

Updates on the Draft CATS/ ICE Agreement

**CAREC Advanced Transit System/ Information Common
Exchange Technical Working Group Meetings**
23-24 July 2019
Batumi, Georgia



Objectives

The overall objectives of the meeting is to:

- i. Finalize the draft CATS Agreement and discuss domestic legal requirements for the Agreement to be signed
- ii. Review technical aspects of CATS prototype and discuss implementation and next steps

Major Changes in the Agreement

Original Text	Revised Text
<p>Article 2: Institutional Arrangements</p> <ul style="list-style-type: none">• The key elements and procedures of the CATS and ICE prototype shall be compatible with the Common Transit System, and fully aligned with the information system of the Republic of Kazakhstan.	<p>Article 2: Institutional Arrangements</p> <ul style="list-style-type: none">• The key elements and procedures of the CATS and ICE prototype shall be compatible with the Common Transit System, including the New Computerized Transit System (NCTS) and fully aligned with the information systems of Contracting Parties.

Major Changes in the Agreement

Original Text	Revised Text
<p>Article 4: Approval to Use the CATS</p> <ul style="list-style-type: none">• b. have not been involved in any contraband or smuggling or evaded customs payments in the preceding year.	<p>Article 4: Approval to Use the CATS</p> <ul style="list-style-type: none">• b. have not been involved in any contraband or smuggling or evaded customs payments in the preceding year, or committed any serious offense such as, but not limited to the following:<ul style="list-style-type: none">➤ removal or/and destruction of the customs seals without customs authorities approval resulting in disposal, loss or destruction of the goods from the marked means of transport➤ where goods are brought into and taken out of the customs territory of the countries in a manner that customs controls are avoided or under cover➤ transshipping/unloading of goods under customs supervision without approval by the customs authorities or departure from the control zone or violation of the customs itinerary

Major Changes in the Agreement

Original Text	Revised Text
<p>Article 4: Approval to Use the CATS</p> <ul style="list-style-type: none">b. have not been involved in any contraband or smuggling or evaded customs payments in the preceding year.	<p>Article 4: Approval to Use the CATS (cont)</p> <ul style="list-style-type: none">➤ prior to the implementation of goods under customs procedure, implementation of any act without an agreement with the customs authorities or violation of the customs procedure conditions that caused illegal disposal, loss or destruction of goods or/and transport placed under customs supervision.c. It is <i>solvent</i> and financially sustainable, which means in the current year:<ul style="list-style-type: none">- absence of a case of solvency/bankruptcy proceeding towards a status seeker- absence of acknowledged overdue tax payments

New Articles Proposed

The following new Articles are proposed to be added in the draft Agreement:

- 1. Article 8: Mutual Recognition of Customs Controls**
- 2. Article X: Suspension of Approved CATS Operator**
- 3. Article X: Withdrawal of An Approved CATS Operator Authorization**

Other Relevant Changes in the Agreement

Issue	Changes
1. Main subject of agreement will not be referred as pilot stage but the real phase of implementation	All references to “piloting” has been replaced with “implementation”
2. In second part Article 6 : “Simplified Procedures”, the term “an Authorized Consignee” should be replaced by the term “an Approved CATS Operator”	An Authorized Consignee” replaced with the term “an Approved CATS Operator”
3. Annex D of the Agreement should include filling instructions of the document	The IT Specialist will be requested to include the process of filling up the CATS Transit Document (CTD) Form

Meeting Flow - Day 1


Session 3: Presentation on Georgia Experience on NCTS



Session 4: Discussions on any remaining outstanding issues and finalization of the draft Agreement



Session 5: Presentation of CATS Prototype Technical Specification and comparison with WCO Data Model, NCTS Data Elements and Astana 1 Data Elements



Session 6: Presentation of CATS Prototype Software

Meeting Flow - Days 2 and 3

Session 7 and 8: Breakout Session - Customs Control Facilitation Working Group and ii) Information and Communications Technology Working Group



Session 9 and 10: Plenary Session to present outcomes of two Working Groups



Session 11: Wrap-Up and Next Steps



Day 3: Port Tour courtesy of Georgia Revenue Service

Thank you!

Ying Qian

Director
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