



## Cross-border agreement on transit between Kazakhstan and Kyrgyz Republic \*

---

\* Prepared by Bernard Touboul, Director, Technical Assistance and Consulting in Customs & International Trade (TACCIT), for Asian Development Bank (ADB). The views expressed in this paper are the views of the author and do not necessarily reflect the views or policies of the ADB, or its Boards of Directors or the governments they represent. ADB makes no representation concerning and does not guarantee the source, originality, accuracy, completeness or reliability of any statement; information, data, finding, interpretation, advice, opinion, or view presented.

## **Introduction**

The Cross Border Agreement was originally developed in 1998 in order to facilitate the approval of the funding protocols for the Almaty / Bishkek road. Its compilation methodology was essentially to extract articles from the existing regional agreements to which the countries were both parties, rather than negotiating specific separate with individual ministries. Customs were not specifically involved in its development and the areas that caused most concern in finalisation of the Agreement related to transport matters, particularly axle loadings.

Many articles, included in the cross border agreement between Kazakhstan and the Kyrgyz Republic on the Almaty / Bishkek road, pre suppose the development of simplified customs procedures and transit facilitation. Nevertheless, the current situations shows a low level of application of such an agreement. the internal orders and instructions of the different interested bodies are not in compliance with such an agreement considerations

Following a feasibility study for a reform programme of customs in the Republic of Kazakhstan and the Kyrgyz Republic it could have been possible to analyse the cross border agreement concerning the principles of simplification of the border crossing procedures at the kazakh / klyrgyz border post of Kordai / Akhjöl.

Nevertheless it must be said that many other regional bilateral agreements comprises the regional legal framework for border crossing and customs procedures in the region.

### **1) Current situation at Kordai / Akhjöl border post**

Current situation of border crossing procedures at the border post of Kordai / Akhjöl between Kazakhstan and the Kyrgyz Republic is enclosed in the Annex of the present document.

### **2) Analysis of the level of application : Comments on the Cross border Agreement on Bishkek / Almaty route**

#### **Article 7**

The weight control are not combined between Customs and Police. A video capture system may simplify the capture and data and be shared as far as concerned by the different border crossing bodies. The equipment available are not operational. Only a luggage weigh machine is really provided for the passengers control

#### **Article 8**

The bonded warehouses facilities are not provided in respect of the security and guarantee on the bonded goods.

#### **Article 9**

The roadside facilities are reduced to a duty free shop, cafeteria, but no real communication links, no medical facilities.

#### **Article 10**

The road signs and signals are very poor.

**Article 17**

Transport companies have to receive an agreement from the ministry of transport, ministry of trade to be licenced to act as an international trade carrier through the borders.

**Article 24**

The training is delivered in a 3 week session in Almaty training center for customs workers employed for less than 1 year. The training conditions are not satisfactory to enable any efficiency of the completion of border formalities. The turn over of the staff in border posts make difficult to receive training and be experienced enough in the routine procedures like TIR, Transit procedures management, safety search and control (safety on radioactive goods control or chemicals...)

The risk analysis management system is not integrated in the procedures practices. The 100% control system is still prevailing.

Passengers have still to go out of the buses and be checked at the passport control points and the customs control points to go back in the buses. During the passengers documentation controls

**Article 25**

The formalities on both sides of the border are not yet harmonised. The export data are not yet used as import data inputs basis.

**Article 29**

The lack in harmonisation and communication between the border crossing bodies and actors is one of the major source of inefficiency of the border crossing trade facilitation.

**Article 32**

The number of stamps required to release goods is up to 5 in Kyrgyzstan customs to which it must be added the other bodies numerous controls.

**Article 33**

All the border crossing bodies are not equipped with automated devices. Customs procedures are not automated. Communication links are established with the Bishkek regional customs house by post or email when possible.

The customs declaration is the Russian based one very compatible and similar with the European SAD (Single Administrative Document).

**Article 34**

The payment of customs duties and taxes may be carried out at the customs cashier till 80000 Som or at the bank or treasury office. The payment is done in exchange of a customs receipt delivery. The duties payment is managed at the level of each post and retransmitted to the regional and central customs service office.

**Article 35**

A customs convoy system is in place to cover the transit of goods from the border post till the customs point of delivery of goods inside the territory.

In practice the convoys fees have been cancelled but in practice some fees are still imposed to the traders.

The alternative of a bank guarantee to cover duties and taxes engaged, is not developed nor promoted by customs authorities.

### **3) The main causes of inefficiency of the CBA implementation**

- Poor information technology and communications infrastructure,
- Visible and invisible barriers to trade such as placement of goods at payable temporary warehouses, inspection of transit goods, multiple weighing, customs deposit and/or customs supervision of non excised goods and, non harmonised border crossing bodies activity,
- Difficulty of customs to accept and manage change and quickly adapt procedures to keep up with economic change and technological development,
- Lack in knowledge in modern customs management techniques,
- Lack in understanding of the economic role of customs.

Then, many operational barriers could have been pointed out such as:

- Not elaborated provisions for implementation of international and regional multilateral and bilateral agreements,
- Out dated legislation not yet fully in compliance with WTO and WCO standards,
- Lack in legal transparency with co-existing national orders and instructions and customs code,
- Lack in adequate infrastructure and resources,
- Lack in control and investigation equipment, legal power and methodology,
- Out dated automated processing system and outdated technology or even a total lack of automation,
- Low staff expertise and customs qualification due to a low level of training,
- Lack in risk analysis management and predominance of empirical selectivity criteria of control,
- Corruption,
- Non reliability and non consistency of the customs control procedure i.e. non equal treatment of the economic operators,
- Heavy and time consuming paper load procedures,
- Lack of cooperation and coordination with other border crossing bodies,
- Co-existing of bureaucratic hand made and partly or even not at all computerised processing.

## 4) Recommendations

- regional approach to issues : integration customs and economic policies, tariff harmonisation, non tariff and tariff integrated system
- border crossing approach of the border crossing issue (coordination of the TRACECA trade facilitation working groups of Kazakhstan and Kyrgyz Republic to deal with the possible application of such an agreement)
- Harmonisation, unification and centralization of the border crossing primary and secondary level legislation according to the routine national orders and instructions between border crossing of both countries
- dissemination of the routine legal frameworks to the traders
- Harmonisation of processing of interstate cargo business between Kazakhstan and the Kyrgyz Republic
- single window shop and single stop on each side of the border kordai / akhjol
- Development of common actions between anti smuggling and anti drug departments of both countries
- common training on transit procedures, TIR, customs techniques,...
- improvement of equipment and infrastructures of border posts
- enhancement of the single window principles
- transfer border controls to post clearance controls
- adopt compliance model profiles
- implement risk analysis management systems
- Development of common Memorandums of understanding between Customs and Traders
- Enhancement of exchange of information and comparative statistics through computerised and automated systems

## Annex. Border Crossing Procedures Audit of Korday/Akzhol Border Point.

6

KYR-VRO-POO	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Passenger Car Outward	1	Traffic Police / Autoroad Inspectorate	Located approx 100 metres before Border Control Zone check cars on a random basis.	Licence	1 min	Relatively efficient border in terms of transit speeds and minimal delays. No Border Guards present. Congestion can occur due to impatience of drivers who come up the inward lane, thus blocking facility. Delays occur due to the longer procedures on the Kazak side meaning that cars back up through the Customs Security Zone.
KYR-VRO-POO	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Passenger Car Outward				Car Documents		
KYR-VRO-POO	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Passenger Car Outward	2	Customs	Enter Customs Control Zone. Drive slowly past Customs Inspectors who stop and check on a random basis. Drive to Kazak Border Guard Control		1 min	
KYR-VRO-PCI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Passenger Car Inward	1	Customs	Enter Customs Control Zone from Kazakhstan. Drive slowly past Customs inspectors who stop and check on a random basis. Exit Customs Control Zone		1 min	Relatively efficient border in terms of transit speeds and minimal delays Sequence 2 and 3 could result in delays if strictly enforced.
KYR-VRO-PCI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Passenger Car Inward	2	Environmental	Barrier after 100 metres. Theoretically all cars checked except locals known to have certificate (in practice some Kazak and all foreign). Exhaust emissions checked. Certificate issued/Kyrgyz for 3 months (B) and non-Kyrgyz for 3 days (B).	Environmental Certificate	5 min	
KYR-VRO-PCI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Passenger Car Inward	a	Traffic Police / Autoroad Inspectorate	Located approximately 150 metres from Border Control Zone check cars on a random basis	Licence	1 min	
KYR-VRO-PCI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Passenger Car Inward	3			Car Documents		
KYR-VRO-PCI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Passenger Car Inward	b	Quarantine	Random Checks on risk assessment basis		1 min	
KYR-VRO-PCI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Passenger Car Inward	o	Ministry of Internal Affairs	Check passports and issue registration for foreigners. Use random selection methodology	Passport	5 min	
KYR-VRO-TO	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Outward	a	Traffic Police / Autoroad Inspectorate	Located approximately 150 metres from Border Control Zone All trucks checked	Licence	3 min	TIR enables fast clearance but other vehicles also reasonably fast as have been pre-processed in Bishkek. Inward and outward drivers mix in processing area. Convoy system leads to artificial peaking effect. All of the ancillary services outside the Customs Security Zone involving minor delays.
KYR-VRO-TO	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Outward				Truck Documents		
KYR-VRO-TO	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Outward	b	Kyrgyz citizens	Trucks checked for Operator Licences & Consignment Note	Operator Licence	3 min	
KYR-VRO-TO	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Outward				Consignment note		
KYR-VRO-TO	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Outward	o	Quarantine	All trucks stopped to check whether need certificates	Phytosanitary Certificate	5 min	
KYR-VRO-TO	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Outward	d	Ministry of Internal Affairs	Check passports	Passport	2 min	
KYR-VRO-TO	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Outward			Prior to arrival at border documents are processed at the Customs in Bishkek, including preparation of Customs Declaration by Customs Infrastructure (Broker). Trucks often conveyed from Central Terminal or	TIR Carnet, or Cargo Declaration	15 min	
KYR-VRO-TO	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Outward	2	Customs	Truck parks in border terminal. Driver brings documents for registration. Journal entry – seq no/consign/consignor/Border Post name and date/ regime (Export, Transit)/commodity and code/forage/value/Carnet-Declaration no/vehicle no/inspector No. Chief Inspector goes and inspects seal and return office to stamp documents. Driver returns to truck and drives to end of Border Control Zone.	Invoice/Contract/Certificate of Origin	30 min	
KYR-VRO-TO	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Outward				Consignment Note		
KYR-VRO-TI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Inward			Driver drives from Kazak post to adjacent terminal, then takes documents across to Customs office for initial document check. Documents registered by Chief Inspector.	TIR Carnet, or Clearance Authority Note	15 min TIR	
KYR-VRO-TI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Inward				Cargo Declaration		
KYR-VRO-TI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Inward	1	Customs	Some companies have special approval to prepare Cargo Declaration and following document check an external inspection is made. Truck then allowed to proceed independently. TIR trucks are registered and seal checked. If OK allowed to proceed independently.	Invoice/Contract/Certificate of Origin	1.5-2 hours special	
KYR-VRO-TI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Inward				Consignment Note		
KYR-VRO-TI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Inward			Most registered and wait for convoy to Bishkek Terminal – approx 12 kms away- where they will be cleared. Vehicles leave border terminal and Customs Control Zone.	If company need legal entity Documents	1 hour normal but dependent on availability of convoy	
KYR-VRO-TI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Inward				May need other certificates depending on type of cargo		
KYR-VRO-TI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Inward	2	Environmental	Located 100 metres from border. Check near environmental certificate for truck. All trucks checked except locals known to have certificate. Exhaust emissions checked. Certificate issued/Kyrgyz for 3 months (B) and non-Kyrgyz for 3 days (B).	Environmental Certificate	5 min	
KYR-VRO-TI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Inward	a	Traffic Police / Autoroad Inspectorate	Located approximately 150 metres from Border Control Zone. All trucks checked	Licence	3 min	TIR enables fast clearance but other vehicles have to be conveyed to Bishkek resulting in some congestion and delays. Inward and outward drivers mix in processing area. Terminal is too small to accommodate all traffic resulting in congestion back into Kazak post. Drivers have to cross passenger processing lanes to reach processing offices. Convoy system leads to artificial peaking effect. All of the ancillary services outside the Customs Security Zone with some delays.
KYR-VRO-TI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Inward				Truck Documents		
KYR-VRO-TI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Inward	b	Kyrgyz citizens	Trucks checked for Operator Licences & Consignment Note	Operator Licence	3 min	
KYR-VRO-TI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Inward	3			Consignment note		
KYR-VRO-TI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Inward	o	Quarantine	All trucks stopped to check whether need certificates	Phytosanitary certificate	5 min	
KYR-VRO-TI	Akhzoi	Kyrgyzstan	Kazakhstan	Korday	Road	24 hours	Truck Inward	d	Ministry of Internal Affairs	Check passports and issue registration if foreigner	Passport	2 min	