



# Session 4: Updates on the Multicountry Agreement Ratification Process

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# Legal Assessment

- Conducted with the support of Legal Working Group members in 2024 and key areas of legal provisions reviewed:

- **Transport, Customs & Insurance Regulations**
  - Azerbaijan, Georgia, Uzbekistan: aligned with WTO & WCO standards in customs codes
  - Broad participation in global, multilateral, regional, and bilateral transit agreements
  - Insurance markets vary in openness; limitations on cross-border services
  - Fronting and reinsurance operations permitted in most cases → supportive for CATS chain guarantees
- **Data Protection & Intellectual Property**
  - Laws exist in all three countries, but effectiveness in CATS/ICE context untested
  - Challenges: general data protection regulation (GDPR) compliance, patent territoriality, licensing, cloud/AI issues
- **Digital Signatures**
  - All countries have enacted operational digital signature laws
  - Effectiveness depends on cross-border recognition and harmonization
  - Must ensure compliance with data protection laws and secure data handling

# Multi-country Agreement (contents)

## CHAPTER 1: GENERAL PROVISIONS

Article 1: Definitions

Article 2: Purpose and Objectives

## Appendices

A. CATS and ICE Data Model

B. CATS Comprehensive Guarantee Document

C. CATS Transit Document

D. Codes to be Used in CATS Transit Document

E. CATS Transit Document Explanatory Note

F. List of Goods Excluded from CATS

## CHAPTER 2: SPECIFIC PROVISIONS

Article 3: Institutional Arrangements

Article 4: Application of Electronic Data Exchange for the Facilitation of Transit of Goods

Article 5: Approval to Use the CATS

Article 6: Guarantees

Article 7: Simplified Procedures

Article 8: Transit Operations and Procedures

Article 9: Mutual Recognition of Results of Customs Controls

Article 10: Amendment of Transit Declarations

Article 11: Goods Excluded from CATS

Article 12: Relation to other Agreements

Article 13: Revisions of the Agreement

Article 14: Dispute Settlement

Article 15: Accession of other CAREC Countries to the Agreement

Article 16: Entry into Force of the Agreement

# Multi-country Agreement (features)

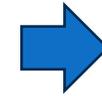
- The agreement is for transit and enhances trade facilitation for CAREC members through a single data exchange and a comprehensive transit guarantee system
- A high-level steering committee will be established and ADB will support the working groups responsible for technical specification of the CATS and ICE systems
- The agreement can be revised by mutual consent and other CAREC countries may accede. It does not affect existing international treaties, and any disputes will be settled through consultation
- The agreement establishes rules for electronic data exchange, requiring a CATS Data Model for transit facilitation and risk assessment. To become an "Approved CATS Operator," a financially solvent legal entity must be registered for at least a year and provide a customs guarantee.
- Competent Authorities will mutually recognize customs seals and controls to prevent unnecessary inspections of sealed vehicles. All declaration amendments must be logged in an immutable history record, and a list of "High-Risk Goods" can be excluded from the system.

# Moving Towards Finalization of the Multicountry Agreement

- ❖ Legal Assessment conducted
  - ✓ International and regional agreements, and domestic legal framework on transit
  - ✓ insurance market
  - ✓ data protection
  - ✓ digital signature



- ❖ Test runs identify legal challenges and facilitates solutions:
  - ✓ issues to be addressed in the legal assessment and capacity building
  - ✓ Inter-agency and inter-country coordination



- ❖ Ratification of the Multicountry Agreement
  - ✓ Customs authorities engage with relevant agencies and stakeholders on legal and regulatory issues
  - ✓ address discrepancies and develop practical solutions to ensure the seamless operation of CATS/ICE

# Domestic Reviews and Ratification

- Domestic reviews by agencies in respective countries are ongoing

# Next Steps

- Update national laws and regulations to align with CATS/ICE implementation requirements
- Implement customized training programs on legal and regulatory issues for smooth implementation of CATS/ICE.
- Promote CATS/ICE to remaining CAREC countries through training and support for their formal participation
- Support for domestic reviews and ratification of the multicounty CATS/ICE Agreement

