some interesting topics such as the dynamics between cannabis legalization and shifting of global regulations, that demands nimble enforcement approaches and deeper regional cooperation. These developments call on us to reaffirm our collective commitment to intelligence-sharing, capacity building, and innovation in enforcement.

In the "Customs Appreciation" segment, we continue to honor officers who exemplify the highest standards of service and courage. Their stories personify our shared mission and reaffirm our purpose.

As transnational crime grows in scale and sophistication, Customs administrations across the A/P region must stand more united than ever. Through enhanced enforcement strategies and a strong foundation of trust and collaboration, we are poised to confront these challenges with determination.

We extend our deepest appreciation for your unwavering dedication and support.

SPOTLIGHT



Asia/Pacific Customs News #75



By Inspectors Allanah O'Hanlon and Felicity Wang

Customs is responsible for balancing the complex tasks of trade facilitation and enforcement while administering its revenue and border management functions. One of the significant challenges they face is combating Trade-Based Money Laundering (TBML). TBML is defined by the Financial Action Task Force as the process of disguising the proceeds of crime and moving value through the use of trade transactions in an attempt to legitimise their illicit origins. It has been identified as one of the most complex methods of money laundering due to the ability of criminal organizations to exploit legitimate trade channels.

TBML is a pervasive threat that is linked to terrorism and extremism, corruption, violence, human trafficking and economic destabilisation; threats that significantly impact public safety. With the volume of trade increasing, even with economic contractions due to heightened trade restrictions, there are significant pressures on Customs to be managing a wide range of threats to the border. TBML is often seen to be a law enforcement or financial-sector issue; however, the complexity of TBML requires expertise across Financial Intelligence Units (FIUs), Law Enforcement and Customs to have any effect on

detection, disruption or deterrence efforts. It is this need that has led to the development of the Australian Border Force (ABF) TBML Lighthouse Project, due to launch on 1 July 2025. The project will be run as a two-year pilot focused on the Asia/Pacific region. Bringing together various stakeholders with expertise to bridge the gaps in addressing TBML. Through the Lighthouse Project, the ABF will seek to deliver enhanced training, better interagency and international cooperation and investment in public-private-partnerships. It is envisioned that investment in these efforts will help to develop a consistency of practice in how Customs, FIUs and Law Enforcement view TBML and combat this method of transnational crime.

The Lighthouse Project will centre activities on 4 areas of strategic and operational focus:

- Research, policy and outreach
- Capacity building
- Data, technology, and information sharing
- Joint agency operations

This project is open to voluntary participation through self-nomination. We welcome expressions of interests for joining the project at any stage. Further Information can be requested by contacting the Lighthouse team by email at: lighthouse@abf.gov.au.

Securing the Eastern Frontier: Innovations in Customs Enforcement

The Kolkata Customs Zone is fortifying India's eastern border through advanced surveillance, strategic coordination, and data-driven enforcement — addressing the growing challenge of transnational crime with precision and resilience.

By Sh. Suraj Kumar Gond, Suraj Kumar Gond, Executive Assistant, CGST & CX, Audit-I Commissionerate, GST Bhawan, Kolkata Zone

India's eastern border, managed in part by the Kolkata Customs Zone, plays a critical role in the nation's trade landscape. Yet, its strategic location—bordering Bangladesh, Nepal, and Bhutan—also makes it vulnerable to a range of transnational crimes, including narcotics trafficking, gold smuggling, wildlife crime, and counterfeit trade. To address these evolving threats, the Kolkata Customs Zone is adopting a forward-looking enforcement strategy rooted in technology, intelligence sharing, and inter-agency collaboration.

Technology-Driven Enforcement

Modern customs enforcement in Kolkata is increasingly reliant on smart technology. Non-Intrusive Inspection Systems (NIIS), such as high-energy X-ray scanners and radiation detection equipment, have been deployed at key points like the Kolkata Port and Petrapole Land Customs

Station. These tools are integrated with the Risk Management System (RMS), enabling targeted inspections that minimize disruption to legitimate trade while enhancing detection rates.

In border-adjacent districts such as North 24 Parganas and Murshidabad, mobile surveillance units equipped with thermal imaging and night-vision capabilities offer continuous monitoring, especially in areas prone to illicit cross-border movements under the cover of darkness.

Linking Customs and GST for Financial Intelligence

A major step forward has been the integration of Customs' data with GST analytics. By correlating trade declarations with tax filings, authorities have been able to detect anomalies such as under-invoicing, circular trading, and fraudulent IGST refund claims. In a notable case last year, a joint operation between Kolkata Customs and the Directorate General of GST Intelligence (DGGI) exposed a network of exporters using forged invoices to siphon off input tax credit.

The Zone is also exploring blockchain-based solutions to improve the transparency and traceability of cargo movements, with the goal of creating a tamper-proof audit trail from origin to destination.



Strengthening Partnerships and Building Trust

Effective enforcement is increasingly dependent on collaboration. Kolkata Customs has established strong linkages with agencies like the Border Security Force (BSF), Narcotics Control Bureau (NCB), Wildlife Crime Control Bureau (WCCB), and state police forces. These partnerships have led to successful operations, including the seizure of rare wildlife species and narcotics at key checkpoints like Netaji Subhas Chandra Bose International Airport.

Additionally, the Zone conducts regular outreach with freight forwarders, customs brokers, and warehouse operators to promote compliance awareness. These engagements not only foster cooperation but also empower stakeholders to serve as the first line of defense against suspicious activities.

Addressing Operational Challenges

Despite progress, several challenges remain. Difficult terrain and infrastructure limitations at certain land borders make the deployment of large-scale inspection systems complex. Staffing constraints can also hinder sustained vigilance during high-traffic periods. Moreover, the rise of cyber-enabled trade fraud calls for continuous training and digital capacity-building among frontline officers.

To address these issues, Kolkata Customs is working towards the integration of its enforcement data with global platforms like WCO's CENcomm for real-time intelligence exchange. A proposal for a dedicated forensic lab to support document and product verification is also under consideration.

Conclusion

Kolkata Customs is setting a strong example of adaptive enforcement in the face of growing transnational threats. By embracing innovation, strengthening partnerships, and investing in capacity building, the Zone is not only securing India's eastern frontier but also contributing to the broader global effort to safeguard legitimate trade and economic integrity.



Smart Borders, Collaborative Force: The Future of Customs Security

By Avinash Pandey, Deputy Commissioner of Customs & Indirect Taxes, is an Indian Revenue Service officer with the Government of India. Views are personal and do not represent that of the government.

In the era of globalisation with integration into the global value chains as a fundamental strategy towards economic growth and sustainable development, transnational crime emerges a significant threat. Transnational crimes like drug trafficking, wildlife smuggling, terror financing, money laundering and counterfeiting, etc. utilise vulnerabilities in trading of goods across borders. These security challenges not only threaten public safety and the rule of law, but also the global economic stability. In its endeavour to facilitate trade along with maintaining border security, the WCO, member countries and the Customs administration are at the forefront of securing this global economic stability through strategic enforcement.

Strategic Enforcement Approaches

The twenty-first century customs enforcement hinges upon the three-fold mission of securing fiscal, economic and security mandates. It builds upon the WCO's SAFE Framework of Standards in which risk-based assessment is prioritised to expedite legitimate trade while maintaining security across trade borders.

To maintain security across the borders, intelligence-led enforcement is the way forward. In this digital century, data is the biggest source of intelligence. That is why it is imperative for the Customs administrations to develop capabilities in, and rely upon, data analytics and machine learning technologies. These technologies coupled with pattern recognition, supply chain analytics and multimedia processing can help identify suspicious shipments and financial records through comprehensive risk profiling.

These challenges get accentuated in contemporary times with e-commerce based cargo movements, usage of crypto currency based payment systems and layered financial trail and cargo movement. This requires a multinational collaborative framework.

Collaborative Multinational Approaches

Regional and multinational cooperation and collaboration is crucial in fighting against these transnational networks. For example, Operation Thunder is a successful initiative of multi-agency coordination against wildlife smuggling networks. Similarly, the Authorised Economic Operator scheme presents a way-forward approach to securing the supply chain in their bid to ensure the integrity and safety of the global value chains. Further, adoption of blockchain technologies can further help strengthen the supply chain. Most importantly, in real-time data and intelligence sharing protocol between member countries and Customs administrations is one of the most effective collaborative approaches in the fight against the transnational criminal networks. Public-private-people collaboration is also crucial. It leverages industry expertise and local intelligence which are crucial for continued success.

As all the member countries do not have the same resources and capabilities in their fight against the transnational criminal networks, capacity building, criminal analysis and investigative support become crucial among member countries. The WCO may further expand its role and nudge capable and resourceful countries towards providing investigative support and capacity building to the emerging countries.

Conclusion: Future Directions

Strategic enforcement is the way forward for the Customs administrations. It lies in the continuous integration of new and emerging technologies, predictive and autonomous analytics and international cooperation and collaboration. Artificial intelligence, blockchain technologies and digital passports will help in tamper-proof supply chain analytics and passenger movement analysis, respectively. This will strengthen risk-based trade and passenger movement facilitation, while simultaneously securing the borders from transnational threats.

Success in combating transnational crime requires a sustained commitment to international cooperation, technological innovation, and adaptive enforcement strategies. As criminal networks become more sophisticated and technology-enabled, customs administrations must continue to evolve their capabilities to protect global supply chains while facilitating legitimate international trade. The WCO's leadership in coordinating these efforts provides the foundation for a more secure and prosperous global trading system.





Container trucks pass through x-ray container scanners at PT Jakarta International Container Terminal, Port of Tanjung Priok, North Jakarta, Indonesia.

The growing volume of international trade has driven the Directorate General of Customs and Excise (DGCE) of the Ministry of Finance of the Republic of Indonesia to continuously innovate towards more efficient and effective customs supervision.

Contributors (in alphabetical order): Fauzi Ichad Wiekaldie; Kartiyasa Arifita Putri; and Muhammad Ardy Febriant Widagdo – Customs Analyst, Tanjung Priok Prime Customs Office, Indonesia Customs

As an archipelagic nation, Indonesia faces evolving risks from illicit trade, especially through maritime routes. Tanjung Priok, the country's largest port, processes more than 1.5 million import and export documents annually, covering approximately more than 3 million containers, including transshipments. This volume makes it one of the major entry points for illicit trade, as criminals often disguise contraband within legal shipments or falsified documents. These challenges show the demands of complex customs control upon irregularities

and the urgent need to shift from reactive to preventive enforcement.

To address the challenges, in line with the attempt to improve the national logistics system through the National Logistic Ecosystem (NLE) programme, the Government of Indonesia issued the Minister of Finance Regulation Number 109/PMK.04/2020. One of its key points, outlined in Article 18 Paragraph (1) Letter f, mandates Temporary Storage Operators to provide and maintain scanner equipment suited to the characteristics of imported and exported goods. The scanner equipment supports non-intrusive inspection, allowing customs to identify and detect irregularities in containerized cargo. During the establishment processes, DGCE also advanced the development process of the information system and its Business Continuity Plan through intensive coordination with other institutions, ensuring readiness of its implementation.

On December 18th, 2024, Askolani, the Director General of Customs and Excise of the Republic of Indonesia, officially launched the operation of ten x-ray container scanners deployed across five strategic locations within the Port of Tanjung Priok: JICT, TPS KOJA, TER3-MAL, NPCT-MTI, and Graha Segara. These scanners are integrated into the customs information system and enhanced with big data management and analysis, enabling more effective risk-based customs control and evidence-based decision-making. To ensure operational success, Ambang Priyonggo, Head of Customs and Excise Major Servicing Office Type A Tanjung Priok, conducted in-house personnel training and resources reallocation in line with the

Government's ongoing budget efficiency policy. He also mandates periodic evaluation to maintain the optimal equipment readiness for 24/7 operations.

In the first three months of operation, the scanners demonstrated measurable impacts. An average of 4,500 containers were scanned daily, increasing DGCE's ability to detect high-risk cargo efficiently with greater accuracy. This contributed to increased enforcement activity which rose by 38% increase compared to the pre-scanner period, faster shipments for compliant importers, and stronger overall control without disrupting trade flows.



Askolani, the Director General of Customs and Excise of the Republic of Indonesia along with Ambang Priyonggo, Head of Customs and Excise Major Servicing Office Type A Tanjung Priok and the other terminal executives, jointly presses the launch button of the new x-ray container scanner at TPK Koja, Port of Tanjung Priok, underscoring inter-agency synergy for stronger border security and smoother trade flows.



Customs officers monitor real-time container scan images using the integrated systems and advanced analytics dashboard, enabling immediate cargo risk assessment and faster enforcement decisions.

Demonstrating the value of non-intrusive technology, one notable finding involved an import declared as 'cookware'. Upon scanning, the image analysis revealed anomalies, leading to a physical inspection. The declared items were absent. The container was instead filled with regulated items, such as cosmetics and textiles. Another case, flagged through risk-based targeting, involved a shipment declared as 'bird seed'. It was scanned, analysed, and recommended to laboratory testing which then confirmed the presence of cannabidiol. These findings illustrate the effectiveness of integrated enforcement in uncovering misdeclarations and restricted goods concealed within seemingly ordinary cargo. Moreover, the system has also enabled customs officers to detect valuation discrepancies and other irregularities, reinforcing revenue assurance and promoting a fair trade.

This initiative illustrates how an investment in non-intrusive inspection technology, combined

with human capital development and inter-agency coordination, can enhance both security and efficiency at the border. DGCE's scanner project aligns with international best practices promoted by the World Customs Organization, reinforcing the principles of coordinated border management, risk-based controls, and technology-enabled trade facilitation. Indonesia's progress in this area reflects its commitment to becoming a regional logistics hub while ensuring a resilient and secure supply chain.



Fortifying Archipelagic Borders with Strategic Trade Control

Directorate General of Customs and Excise of the Republic of Indonesia (DGCE) spearheads robust Strategic Trade Control (STC) to fortify its archipelagic borders. This article details DGCE's proactive enforcement strategies, unique challenges, innovations, and collaborations in combating transnational crime and WMD proliferation, enhancing regional security.

**By Gampang Juniarto, Senior Analyst at Aceh Regional Office, Indonesia Customs and
Indra Gunawan Ambarita, Senior Analyst at the Revenue and Strategic Planning Directorate, Indonesia Customs**

In an international landscape marked by escalating geopolitical tensions and the proliferation of sophisticated Chemical, Biological, Radiological, and Nuclear (CBRN) capabilities, Indonesia stands firm in its commitment to global peace and the non-proliferation of Weapons of Mass Destruction (WMD). The rise of non-state actors seeking these devastating dual-use technologies, often through complex transnational networks, presents a formidable challenge, particularly as open global trade and rapid information exchange inadvertently create avenues for misuse. This underscores the critical role of robust national Strategic Trade Control (STC) systems.

At the heart of Indonesia's response is the Directorate General of Customs and Excise of the Republic of Indonesia (DGCE), serving as the nation's crucial first line of defense in overseeing the complex flow of dual-use goods. Operating within a comprehensive legal framework that

includes laws on Customs, Nuclear Energy, Trade, and specific regulations addressing CBRN materials, DGCE spearheads the implementation of UN Security Council Resolution 1540. This resolution mandates stringent controls to prevent WMD-related materials from falling into the wrong hands.

A cornerstone of DGCE's strategy involves the continuous enhancement of its enforcement capabilities, aligning with international best practices championed by the World Customs Organization (WCO). A key step is the establishment of a dedicated Sub-directorate for Transnational Crime, sharpening DGCE's focus and bolstering its capacity against complex transnational threats like illicit strategic goods trade. This specialized unit facilitates targeted expertise and agile responses. This focus is complemented by sophisticated, intelligence-driven risk assessments and advanced targeting techniques to pinpoint high-risk consignments. Post-Clearance Audits (PCA) are also strategically employed, not just for revenue collection, but specifically to verify past STC compliance, detect violations, and refine future targeting, with particular emphasis on export transactions. Furthermore, DGCE actively promotes compliance through proactive industry outreach, engaging exporters, importers, and manufacturers to foster a shared understanding of STC obligations and encourage the adoption of Internal Compliance Programs (ICPs).

Indonesia's unique archipelagic geography, with its extensive maritime frontiers and numerous unofficial entry points, presents unparalleled border surveillance challenges. This necessitates innovative and adaptive strategies to manage resource allocation effectively and ensure comprehensive monitoring. Commodity identification, especially for dual-use items that often resemble legitimate commercial goods, remains a persistent hurdle, demanding continuous training for officers and access to rapid technical support, including the crucial analytical capabilities of customs laboratories to accurately verify and classify suspicious goods when visual inspection or initial screening proves insufficient.

To counter these challenges, Indonesia is increasingly looking towards technological innovations and strengthening collaborative frameworks. While the journey towards optimal STC implementation is ongoing, efforts are focused on enhancing data analytics for risk management

and exploring tools that improve detection capabilities. Crucially, effective STCE in Indonesia hinges on a "whole-of-government" approach, fostering seamless inter-agency collaboration between DGCE, the National Intelligence Agency (BIN), the Ministry of Trade (responsible for licensing), the Ministry of Defense, and other relevant bodies. This domestic synergy is complemented by a commitment to international cooperation, leveraging WCO platforms and bilateral agreements to exchange information and coordinate enforcement actions against transnational illicit trade networks.

Guided by the WCO's STCE framework, it is noted that Indonesia government and DGCE are moving towards a progressive enhancement of their control mechanisms. These efforts are not merely about compliance but are a testament to Indonesia's proactive role in safeguarding national security and contributing significantly to regional stability and global non-proliferation efforts.



Customs Satellite Laboratory: Indonesia's Scientific Shield Against Transnational Crime



Indonesia Archipelagos and Customs Laboratory Locations

By: Ayu Perdana K. Subandi, Customs Inspector and Sita Histri Nareswari, Head Section of Technical Laboratory - Customs and Excise Laboratory of Surabaya, Indonesia Customs

With a total area of 1.89 million square kilometres, Indonesia is one of the world's largest archipelagic nations. It faces unique logistical and administrative challenges in supervising cross-border traffic. With thousands of distant ports, the movement of goods often requires careful inspection and laboratory analysis — a task that traditionally relied on centralized laboratories, leading to delays and increased operational costs. The Directorate General of Customs and Excise of the Republic of Indonesia (DGCE) has introduced a solution: satellite laboratories to address these challenges. These strategically located facilities operate under the supervision of the leading Customs Laboratory. They are designed to test and identify import and export goods directly in high-traffic regions, bringing efficiency without sacrificing analytical accuracy.

Faster, Closer, More Efficient

Satellite laboratories support DGCE's broader mission as an industrial assistant, trade facilitator, community protector, and revenue collector. Faster testing leads to faster trade flow, while localized analysis ensures

better monitoring and enforcement.

Today, DGCE operates three main customs laboratories and 27 satellite laboratories. The laboratories are spread across strategic regions in Indonesia. Each satellite lab is equipped to handle commodities specific to the area's economic activity. For example:

- The Dumai satellite lab (North Sumatra) focuses on Crude Palm Oil (CPO) and its derivatives.
- The Tanjung Priok Lab (Jakarta) specializes in testing chemical products, textiles, and polymers.
- The Ngurah Rai lab (Bali) concentrates on pharmaceutical products, illicit drugs, alcoholic beverages, and tobacco products.

These laboratories are equipped with specialized instruments such as Fourier Transform Infrared Spectroscopy (FTIR), Gas Chromatography-Mass Spectrometry (GC-MS), Gas Chromatography-Flame Ionization Detector (GC-FID), and X-Ray Fluorescence (XRF). Additionally, a fully integrated digital system connects all labs with Customs offices, enabling real-time coordination, data access, and rapid decision-making.

Supporting Enforcement Against Transnational Crime

The role of the satellite laboratory extends beyond trade facilitation, and it is also an essential part of transnational crime enforcement, particularly narcotics smuggling and the presence of illegal clandestine drug laboratories. Indonesia's complex geography makes it vulnerable to international drug trafficking via air and sea routes, the circulation of unregulated precursors, and cross-border criminal networks that set up secret labs.

The Ngurah Rai Laboratory is vital in fortifying borders and enhancing customs enforcement against transnational crime. One of the specific commodities in Ngurah Rai Laboratory is narcotics.

Ngurah Rai Laboratory supported the detection of narcotic smuggling and domestic enforcement against illegal drug production. In 2024, the laboratory handled 605 narcotic-related samples seized through various smuggling attempts at Ngurah Rai International Airport in Bali. These samples were quickly and accurately analysed, enabling law enforcement to proceed with legal action.

Moreover, Ngurah Rai Laboratory also contributes to eradicating domestic narcotics distribution. It has tested substances found in an illegal Clandestine Laboratory, including 2-Bromo-4-Methylpropionophenone, a chemical precursor used in the synthesis of Mephedrone, a banned synthetic stimulant. Although this compound is not currently listed as a controlled substance in Indonesian law, the laboratory's analysis confirmed its role in illegal drug production. This underscores the importance of proactive chemical monitoring in anticipating and closing loopholes exploited by transnational criminals.

The strategic benefits of satellite laboratories are a rapid response to the quick interdiction of suspicious goods at the border, real-time laboratory evidence, and the ability to detect unregulated substances linked to illegal drug synthesis, which helps prevent future tracking and anticipate criminal tactics.

Indonesia's customs satellite laboratories are more than scientific facilities- they are one of the shields against transnational crime. With these scientific capabilities, Indonesia's customs laboratories protect national borders and serve as a critical line of defense in the global fight against transnational crime.



Satellite Laboratory equipped with advanced instruments

Using State-of-the-Art Technology and Innovative Solutions to Combat Transnational Organised Crime at New Zealand's Maritime Border



Unveiling the Uncrewed Surface Vessels “Tahi” and “Rua” at Devonport Naval Base, Auckland, New Zealand on 15 April 2025. Royal New Zealand Navy (RNZN) and NZCS staff in front of USV “Rua”.

Left to Right: Lieutenant Commander - Sam Murray USV OIC (Royal New Zealand Navy), DCE Operations - Jamie Bamford (NZCS), Group Manager Maritime - Paul Campbell (NZCS), Maritime Component Commander, Commodore - Shane Arndell (RNZN), Minister of L_R Customs - Hon Casey Costello, Comptroller of Customs - Christine Stevenson (NZCS), Manager Operations Maritime - Roger Batten (NZCS), Manager Maritime - Robby Smith, Senior Advisor to GM Maritime, Megan Menefy (NZCS), CCO Maritime Unit – John Kelly (NZCS).

The threat from transnational serious and organised crime (TSOC) groups is growing worldwide, and we have seen the impact of this in terms of the number and scale of illicit drug seizures at New Zealand airports and seaports. To combat this, the New Zealand Customs Service (NZCS) is investing in new technology to protect New Zealand from brazen attempts to harm our communities, by exploiting our trade routes.

Partnerships That Enhance Maritime Surveillance

A key capability upgrade is the introduction of two Uncrewed Surface Vessels (USVs)—Tahi and Rua—jointly acquired with the New Zealand Defence Force (NZDF). Purpose-built by Ocius Technologies, these state-of-the-art vessels deliver live maritime intelligence from offshore locations, significantly enhancing Customs’ ability to detect and respond to suspicious activity at sea.

Trialled successfully by the NZDF in 2024, a USV played a vital role in a joint operation with the Royal New Zealand Navy where a box containing cocaine was removed from the hull of a vessel en route to New Zealand.

NZCS Deputy Chief Executive Operations Jamie Bamford said strengthening the partnership with the NZDF increases joint capability across the maritime domain.

“This acquisition strengthens our partnership with the NZDF and enhances real-time intelligence sharing, allowing us to respond faster and more effectively to threats. Capable of remaining at sea for extended periods, the USVs provide persistent surveillance without the need for crewed deployment.”

Improving Inspection Capability With A Bespoke Camera System

NZCS is also enhancing its inspection capability with the Vessel Inspection Camera (VIC), developed by NZCS's Maritime Group. The VIC was designed to overcome limitations in inspecting confined, elevated, and submerged areas of vessels—particularly where access is restricted or unsafe.

The system combines a waterproof GoPro 12 with LED lighting and a carbon fibre pole extending up to eight metres. A fibre-optic cable enables underwater use, while a custom 3D-printed bracket supports flexibility across different operational settings. It allows officers to safely examine areas that are traditionally hard to reach without putting officers in harm's way, while capturing real-time footage for review and training.

NZCS Group Manager Maritime Paul Campbell highlighted the importance of being solutions-focused at the border.

"The success of this camera system underscores the importance of innovation in border protection. This technology improves both the thoroughness and safety of our inspections and is a shining example of practical problem-solving leading to globally relevant solutions."

Looking Forward

With the size of the Pacific Ocean – the world's largest – the biggest risk to the region through transnational organised crime comes from the maritime environment. NZCS priority is to improve the targeting and profiling of craft to achieve better intelligence on what's being smuggled across the region.

Over the next four years, additional funding from the New Zealand Government will give NZCS increased capacity to target TSOC. NZCS will invest in staff capability, assets, tools and technology to improve the ability to prevent and respond to maritime-related threats, as well as partnering with border agencies and industry partners to understand and disrupt criminal networks.

Two new Uncrewed Surface Vessels for the New Zealand Defence Force and New Zealand Customs Service at Devonport Naval Base, April 15, 2025.

Left to Right: Commodore - Shane Arndell (RNZN), Comptroller of Customs - Christine Stevenson (NZCS), Minister of Customs - Hon Casey Costello.



Joint Cross Border Patrols – Australia & Papua New Guinea Working Together to Protect Shared Maritime Border



Joint Cross Border Patrols

Authorised by David Towe, Chief Commissioner of Customs

Australia and Papua New Guinea (PNG) have worked together for over two decades through the Joint Cross Border Patrol (JCBP) initiative, which was first established in 1997 by the Australian Customs Service and PNG Customs to address growing concerns around the illegal movement of people and goods across the shared maritime border.

The partnership between PNG Customs Service and the Australian Border Force (ABF), leverages the combined resources and expertise of law enforcement officers from both countries to monitor and respond to a range of cross-border threats strongly linked to the movement of traditional border crossings.

Traditional border crossing island communities are located along the Western Province of PNG and the Torres Strait archipelago, which represents Australia's closest proximity to the PNG mainland.

The area's remoteness often poses challenges and risks which can only be effectively addressed through close cooperation by both countries through the JCBP which involves ABF officers as well as officers from the Queensland Police, Australian Federal Police and PNG Customs, PNG Immigration & Citizenship and Royal Papua Guinea Constabulary Police (RPNGC) officers.

Traditional border crossings are covered under the Torres Strait Treaty agreement that allows free

movement of traditional inhabitants between the two countries but only within the Torres Strait Protected Zone for the purposes of fishing, trade and various ceremonies.

Reports of illegal activities like unregulated fishing, human smuggling and movement of prohibited drugs and firearms have also been linked to the movement of traditional border crossings with heavy influence from outside.

The JCBP initiative has provided a platform for law enforcement officers to investigate these reports as well as to conduct regular border security and trade facilitation functions, while also enabling information sharing between law enforcement and awareness for locals.

"Our partnership with the Australian Border Force is a critical component of our efforts to maintain the security and integrity of Papua New Guinea's borders," Chief Commissioner David Towe stated.

"By working together through the Joint Cross Border Patrols, we are able to more effectively detect, deter and disrupt transnational criminal activity that poses risks to our communities on both sides of the border."

"In addition to addressing illegal immigration and smuggling, the joint patrols also support broader trade facilitation and revenue collection efforts, helping to ensure the smooth and secure movement of legitimate goods across the border," the Chief Commissioner stated further.

"This collaborative approach has proven invaluable in strengthening border security and supporting economic prosperity in the region."

Inspector Cheryl Halpin said Australia and Papua New Guinea share a deep commitment to protecting our region.

"Our Joint Cross Border Patrols reflect a partnership built on trust, cooperation, and a shared responsibility to keep our communities safe," Inspector Halpin said.

Cannabis Legalization: Another Growing Challenge for Customs



Detections of Cannabis Related Substances by Sri Lanka Customs

This article delves into the growing global challenge faced by customs authorities as cannabis legalization spreads unevenly across jurisdictions. Using a high-profile case in Sri Lanka as a starting point, it explores enforcement dilemmas, legal discrepancies, and the evolving role of customs in a shifting regulatory landscape.

**By A.D.Nilanga, Deputy Superintendent of Customs
Sri Lanka Customs**

In May 2025, 21-year-old foreign traveller was arrested at Sri Lanka's main international airport after customs officers found 46kg of Kush cannabis in her luggage — Sri Lanka's largest drug seizure to date in an international airport, valued at around £1.2 million. The passenger, who was travelling from a country where cannabis had been legalized, to Colombo to renew her visa, denies any knowledge of the drugs and claims they were planted. She now faces up to 25 years in prison under Sri Lankan law.

This high-profile case highlights the stark impact that differing cannabis laws across countries can have on individuals and the complex operational challenges customs authorities face in non-legalizing nations. This article explores how cannabis legalization in some jurisdictions creates legal and enforcement challenges for customs authorities in other countries.

Operational Challenges in a Fragmented Legal Landscape

When a country legalizes cannabis, it increases the risk that shipments from that jurisdiction may conceal cannabis within legitimate imports. Since cannabis is freely available in the legalized market, smugglers exploit concealment opportunities across a wide range of goods. The threat does not stem from professional packaging or branding, but from the sophisticated ways cannabis can be hidden within any type of shipment originating from legalized regions.

Customs agencies must therefore rethink traditional detection strategies, investing heavily in specialized training, advanced technology, and intelligence systems. Strengthening supply chain integrity and improving risk management are critical to reducing vulnerabilities. However, these efforts place significant financial and operational strain on customs authorities, which often operate under tight resource constraints.

Enhanced cannabis enforcement also extends processing times at border crossings and increases investigation workloads. This creates systemic inefficiencies that affect broader trade facilitation objectives and ultimately impact national competitiveness. The growing phenomenon of legal cannabis tourism further intensifies these pressures, requiring customs to proportionally expand inspection capacities without a corresponding increase in revenue.

The rise of global e-commerce has transformed customs operations, especially in relation to small-package shipments. This segment has long been a challenge because traditional risk management systems were never designed to handle the enormous volume of numerous small parcels. Cannabis legalization adds an additional layer of complexity by increasing the likelihood that drugs will be concealed within these widely dispersed shipments. Customs agencies must urgently develop new strategies and tools to detect and prevent cannabis smuggling through e-commerce.

Strategic Recommendations for Customs

To address these challenges, customs administrations need to adopt multi-layered response strategies incorporating advanced

analytics, artificial intelligence-driven risk assessments, and enhanced international cooperation. Investment in automated detection equipment, chemical analysis capabilities, and real-time intelligence-sharing platforms is essential to maintain enforcement effectiveness.

Training programs must evolve to keep pace with the sophistication of new concealment techniques and changes in legal regulatory frameworks within neighboring legalized jurisdictions. Officers should be equipped with the knowledge needed to properly assess seized materials and build prosecution-ready evidence packages.

Diplomatic coordination with legalized countries can facilitate evidence-sharing agreements and help resolve cross-border enforcement challenges, fostering better cooperation between jurisdictions with differing cannabis laws.

Customs authorities should prioritize technology-driven solutions, create specialized cannabis enforcement units, and develop comprehensive information-sharing agreements with both prohibitionist and legalized jurisdictions. Public-private partnerships with shipping companies and e-commerce platforms can offer additional intelligence channels, helping to balance enforcement needs with trade facilitation goals.

Ultimately, the trend toward cannabis legalization requires customs administrations to fundamentally reimagine their enforcement approaches. This involves balancing respect for national legal sovereignty with the operational realities of controlling illicit cannabis trafficking in an interconnected global marketplace.

Borders with Wings: Leading the Fight Against Contrabands



Sri Lanka Customs – Where Duty Meets Honor

“Sri Lanka Customs, being prime border agency, intensifies vigilance against drugs and tobacco smuggling while enforcing a stringent legal framework and fostering public-private partnerships, united in purpose, securing borders while upholding warm hospitality for legitimate travelers”

By L N A Avani Nissanka, Assistant Charges Officer

Sri Lanka, has become a strategic spot not only being a transit, transshipment location on the global supply chain but also in the movement of Passengers connecting Europe, Middle East and East Asia, South East Asia and Oceania Regions. Bandaranayake International Airport being the prime gateway among all other airports on handling and facilitating passenger volume of 7.2 million and projections for 2025 estimate 8.5 million travelers with a daily arrival averaged 8,150, in January 2025 marking a 23% increase from the previous year regardless of being an island Nation. There are around

30 airlines including six of Skytrax’s World’s Top 10 Airlines and seasonal charter airlines operating at CMB connecting Sri Lanka around the globe.

As a country, Sri Lanka continues its strong tourism rebound in 2025, with 91,785 tourist arrivals in the first 21 days of May, totaling 988,669 arrivals for the year as at May 21. India remains the core source, followed by the United Kingdom, China, Germany, and Bangladesh, highlighting a diverse flow of travelers from key global regions. The rapid increase of passenger movement has evolved vulnerability and exploitation on national hospitality on tourism with illegal smuggle of Drugs and Tobacco through air borders.

Sri Lanka Customs as the frontline border agency at air borders remains vigilant in identifying the possible smuggling patterns which based on multiple parameters with promoting partnerships with airline operators as public private cooperation, while promoting unity against illicit trade as the smugglers always tend to evolve with pattern to avoid interception at borders.



Steps Ahead of Smugglers

In recent months, Customs has intercepted passengers and detected a vast amount of illegally imported tobacco products, narcotics and cosmetics. In January 2025, 2759 grams of narcotics, 600 units of e-cigarettes, 307,442 cigarette sticks, 9.5 kg of other tobacco products, 188 kg of illegally imported cosmetics were detected; In February 2025, 37,394 grams of narcotics, 279 units of e-cigarettes, 569,010 cigarette sticks, 5 kg of other tobacco products, 102 kg of illegally imported cosmetics were detected; In March 2025, 21,007.27 grams of narcotics, 640 units of e-cigarettes, 474,040 cigarette sticks, 20 kg of other tobacco products, 201 kg of illegally imported cosmetics were detected, In April 2025, 39,793 grams of narcotics, 353 units of e-cigarettes, 1,003,090 cigarette sticks, 20.75 kg of other tobacco products, 236.45 kg of illegally imported cosmetics were detected, totaling 100,953.27 grams of narcotics, 1,872 units of e-cigarettes, 2,353,582.00 cigarette sticks,

55.25 kg of other tobacco products, 727.45 kg of illegally imported cosmetics were detected for the first quarter of the year 2025.

As a country, Sri Lanka holds a strong legal framework over illegal smuggle of Drugs as per the Customs Ordinance Chapter 235 read with Conventions Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, No. 1 of 2008 and the tobacco imports are strictly controlled by Customs Ordinance Chapter 235 read with National Authority on Tobacco and Alcohol Act, No. 27 Of 2006 where any violations made therein and under the law of the country will result in penalization or imprisonment regardless of being a local or foreign national.

With a strong legal framework, Sri Lanka Customs remains vigilant on maintaining strong borders, nourished with hospitality for legitimate travelers.



Cannabis Crackdown: Cooperation and Data Analysis Techniques are the Key



Cannabis Awareness Raising Opening Ceremony between the Thai Customs Department and the United Kingdom's Home Office International Operation.

By Nattapol Eksaengsri, Director of Customs Control Section, and Ratikorn Phanuphaiboon, Customs Officer, Suvarnabhumi Airport Passenger Control Customs Office of the Thai Customs Department.

After three years of Thailand's Cannabis Legislation, cannabis has been removed from Thailand's list of narcotic drugs for medical purposes. There still has been legal restrictions limiting general use or purchase without authorized licenses. This means that, for instance, individuals intending to import, export, sell, distribute, or process cannabis buds, classified as a controlled herb, for commercial purposes must first obtain a license from relevant Thai authorities. However, it is likely to be generally perceived that cannabis could be legally consumed in Thailand; yet, most jurisdictions still categorize it as illicit drug.

The Global Cannabis Gap

Although cannabis seems to be legal under Thai

law, the plant remains classified as an illegal narcotic in many countries. This legal disconnect has created a loophole that some individuals have exploited to smuggle cannabis out of Thailand by usually concealing it in luggage on international flights. As cannabis prices abroad could be up to 40 times higher than in Thailand, this could possibly be a strong incentive for illegal export: the bigger amounts, the higher profit. If smugglers succeed, they could become wealthy overnight. Nevertheless, in order to cope with the cannabis export smuggling situation, Thai authorities at frontline operation have faced legal difficulties. Since cannabis has no longer been considered as a narcotic, Thailand's drug enforcement agencies are not authorized to act against cannabis exports as a drug-related crime. Therefore, Thai Customs has been continuously cracking down on the illegal export of cannabis since the law was amended.



The Thai Customs Department delivered 2 tons of cannabis to the Department of Thai Traditional and Alternative Medicine, Ministry of Public Health.

Blocking the illegal export at the source

To address this issue, Thai Customs has initiated discussions with relevant government agencies to identify an immediate solution. The conclusion is that individuals caught smuggling cannabis out of the country will be prosecuted under customs evasion offences of restricted goods. This approach, though indirect, offers a legal pathway to disrupt illicit cannabis exports and prevent Thailand from becoming a source country for international trafficking.

Seeking International Cooperation to Combat Transnational Crime

As a member of the WCO, Thai Customs is committed to protecting global community from transnational crime by actively seeking international cooperation to prevent the illegal cannabis export. We have partnered with the United Kingdom's Home Office International Operations (HOIO) on the Cannabis Awareness Raising Operation from February 16 to March 16, 2025. The UK has stationed officials at Suvarnabhumi Airport to participate in the operation against cannabis smuggling into the country. As a result, this operation could stop more than 2 tons of cannabis to be trafficked out of Thailand.

Enhancing Enforcement through Data-Driven Analysis

One of the successful joint operation's key factors was the use of advanced data analytics conducted by Thai Customs to support UK officials in identifying high-risk passengers. We analyzed passenger data based on the Advance Passenger Processing System and Passenger Name Record systems, past arrests and seizures records, and intelligence reports, combined with the experience of Customs officers, airline staff, and airport staff.

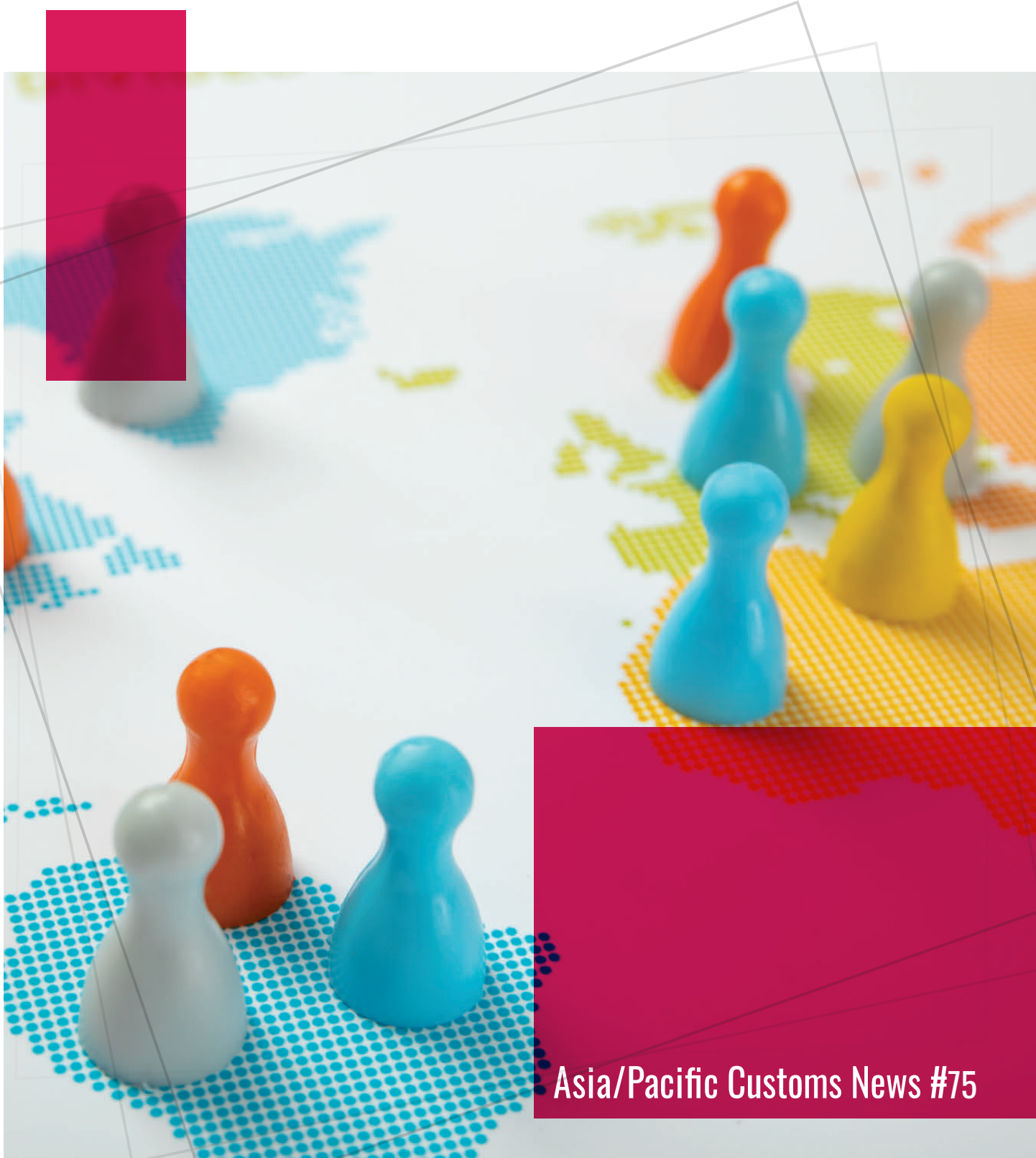
After the operation period, Thai Customs has continued its efforts to crackdown on cannabis, similar to the actions taken during the operation. By integrating these data sources into their risk profiling strategies, Thai Customs has been strengthening its capacity to intercept illicit cannabis exports at departure points and to proactively target emerging threats.

Developing Prevention and Suppression Measures

Thai Customs recognizes that smugglers have constantly been evolving their methods. Thus, it is essential to elevate the preventive measures through the development of advanced data analysis techniques and improving screening procedures. Furthermore, we are currently in the process of restructuring our Passenger Information Unit (PIU) to legitimize and enhance its capacity in managing API and PNR data according to recent international standards. Additionally, regulatory frameworks are also being revised to prepare for the further integration of passenger data from other modes of transport.

We are also strengthening cooperation with key international and domestic partners, such as the Ministry of Public Health and Airports of Thailand, to effectively combat illegal exports at source. These efforts reflect our proactive approach to combating transnational crime and align with Thai Customs' vision of social protection.

Regional Updates



Asia/Pacific Customs News #75

International Forum on Combating Money Laundering and Transnational Organized Crimes



With as many as 250 representatives from law enforcement agencies, international organizations, regulators and industry players attending, the Forum brought together top-notch experts from various disciplines and experienced law enforcers in the Asia/Pacific region to discuss on the effective ways to combat money laundering and transnational organized crimes.

Hong Kong Customs (HKC) and the Regional Intelligence Liaison Office for Asia and the Pacific (RILO/AP) hosted a three-day International Forum on Combating Money Laundering and Transnational Organized Crimes: Criminal Networks, Trade Dynamics and Beyond (Forum) in Hong Kong, China from 10 to 12 December 2024.

This was the first time that HKC hosted such an important international forum focusing on combating money laundering and transnational organized crimes, inviting as many as 250 representatives from law enforcement agencies, the World Customs Organization, INTERPOL, the Financial Action Task Force, the Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the United Nations Office on Drugs and Crime, anti-money laundering regulators, the fintech sector, and local industries.

The Forum was themed "Defeating Crimes Today, Securing Economy Tomorrow" with a series of presentations and panel discussions featuring anti-money laundering, combating dangerous drugs crimes, and illegal wildlife trade. Focusing on the three pillars of "Enforcement Strategy", "Public-Private Partnership" and "Synergized Cooperation" to combat transnational crimes, the top-notch experts from law enforcement agencies, regulatory authorities and international organizations as well as esteemed business stakeholders shared their insights on the intriguing relationship between money laundering and transnational organized crimes, took a deep dive into trade-based money laundering, discussed about the relevant risks in relation to virtual assets, and shared successful cases and experience.

At the Forum, HKC signed a Memorandum of Understanding with the University of Hong Kong, aiming to jointly promote research and development, as well as staff training in areas of virtual assets, blockchain technologies and intellectual property protection, with a view to enhancing the department's enforcement capabilities in anti-money laundering, counter-terrorist financing, and combating online infringement activities.

The 3-day Forum had yielded transformative outcomes to reinforce the power of international collaboration. The participants not only gained cutting-edge insights into financial crime trends

and enforcement strategies but also forged closer ties that would strengthen collective efforts across borders. The Forum had solidly elevated awareness of Customs' role in combating financial crime and showcased the commitment of HKC and its WCO counterparts in building a strong enforcement network in the region to defeat the criminal networks for a safe and stable global financial environment. The Forum's conclusion marked not an end, but the beginning of a reinforced alliance where Customs administrations, law enforcement agencies, and private sectors stood united against the evolving threats of money laundering and organized crimes.



Representatives of various sectors attended a panel discussion session.

Conference on Simplification of Procedures and Best Practices for E-commerce



The World Customs Organization (WCO) Vice-Chairperson for the Asia/Pacific (A/P) Region and the Association of Southeast Asian Nations (ASEAN) Secretariat co-hosted the Conference on Simplification of Procedures and Best Practices for E-commerce over three consecutive days in Hong Kong, China, from 15 April to 17 April 2025.

This A/P regional conference, focusing on e-commerce, brought together more than 200 representatives from the WCO, A/P Customs administrations, ASEAN members, and international and local industries. This Conference was also supported by the Economic and Technical Co-operation Work Programme under the ASEAN-Hong Kong, China Free Trade Agreement.

The Commissioner of Hong Kong Customs, Mr. Chan Tsz-tat, in the capacity of the WCO Vice-Chairperson for the A/P Region, said in his welcoming remarks that the purpose of the Conference is to strengthen partnerships within

the e-commerce ecosystem and to explore and promote the future developments of e-commerce in the A/P region. He emphasised that simplifying Customs clearance procedures and expediting cargo flow are crucial to enhancing trade facilitation and improving the efficiency of customs operations. At the same time, maintaining a balance between trade efficiency and law enforcement effectiveness is essential to safeguarding the security and stability of cross-boundary trade.



World Customs Organization Vice-Chairperson for the Asia/Pacific Region, Commissioner of Hong Kong Customs, Mr. Chan Tsz-tat



Head of Trade Facilitation Division of ASEAN Secretariat, Mr. Cuong Ba Tran

Mr. Cuong Ba Tran, Head of Trade Facilitation Division of ASEAN Secretariat, highlighted the significance of the Conference on Simplification of Procedures and Best Practices for E-commerce, noting the rapid development of e-commerce and its dual nature of presenting opportunities and challenges for customs administrations. He announced the upcoming Guideline for the Exchange of Information on e-commerce Data, aimed at enhancing transparency and compliance in cross-border trade. He acknowledged the contributions of various experts and stakeholders in addressing customs challenges and expressed confidence that collaborative efforts would lead to improved customs practices and a secure, efficient e-commerce environment for all.

The Conference covered a series of presentations and panel discussions addressing the challenges and opportunities present in e-commerce. Optimal results were yielded as the participants shared experiences and best practices to foster sustainable economic growth regionally and beyond. During the closing, a Joint Statement reaffirming the commitment to strengthening mutual collaboration between Customs administrations and e-commerce stakeholders to foster the growth and development of e-commerce across the A/P region was also issued.



Photo shows the Head of Secretariat Office of the WCO Vice-Chairperson for the A/P Region, Assistant Commissioner (WCO) of Customs and Excise, Mr. Li Kin-kei, leading a discussion about the Joint Statement.



26th World Customs Organization Asia/Pacific Regional Heads of Customs Administrations Conference

Hong Kong Customs, in its capacity as the World Customs Organization (WCO) Vice-Chair for the Asia/Pacific (A/P) Region (APVC), successfully hosted the 26th WCO A/P Regional Heads of Customs Administrations Conference from May 19 to 22, 2025, in Hong Kong, China.



Photo shows the Commissioner of Hong Kong Customs, Mr Chan Tsz-tat (front row, eighth right), the Secretary General of the WCO, Mr Ian Saunders (front row, ninth right), other attending Hong Kong Customs officers and representatives of the A/P members and regional entities.

The Conference is the highest-level meeting held annually in the A/P region, which has gathered more than 120 heads of Customs organizations and senior officials from the region, along with delegates from the WCO's regional entities. The Secretary General of the WCO, Mr Ian Saunders, was also in attendance.

Region, emphasized that the Conference serves as an important platform for discussing regional policies and formulating the future of the customs community. He expressed hope that the commitment and dedication of the A/P family would foster regional cooperation in addressing evolving global challenges. Other speakers, including Mr Saunders, also shared valuable insights on the future development of the WCO.



Photo shows the Commissioner of Hong Kong Customs, Mr Chan Tsz-tat (right) exchanging views with the Secretary General of the WCO, Mr Ian Saunders (left).

In his welcoming speech, the Commissioner of Hong Kong Customs, Mr Chan Tsz-tat, in the capacity of the WCO Vice-Chairperson for the A/P

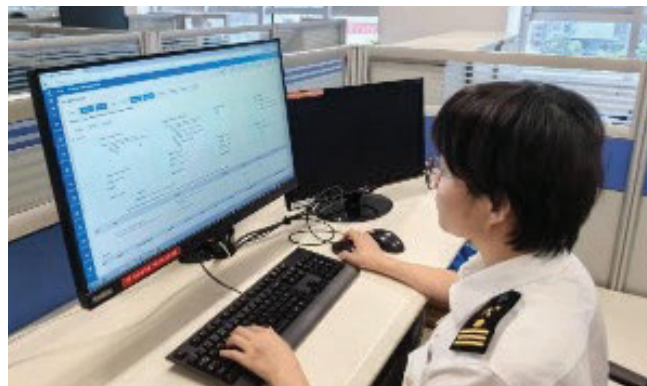


Photo shows the Commissioner of Hong Kong Customs, Mr Chan Tsz-tat (left), delivering a welcoming speech at the Conference.

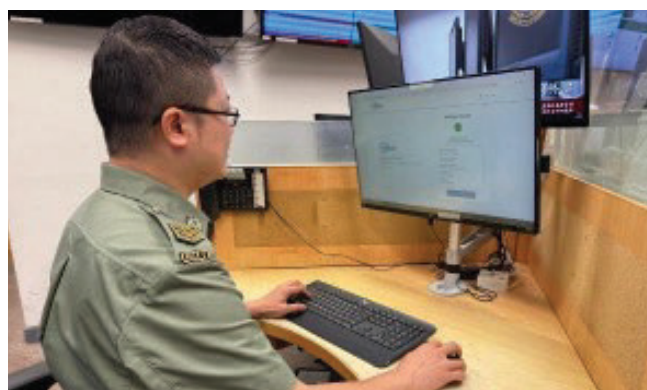
The Conference featured discussions on various customs initiatives and actions pertinent to the A/P region, enabling participants to share ideas and make decisions to enhance connectivity and trade facilitation among regional members, thereby promoting the development of customs affairs in the region. Participants endorsed several significant regional decisions, including the confirmation of the next-term regional representative positions and the composition of the Regional Strategic Plan Working Group. They also received updates on the latest developments among A/P members and regional entities.

Additionally, discussions included an innovative initiative concerning a blockchain-based cross-validation platform, namely ValidAP, led by the APVC, aimed at accelerating logistics and economic development in the region. To better illustrate the operation of ValidAP to all A/P members in the Conference, the result and achievement of the trial run of ValidAP, conducted between May 9 to 13 involving different stakeholders including APVC, China Customs, Hong Kong Customs, Thai Customs and a Regional Private Sector Group (RPSG) member, was reported. In the trial run, the certificate of origin (COO) of a trial shipment was issued and registered in ValidAP by China Customs. The RPSG member received the e-copy of the COO and submitted it to Hong Kong Customs and Thai Customs for clearance via email. Officers of Hong Kong Customs and Thai Customs conducted verification on the e-copy of the COO through the public portal of ValidAP. With the successful verification result from ValidAP, the import tariff of the trial shipment into Thailand was reduced from 10% to zero through the Association of Southeast Asian Nations (ASEAN)-China Free Trade Agreement. Members showed support to the

development of ValidAP and requested for more technical information of the system for further study.



China Customs



Hong Kong Customs



Thai Customs

This conference marks a significant milestone for Hong Kong Customs as it nears the conclusion of its first year as the APVC. In the coming year, Hong Kong Customs, in its role as the APVC, will continue to organize regional events aimed at fostering knowledge sharing, cooperation, and cohesion among A/P members while leading them in contributing to the robust development of regional customs affairs.

Combating Money Laundering Risks in Diamond Trade: Indian Customs' Experience



India stands as a world leader, both in terms of value as well as quantity (caratage), when it comes to processing of Rough Diamonds (RDs) into Cut and Polished (CPDs hereinafter) ones. There is a good reason why it's said that 9 out of every 10 CPDs worldwide are produced in India, earning it the title of the 'World's Diamond Manufacturing Hub.' India doesn't have any active mines of RDs and therefore imports around 40% of world's Roughs for getting processed in its factories. Consequently, the diamond trade in India is highly import-sensitive and export-intensive.

So does it make the whole diamond supply chain vulnerable to the menace of Money Laundering (ML), as diamonds and the diamond trade can be used in all stages of ML (placement, layering and integration) and for the stages of Terrorist Financing (collection, transmission, and use). Likewise, polished diamonds are frequently re-entered into the market for resale, creating a potential avenue for laundering criminal proceeds.

Challenges

- **Valuation:** Because diamonds (especially rough diamonds) typically have inelastic demand, the price of two similar rough or polished diamonds (particularly larger ones) can differ significantly, depending on the buyer. This creates a significant challenge for Customs when determining their value.

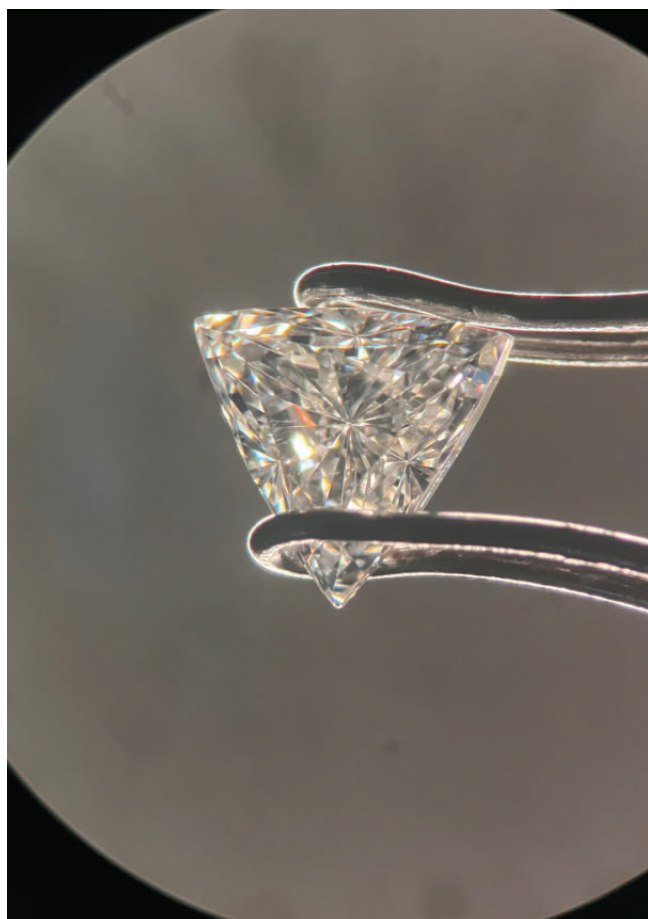
- **Need for Expert Assessment Officers:** Before starting their duties, assessing officers and examiners receive training in basic diamond examination and grading from top-tier Gemological Institutes. There is a recognized need to establish a specialized group of officers who are also experts in the subject-matter.
- **Valuation Panel of Experts:** Indian Customs consults diamond assessment and grading experts whenever a need is felt in case of a dispute between the declared invoice value and the valuation performed by Customs. However, due diligence is to be exercised by the authorities to maintain the integrity of this process, as these experts are not officials of Indian Customs.
- **Stringent AML/CFT requirements:** Deeper qualitative and quantitative data analytics and risk-assessment from domestic and international sources are necessary to gauge the ML risks associated with trading in gemstones. The scope of assessment procedures, might seem limited to capture and address these transnational risks, just based on declarations given to Customs authorities.

Technological Wherewithal

Indian Customs has taken several steps towards technological advancements in diamond assessment and grading practices. This involves advanced microscopes, diamond testing machines, loupes, gauges, and sieve sets. Also, for any deeper analysis or investigation, help is often taken from Gemological Institute of India (GII) or Gemological Institute of America (GIA).

Collaborative Efforts

- Dealers in Precious Metals and Stones (DPMS) have now been mandated to share STRs (Suspicious Transaction Reports) and CTR (Cash Transaction Reports) with FIU-IND (Financial Intelligence Unit-India). The whole banking ecosystem is coordinating with the Directorate of Enforcement (the principal AML body of Government of India) and the Indian Customs to put in place strict checks and balances for DPMS sector, in coherence with the FATF guidelines.
- Training sessions are being conducted for officers of the Indian Customs by industry leaders like GII, GIA, HRD etc. for recognizing new risks in diamond grading and examination.
- The Customs Enforcement Network (CEN) Report, 2023 highlighted significant trend in gemstone smuggling, while underlining why diamonds are a difficult commodity to identify in anti-smuggling measures. The World Customs Organization (WCO), through its 'Project Octagon' is helping build permanent expertise in vulnerable countries against transnational criminal organizations, and an officer of Indian Customs is currently being trained in its first cohort.



Compliance will be the 5th C which needs to be focused on along with the other 4Cs of diamonds (cut, colour, clarity and carat).



Thailand Customs' Innovation: Bridging Culture, Trade and Industry

Thailand Demonstrates How Customs Administration can transcend traditional regulatory boundaries to become a strategic driver of national development. Through innovative programs that merge cultural diplomacy with trade facilitation, the Thai Customs Department exemplifies the WCO's vision of adaptive, forward-thinking customs services.

Cultural Innovation Through The Art Free Zone

Thailand's groundbreaking Art Free Zone, established under Customs Notification No. 62/2568, represents a paradigm shift in customs thinking. This first-of-its-kind regional initiative ingeniously combines free zone functionality with public accessibility, showcasing Thai artworks and allowing international artworks to be imported, stored, and displayed without incurring duties when serving cultural purposes.

The Art Free Zone

The zone's sophisticated digital infrastructure ensures rigorous compliance while creating unprecedented opportunities for international cultural exchange. By positioning Thailand as a premier destination for global art fairs and cultural events, this initiative transforms customs from a potential barrier into an enabler of soft power projection and cultural economy development.



Delivery for Tax Incentives Program

Thailand's commitment to customs modernization extends beyond infrastructure to human capital development through its "Delivery for Tax Incentives" program. Since 2017, this comprehensive outreach initiative has conducted over 20 seminars nationwide, engaging more than 6,000 participants from both private and public sectors.



Sustaining Industry Through Knowledge Transfer

The program provides targeted training on advanced customs facilitation mechanisms including Free Zones, Bonded Warehouses, Section 29 Duty Drawback, and Tax Compensation procedures. Recognizing Thailand's industrial priorities, the curriculum specifically addresses electric vehicle policies and local content requirements, ensuring customs practices align with national economic objectives.

The upcoming "Moving The Future With Smart Tax Incentives" seminar—part of the 2025 Delivery program—will be held on July 15–16, 2025, in Si Racha District. Situated in one of Thailand's major industrial corridors, this fully on-site event will feature intensive workshops and real-case analysis tailored for automotive and electronics manufacturers, reinforcing customs' role in supporting high-tech industry growth.

A Model for Global Customs Evolution

Thailand's integrated approach reflects the WCO's emphasis on innovation, digital transformation, and cross-sector collaboration. By embedding customs operations within

broader cultural preservation and industrial development goals, Thailand redefines the administrative role from regulatory enforcement to proactive economic catalyst.

As global trade increasingly intersects with creative industries and cultural sectors, Thailand's pioneering model offers valuable insights for WCO members. The country demonstrates that customs modernization succeeds not through isolated technological upgrades, but through strategic integration with national development priorities.

This holistic vision positions customs as a cornerstone of inclusive, sustainable economic growth — a transformation that resonates across the global customs community as we navigate the complexities of 21st-century international trade.



Customs Appreciation



Asia/Pacific Customs News #75

Hong Kong, China

LAM Chak-lun Alan

Assistant Superintendent



Mr. Lam holds the position of Assistant Superintendent at Hong Kong Customs. He plays an instrumental role in the fight against cigarette smuggling and enhances regional cooperation as well as intelligence sharing initiatives. As a result of Mr. Lam's contribution, notable enforcement successes have been achieved.

Key Achievements:

● Co-hosting Regional Conference with Australian Border Force (ABF):

Through Mr. Lam's collaborative efforts, Hong Kong Customs and the ABF co-hosted the "Regional Conference on Combating Illicit Cigarettes" in late 2024. The conference gathered representatives from Asia-Pacific members of the World Customs Organization, and law enforcement experts in the deliberation of cross-border cigarette smuggling leading to the significant enhancement of cooperation and enforcement capabilities.

● Fostering Collaboration with Law Enforcement Agencies in Asia/Pacific Region:

Mr. Lam played a leading role in enhancing joint enforcement with regional members. Through the establishment of cross-border intelligence channels and joint operations, Mr. Lam facilitated real-time communication and information exchange. By virtue of the timely exchange, it was proven that our collaboration was crucial in identifying illicit cigarette smuggling routes and dismantling organized networks. This effort resulted in the seizure of approximately 290 million sticks of smuggled cigarettes from the tip-off provided by regional counterparts between 2024 and April 2025, particularly from the ABF. His contributions underscore the importance of intelligence-sharing partnerships for impactful enforcement outcomes.

Mr. Lam's strategic thinking, leadership, and commitment in fostering regional partnerships have been crucial in disrupting cigarette smuggling syndicates and safeguarding public revenue of Hong Kong. His efforts have significantly elevated Hong Kong's influence in the realm of international customs enforcement.

India

Samaresh Pal

Senior Intelligence Officer



Key Achievements:

Mr. Samaresh Pal has been serving in the Central Board of Indirect Taxes and Customs, Government of India since 2006. He serves as a Senior Intelligence Officer at Directorate of Revenue Intelligence (DRI).

At DRI, he has worked to combat anti-social and anti-national smuggling networks using various tools, data analytics, and emerging technologies. He along with his team members played a key role in 9 Red Sanders seizures totalling 58,476 kg and led multiple exotic wildlife busts with broad environmental and economic impact. He had contributed to major operations involving seizure of 9,310 kg of ganja, an AK-47, arms and ammunition, 44.659 kg of gold with a pistol, and 19 FICN cases having face value ₹57 lakhs. He has contributed in 1000+ kg gold seizures amounting to over ₹400 crore.

He has received multiple commendations, including the FICCI Cascade Award (2016–17) for his efforts in wildlife protection. He is also a recipient of the WCO Certificate of Merit on the occasion of International Customs Day 2025.



Sri Lanka

Shahabdeen Luckman

Senior Deputy Director of Customs

Key Achievements:

Mr. Shahabdeen Luckman has served Sri Lanka Customs with distinction since 1998, significantly contributing to economy, national security, social and environmental protection. He notably led the successful repatriation of over 560 Twenty-foot Equivalent Units (TEUs) of hazardous waste. In 2023, oversaw the seizure of 104 TEUs of illegally imported areca nuts, protecting local agriculture from potential harm by foreign insect and pathogens. His expertise in investigations and post-clearance audit into some hitherto untouched areas has enhanced the revenue collection remarkably. Mr. Luckman's efforts exemplify the critical role of Customs in safeguarding Sri Lanka's interests through brave detection, a professional approach, effective PR and perseverance.

RECENT AND UPCOMING WCO EVENTS



May 2025

26th Asia/Pacific Regional Heads of Customs Administrations Conference

**Hong Kong, China
19 - 22 May 2025**

June 2025

92nd Session of the Policy Commission

**Brussels, Belgium
23 - 24 June 2025**

June 2025

145th/146th Sessions of the Council

**Brussels, Belgium
26 - 28 June 2025**

September 2025

A Collective Response to Safeguarding Maritime Supply Chains from Criminal Threats

**Brussels, Belgium
10 - 11 September 2025**

October 2025

35th WCO Asia/Pacific Regional Contact Points Meeting

**Hong Kong, China
13 - 17 October 2025**

November 2025

3rd Symposium on "Removing Counterfeits from E-commerce"

**Brussels, Belgium
25 November 2025**

December 2025

93rd Session of the Policy Commission

**Antigua, Guatemala
2 - 4 December 2025**

January 2026

2026 WCO Technology Conference

**Abu Dhabi, United Arab Emirates
28 - 30 January 2026**



ASIA/PACIFIC CUSTOMS NEWS

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Fortifying Borders:

Enhancing Customs Enforcement Against Transnational Crime