

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

Mr. Ying Qian

Trade Facilitation Specialist, ADB

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

- Nearly complete, with V2 now finalized.
- Requires participation from **Trade Operators.**



5th Technical Working Group Meeting on CATS/ICE Pilot Phase Implementation
12-13 March 2025, Baku, Azerbaijan

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

- 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


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
- 
- **A parallel test run** identifies legal challenges and facilitates solutions:
 - issues to addressed in the legal assessment and capacity building
 - Inter-agency and inter-country coordination
- 
- The ratification of the Multicountry 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

5th Technical Working Group Meeting on CATS/ICE Pilot Phase Implementation
12-13 March 2025, Baku, Azerbaijan



Thank you
тəşəkkür edirəm
გმადლობთ
rahmat
спасибо

Mr. Ying Qian
Trade Facilitation Specialist, ADB