

Session 08: Memorandum of Understanding (MOU) Between Customs and Trade Operator on Participation in the CATS Testing

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

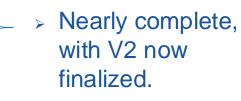
12-13 March 2025, Baku, Azerbaijan

Progress Made

The MOU was signed on October 3, 2023, in Baku to initiate the development and testing of the CATS/ICE System.

Significant progress has been made so far, thanks to the efforts of the working group members and everyone involved.

- Testing Stages:
 - > Alpha Testing
 - Beta Testing
 - > User Acceptance Testing (UAT)
 - Stress Testing / Load Testing
 - Regression Testing
 - > Performance Testing
 - > Deployment Testing



 Requires participation from Trade Operators.



MOU Signed on 3 October 2023

- System Features and Institutional Arrangements
- Principles of Operation and Cooperation
- Annex: CATS/ICE Implementation Guidelines
 - A. Application of Information Common Exchange
 - B. Approval for being CATS Operator
 - 1. General Criteria
 - 2. Applications for and Decisions on the CATS Operators
 - 3. Suspension of Approved CATS Operator
 - 4. Withdrawal of an Approved CATS Operator Authorization

- C. Guarantees
 - 1. Types of Guarantees
 - 2. Deposit Account
 - 3. Level of Guarantee
 - 4. Guarantors
 - 5. Discharge of Guarantee
 - 6. Liability of the Guarantor
 - 7. Cancellation and Revocation of Comprehensive Guarantees

MOU Between Customs and Trade Operator on Participation in CATS

- A cooperative relationship
- Trade Operator to participate in the test run of the CATS
- A parallel test run is to mirror actual customs transit operations on CATS
- parallel test run for a period of months from March 15,

2025, to _____, 2025

- 1. Purpose
- 2. Trader Operator's Responsibilities
 - support and contribute to the testing of the CATS
 - complete all requested CATS documentation and to input those into the CATS
 - provide feedback on the CATS's usability and efficiency
- 3. Customs' Responsibilities
 - necessary support, guidance, and access to the CATS prototype system
- 4. Confidentiality
- 5. Duration

Key Performance Indicators (KPIs) to Measure Usability And Efficiency

CATS' effectiveness in managing transit risk

- $_{\circ}$ trade operator's responsiveness
- transparency in goods eligible, transit procedures, customs requirements, and declarations
- The assurance of guarantees and the dependability of guarantors
- $_{\circ}$ the accuracy of accompanying documents
- robustness of data protection

CATS's 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.

Moving Towards Finalization of the Multicountry Agreement

- Draft Final Version dated 20 June 2024
- Legal Assessment conducted
 - International and regional agreements, and domestic legal framework on transit
 - insurance market
 - data protection
 - digital signature



- issues to addressed in the legal assessment and capacity building
- Inter-agency and intercountry coordination

- The ratification of the
 Multicounty Agreement
 - an opportunity for customs authorities to 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



Thank you təşəkkür edirəm გმადლობთ rahmat спасибо

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