



MONGOLIA: COUNTRY REPORT ON TRADE FACILITATION AND CUSTOMS MODERNIZATION¹

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Country Report of Mongolian participants on Trade Facilitation and Customs Modernization

Development of a Simplified Transit System. We agreed with the Transit stands out as one of the most important issues because most member countries are landlocked economies. Current transit systems in the region suffer from first, lack of mutual recognition of customs control procedures including customs seals and stamps, Second, lack of involvement of stakeholders in the development of transit systems, Next, lack of guarantee arrangements for transit goods.

The Government of Mongolia is taking actions towards implementation of the TIR Convention on international transportation of goods.

The list of the customhouses to carry out customs clearing and supervision on the territory of Mongolia has been ratified and has become effective.

Selenge-Altanbulag customhouse

Zamiin-Uud customhouse

Tsagaan-nuur customhouse

Ereentsav customhouse

Khovodiin Bulgan customhouse

Ubsiin Borshoo customhouse

Development of a regional transit system is a multidimensional task. Issues need to be addressed include simplification of both customs and non-customs related procedures, streamlining and efficient use of modern infrastructure, interfacing with other entities such as the transport and finance sectors

ICT for Customs Modernization. IT infrastructure not only facilitates trade through automation, but also fundamentally changes the concept of customs services through the introduction of various IT-enabled customs techniques such as risk management and real-time information sharing with relevant agencies within and across national borders. However, our country under this initiative do not have adequate IT infrastructure to support the application of various modern customs techniques or allow data sharing. Difficulties in exchanging data with other countries are also due to the lack of effective protocols, poor mechanisms or infrastructure to exchange data electronically, and fear of unequal exchange of information.

Last two years have change in computer network information technology of our customs. It is as follows,

Service, Clearance Stages:

- Complete computerization
- A stages (interfaced to information system)
- One input into a computer is used until the final stage

Control, Management, Report, research, Statistics:

- Possible to control by the Customs General Administration
- Possible to get all information from whiffed database
- Any time possible to retrieve statistical report

Information system structure:

- Around 20 subsystems combination all customs officers and branches
- Direct interface with brokers

Computer network information technology:

- cable system, space communication, Radio modem, infernal networking system

Possibility For further expansion:

- Possible to upgrade in a short time, not costly
- Possible to turn into e- customs system
- Possible to on the basis of latest development in it
- Networking with the ministry of Finance and taxation and statistics systems

Cross-border Initiatives. Procedures for customs clearance, border crossing operations, and transit within the region are insufficiently harmonized and do not fully conform to international standards in Mongolia. Such procedures were instituted for an economic and trading environment that have been overtaken by international trends, and are generally not compliant with the Revised Kyoto Convention that provides a customs model for meeting the current demands of international trade. Complex varied procedures and documentation requirements have inhibited trade flows among as well as with counties outside the region. Concerned customs legislative and policy reforms by member countries to support harmonization and simplification, as well as regional cooperation through joint training and sharing of experiences in adapting best practices can accelerate the process.

We suggested it was important to identify types of customs documents and procedures that need to be included in the effort of simplification and harmonization as there are two types of customs documents: first, customs declaration supporting documents, second, supporting commercial/commodity documents. Next one is

language difficulty; it is critical to establish common data elements that are needed in harmonizing and simplifying customs declarations.

The specific focus of the initiative will be on border procedures. It is essential to have an understanding of each country's status in relation to signing and implementing international customs and customs –related conventions.