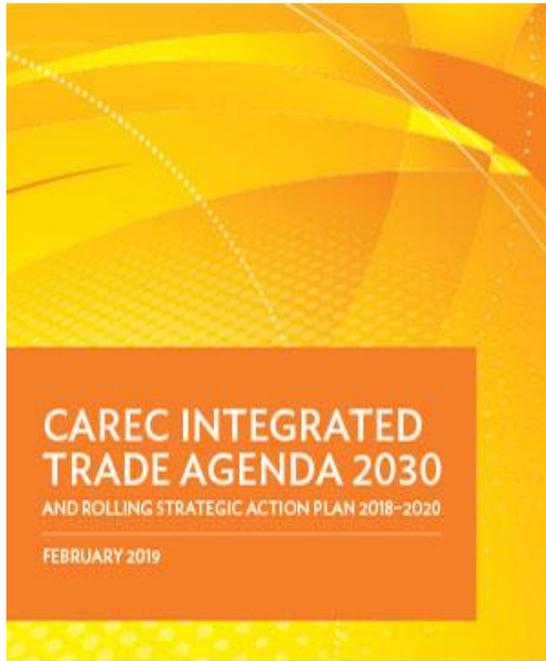




Session 1: Insurer and Guarantor Liaison Group Meeting: CATS and ICE Pilot Implementation

Mr. Ying Qian, Trade Facilitation Specialist, ADB

Regional Transit Development under CAREC



- CAREC Integrated Trade Agenda 2030 supports development of effective transit facilitation schemes
- CAREC Customs Cooperation Committee includes regional transit development in its priority areas of work
- Transit trade remains crucial in Central Asia noting most are landlocked countries
- CAREC region as a vital link to diversify transit routes between Asia and Europe (i.e., Middle Corridor)
- Need to strengthen regional cooperation to address transit facilitation challenges and gaps

International Framework – Principles of Effective Transit Systems

- General Agreement on Tariff and Trade (GATT)
- Revised Kyoto Convention (RKC)
- World Trade Organization (WTO) Trade Facilitation Agreement (TFA)
- World Customs Organization (WCO) Transit Guidelines (2017).

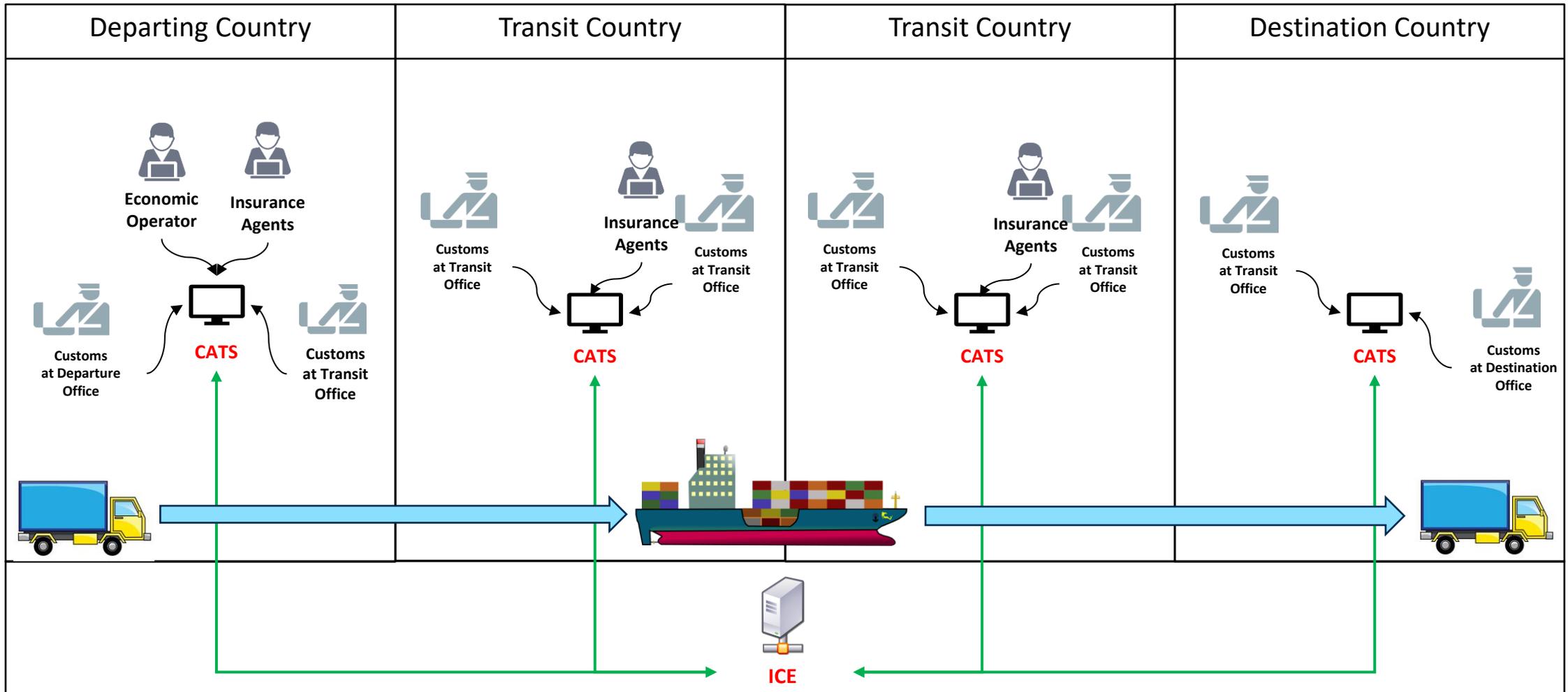
- ✓ **Sound legal framework** which allows for data exchange with other entities and countries
- ✓ **Simple and speedy** treatment and harmonizing customs control **procedures**
- ✓ **Minimum documentation** and formalities
- ✓ The utilization of **comprehensive transit guarantees**
- ✓ **Non-discrimination** and freedom of transit

Opportunity to Improve the Existing CAREC Transit Systems – Key Features of CATS/ICE

- The introduction of a CAREC regional transit system supported by a **CAREC guarantee** mechanism would:
 - Enhance security of the supply chain across the region
 - Help trade flow more smoothly and efficiently across borders
 - Reduce the overall cost of trade

- ✓ **Single transit declaration**
 - Design based on the T1 form of EU's NCTS
 - CATS prototype has been developed
- ✓ **Electronic customs-to-customs transit data exchange platform**
 - An ICE prototype has been developed
- ✓ **A risk-based affordable guarantee mechanism** that rewards compliant traders
 - different guarantee levels based on risks
 - Able to guarantee multiple transit movements

System Features & Technology



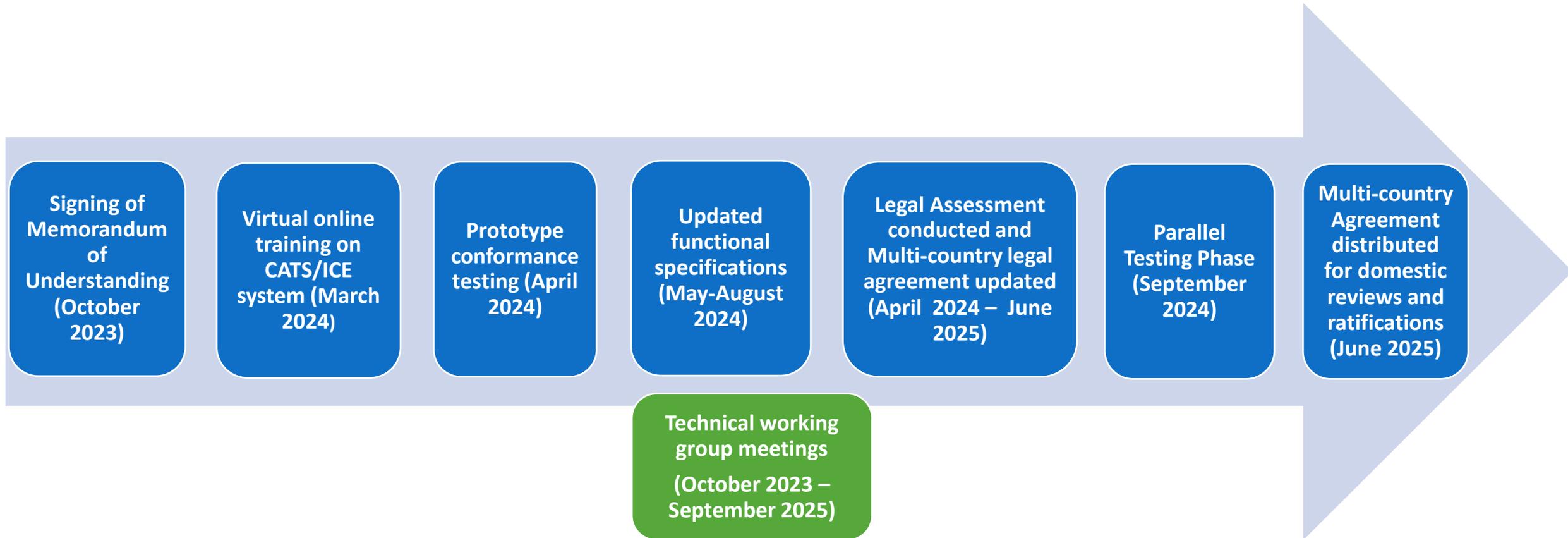
Features of Transit Regimes

Transit Regime	Customs-to-Business and Customs-to-Customs Data exchange	Guarantee Mechanism			AEO Facilitation Measures
		Inter-country Guarantee mechanism	Comprehensive Guarantees	Risk based Guarantee Amounts	
CATS	✓	✓	✓	✓	✓
NCTS	✓	✓	✓	✓	✓
ACTS	✓	✓	✓	✓	✓

Comparison of TIR to CATS/ICE

	TIR System	CATS and ICE
System	International Road Transport Union (IRU)	Customs-to-Customs
Availability	IRU Members only – large companies	Approved CATS Operators – Large and SME companies
Transport Modes	Road led	Intention to be Multi-modal
Transit Guarantee	Single transit movement, Set fee, 100% of all Customs Fees and Duties	Comprehensive, Variable fees, Depending on risk Customs can set level – 100% 50% 25% of all Customs Fees and Duties
Transit Notification	Arrival at the Border	Commencement of Transit Movement
Information to inform Customs Risk Assessment	Cargo details	CATS Operator approval process, Cargo details, Customs control checks undertaken by each country along the transit route

Pilot Phase Progress: Key Milestones



Moving Forward

Finalize
Version 2
CATS/ICE
software
(Jun – Aug
2025)

CATS/ICE
Pilot
progress
report
(Sep 2025)

Liaison
with
Insurers
and
guarantors
(Sep 2025)

Parallel test of
system with
participation
of traders and
insurers
(Oct 2025)

Finalize Version
3 and system
conformity test
(Nov 2025 –
May 2026)

Signing and
ratification of
Multicounty
Agreement
(Jan – Jun
2026)

Processing
of real
transit
cargo
movements
(Jul – Aug
2026)

Technical working group
meetings, Liaison meetings,
capacity building sessions
Sep 2025 —

Key Performance Indicators (KPIs) to Measure Usability and Efficiency

❖ Effectiveness in managing transit risk

- ✓ trade operator's responsiveness
- ✓ transparency in goods eligible, transit procedures, customs requirements, and declarations
- ✓ the assurance of guarantees and the dependability of guarantors
- ✓ the accuracy of accompanying documents
- ✓ robustness of data protection

❖ Efficiency in transit operations

- ✓ expanded opportunities for trade operators
- ✓ reduced list of ineligible goods
- ✓ streamlined customs transit processes
- ✓ improvement in transit declaration standardization
- ✓ cost reduction through AEOs and streamlined guarantee operation
- ✓ digitization and user-friendliness
- ✓ integration with the EU's NCTS and ASEAN's ACTS for improved supply chain operations.

