

## **Background paper to the Agreement between the Government of the Republic of Kazakhstan and the Government of Kyrgyz Republic on transit road transport of goods within the Republic of Kazakhstan**

For the purpose of transit potential development of the country and international trade and to accelerate movement of goods under customs control in the Republic of Kazakhstan and facilitation to international transport the Committee for customs control of the Ministry of Finance of the Republic of Kazakhstan has developed the Agreement between the two Governments on transit road transport via the Republic of Kazakhstan.

The Agreement was signed on 26 March 2004 in Bishkek.

The Agreement provides that the road transport of goods via the Republic of Kazakhstan will be following the procedure of notifying the customs authority on the goods delivery by submitting the document of goods delivery control.

It also covers carriage of goods through Kazakhstan by road transport without the provision of the delivery assurance services, which is not regulated by the Customs Code.

Road transport of goods via the Republic of Kazakhstan as per the Agreement will be carried out based on goods accompanying documents, customs fee receipt and tax receipt in Kyrgyz Republic and the goods delivery document, where the delivery control document will be acceptable by the member-countries as the document proving the delivery of goods to the destination customs authority.

This Agreement is not applicable to the goods transiting the Republic of Kazakhstan according the requirements set by the Government of the Republic of Kazakhstan on safety of goods and measures of export control and on ensuring customs fee payment.

The Agreement provides that as soon the goods non-delivery to the destination customs authority is confirmed Kyrgyz party commits to damage to the Kazakh party during 30 days.

The customs fees and taxes due in case of non-delivery of goods by road to the destination customs authority are calculated according to the national law of the Republic of Kazakhstan.

It is also included that in case of non-delivery of goods by road to the destination customs authority the Parties shall undertake to arrange an investigation of the case with written notice on the investigation findings to the Party in whose country the fact of non-delivery is discovered.

Given that the international agreements setting up other rules than those stipulated by the laws of the Republic of Kazakhstan shall be subject to ratification. This Agreement was ratified by the Law of the Republic of Kazakhstan of 13.04.2005 No.42-III 3PK.

The share of transit of Kyrgyz Republic subject to the coverage of this Agreement (based on goods cost) is 22%.

Under the Resolution of the Government of the Republic of Kazakhstan of 27 February 2004 No.238 “Approval of the list of vehicle State border crossing points of the Republic of Kazakhstan and transport control posts in the Republic of Kazakhstan” the list of international road border crossings is identified for transit movement of vehicles via the Republic of Kazakhstan.

The following are the transit border crossing points on Kazakh – Kyrgyz border included in the list:

- Kordai (Jambyl oblast)
- Novovoskresenovka (Jambyl oblast)
- Aisha Bibi (Jambyl oblast)
- Kegen (Almaty oblast)
- Karassu (Jambyl oblast)

The major cargo flow (80%) moves along the following routes:

Jana Jol (North-Kazakhstan oblast) - Kordai (Jambyl oblast)

Kairak (Kostanai oblast) - Kordai (Jambyl oblast)

Korgas (Almaty oblast) - Kordai (Jambyl oblast)

G.Muratbayev (South-Kazakhstan oblast) – Novovoskresenovka (Jambyl oblast)

To improve the efficiency of goods and vehicle movement control subject to customs control the Committee for customs control of the MoF RK is actively computerizing the procedures of transit transport processing.

Thus in 2004 the Automated system of goods delivery control (hereinafter ASGDC) was developed and installed at Korgas, Kordai and Muratbayev control post, B.Konysbayev customs post under the transport control department of South-Kazakhstan oblast allowing automatic control of transit vehicle movements by using electronic seals. In addition the system allows minimizing “human factor” in customs control procedures.

The customs control using ASGDC allows avoiding falsification of passage of the post outside customs area and prohibits illegal unloading of goods from vehicles under customs control.

In 2005 this equipment will be installed at Jana Jol customs post under the Transport control department of North-Kazakhstan oblast and at Kairak customs post under the Transport control department of Kostanai oblast.

Therefore after the installation of ASGDC this year transit flows from and to Kyrgyzstan will be controlled by this system.