



Technology driven Transit Facilitation – A Case Study

Satish Reddy



Overland Transit in SASEC region

Between	Country of transit	Arrangement
Nepal - India	India	<ul style="list-style-type: none">• Treaty of Transit• Rail Services Agreement
Bhutan - India	India	Agreement on Trade, Commerce & Transit
Bangladesh - India	Bangladesh	Inland Water Trade and Transit Agreement

India – Nepal Treaty of Transit

- Nepal importer/exporter files transit declaration with supporting documents (invoice, packing list, import license)
- Declaration checked by Indian customs
- Legal Undertaking; in some cases, security
- Customs sealing of consignments
- Discharge after checking by Nepal customs and intimation to Indian Customs





Role of Stakeholders

Agency	Activity
Shipping Company	Files IGM; issues delivery order
Consulate of Nepal	Issues letter to Indian Customs
Nepal Importer (Customs Broker)	Files CTD along with invoice, packing list, import license etc.; gives undertaking; container re-positioning
Port Authority	Unloading/custodianship of goods in the port
Transporter (CONCOR, truckers)	No regulatory responsibility
Customs	<ul style="list-style-type: none">• Declaration scrutiny; duty computation;• seal affixation and removal• Discharge of bond/insurance policy





Pilot – use of electronic tracking

Modalities

- Memorandum of Intent signed
- Tracking of imports, exports and return of empty containers
- Voluntary participation
- User fee
- Liberalized transit system
- Leading to review of the bilateral Transit treaty

Simplifications

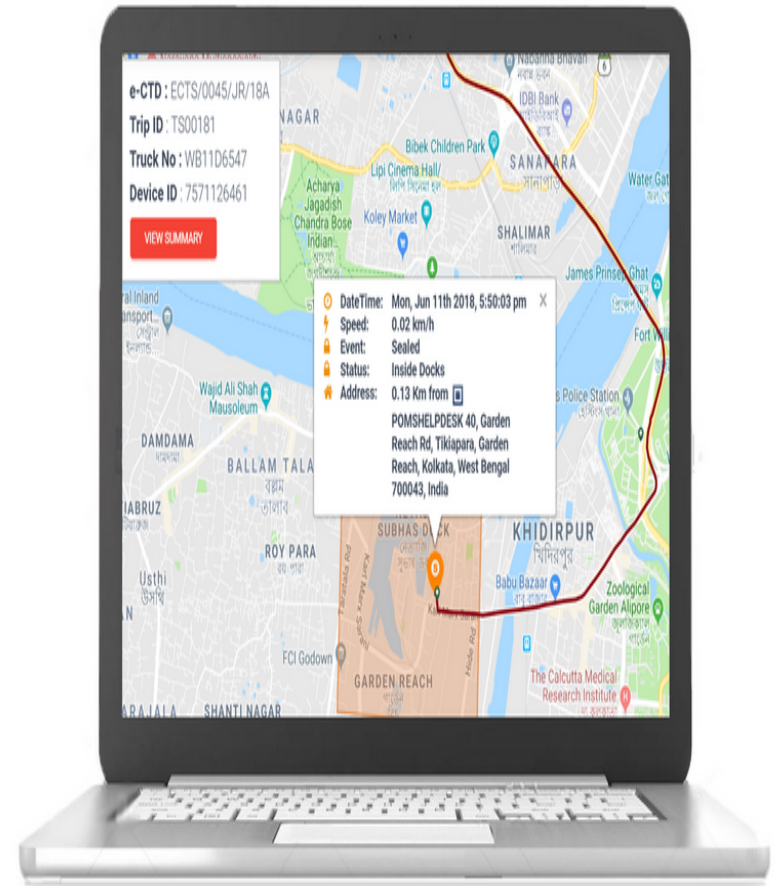
- Reduced documentation
- Automation
- Waiver of insurance policy
- Automatic discharge of undertaking





Use of Technology

- Web application with –
 - Provision for CTD filing with supporting documents, scrutiny and approval by customs
 - Dashboards for Customs officers and for the private sector
 - Tracking by regulators and other stakeholders (as per access granted).
 - Return tracking of containers from the LCSs to the shipping line yards in Kolkata
 - Fee payment for use of ECTS facility





Challenges

- Advocacy to encourage greater participation
- Fulfilling compliance requirements by Nepal traders in country of transit (India)
- Role of intermediaries
- Congestion in transport network
- Dealing with exceptions





Improved Solution

- Shipping lines undertake cargo delivery in Nepal
- Obtains approval in India for onward movement
- Carrier undertakes secure movement of cargo to Nepal
- Nepal trader does not need to do any compliance activity in India
 - No need to appoint customs broker or engage transporter
 - Need for invoice, packing list, consulate letter, undertaking eliminated
 - Not concerned with repositioning of empty container
- Tracking/Cargo security





Revised roles of Stakeholders

Agency	Activity
Shipping Company	Files IGM; issues delivery order
Consulate of Nepal	Issues letter to Indian Customs
Nepal Importer (rep. by Customs Broker)	Files CTD along with invoice, packing list, import license etc.; gives undertaking; container re-positioning
Port Authority	Unloading/custodianship of goods
Transporter	
Customs	<ul style="list-style-type: none">• Declaration scrutiny; duty computation;• seal affixation and removal• Discharge of bond/insurance policy



Revised roles of Stakeholders

Agency	Activity
Shipping Company	Files IGM; issues delivery order
Port Authority	Unloading/custodianship of goods
Transporter	
Customs	<ul style="list-style-type: none">• seal affixation and removal• Discharge of bond



Revised roles of Stakeholders

Agency	Activity
Shipping Company	Files IGM; files application for transshipment and gets approval; issues delivery order
Port Authority	Unloading/custodianship of goods
Transporter	Furnish bond/security for secure movement of cargo through India
Customs	<ul style="list-style-type: none">• seal affixation and removal• Discharge of bond



Anticipated Project Outcomes

- Faster release of transit cargo
- Reduced transaction costs
- Decongestion of border points
- Better revenue and cargo security
- Full visibility of cargo/conveyance/ container
- Procedure under the Treaty of Transit to be reviewed and modified based on pilot
 - Making it more contemporary and more efficient





Article 11: Freedom of Transit

Measures covered in the Pilot

Transparency - Procedures and documentation

Advance filing and processing of transit documentation

No supporting documents

Prompt termination of transit operation, if requirements have been met

Guarantee limited to ensuring that transit requirements are fulfilled

Prompt discharge of guarantees

Allow guarantees covering multiple transactions of same operator

Cooperation for enhancing freedom of transit



THANK YOU

