

CAREC Advanced Transit System (CATS) Prototype Phase

Mr. Graham Walker
Team Leader/Trade Facilitation Expert

Mr. Nigel Moore
Customs Modernisation Expert

Mr. Konstantin Naumov
Systems/IT Expert

Second Workshop
Almaty, Kazakhstan, 25–26 September 2017

Project Development and Future Goals

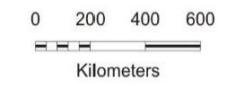
- a) Project Focus
- b) Project Developments
- c) Future Goals

Objectives

- ◆ To facilitate transit amongst all 11 CAREC countries by removing barriers to trade
- ◆ To develop an electronic, comprehensive and risk -based guarantee mechanism entitled CAREC Advance Transit Mechanism abbreviated to CATS
- ◆ To develop a Prototype and a Pilot for testing in three countries i.e.: Azerbaijan, Georgia and Kazakhstan.
- ◆ To focus on CAREC Corridor 2a and including the maritime crossing from Alyat to Aktau.



- ★ National Capital
 - Provincial Capital
 - City/Town
 - Proposed CAREC Logistics Centres
 - CAREC Corridor 2
 - Corridor Extension
 - ++++ Railway
- Boundaries are not necessarily authoritative.



This map was produced by the cartography unit of the Asian Development Bank. The boundaries, colors, denominations, and any other information shown on this map do not imply, on the part of the Asian Development Bank, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.



B) Project Developments

June 2017

- Workshop in Baku, Azerbaijan
- Agreement to cooperate on CATS Prototype and Pilot
- Request to nominate Focal Points in 3 Pilot countries

July 2017

- Focal Points nominated in all 3 Pilot Countries
- Mission to three countries to establish working relations and develop private sector participation
- Agreement to develop Draft Trilateral Agreement
- Agreement to set up Working Groups
- Participation in WCO Transit conference in Brussels

August 2017

- Formal letter requesting nominations for 3 Working Groups
 - Legal and Regulatory
 - IT
 - Risk Management
- Preparation of first draft Trilateral Agreement by ADB consultants.
- Nominations received for Working Groups

September 2017

- Working Groups review first draft Trilateral Agreement
- Second CATS Workshop, Almaty, Kazakhstan 25/26 September

C) Future Goals

October 2017

- Submission of Draft Trilateral Agreement to Ministerial Conference in Dushanbe, Tajikistan October
- Decision on future funding of project

November/December 2017

- Development of Prototype/Pilot in conjunction with Working Groups
- Completion of Trilateral Agreement

January 2018

- Commence Pilot Scheme in 3 Pilot countries

Institutional Mechanisms

Working Group 1: Legal and Regulatory

Working Group 2: IT

Working Groups 3: Risk Management

- ◆ Facilitators from ADB consultancy Team attached to each group
- ◆ Representatives from Customs Administrations and private sector in each group

CAREC Advanced Transit System (CATS)

Key Elements

Nigel Moore/Konstantin Naumov

CATS Provisions

The key provisions of CATS are in accordance with the WTO Trade Facilitation Agreement (TFA) and recently published WCO Transit Guidelines.

CATS Core Features

Core Features of the CATS are:

- ❑ Development of a single regional electronic transit system, which uses a common transit declaration
- ❑ Development of a Risk-based Guarantee Mechanism

Who can Use CATS

A Principal (or the agent representing the Principal) must be registered with CATS as either an AEO or Authorised Operator.

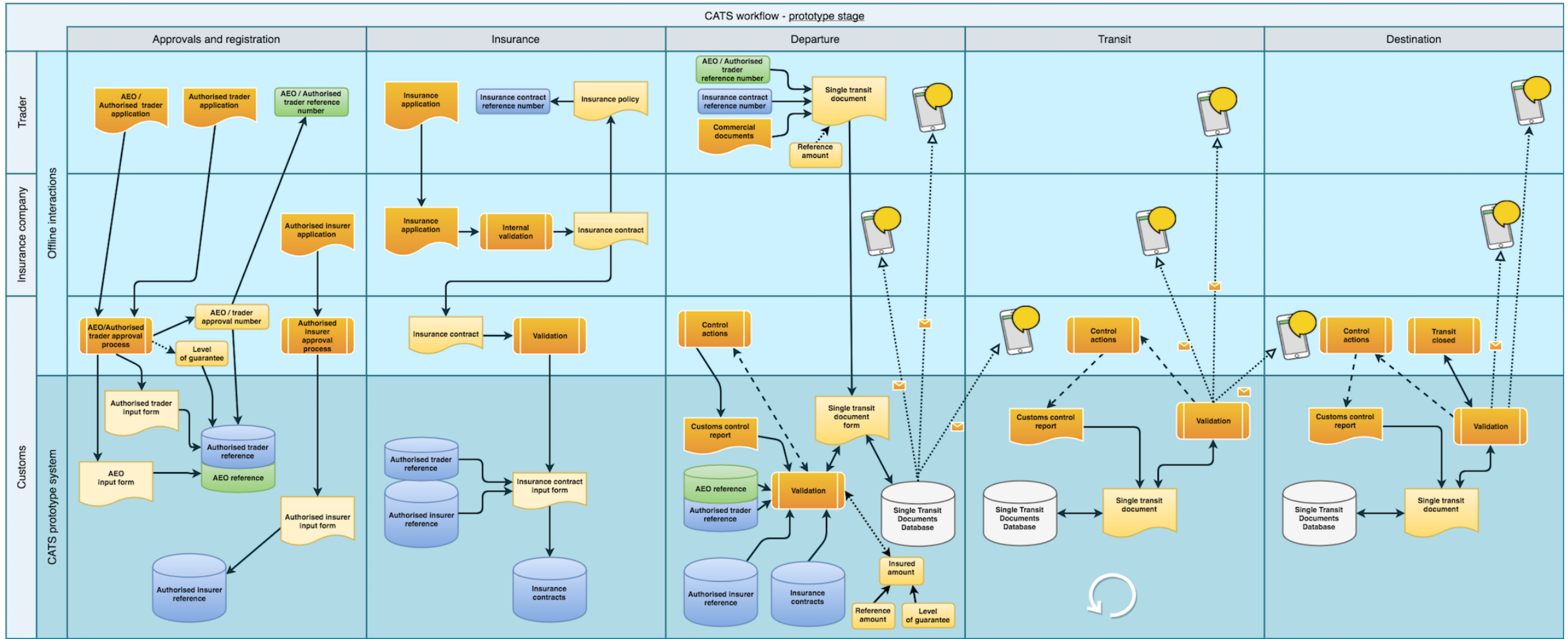
Goods Eligible to be moved under CATS

All goods, unless listed as prohibited or restricted from CATS transit within the territory of a participating CAREC country, are eligible to be moved under the CATS transit procedures.

CATS Progress

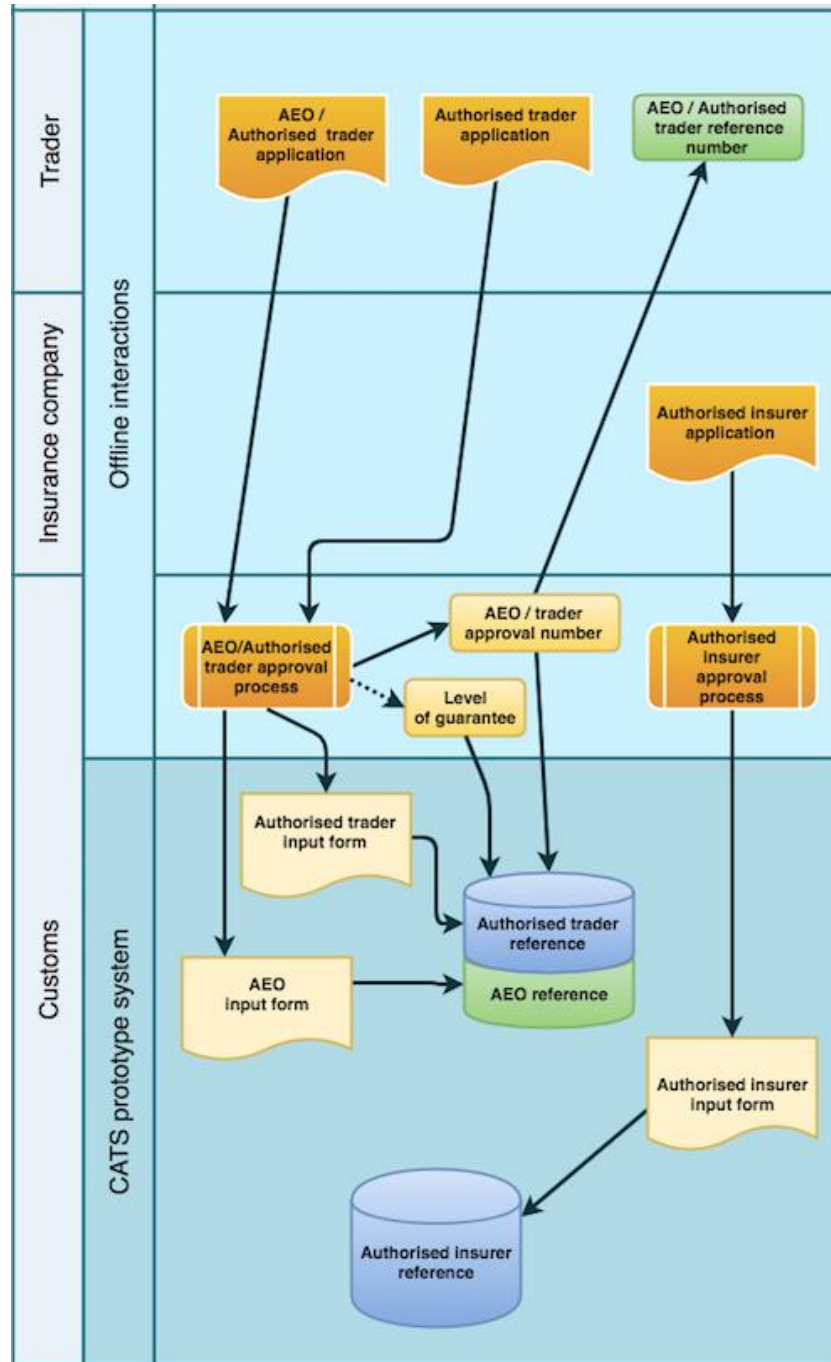
Development of a single regional electronic transit system, which uses a common transit declaration:

- CATS Workflow
- CATS DATA Model
- CATS Transit Declaration



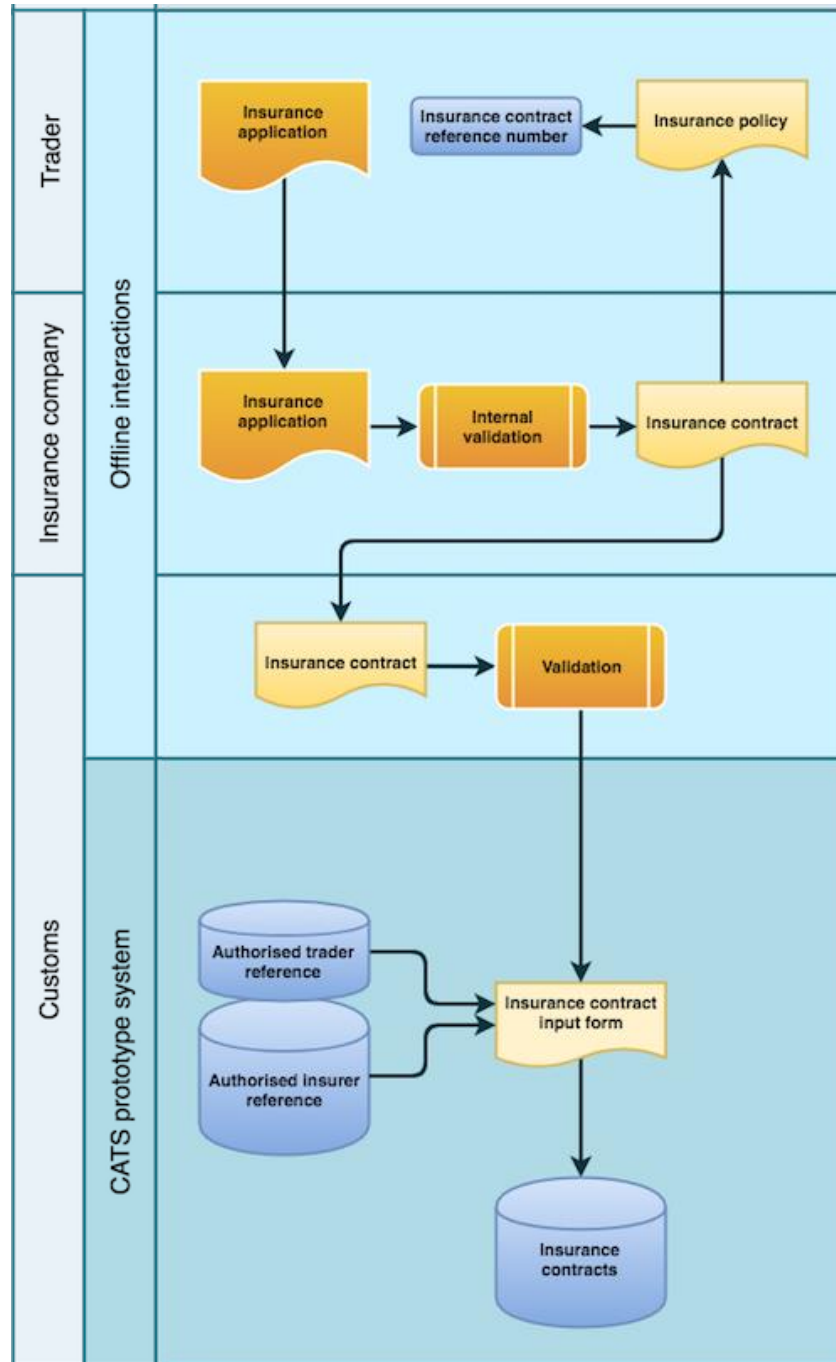
Approval and registration

- AEO registration
- Authorized trader registration
- Authorized insurer registration



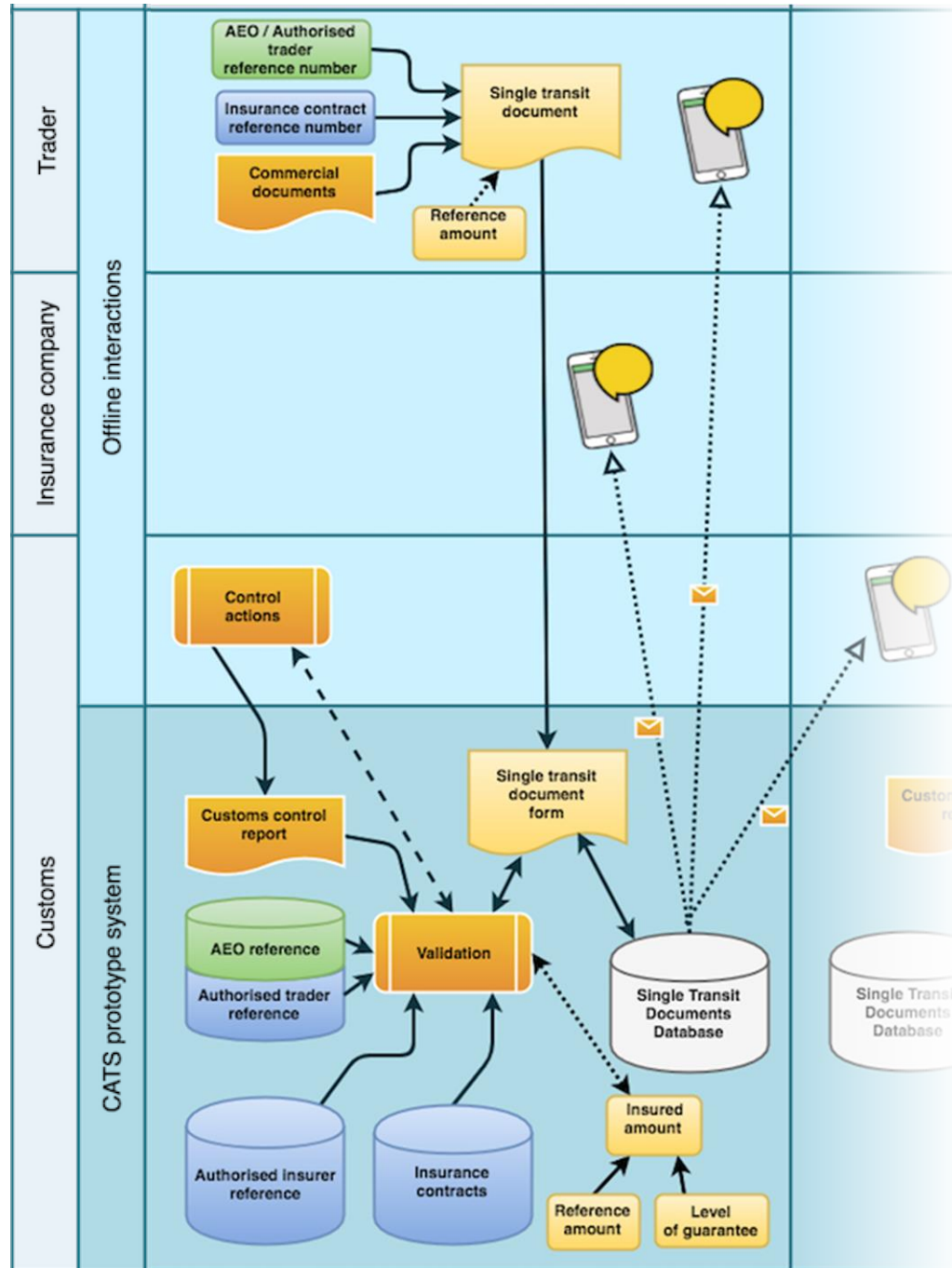
Insurance

- Insurance contract approval and registration



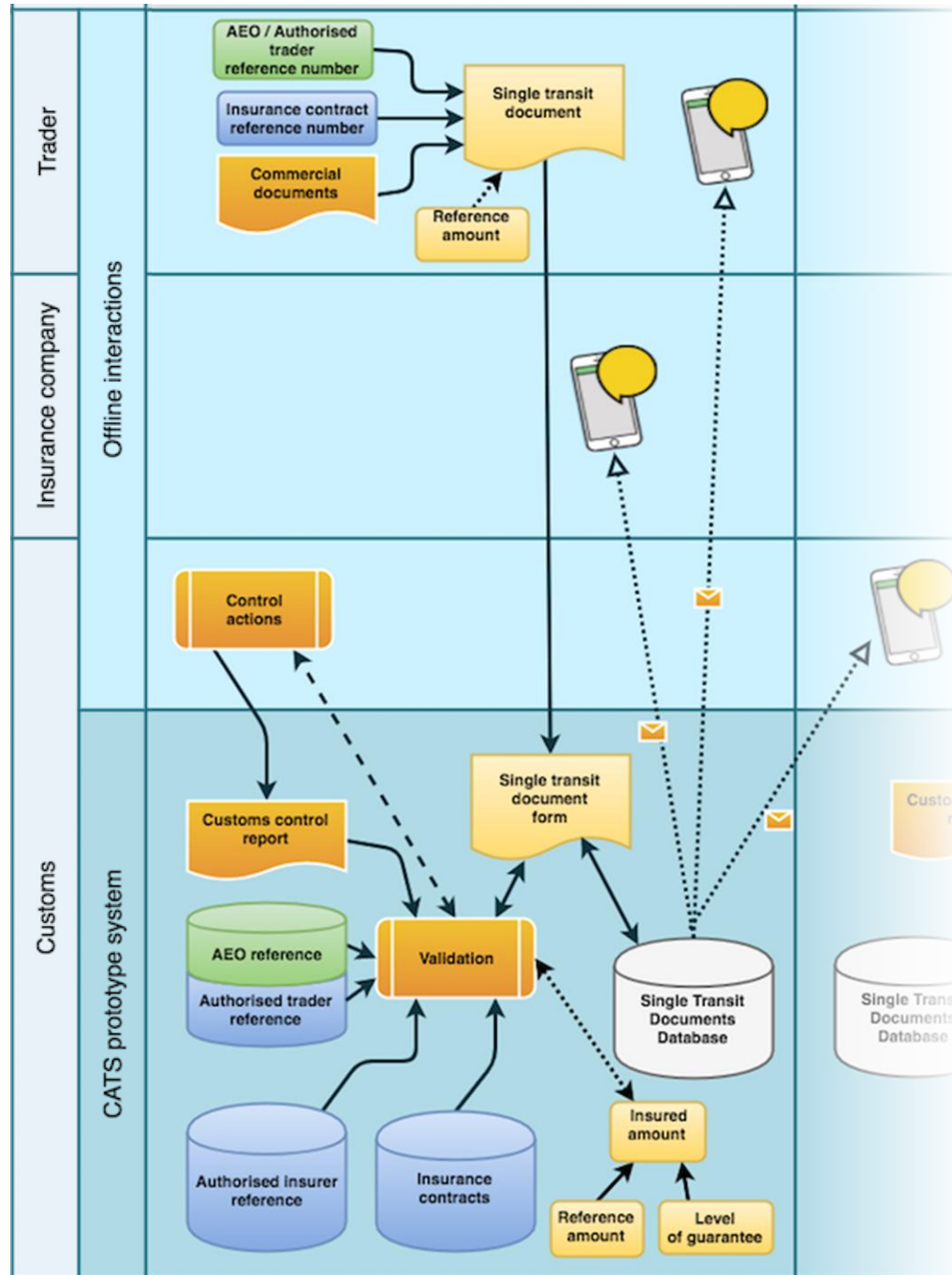
Transit office departure

- Single Transit Document submission
- Single Transit Document validation and approval
- Selection of transit declaration for inspection
- Customs control action
- Transit started



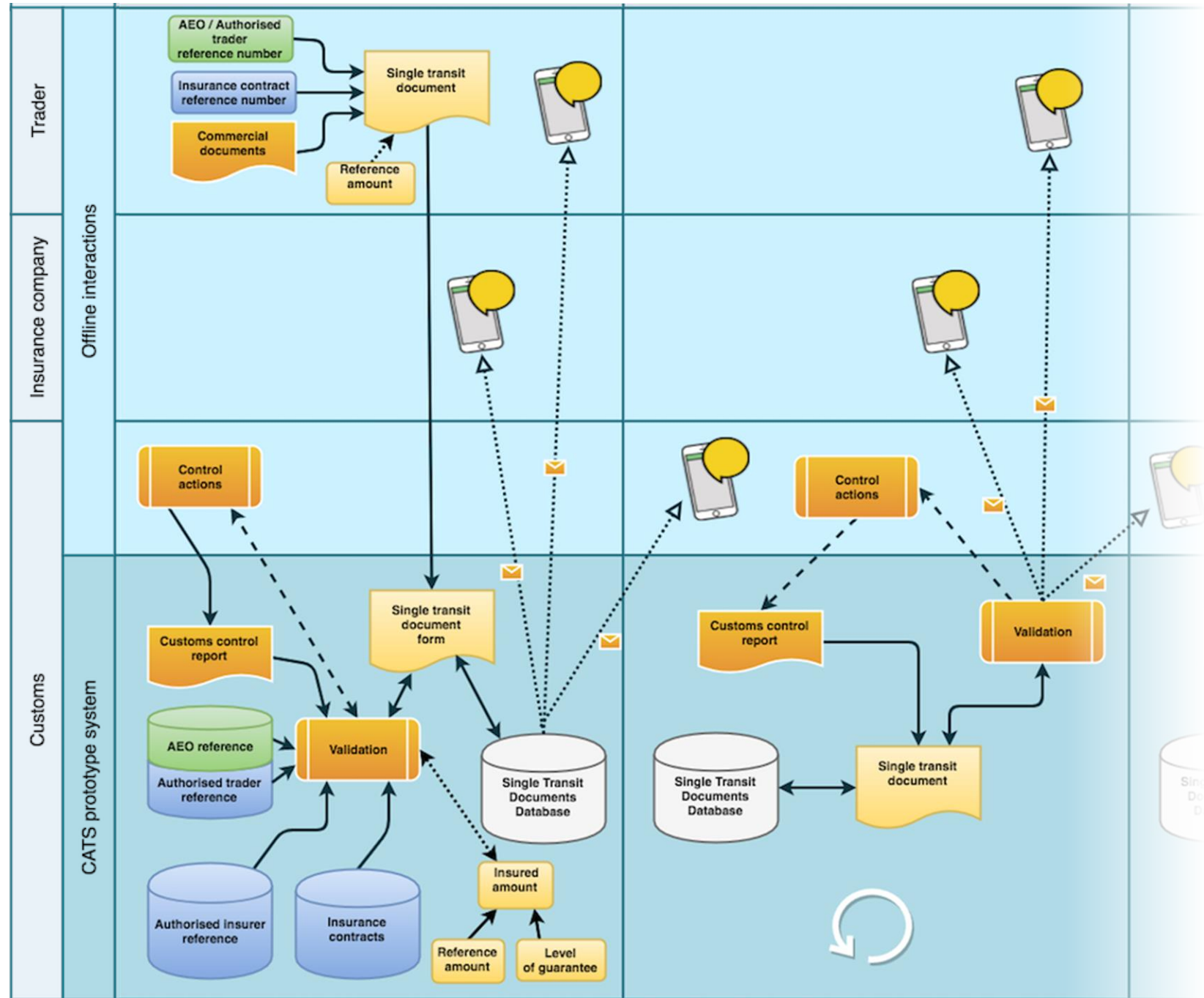
Transit office exit

- Transit
- Selection of transit declaration for inspection
- Customs control action
- Transit proceeded



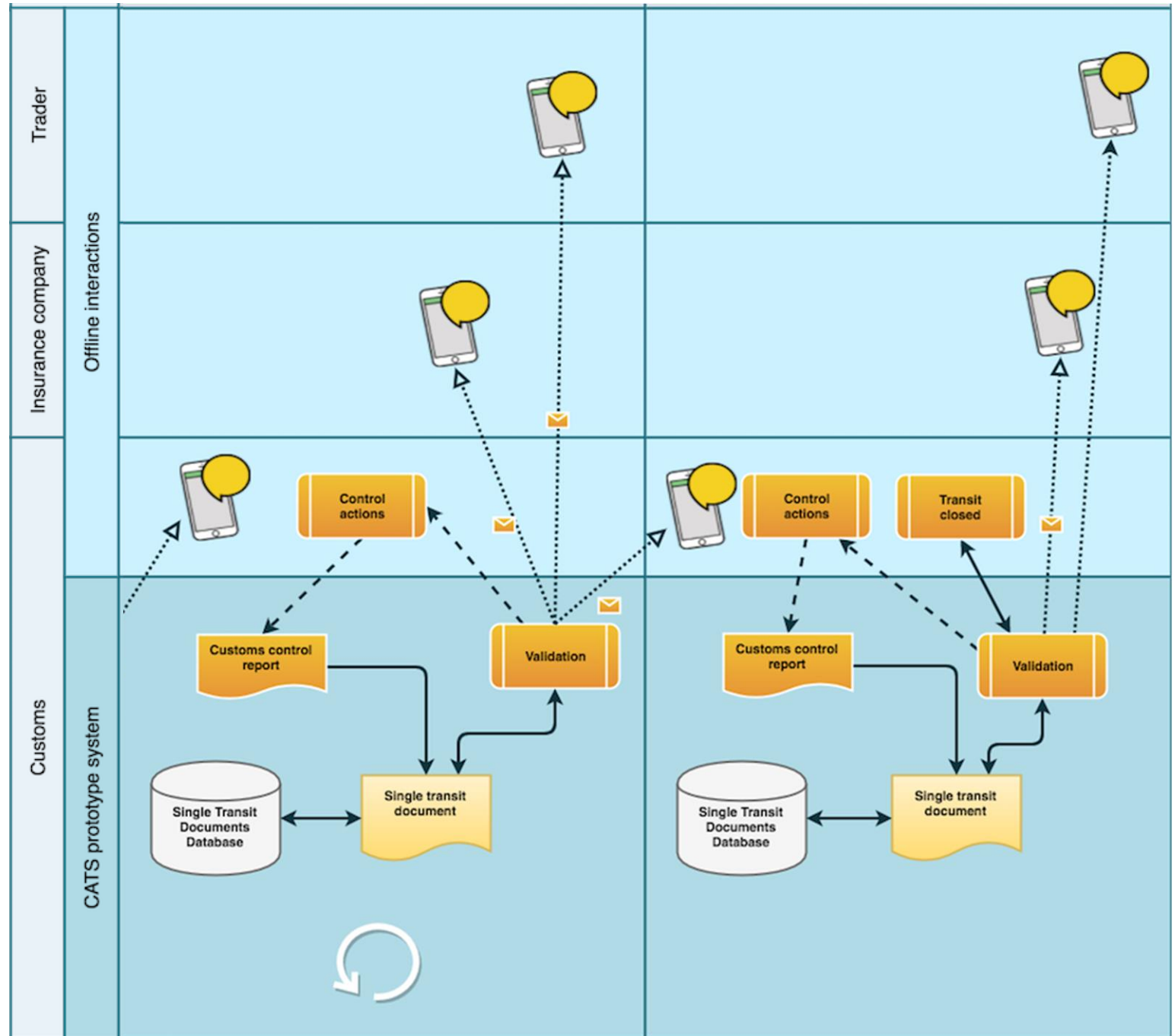
Transit office entry

- Single Transit Document validation and approval
- Selection of transit declaration for inspection
- Customs control action
- Transit proceeded



Office of destination

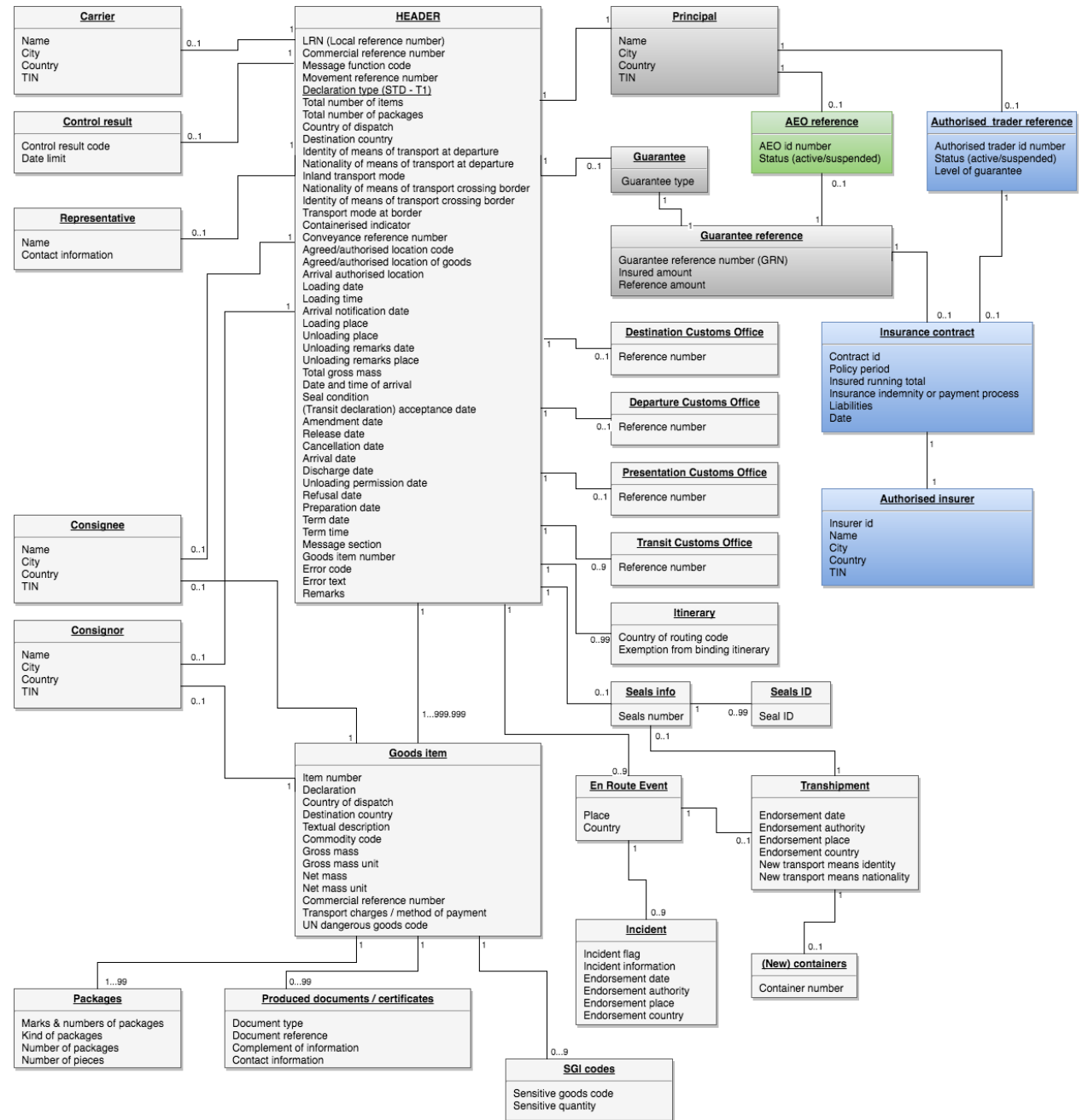
- Single Transit Document validation and approval
- Customs control action
- Transit completed





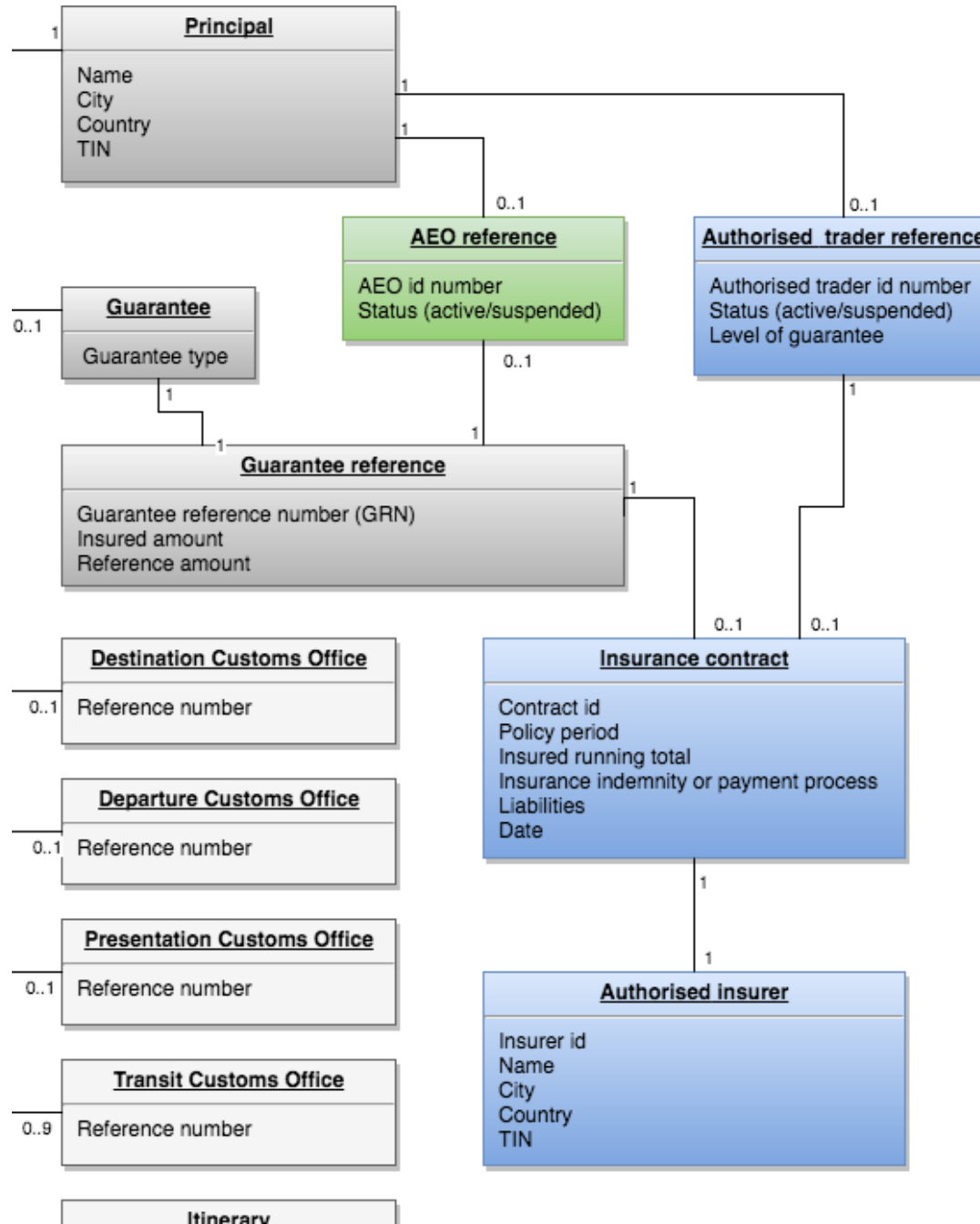
Data model

The CATS prototype data model is based on the EU's NCTS's transit declaration system data model with adaptations to take account of specific CATS requirements.



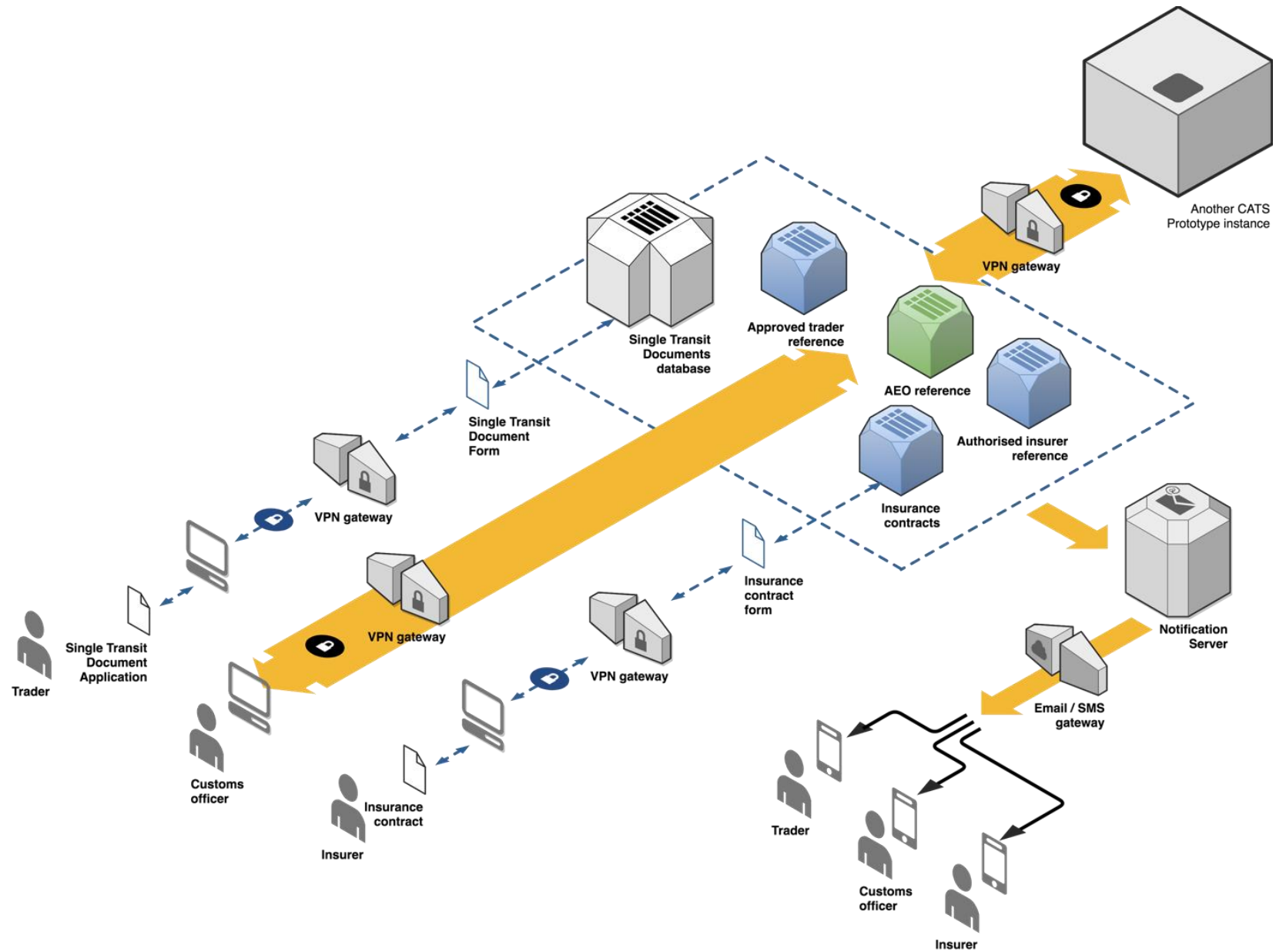
CATS-specific references

- Customs offices reference
- AEO reference
- Authorized trader reference
- Approved insurer reference
- Insurance contract reference
- Transit route country codes
- CATS Prototype restricted goods list



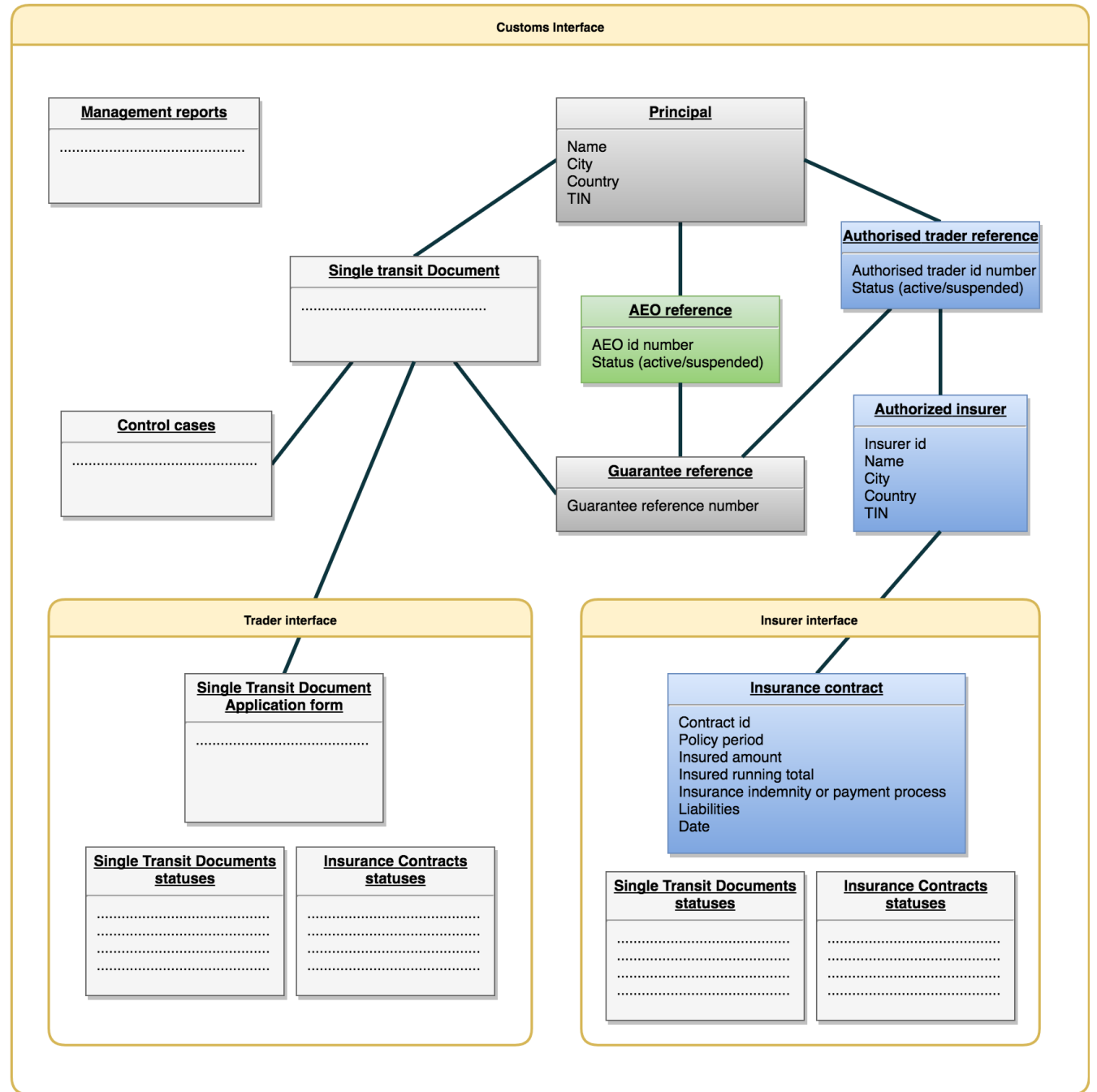
Users and interfaces

Access to the the CATS prototype shall be carried out from a unified interface built on web technologies. Data transfer between the CATS prototype and authorised user interfaces and all data exchange between CATS shall be carried out via secured protocols.



Customs officer

An Authorised Customs officer has access to all functions and interfaces provided by CATS prototype except the administrative functions.



CATS Single Transit Declaration

New Transit Document

Submit Exit

1	2 Consignor / Exporter Name <input type="text"/> No. <input type="text"/> <input type="button" value="Search"/>		1 DECLARATION <input type="text" value="T1"/>		A OFFICE OF DISPATCH / EXPORT <input type="text" value="Select Office"/>	
	City <input type="text"/> Country <input type="text"/>		3 Forms <input type="text" value="1"/> <input type="text" value="1"/>		4 Loading List <input type="text"/>	
Copy for the Country of Dis	8 Consignee Name <input type="text"/> No. <input type="text"/> <input type="button" value="Search"/>		5 Items <input type="text"/>		6 Total Packages <input type="text"/>	
	City <input type="text"/> Country <input type="text"/>		7 Reference No. <input type="text"/>			
			Transit Numbering <input type="text"/>			

CATS Single Transit Declaration

+ Add			
50 Principal Name <input type="text"/>	No. <input type="text"/>	Q Search	C OFFICE OF DEPARTURE <input type="text" value="Select Office"/>
Represented By <input type="text"/>			
Place and Date <input type="text" value="Select Place"/> <input type="text"/>			
51 Intended Offices of Transit (and Country) <input type="text" value="Select Office"/> <input type="text" value="Select Office"/> <input type="text" value="Select Office"/> <input type="text" value="Select Office"/> <input type="text" value="Select Office"/> <input type="text" value="Select Office"/>			
52 Guarantee <input type="text"/>	Guarantor <input type="text"/>	Code <input type="text"/>	53 Office of Destination and Country <input type="text" value="Select Office"/> <input type="text" value="Select Country"/>
Insured Amount <input type="text"/>	Reference Amount <input type="text"/>		
D CONTROL BY OFFICE OF DEPARTURE Results <input type="text"/>		54 Place and Date <input type="text" value="Select Place"/> <input type="text"/>	
Seals Affixed Number <input type="text"/>	Identity <input type="text"/>	Time Limit (Date) <input type="text"/>	Name of Declarant / Representative <input type="text"/>



CATS Single Transit Declaration

		Select Place			
51 Intended Offices of Transit (and Country)		Select Office	Select Office	Select Office	Select Office
52 Guarantee		Guarantor		Code	
<input type="text"/>		<input type="text"/>		<input type="text"/>	
Insured Amount		Reference Amount			
<input type="text"/>		<input type="text"/>			
D CONTROL BY OFFICE OF DEPARTURE					53
Results					
<input type="text"/>					Select
Seals Affixed Number	Identity	Time Limit (Date)			Name
<input type="text"/>	<input type="text"/>	<input type="text" value=""/>			<input type="text"/>



CATS Progress

Development of a Risk-based Guarantee Mechanism:

- ❑ CATS Prototype Concept Paper
- ❑ Support of Insurance Companies in Pilot Countries

CATS Prototype Concept paper

- ❑ To be eligible to use CATS a Principal (or the agent representing the Principal) must be registered with the competent authority of a contracting country as either an Approved Economic Operator (AEO) or an Authorised Operator (AO).

CATS Prototype Concept paper

- Transit guarantees will be set according to the level of risk assessed by the Customs administration in the country of the transit operator

CATS: Risk-based Guarantees

The actual level of a guarantee can be fixed by Customs at 100%, 75%, 50% or 25% of the 'reference amount', or waived.

The actual level of any reduction will depend on the risks involved. The higher the risks involved, the stricter the guarantee requirements.

CATS: Comprehensive Risk-based Guarantees

CRITERIA FOR REDUCTION OF COMPREHENSIVE GUARANTEE				
Normal Goods				
Guarantee amount	100%	75%	50%	25%
Good general financial standing	No additional conditions	√	√	√
Sufficient experience (years)		√ (5)*	√ (7)*	√ (10)*
Very close cooperation with the competent authorities		-	√	√
Control of the transport operations		-	-	√
Good financial standing, sufficient to fulfill the commitments of the Principal		-	-	√

CATS: Comprehensive Risk-based Guarantees

Minimum rates of guarantee will be set for certain commodities deemed to be of a high risk from a fraud perspective. A list of such goods subject to these minimum rates will be published by CATS Customs Services and updated annually.

CATS: Comprehensive Risk-based Guarantees

An example of a minimum list is provided below.

HS Code*	Description of the High-risk goods	Minimum Quantities	Minimum rate of Individual guarantee per transit movement
2402 20	Cigarettes containing tobacco	35000 pieces	* value per 1000 pieces

CATS Transit Operation

A Principal (or the agent representing the Principal):

1. Initiates the transit operation by submitting an electronic transit document using the CATS.
2. If required, makes available the goods and supporting documents for Customs control by the Customs office of departure.
3. Is responsible for following the CATS transit procedure to completion.
4. Completes the transit by presenting the goods and documents for verification at the Customs office of destination.

Thank you