



Session 2: CAREC Advanced Transit System and Information Common Exchange

CAREC-SASEC Inter-subregional Knowledge-Sharing Forum:
Trade Facilitation and Customs Modernization
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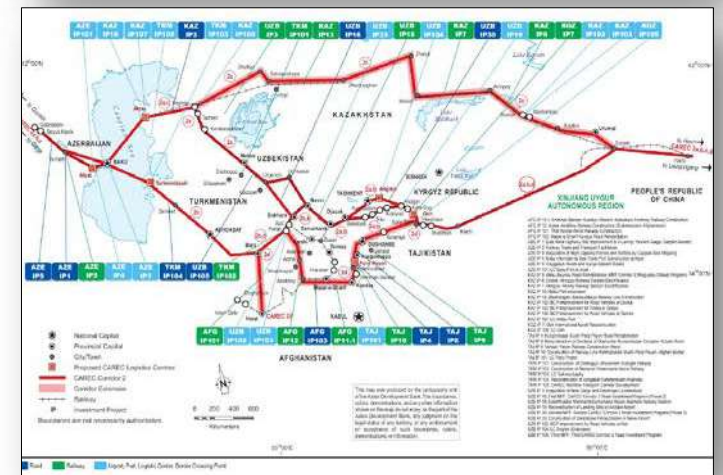
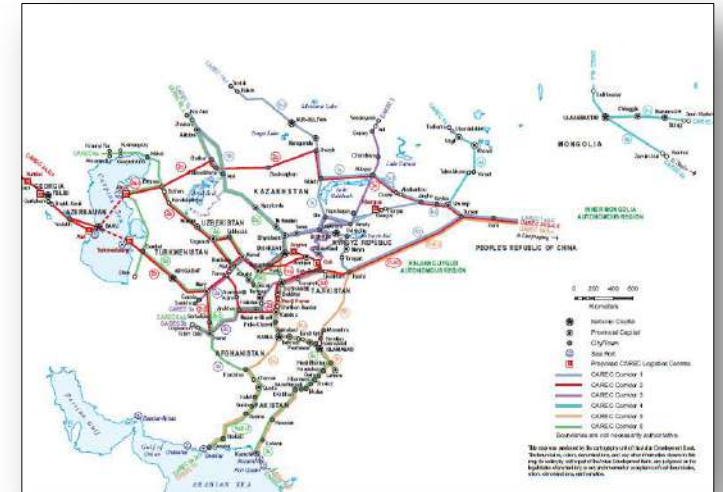


- **Context of transit in CAREC region**
- **What is the CAREC Advanced Transit System?**
- **Institutional arrangements**
- **Alignment with international standards and agreements**
- **CATS progress 2016-2019**
- **Commentary from participating countries**



Context of transit in the CAREC region

- 11 CAREC member countries covering vast territory; landlocked.
- Trade competitiveness hindered by:
 - 11 different transit procedures
 - Inefficient trucking procedures
 - Outdated customs transit regimes.
- Despite 11 x adoption of TIR, transit movements remain cumbersome, unpredictable, disjointed.
- Expensive for SMEs and smaller trade.
- Regional transit system could:
 - help improve business-government cooperation
 - increase trader compliance
 - help harmonize trade and customs procedures
 - serve as catalyst to promote international best practice.





What is the CAREC Advanced Transit System (CATS) and the Information Common Exchange (ICE)?

- **Harmonized electronic system for the control of movement of goods in transit through CAREC member states.**

Objectives

- enhance security of the supply chain across the CAREC region;
- help trade flow more smoothly and efficiently across borders;
- reduce the overall cost of transit trade.

Main features

- use of single CATS transit document, compatible with EU common transit convention and associated new computerized transit system (NCTS);
- single electronic messaging system (information common exchange – ICE) to remove manual processing;
- risk based, affordable, comprehensive guarantee.



CATS/ICE Agreement

General Provisions

- Purpose and objectives

Specific Provisions

- Institutional arrangements
- Use of ICT – application of electronic data exchange, data security, etc
- Conditions of qualifying as a CATS Operator
- Guarantees
- Simplified procedures; transit operations and procedures
- Mutual recognition of results of customs controls
- Relation to other agreements
- Amendments, dispute settlement, accession of other CAREC countries to CATS, entry into force of the Agreement.





Institutional arrangements

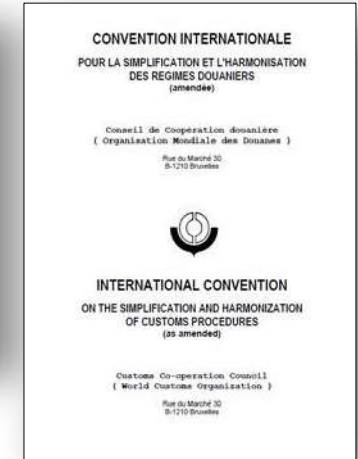
- **High-level Steering Committee** and senior ADB representative.
- Three technical working groups:
 - ICT Working Group** – technical support for prototype system.
 - Customs Control Facilitation Working Group** – implementation of CATS/ICE guarantee mechanism.
 - Legal and Regulatory Working Group** – ensures alignment/amendment of existing laws and regulations to allow full implementation of CATS/ICE in CAREC countries.





Alignment with international standards, agreements, and best practice

- WCO Revised Kyoto Convention.
- WCO Transit Guidelines (2017).
- WTO Trade Facilitation Agreement.
- EU Common Transit Convention and NCTS.
- National laws and regulatory frameworks; Eurasian Economic Union legislation requirements.
- Customs ICT systems.
- CAREC Integrated Trade Agenda 2030 and its three-year Rolling Strategic Action Plan.





CATS progress 2016 - 2018

2016-
2017

- **December 2016** – AZE, GEO, and KAZ signed Aide Memoire to cooperate through a pilot to test viability of CATS.
- **June 2017** – Workshop to present design, implementation, coordination mechanisms, and domestic procedures of CATS prototype. Agreement to establish a working group with appointed focal persons from each country.
- **September 2017** – Workshop to prepare action plans to pilot test the CATS and ICE in 3 countries.

2018

- **March 2018** – Consultations to draft the trilateral agreement.
- **April 2018** – First Roundtable discussions held with insurance companies in Tbilisi, Georgia to discuss guarantees mechanism.



CATS progress 2019

2019

- **January 2019** – AZE, GEO, KAZ review draft CATS/ICE Trilateral Agreement.
- **February - March 2019** – Three videoconferences to continue review of draft trilateral agreement.
- **April 2019** – Meeting held with potential guarantors and two Working Groups.
- **July 2019** – Technical Working Group meetings held to resolve technical issues and finalize draft agreement.
- **September 2019** – Final draft agreement under review by participating countries.
- **November 2019** – Signing of CATS Agreement.
- **December 2019** – Launch of CATS pilot test.



Re-cap ...

Objectives of CATS Agreement

- enhance security of the supply chain across the CAREC region;
- help trade flow more smoothly and efficiently across borders;
- reduce the overall cost of transit trade.

Anticipated benefits and results of CATS

- Help **eliminate duplications** in complying with several different transit systems;
- Streamline and **harmonize transit documentation**; create a **single electronic messaging system** and remove manual processing of documentation;
- Establish a **modern, risk-based, affordable guarantee mechanism** to reward compliant operators;
- **Reduce customs processing time** at the border;
- Provide **compatibility with existing transit systems** (EU NCTS).



Thank you!
Спасибо!

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