

# Session 02: CAREC Advanced Transit System (CATS) and Information Common Exchange (ICE) Phase 1 Progress Report for 2024

**5th Technical Working Group Meeting on CAREC Advanced Transit System and Information Common Exchange: Pilot Phase Implementation**

12-13 March 2025, Baku, Azerbaijan

# Legal Assessment

**A legal assessment was conducted to examine the existing legal provisions related to cross-border transport, customs transit, data exchange, and digital signatures in each country.**

It confirmed that:

*"A legal framework for CATS/ICE in participating CAREC countries needs to be established through a Multi-country Agreement between the customs authorities."*

# Legal Assessment (*cont.*)

**The Multi-country Agreement will need to cover key aspects such as the following:**

- Definitions
- Objectives
- Institutional arrangements
- Use of information technology
- CATS transit processes
- Mutual recognition of customs controls and
- Its alignment with other agreements

# System Development and Testing

**Key milestones achieved during 2024 in the development of the CATS-ICE IT system included:**

- Two successful tests of the Prototype system
- Updating of the system user requirement based on user feedback from the two tests
- Commencement of the upgrading of the system to Prototype Version 2

# Test 1 - Conformity of Prototype System Functionality

**A User Acceptance Test (UAT) of the CATS-ICE prototype system covering various scenarios - Approval of Accounts, Guarantee Approval and Customs Transit Declaration (CTD) submission and processing - was successfully conducted.**

## Test 2 - Parallel Testing

**A parallel test was undertaken, which consisted of selecting various cargo movements covered by TIR Carnets transiting the participant countries and replicating these movements in the CATS/ICE system.**

## Test 2 - Parallel Testing (*cont.*)

**The CATS-ICE Prototype system was assessed against a range of Key Performance Indicators (KPIs) during the parallel test. These included:**

- Transit Procedure Adherence Rate: 100% adherence rate
- Customs Risk Assessment and Control Efficiency: Score of 2 to 3
- Communication Efficiency: Score of 8 out of 10
- System Downtime: Zero downtime
- Scope of Systems: A number of system changes/enhancements proposed



# Upgrading of the CATS-ICE System to Prototype Version 2

**Work on updating the CATS-ICE Prototype to Version 2 to incorporate the range of user requirements identified during the Conformity and Parallel test phases was commenced.**



# Challenges and Risks Moving Forward

- ☐ Legal and Regulatory Reforms
- ☐ ICT Modernization and Paperless Trade
- ☐ Customs Procedures

# Next Steps

**The report recommended that the next phase of CATS-ICE development focuses on the following:**

- Securing strong political support at the Ministerial level for the implementation of CATS-ICE
- Establishment of the legal framework to support the 'live' system test of CATS-ICE
- Establishment of the chain-guarantee mechanism to support the 'live' system test of CATS-ICE
- Development and delivery of further training and capacity-building activities targeting both customs officials and trade representatives
- Completion of a conformance and 'live' system test of CATS-ICE Version 2



# Questions?

