



Advancing ASEAN Customs Modernization, Enforcement Cooperation, and Public-Private Cooperation for a Resilient and Connected Region

US-ASEAN BUSINESS COUNCIL'S RECOMMENDATION PAPER FOR
THE 35TH ASEAN DIRECTORS-GENERAL OF CUSTOMS MEETING



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EXECUTIVE SUMMARY

ASEAN stands at a critical juncture as global trade and supply chains face continued disruptions in 2026. Conflicts affecting key shipping routes, rising logistics and energy costs, and increasing trade fragmentation have exposed structural vulnerabilities while heightening compliance burdens for businesses. In this challenging environment, ASEAN has a strategic opportunity to reinforce its role as a vital hub for manufacturing, trade, and supply chain diversification.

As the world's fourth-largest economy by combined GDP and a major global trading hub, ASEAN's growth and integration into global value chains have been enabled in large part by continued progress in customs cooperation, trade facilitation, and regional economic integration. Efficient, modern, and interoperable customs systems will remain critical to sustaining ASEAN's competitiveness, investment attractiveness, and long-term economic resilience amid an increasingly complex global trade environment.

This paper focuses on providing key recommendations from the U.S. private sector's perspective for ASEAN Customs on the below priority areas:

- **Customs Modernization, Simplification, and Harmonization** are central to sustaining ASEAN's trade efficiency and competitiveness. While trade volumes and cross-border e-commerce continue to expand, fragmented procedures, inconsistent rules of origin interpretation, and divergent tariff classifications across ASEAN Member States (AMS) hinder the seamless movement of goods. Streamlining processes, accelerating digitalization, and advancing paperless trade will be essential to reducing costs, improving predictability, and aligning customs frameworks with evolving trade models such as e-commerce and express delivery.
- **Strengthened Enforcement and Regional Cooperation** are critical to safeguarding market integrity and addressing the growing risks of illicit trade. Gaps in coordination and enforcement across jurisdictions create vulnerabilities that undermine revenue collection, intellectual property rights, and fair competition. A more unified, intelligence-led, and technology-enabled approach to enforcement will enhance ASEAN's ability to combat illicit trade while protecting public health and economic stability.
- **Public-Private Collaboration and Capacity Building** will ensure that customs reforms are practical, scalable, and responsive to real-world trade dynamics. Stronger engagement between governments and industry, alongside targeted technical exchanges and pilot initiatives, will support the effective implementation of the Strategic Plan of Customs Development (SPCD) 2026–2030 and foster long-term resilience.

Customs reform is not merely an operational necessity but it is a strategic imperative for ASEAN's continued growth and integration into global value chains. A coordinated, forward-looking approach to modernization, enforcement, and partnership will be key to reinforcing ASEAN's position as a competitive, trusted, and resilient player in the global trading system.

CONTEXT AND OPERATING ENVIRONMENT

External Conditions

The global trade and supply chain environment remains highly volatile, shaped by geopolitical tensions, global economic uncertainty, and shifting trade policies. Ongoing geopolitical developments, including the 2026 conflict in the Middle East, have contributed to volatility in energy markets, shipping routes, and logistics costs. The conflict has had immediate effects on maritime transport through critical chokepoints such as the Strait of Hormuz, where approximately 20% of global oil and a significant share of Liquefied Natural Gas (LNG) flows transit.^[1]

Disruptions have caused sharp cost increases across the shipping and energy value chains. Brent crude prices rose by approximately 13% in early 2026, briefly exceeding USD 82 per barrel, while supertanker rates in the region reached record levels.^[2] War-risk insurance premiums for Gulf shipping reportedly increased by over 1,000% in some cases, and the cost of transporting crude from the Middle East to Asia surged significantly.^[3] At the same time, bunker fuel prices also spiked, with marine fuel in Singapore rising sharply in March 2026, further increasing operating costs for global carriers and exporters.^[4] These developments have had cascading effects on global supply chains, particularly for energy-intensive industries and time-sensitive goods.^[5]

In parallel, persistent inflationary pressures and rising trade fragmentation – driven by tariff uncertainty and evolving industrial policies – continue to add complexity to cross-border trade environment. Recent analyses indicate that the U.S. Government's reciprocal tariff measures have increased input costs for firms and contributed to upward pressure on consumer prices, with effects gradually passing through supply chains over time.^[6] The broader tariff environment has also increased regulatory complexity. The 2026 Global Trade Report found that 72% of trade professionals viewed U.S. tariff volatility as the most impactful regulatory change they face, up from 41% a year earlier.^[7] As a result, businesses are facing sustained cost pressures, regulatory uncertainty, and increasing pressure to continuously adjust sourcing, production, and distribution strategies.^[8]

[1] Jonathan Saul, Emily Chow, and Jeslyn Lerh, "Iran Conflict Disrupts Global Shipping as Tankers Are Stranded, Damaged," Reuters, March 2, 2026. <https://www.reuters.com/business/energy/iran-conflict-disrupts-global-shipping-tankers-are-stranded-damaged-2026-03-02/>.

[2] Florence Tan and Emily Chow, "Global oil and gas shipping costs surge as Iran vows to close Strait of Hormuz," Reuters, March 2, 2026. <https://www.reuters.com/world/middle-east/middle-east-oil-shipping-costs-surge-all-time-high-us-iran-conflict-intensifies-2026-03-02/>.

[3] Noor Zainah Hussain and Manya Saini, "Maritime insurance premiums surge as Iran conflict widens," Reuters, March 6, 2026. <https://www.reuters.com/world/middle-east/maritime-insurance-premiums-surge-iran-conflict-widens-2026-03-06/>.

[4] Tan and Chow, Global oil and gas shipping costs surge.

[5] Kimberly Botwright, "Middle East conflict hits shipping, oil prices, and other international trade stories to know this month," World Economic Forum, March 3, 2026. <https://www.weforum.org/stories/2026/03/us-trade-deficit-international-trade-stories-march-2026/>.

[6] Maximiliano Dvorkin, Fernando Leibovici, and Ana Maria Santacreu. "How tariffs are affecting prices in 2025," Federal Reserve Bank of St. Louis, October 16, 2025. <https://www.stlouisfed.org/on-the-economy/2025/oct/how-tariffs-are-affecting-prices-2025>.

[7] Thomson Reuters Institute. "2026 Global Trade Report: Tariff turbulence is elevating strategic role of trade departments," December 1, 2025. <https://www.thomsonreuters.com/en-us/posts/corporates/2026-global-trade-report/>.

[8] Naomi Halbersleben, Oscar Jorda, and Fernanda Nechio. "The economic effects of tariffs," Federal Reserve Bank of San Francisco, November 24, 2025. <https://www.frbsf.org/research-and-insights/publications/economic-letter/2025/11/economic-effects-of-tariffs/>.

Taken together, these developments underscore the urgency of strengthening resilient, adaptive, and diversified supply chains both globally and regionally. They also highlight the critical importance of customs systems that are efficient, responsive, and capable of effectively addressing illicit trade, particularly as economic pressures and trade fragmentation can create new vulnerabilities that can be exploited by external factors. Inefficient or fragmented customs procedures risk amplifying external shocks by increasing trade costs, delaying the movement of essential goods, and undermining overall supply chain reliability even more.

Key Trends

Against the backdrop of heightened geopolitical uncertainty, rising trade costs, and ongoing supply chain disruptions, ASEAN continues to strengthen its position as a global hub for manufacturing, trade, and supply chain diversification. As companies actively reconfigure their global operations, Southeast Asia has increasingly emerged as a preferred destination for production and investment. This trend is reinforced by findings from the 2026 ASEAN Business Barometer Survey, which indicate that ASEAN remains a top choice for businesses seeking to diversify supply chains and mitigate global risks.^[9]

The rapid expansion of cross-border e-commerce and express delivery is another defining trend emerging alongside ASEAN's growing role as a supply chain hub. As companies diversify production and distribution networks into the region, the volume of express consignment, particularly shipments eligible for de minimis treatment, moving across borders has increased significantly. This shift is transforming traditional trade flows and placing new demands on customs administrations to process high volumes of time-sensitive consignments efficiently, preventing channels from being exploited for illicit trade, while maintaining effective risk management in an increasingly complex and fast-paced trade environment.^[10]

At the same time, the value of modernizing customs regimes is growing as ASEAN Member States begin to develop a regional Strategic Trade Management framework and businesses, responding to geopolitical uncertainty and supply chain disruptions, are accelerating investments in digital supply chain systems, risk management tools, and real-time data and automation technologies. These investments are enabling efficiency across increasingly distributed supply chains. However, this rapid private sector transformation also underscores the need for governments to keep pace through regulatory modernization, digital customs reforms, and the adoption of interoperable trade facilitation systems that can support more integrated and data-driven trade ecosystems.^[11]

[9] ASEAN Business Advisory Council, "ASEAN Business Barometer 2026," in collaboration with CSIS Indonesia and JETRO Jakarta, March 2026, <https://asean-bac.org/reports>.

[10] "ASEAN's Role in Global Supply Chain Rebalancing (New 2026)," Source of Asia, March 5, 2026, <https://www.sourceofasia.com/aseans-role-in-global-supply-chain-rebalancing-2026/>.

[11] "Global Supply Chains Enter Era of Structural Volatility, World Economic Forum Report Finds," World Economic Forum, January 19, 2026, <https://www.weforum.org/press/2026/01/global-supply-chains-enter-era-of-structural-volatility-world-economic-forum-report-finds/>.

Persistent Challenges

Despite progress in customs procedures and trade facilitation in the region, significant operational and structural challenges remain across ASEAN Member States (AMS). Border bottlenecks and procedural inconsistencies continue to affect the efficiency and predictability of cross-border trade. Key areas of fragmentation include differences in Harmonized Codes (HS) classification and rules of origin, inconsistencies in documentation requirements, and gaps in coordination across origin, transit, and destination jurisdictions.^[12] These inconsistencies increase compliance costs and shipment delays for businesses. At the same time, they also create opportunities for the proliferation of counterfeits and illicit trade, including smuggling, misdeclaration, counterfeiting, and other illicit activities, thus undermining revenue collection, and distorting fair competition. At the systems level, these activities weakens confidence in AMS' intellectual property protection and enforcement measures, and impacts the integrity of ASEAN's trade environment.^[13]

In addition, there remains a notable misalignment between legacy of customs frameworks and modern trade realities. Existing procedures are often not designed to accommodate the scale, speed, and complexity of today's trade environment. For example, traditional customs processes are not always suited to express consignment.^[14] Similarly, shipment-by-shipment documentation and licensing requirements may not well align with the operational characteristics of bulk and time-sensitive cargo.^[15] Addressing these challenges will be critical to ensuring that ASEAN customs systems can effectively support evolving trade patterns, facilitate legitimate trade, protect intellectual property rights (IPR), and strengthen supply chain resilience in an increasingly complex global trade environment. In this context, advancing a modern, harmonized, and transparent customs regime is essential to sustaining ASEAN's growth trajectory. Efficient and predictable customs systems play a central role in attracting high-quality investments, strengthening ASEAN's position in global value chains, and enhancing long-term resilience and competitiveness. At the same time, ASEAN is well-positioned to adapt to digital customs innovation and integrated border management, leveraging global best practices and close collaboration with the private sector.

[12] Asian Development Bank and United Nations Economic and Social Commission for Asia and the Pacific, *Asia-Pacific Trade Facilitation Report 2024: Promoting Sustainability and Resilience in Global Value Chains* (Manila: Asian Development Bank, 2024), <https://www.adb.org/sites/default/files/publication/954501/asia-pacific-trade-facilitation-report-2024.pdf>.

[13] "10 Trends Shaping Global Trade in 2026," UN Trade and Development (UNCTAD), January 15, 2026, <https://unctad.org/news/10-trends-shaping-global-trade-2026>.

[14] Wisnu Nugrahini and Rita Dwi Lindawati, "Implementation of Cross Border E-commerce in Indonesia and ASEAN Countries" (presentation, WCO Picard Conference, Skopje, North Macedonia, October 2019), https://www.wcoomd.org/-/media/wco/public/global/pdf/events/2019/picard/e_commerce3_rita-dwi-lindawati.pdf?la=en.

[15] ASEAN Secretariat, *ASEAN Framework on Logistics for Digital Economy Supply Chain for Rural Area* (Jakarta: ASEAN Secretariat, 2024), https://asean.org/wp-content/uploads/2024/04/ID_Final-Report_ASEAN-Framework-on-Logistic-for-Digital-Economy-Supply-Chain-for-Rural-Area.pdf.

KEY RECOMMENDATIONS

Considering the context and operating environment, key trends, and persistent challenges outlined above, the following recommendations across three (3) priority areas are proposed for the consideration of the 35th ASEAN Directors-General (DGs) of Customs to further improve trade efficiency, enhance investor confidence, support greater regional economic integration, and solidify ASEAN's position in global value chains.

1:

Driving Modernization, Simplification, and Harmonization of Customs Procedures and Trade Facilitation for a Connected ASEAN



I. Advancing Digitalization and Paperless Trade

Despite notable progress in recent years, customs procedures across ASEAN remain uneven, with some AMS still relying on paper-based processes, creating fragmented digital customs systems. Traders continue to face delays, duplicative documentation requirements, and reduced predictability in customs clearance. Without faster progress toward fully paperless and interoperable systems, ASEAN risks falling behind in attracting investment, integrating into global value chains, and maintaining its competitiveness as a regional production hub. Implementation of modernization and trade facilitation measures may be phased and sequenced in accordance with system readiness and operational capacity across AMS.

RECOMMENDATIONS

- **Expand the ASEAN Single Window (ASW)** to cover additional customs, regulatory, and commercial documents to support more seamless cross-border data exchange and advance fully paperless trade across ASEAN.
 - This may include import permits and licenses, sector-specific certifications (i.e., e-Sanitary and Phytosanitary [e-SPS] and e-Animal Health [e-AH]), and e-invoices. ASEAN could also consider developing a regionally coordinated timeline for paperless trade by establishing a region-wide roadmap with measurable milestones toward moving to fully paperless customs processes.
- **Implement streamlined compliance mechanisms through automation and direct system integration between customs authorities and traders.**
 - This may include the use of artificial intelligence (AI) and Application Programming Interface (API)-based connectivity to support self-auditing, automated duty verification, and post-clearance checks. These approaches could improve compliance accuracy and support earlier detection of discrepancies, including over- or under-invoicing risks.
- **Advance digital customs document retention by transitioning fully to digital formats and establishing harmonized, shortened retention periods** to reduce administrative costs and improve data governance efficiency.

III. Streamlining and Harmonizing Customs Procedures Across ASEAN

Businesses across ASEAN continue to face fragmented procedures and inconsistent application of customs rules, including tariff classification, rules of origin, and documentation requirements. While regional frameworks such as the ASEAN Single Window (ASW) and the ASEAN Trade in Goods Agreement (ATIGA) provide a foundation for customs integration, uneven implementation across AMS has resulted in duplicative processes, regulatory misalignment, and increased compliance costs. Therefore, addressing these challenges requires a dual approach of streamlining administrative procedures and reducing redundancies, as well as strengthening harmonization and consistency in the interpretation and application of customs rules. Pending full harmonization, practical consultation and escalation mechanisms may be applied to address divergent interpretations and minimize operational delays among AMS. Together, these efforts are essential to enhance predictability, facilitate trade flows, and improve ASEAN's overall competitiveness.

RECOMMENDATIONS

- **Adopt a “once-only” submission principle** to enable traders to submit standardized data a single time for reuse across agencies and borders, hence eliminating duplicative filing requirements.
- **Advance risk-based and coordinated regulatory control** by moving from blanket documentation and disclosure requirements toward more differentiated, risk-based approaches, particularly in sensitive sectors such as chemicals.
 - Authorities could adopt a risk-based disclosure regime by focusing upfront requirements on higher-risk products or transactions, while simplifying procedures for low-risk or trusted importers, supported by stronger post-clearance audits and targeted inspections that allow detailed information (e.g., full chemical hazard data) to be requested only when specific risk indicators are triggered.
- **Strengthen alignment between customs procedures and sector-specific regulatory frameworks**, including through clear and enforceable safeguards for the protection of confidential business information submitted during compliance processes.
 - AMS could establish clearer CBI criteria and handling protocols, aligned with international practice, and promote mutual recognition of data across customs and line ministries to avoid duplicative submissions of commercially sensitive information.
 - Authorities could strengthen risk-based post-clearance inspections and allow reliance on certified summaries or declarations—rather than full product composition datasets—where such information has already been submitted for regulatory purposes.

RECOMMENDATIONS

- **Promote consistent interpretation and application of HS classification across AMS**, supported by region-wide guidance mechanisms, a regional consultation or advisory mechanisms to resolve classification divergences, and capacity building programs for AMS customs officials on HS classification interpretation.
- **Align Rules of Origin (ROO) requirements and practices**, including through standardization of documentation and verification procedures, while encouraging ASEAN to ensure effective and practical implementation of the Alternative Dispute Settlement (ADS) mechanisms under the Upgraded ATIGA to escalate and resolve conflicting ROO determinations between AMS.
- **Harmonize documentation, certification, and audit practices** for preferential trade schemes to reduce compliance complexity.
- **Reduce unnecessary customs inspection checks on transit or transshipment goods** to improve cross-border trade facilitation processes.

III. Modernizing Processes for E-Commerce, Express, and Emerging Trade Models

The rapid growth of e-commerce and the expansion of express delivery services are inevitable as ASEAN is emerging into a supply chain hub. While frameworks such as the ASEAN Agreement on Electronic Commerce signal strong regional commitment, implementation across AMS remains uneven, particularly in adapting procedures for express consignments, de minimis treatment, and handling of abandoned goods. Delays in modernizing customs frameworks risk undermining the competitiveness of ASEAN economies, particularly for SMEs that rely on fast, predictable, and cost-efficient cross-border delivery. Procedures for e-commerce and express consignments may be designed to allow adaptive operational arrangements, with thresholds and processes refined over time based on data and compliance outcomes.

RECOMMENDATIONS

- **Align customs procedures with express delivery and modern logistics models**, including bulk shipments, consolidated cargo, and tank container movements. ASEAN customs could consider strengthening collaboration with e-commerce platforms to support improving data quality and pre-arrival risk assessment.
- **Develop a more calibrated, risk-based and tiered approach for the handling of e-commerce goods**, tailored to the varying compliance levels, shipment profiles, and business models that reflects the diversity of e-commerce actors from large platforms to SMEs, while maintaining compliance and enforcement standards.
- **Develop ASEAN-wide guidelines for abandoned goods** to better reflect express shipment realities and harmonize procedures on this issue in individual AMS, which could cover simplified documentation requirements, clear and consistent criteria for determining abandonment; and adoption of batch processing and destruction mechanisms.

RECOMMENDATIONS

- **Launch an ASEAN Joint Program on Innovation Acceleration** to facilitate the cross-border movement of R&D samples, prototypes, and test materials, particularly for innovation-driven sectors such as chemicals and other advanced materials.
 - ASEAN Customs could develop a risk-based framework for low-value, non-commercial R&D samples to reduce disproportionate full import requirements that delay collaboration and time-to-market. This may include simplified or exempted import procedures, expedited declarations, and a harmonized “R&D/test sample” classification across AMS, supported by existing ASEAN mechanisms (CCC, technical working groups, ASW) as well as digital enablement and risk-based enforcement approaches.

IV. Strengthening Trusted Trade to Improve Predictability

Efforts to strengthen trusted trade frameworks, particularly through the ASEAN Authorized Economic Operator (AEO) programs are progressing. However, implementation and benefits for businesses remain uneven across AMS. While ongoing regional efforts to implement the AEO program signal positive momentum, businesses still face inconsistent application of facilitation measures, limited interoperability, and varying levels of predictability in customs outcomes.

RECOMMENDATIONS

- **Expand and harmonize AEO programs, including through:**
 - Development of tiered frameworks to accommodate different levels of trader maturity.
 - Provision of meaningful, digitally enabled benefits of the AEO program, such as reduced inspections and expedited customs clearance through priority lanes, which lead to faster release times.
 - Acceleration of the full implementation of the AEO-Mutual Recognition Arrangements (MRAs) across all AMS, including with key trading partners.
- **Ensure consistent application of advance rulings**, including binding rulings on classification, valuation, and origin, with clear timelines and transparency.
- **Expand the implementation of pre-arrival processing systems to enable traders submit documentation through the Single Window systems and receive clearance decisions prior to cargo arrival**, thereby reducing delays at the destination border.

2:

Advancing Regional Cooperation to Combat Illicit Trade and Secure ASEAN's Long-Term Development



I. Strengthening Illicit Trade Enforcement through Coordination, Innovation-Technology, and Structural Reforms

Counterfeits and illicit trade remains a persistent and evolving challenge across ASEAN, undermining fiscal revenues, distorting fair competition, weakening border governance, and posing risks to public security, public health, and consumer safety. The increasing sophistication of illicit networks, particularly through the misuse of e-commerce platforms, free trade zones, and transit regimes, has outpaced coordination among enforcement authorities, while differences in illicit trade prevention regulatory frameworks, enforcement capacity, and information-sharing practices across AMS continue to create exploitable vulnerabilities.

At the same time, the growing scale, speed, and complexity of cross-border trade are exposing limitations in traditional enforcement approaches. Structural gaps across origin, transit, and destination points, combined with fragmented oversight, allow illicit actors to exploit regulatory loopholes and move non-compliant goods with limited detection. Meanwhile, the resurgence of counterfeit goods in key markets such as Indonesia, Cambodia, Thailand, and Vietnam highlights the need to sustain momentum in IPR enforcement.

Leveraging tools such as artificial intelligence (AI), digital track-and-trace systems, and real-time data analytics can significantly enhance risk profiling and detection capabilities. At the same time, closer coordination across customs and relevant agencies—both within and across AMS—will be critical to closing enforcement gaps and safeguarding the integrity of regional trade flows.

RECOMMENDATIONS

- **Designate and prioritize high-risk goods for targeted counterfeit and illicit trade enforcement**, including products that protect workers' safety and health, and excisable products such as tobacco, as a 2026 ASEAN Customs enforcement priority, supported by clear operational targets and reporting mechanisms.
- **Strengthen intelligence-led enforcement through the deployment of AI-driven risk profiling tools, digital track-and-trace systems, and real-time AI-driven data analytics** to enhance detection and targeting of high-risk shipments.
 - The ability to flag shipments on the suspicion of intellectual property violations is vital toward protecting consumers from counterfeit products. As such, we recommend considering a regulatory sandbox to effectively tackle the movement of counterfeit and contraband goods that dock at ports of AMS that infringe on IPR of with select brand owners with an ASEAN footprint, when credible intelligence and/or information is provided.
- **Encourage ASEAN Customs and relevant authorities to sustain and strengthen progress on IPR enforcement**, including addressing the resurgence of counterfeit goods in key markets such as Indonesia and Vietnam.
 - The 2026 Special 301 Report, released by the U.S. Trade Representative (USTR) listed Vietnam as a Priority Foreign Country and Indonesia on the Priority Watch List due to severe IPR concerns.
- **Promote whole-of-government, country-specific approaches alongside regional coordination** to elevate illicit trade as a shared regional security and economic challenge requiring coordinated responses rather than fragmented national enforcement.
 - Regional coordination among AMS provides an important platform for information sharing, cooperation, and alignment of enforcement efforts. Building on this, AMS could further strengthen enforcement outcomes by adopting a “no wrong door” approach through the designation of a single national point of contact or lead agency for all tax, customs and IPR-related legislation and implementation. This would help streamline stakeholder engagement, improve inter-agency coordination, and reduce fragmented responsibilities.
 - To further strengthen enforcement, AMS could establish regional cooperation mechanisms to combat counterfeits and illicit trade in e-commerce and across a wider range of products, including through enhanced coordination among customs, IPR owners, and relevant agencies.
- **Strengthen oversight across origin, transit, and destination points**, including enhanced monitoring of manufacturing, export, and transit activities, and improved enforcement against misdeclaration, undervaluation, and other illicit practices.
 - This could include enhancing cooperation with IP rights owners by providing mechanisms for them to share training, intelligence, and related materials with enforcement personnel to support the detection of suspicious shipments. AMS may also consider requiring movement guarantees, whereby consignors lodge funds to protect excise duties at risk for each shipment movement to ensure that appropriate controls are in place prior to goods entering bonded warehouses and to reduce the risk of fictitious consignees evading customs controls.



II. Addressing Sector-Specific Enforcement Priorities

In addition to the previous part on illicit trade situation in general, certain sectors also face heightened risks from illicit trade and require more targeted enforcement approaches. In the health and life sciences, and personal and transportation safety sectors, counterfeit and sub-standard products pose serious risks to public health and undermine trust to the regional supply chains. For excisable goods such as tobacco, high tax differentials and strong demand continue to incentivize illicit trade, resulting in revenue losses and increased criminal activity. Addressing these sector-specific risks through tailored, risk-based strategies and enhanced coordination will be critical to protecting consumers, safeguarding revenues, and strengthening supply chain integrity.

RECOMMENDATIONS

For the Health and Life Sciences and Personal and Transportation Safety

- **Strengthen enforcement against counterfeit and sub-standard medical and nutrition products, and safety equipment.**
- **Enhance risk-based targeting of counterfeit-prone safety-critical products**, including fire suppression and detection equipment, as well as lithium-ion batteries and devices powered by them, particularly where such products are subject to third-party certification marks indicating compliance with safety standards.
 - Counterfeit certification marks should be treated as both an IP and product safety risk. ASEAN Customs could strengthen cooperation with rights holders, certification bodies, and industry stakeholders to validate marks, share intelligence on counterfeit trends, and expand enforcement to cross-border e-commerce and small parcels, supported by targeted capacity-building for customs officers.

For Excisable Goods

- **Develop shared risk indicators, coordinated enforcement operations, and intelligence exchange mechanisms** for excisable goods, i.e., tobacco and other goods.

3:

Strengthening Public–Private Collaboration to Support the SPCD 2026–2030 Implementation and ASEAN Customs Priorities in 2026



Effective implementation of ASEAN Customs' modernization agenda under the Strategic Plan of Customs Development (SPCD) 2026–2030 will require sustained and practical collaboration between the public and the private sectors. As customs systems become more digital and data-driven, private sector engagement is critical to ensure that reforms are feasible, responsive to evolving trade realities, and aligned with global best practices. Public-private collaboration may include anticipatory technical exchanges and targeted pilot initiatives to support effective implementation of agreed customs reforms.

RECOMMENDATIONS

- **Deepen targeted and action-oriented public-private collaboration beyond existing CCC and DG-level engagements to address capacity and skills gaps among AMS customs authorities,** including through thematic workshops, joint roundtable discussions, training programs, information and knowledge exchanges, and pilot initiatives on priority areas such as digitalization, enforcement, and emerging trade models.
- **Align the private sector expertise and priorities with ASEAN Customs' implementation of the SPCD 2026-2030,** particularly in areas such as digital transformation, enforcement modernization, and trade facilitation.

To flesh out the above recommendations, below are some potential partnerships that can be implemented by USABC in collaboration with ASEAN Customs officials to support the implementation of SPCD 2026-2030 and the ASEAN Customs priorities in 2026, with a caveat that these initiatives to be fully supported and endorsed by both the U.S. private sector representatives and the ASEAN Customs DGs.

These proposed initiatives are consistent with, and build upon, USABC's recommendations outlined in the USABC discussion paper on sustainable supply chains and logistics,^[16] as well as the Strategic Action Plan^[17] in support of the Philippines' ASEAN Chairmanship. They have been previously shared with the Philippines Government in its capacity as ASEAN Chair to ensure alignment, policy continuity, and to reinforce the credibility of USABC's engagement with ASEAN Customs priorities:

- **ASEAN Technical Program Paperless Trade and ASEAN Single Window (ASW)** to serve as a capacity building program for AMS customs officials across AMS to effectively improve the utilization of the ASW system for efficient and faster border processing. The USABC plans to co-organize this technical program with the ASEAN-U.S. Partnership Program (AUPP) during the 7th ASW Symposium that will be held alongside the ASW Steering Committee Meeting in October 2026.
- **Regional Workshop for Sharing Best Practices on Improving the Exchange of Intelligence Information Mechanisms on Illicit Trade Movements in ASEAN.** As ASEAN will continue its initiative of the 4th Joint Customs Control (JCC) Operation in October 2026, the low exchange of intelligence information on illicit trade movement has been a key challenge during the previous JCC operations. Therefore, the private sector's active involvement and participation to support an effective JCC operation would be essential to ensure effective mechanisms of the intelligence information exchange on illicit trade movements. Through this regional dialogue, the U.S. private sector aims to share insights and best practices on how ASEAN could improve the exchange of intelligence information among AMS. This dialogue is proposed to be held before the 4th JCC Operation begins alongside the Customs Enforcement and Compliance Working Group (CECWG) Meeting or during the Opening Ceremony of the 4th JCC Operation, targeting ASEAN Customs enforcement officials.
- **ASEAN Joint Program on Innovation Acceleration** (Flagship Pilot under SPCD 2026–2030) to support the cross-border movement of R&D samples, prototypes, and test materials through modern, risk-based customs approaches and enhanced public-private collaboration. Building on the recommendation to facilitate the movement of low-value, non-commercial innovation-related consignments, this initiative could be advanced as a flagship pilot under the SPCD 2026–2030 in collaboration with industry stakeholders. The program could support the development of operational criteria for R&D and test samples, pilot simplified and expedited clearance procedures, and leverage digital platforms such as the ASW to improve efficiency and transparency. Implementation could be coordinated through the CCC and relevant ASEAN Customs working groups, supported by appropriate safeguards and risk-based enforcement frameworks. This initiative would provide a practical pathway for ASEAN Customs to operationalize innovation-friendly customs practices in emerging trade areas while delivering immediate benefits to sectors such as chemicals, specialty materials, and advanced manufacturing, thereby supporting ASEAN's transition from a manufacturing hub into a more integrated and innovation-driven regional ecosystem.

¹⁶ US-ASEAN Business Council, Discussion Paper on Sustainable Supply Chains and Logistics: Strategic Initiatives Supporting the Philippines' 2026 ASEAN Chairship (Manila, Philippines: US-ASEAN Business Council, 2026),

<https://www.usasean.org/strategic-action-plan>.

¹⁷ US-ASEAN Business Council, Advancing ASEAN: A Strategic Action Plan Supporting the Philippines' 2026 Chairship (Manila, Philippines: US-ASEAN Business Council, 2026), <https://www.usasean.org/strategic-action-plan>.



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We believe opening and investing in the sustainability of efficient, resilient, and competitive markets are critical to the continued growth of our member companies and innovation and job creation in the United States and Southeast Asia.

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