



Session 3: Transit Capacity Building to Strengthen Trade in the CAREC Region

Facilitation of Regional Transit Trade in CAREC: Testing Phase of the CAREC
Advanced Transit System (CATS) and Information Common Exchange (ICE)
3-5 October 2023, Baku, Azerbaijan

Contents

❖ Policy makers

- Role of Transit Trade in Central Asia
- Transit facilitation and challenges
- Recent development for customs transit (NCTS, ACTS, etc)
- CATS/ICE solutions
- Legal, regulatory and operation issues

❖ Customs officers and IT specialists

- CATS/ICE architecture and operational flows
- User interfaces, data management and other technical specifications
- Integration and interoperability with customs own systems, and with EU and ASEAN customs
- Continued technical and knowledge upgrades

❖ Traders, insurers/guarantors, and other market participants

- Transit facilitation and challenges
- Recent development and CATS/ICE solutions
- Operational details of CATS/ICE from the perspectives of market participants



Transit facilitation and challenges

- ❖ Freedom of Transit (Article V of the GATT)
 - Equal treatment
 - Prohibition of unnecessary delays or restrictions and prohibition to levy Customs duties, transit duties and other transit-related charges
- ❖ Transit has been highlighted as one of the key elements of the WCO Economic Competitiveness Package (ECP)
- ❖ Challenges in transit transport
 - non-harmonized national and international regulations
 - obligatory involvement of operators in the transit country, e.g., national carriers, national Customs brokers, etc.
 - additional documentation requirements in the transit countries
 - obligatory use of facilities, such as bonded warehouses
 - non-allowance of return cargo in the transit country
 - inefficient border crossings leading to waiting times and additional costs
 - non-allowance of trucks of other countries to enter and operate



Recent development for customs transit

- ❖ European Union (EU) New Computerized Transit System (NCTS)
- ❖ Association of Southeast Asian Nations (ASEAN) Customs Transit System (ACTS)
- ❖ ACTS/NCTS becoming a preferred model for Customs transit transport for other regions of the world

- ❖ Electronic declaration, with validity check of information
- ❖ Computer based real time messaging
- ❖ Knowledge of trader through registration and monitoring of performance, and incentives for proven reliability
- ❖ Secure, enforceable guarantees, with cross-border validity
- ❖ Specifications for the means of transport

❖ Europe (NCTS) – Central Asia (CATS/ICE) – ASEAN (ACTS)



CAREC Advance Transit System (CATS)/Information Common Exchange (ICE)

- ❖ Digitized and streamlined and harmonized transit documentation
 - based on the T1 form of NCTS
- ❖ a risk-based affordable guarantee mechanism that rewards compliant traders
 - different guarantee levels based on risks
 - Able to guarantee multiple transit movements
- ❖ A single electronic messaging system among customs
 - An ICE prototype has been developed
- ❖ Flexibility and integrability vis-à-vis national customs' own systems
- ❖ Seamless interoperability with NCTS and ACTS



Legal, regulatory and operational issues

- ❖ International best practices and practical solutions for resolving legal, regulatory and operational challenges
- ❖ Stakeholder consultation, close and coordinated work guided by working groups
- ❖ Knowledge sharing with those customs embracing NCTS and ACTS



CATS/ICE Technical Details

- ❖ CATS/ICE architecture and operational flows (Viboon's presentation)
- ❖ User interfaces, data management and other technical specifications (Jarrett's presentation and the manual to be developed)
- ❖ Integration with customs own systems, and interoperability with EU and ASEAN customs
- ❖ Continued technical and knowledge upgrades



Market participants

- ❖ Enhancing awareness by market participants of CATS/ICE through various means (from targeted advertisement, to knowledge events, and incentives)
- ❖ Gather technical inputs from key participants (traders, logistics service providers, insurers and guarantors, customs brokers, etc.)
- ❖ Facilitating dialogue and cooperation among market participants and customs authorities
- ❖ Preparing easy to use and interactive training materials such as walkthroughs, and online tutorials





Thank You

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Questions?