

5th Joint Meeting of Customs Cooperation Committee and CAREC Federation of Carrier and Forwarder Associations

Update on CCC and CFCFA Collaborative Activities



21 June 2019 | Tashkent , Uzbekistan

Congratulations to the 10th anniversary of the establishment of CFCFA !

As an important part of CAREC

- Explicitly supported CFCFA in the Joint Statement of the 17th Ministerial Conference on CAREC
- Designated CFCFA as “the first private sector institution established under CAREC, which will continue to carry out activities and play its role”, in the CAREC 2030 Strategy.
- Regarded CFCFA as “an active partner that remains important to the implementation of CAREC trade facilitation programs”, when it comes to the area of CAREC trade.
- Having held annual joint meetings with the Customs Cooperation Committee (CCC) since 2015.

Congratulations to the 10th anniversary of the establishment of CFCFA !

The first stage: 2010-2014

- Undertook the Corridor Performance Measurement and Monitoring (CPMM) project for six transport corridors in Central Asia.

The second stage: 2014-2019

- Promulgated 29 international standards on regional matters as a NGO.
- Developed a new transport certificate.
- Participated in the pilot project for establishing an international transport corridor between China, Kyrgyzstan and Uzbekistan.
- Recruited an increasing number of corporate members and became CFCFA's largest funding provider and project partner.
- Had more partners and cooperation projects.

Congratulations on the 10th anniversary of the establishment of CFCFA !

The third stage: 2019-2021

- To make CFCFA a very distinctive NGO.
- To be more faithful, pragmatic and innovative, and solve development issues through development .
- To deepen the cooperation with CCC, TSCC and RTG, by depending on CAREC.
- To promote CFCFA standardization results and enhance CAREC standardization cooperation.
- To depend on members, set up a consortium of enterprises, and accelerate the transformation of CFCFA results.
- To promote the construction of CAREC reverse transport corridors.
- To recruit more corporate members.
- To assist with the implementation of CITA 2030 and RSAP 2018-2020.



Review of the past four CCC and CFCFA joint meetings

Review

- Since 2015, four joint meetings were held in Ulaanbaatar, Singapore, Dushanbe and Ashgabat.
- Discussed and agreed to cooperate in standardization, transit guarantee mechanism, information sharing, transportation channel opening, AEO cooperation and so on.

The progress of the cooperation project with CCC in 4th joint meeting

- The new transport document (FCT) development.
- FCT will be as an attached document for customs clearance.

New initiatives

- How to make the dialogue between the public and private sectors more practical.
- To advance the Pre-AEO private sector's credit evaluation project.

Review of the past four CCC and CFCFA joint meetings

New proposals to CCC

➤ Transit bond

unify standards for Transit Bond and its process.
Replacement of transit bond with liability insurance

➤ Cross-border coordination management

Implement cross-border joint inspections at border crossing points, share information, reduce duplication of inspections, repeated charges, queue time, and equipment investment.



Pre-AEO Private Sector's Credits Rating - Setting

◆ Today's Customs' Landscape

Market Drivers

Domestic Fiscal Needs and Policies

Customs Reforms & Modernization
Revised Kyoto Convention

Post 9/11 effect; Homeland Security and Public Security

Focus on Trade & Economic Development
WTO Trade Facilitation

Cross-border E-Commerce creates new challenges

Needs & Pressures

New challenges for Safety & Security

Focus on Trade Facilitation, lower barriers, and cost of trade

Need for Efficient and Optimal Revenue Collections

Digital Customs with automated and paperless processes

Increased inspections, Pre-arrival information, Risk assessment

Customs' Missions & Target

Digital Customs

Safety & Security

Facilitation

Revenue

Customs Modernization

Dialogue & Cooperation

- CITA2030
- RSAP (2018-2020)



Pre-AEO Private Sector's Credits Rating -Feasibility

◆ Feasibility

CACFA, 2010, Private Sector Organization

Members in **11** countries

24 association members



Good cooperation mechanism between CFCFA & CCC

4 Joint Meetings

Pilot Projects

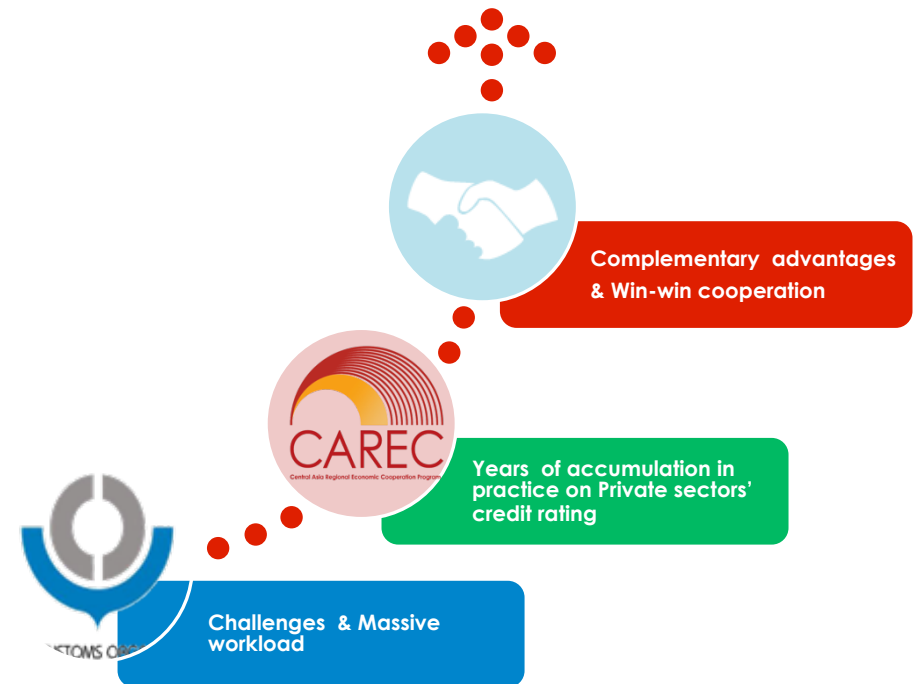


20 CAREC NGO Standards

Technical support of
cooperation results

Laid foundation of
Pre-AEO credit rating

Why Pre-AEO Credit Rating?



Pre-AEO Private Sector's Credits Rating -Significance

◆ Significance

Compliance with
AEO development
needs

-WCO promote the
relationships
transformation between
customs and business
circles

-Revised Kyoto Convention
-SAFE – 2nd pillar

-Pre-AEO in line with
AEO

Promoting mutual
recognition of Pre-
AEO credit rating of
private sectors will
improve facilitation
level

-Help build a new
customs supervision
system
-Optimize the business
environment
-Benefit private
sectors by reducing
cost and improve
clearance efficiency
-Help private sectors
“go abroad”

Conducting credit
rating will improve
the soft power of
private sectors in
CAREC countries

-Carry out double private
sectors credits rating
can help them to
improve mgt.

-Help private sectors to
improve risk
management.
-Help private sectors to
enhance soft power and
the competitiveness in
global trade and supply
chain.

Promote business
reforms and guide
private sectors to
participate AEO

-Save resources
-Improve customs
clearance
efficiency
-Help follow
international laws
and regulations
-Help prevent
potential risks
-Provide useful
information and
data for customs

Pre-AEO Private Sectors' Credit Rating - Objectives

Project Objectives

1. To achieve the “Framework”, “Customs authorities should work with business representatives to design a validation system or qualification system to enable companies to be motivated by the qualifications of certified operators”.
2. With the Pre-AEO credit rating of international logistics as the link, innovate the cooperation mechanism between the public and private sectors, deepen the cooperation between the public and private sectors, and promote the cooperation between CCC and CFCFA to a higher level.
3. Assist in moving the customs risk control gateway (measures) forward and improve customs risk control capabilities.
4. Promote non-governmental international organizations, industry associations, and third-party credit evaluation agencies to participate in cross-border trade logistics risk control and provide necessary information support for customs risk control.
5. Promote the credit evaluation results and AEO certification results of international logistics companies sharing and mutual recognition in CAREC countries.
6. Further promote the facilitation of CAREC trade logistics, reduce transportation costs, improve logistics efficiency, and enhance the competitiveness of CAREC countries' commodities.
7. Establish a database of corporate credit information, realize the collection of credit information of international logistics enterprises in CAREC countries, and realize the sharing of corporate credit information and basic information within the scope of CFCFA members.

Pre-AEO Private Sector's Credits Rating Implementation

◆ Implementation

Cooperation with CCC

1. Recommend the credit rating results
2. Joint Project Promoting Working Group
3. Report credit rating results
4. Regularly report for filing
5. Evaluation & Improvement

Project Organization

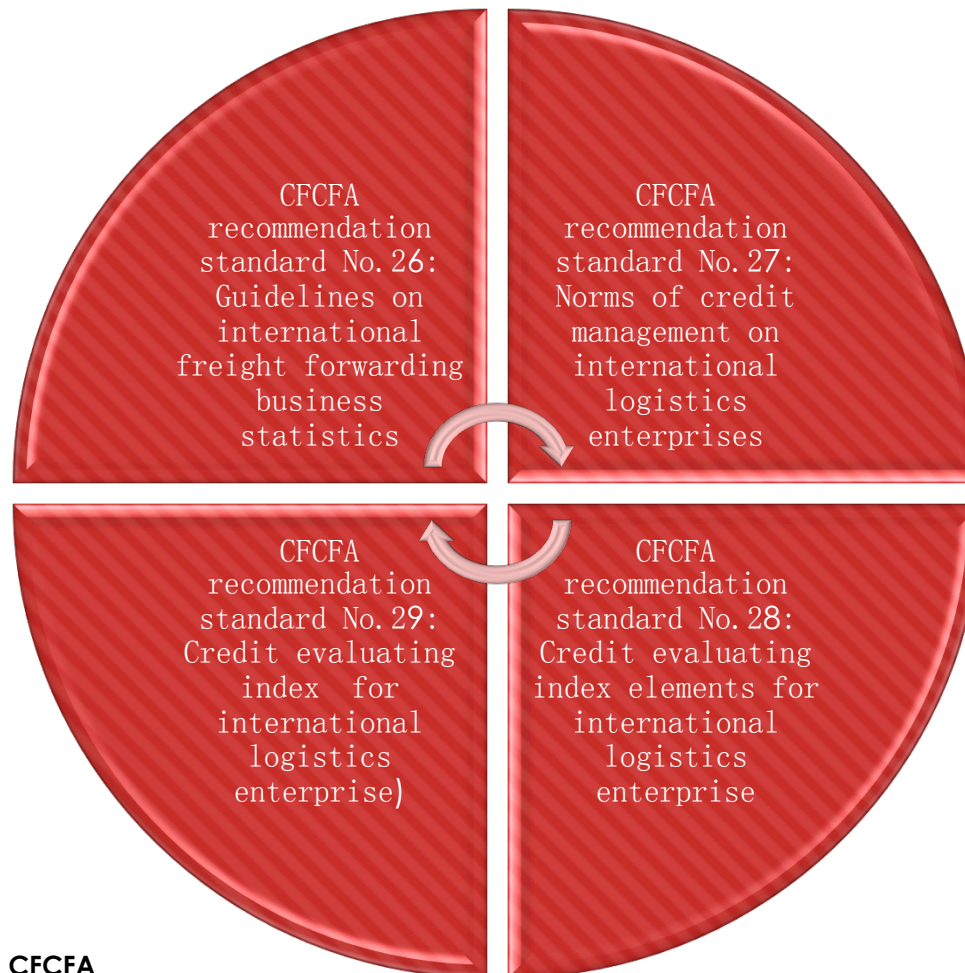
1. Organization Institutions
2. Credit evaluation resource utilization

Evaluation Criteria & Contents

1. Evaluation criteria
2. Evaluation content: 6 points
3. Credit rating:
3 grades and 9 levels

Pre-AEO Private Sector's Credits Rating - Standards

CFCFA Credit Rating Standards



Pre-AEO Private Sector's Credits Rating – Results Application

◆ Feasibility and Utilize Resources



Cooperation between
CFCFA and CCC



Since 2013, CFCFA set up the cooperation with a third party credit rating institute (Sino credit) and we can share the credit rating resources from 120 industries of China, 500 out of them are trade logistics relevant enterprises.



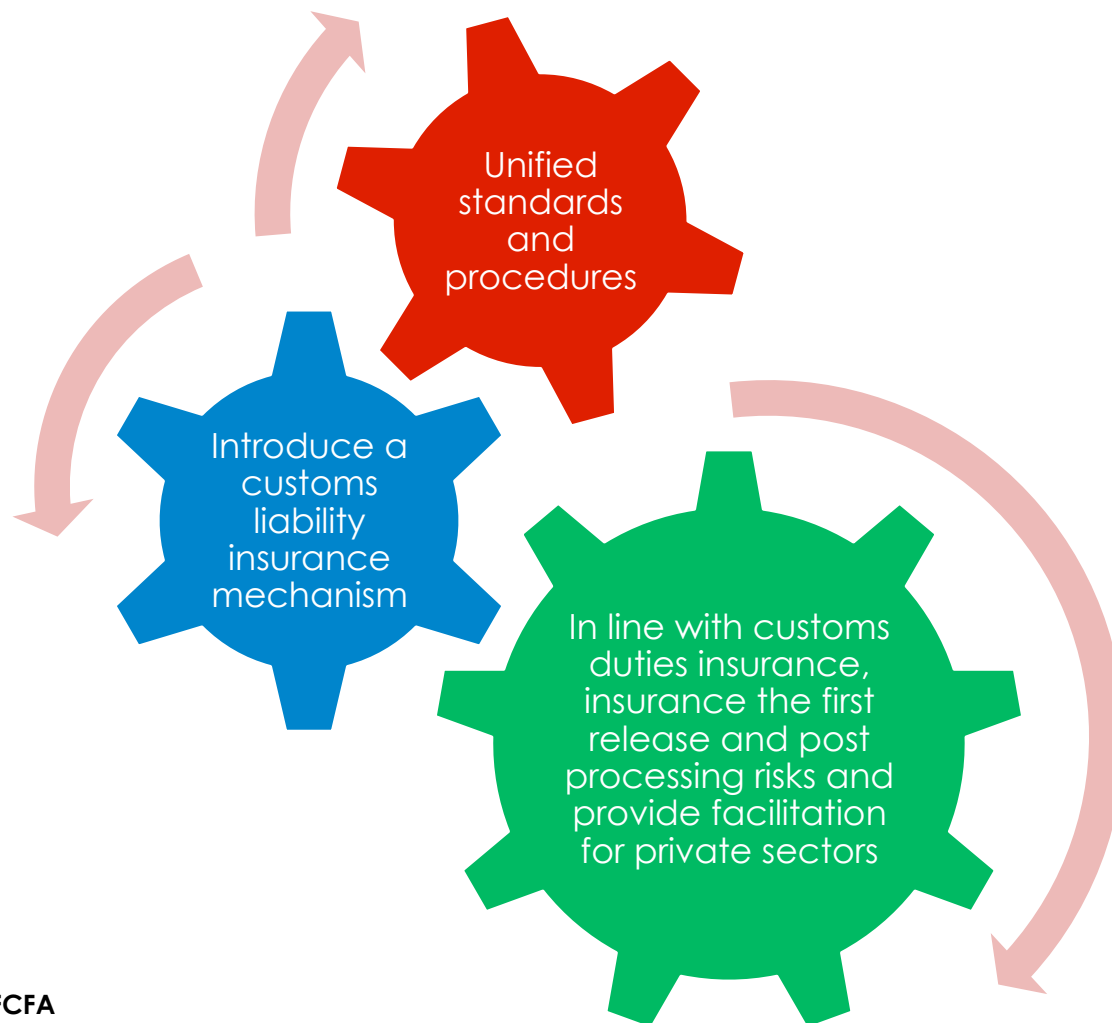
CFCFA have a set of credit rating standards. Combining with partner Nuctech's AEO systems, improve and standardize credit rating indexes.



With combination of our partner's (Nuctech) security inspection equipment, customs E-locks and other platforms, share the security information of the monitored equipment.

Pre-AEO Private Sector's Credits Rating -Liability insurance mechanism

◆ Liability Insurance Mechanism



2019-2021 Work Plans for cooperation with the Customs-1

- To implement the work specified in CITA 2030 and RSAP 2018-2020.
- To implement the work identified in the 5th CCC and CFCFA Joint Meeting.
- To launch the Pre AEO Corporate Credit Evaluation Program.

(The priority project for cooperation with the customs)

- To promote the construction of the CAREC reverse transport corridor.
- To establish a consortium that provide services to new transport corridors.
- To start establishing a CAREC standardization coordination committee under the RTG.
- To implement CAREC's work plan about establishing a strategic development alliance of **Industry-Education** integration.

(Training cooperation with Customs)

2019-2021 Work Plans for cooperation with the Customs-2

- To launch CAREC's project of logistics terminology concerning trade by **land**.
- To launch researches on how to promote the development of multimodal transport.
- To cooperate with third parties to establish an agency that provides quality testing and other services for cold-chain logistics, to assist with the development of agricultural products in Fergana.
- To complete two proposals for ISO standards and participate in the ISO/TC154 meeting.
- To develop technical standards for cold chain logistics, **such as electronic label seal , turnover box.**
- To improve the CFCFA Training Manual (2013).

5th Joint Meeting of CCC and CFCFA

21st June 2019 | Tashkent, UZBEKISTAN

Thank you for your attention!



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