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I. INTRODUCTION

1. Background

1.1 A growing proportion of goods in international trade, especially in some regions, is being transported across borders by rail and the COVID-19 pandemic accelerated this trend. This growing transport sector has created new strategic drivers and opportunities for cooperation between railway companies and Customs administrations, as well as between the World Customs Organization (WCO) and relevant international organizations and stakeholders for possible harmonization of Customs procedures and controls.

1.2 The WCO has been actively engaged in discussions with related international organizations, signing a Memorandum of Understanding (MoU) with the Intergovernmental Organisation for International Carriage by Rail (OTIF) in July 2017 and with the Organisation for Co-operation between Railways (OSJD) in March 2018, with the aim at strengthening cooperation in the sector of railway transport.

1.3 The Permanent Technical Committee (PTC) has held a series of discussions on Customs-Railways Cooperation since 2017, covering key issues such as the transit declaration, Advance Electronic Data (AED), cargo inspection using modern technologies, and passenger controls. Furthermore, after acknowledging the lack of an internationally agreed set of data for Customs declarations and the merits of digitalization, delegates agreed on the need for data harmonization and electronic submission of declarations. It was accordingly decided to conduct an analysis of possible data harmonization for Customs transit procedures in the railway sector, as well as possible passenger controls utilizing advance information within appropriate WCO bodies. The latter include the Data Model Projects Team (DMPT) and WCO-IATA-ICAO Advance Passenger Information (API)/Passenger Name Record (PNR) Contact Committee.

2. COVID-19

2.1 Since the World Health Organization’s (WHO) declaration of the COVID-19 pandemic, borders around the world have been deeply impacted, and Customs administrations, transport authorities and the railway sector are doing their part to prevent and fight the spread of COVID-19, while trying to safeguard supply chain continuity. International railway transport is an important backbone for global supply chain continuity. Now more than ever with the COVID-19 pandemic, international railway transport is playing a vital role in ensuring sustainability in the supply of goods, particularly medical and essential goods.

2.2 A result of the COVID-19 impact on the railway industry is that some railway companies are confronted with challenges in preparing and collecting the paper-based documents required for Customs procedures in international railway transport. In this regard, the WCO, OTIF and OSJD issued a joint statement, emphasizing that cooperation between Customs administrations, transport authorities and the railway sector, together with all the agencies involved, is critical for the continued facilitation of railway supply chains and for mitigating the overall impact of the pandemic on our societies and encouraging WCO Members to facilitate railway transport by accepting electronic documents and deferring the requirement for paper-based documents until a later stage, if necessary.

1 In section II.3 Railway postal procedures, EAD (Electronic Advanced Data) is used simultaneously considering the usage in UPU documents.
3. Discussions in the DMPT

3.1 In response to the PTC decision to harmonize data requirements and to develop
digitalization in the area of railway transportation, the DMPT discussed the type of
harmonized dataset that would be suitable for the railway regulatory process, taking into
account various circumstances at the national/regional level, including the legal
frameworks, legacy systems, or current procedures during the DMPT meeting in
January 2021.

3.2 The DMPT also discussed Members’ national railway datasets and continued the
dataset mapping with the commercial consignment note, particularly the CIM/SMGS
consignment note dataset, to develop a WCO Data Model conformant harmonized
dataset (Information Package) in cooperation with the respective Members and relevant
international organization. The outcome of the mapping work would be expected to
enable the reuse of commercial data for regulatory purposes, enhancing data quality
and efficiency of the overall transit-related regulatory procedures.

4. Objectives of the WCO Railway Guidance

4.1 In general, the WCO instruments and tools are mode neutral and equally applicable to
all modes of transport. Some of the WCO tools and guidelines are applicable to the
railway mode to some extent. Nevertheless, considering the specific characteristics of
railway transportation, such as the number of countries transited, the different nature
of commercial documents used, and the various transit operations applied to rail
transportation in different countries and regions, there is a need to develop a WCO
tool focusing on railway transportation. There is also a need to conduct necessary
capacity building activities based on such WCO tools in order to implement
standardized Customs procedures and controls globally in an effective way.

4.2 For these reasons, the railway discussion was included in the Economic
Competitiveness Package (ECP) Action Plan for Phase V and the WCO launched its
‘Railway Project’ in 2019 to develop a WCO tool focusing on railway transportation, as
well as conducting necessary capacity building activities. As part of the project, the
WCO online survey was conducted in 2019 to collect Members’ experiences and data
elements for railway transit and the DMPT has been working on potential data
harmonization of transit declarations. The Secretariat also conducted field studies in
Bulgaria and Kazakhstan in 2019 and held the first WCO Global Railway Workshop in
2020 to observe Members’ practices in Customs procedures for railway transit.

4.3 This draft Railway Guidance sums up the findings and analysis from the Railway
Project, including the discussions under the WCO bodies, the WCO online survey in
2019, field studies conducted in 2019, and the WCO Global Railway Workshop in
2020.

4.4 The Railway Guidance aims to:

- Promote electronic Customs procedures to meet the challenges in railway
  transportations faced by Customs and the private sector, as well as to contribute
to the competitiveness and sustainability of railway transportation;

- Help Customs simplify and harmonize Customs legislation, regulations and,
  procedures applicable to railway transportation;

- Enhance the Customs procedures/control to be globally applied in railway
  transportation;
• Encourage the use of advanced technologies including non-intrusive inspection (NII) equipment and electronic seals;

• Strengthen intergovernmental and Customs-to-Customs cooperation, as well as Customs-to-Business cooperation, along with the application of the concept of Authorized Economic Operator in railways in railways; and,

• Provide practical guidance, based on the findings and analysis of the WCO Survey, the results of the Global Railway Workshop and WCO Members’ best practices.

4.5 The Railway Guidance is meant to be a living document, updated as necessary to reflect emerging issues, findings and analysis based on national experience.

4.6 The guidance in each chapter has been listed under the Checklist in Annex I to this Guidance to facilitate its implementation. The result of the data harmonization work for the railway transit declaration is envisaged to be incorporated into the Railway Guidance.²

² Following the decision of the WCO PTC, the railway dataset was not included in this version. The WCO DMPT will continue the data harmonization work and the results will be incorporated in a future version of the Guidance.
II. RAILWAY GUIDANCE

1. Electronic Customs transit procedures

1.1 The need for facilitation of Customs procedures using IT and other technologies, together with the need for submission of e-declarations, is widely recognized. The WCO has underlined the need to apply electronic procedures for all Customs operations and documentation in Standard 7.1 of the General Annex to the Revised Kyoto Convention (RKC), which encourages Customs to apply IT to support Customs operations. In terms of controls, a shortage of electronic data on cargo movements, hereinafter including the movement of postal items, could hinder Customs’ risk management, which is reliant on data.

1.2 With this in mind, Customs procedures for the air and maritime modes have been extensively digitalized in order to facilitate and control international trade. However railway transportation procedures remain relatively paper-based. Railway transportation generally involves a larger number of countries and carriers than other modes, making utilization of IT procedures difficult without relevant harmonization.

1.3 As international railway transportation has grown, the need to improve its competitiveness has been widely underlined. Furthermore, during the COVID-19 pandemic, the lack of electronic procedures and documentation was recognized as a bottle neck in supply chain continuity and there is an urgent need to promote digitalization of railway procedures.

a. Electronic transit declaration

1.4 Timely and accurate declarations and reporting are essential for ensuring that railway cargoes are compliant with national legal requirements for fair, safe and secure international trade, as well as possible facilitation.

1.5 Usually, a Goods declaration for Customs transit (hereafter “transit declaration”) is required for transit procedures including railway transportation. As stipulated by Standard 6 in Chapter 1 of Specific Annex E to the RKC, any commercial or transport document shall be accepted as the descriptive part of the transit declaration, if the document clearly sets out the necessary particulars. Customs can thus judge whether the goods may be admitted into the country and verify full compliance with all applicable laws and regulations.

1.6 Digitalization of Customs procedures for railway transportation in particular a transit declaration requires harmonization of the source data in commercial or transportation documents such as consignment note so that necessary data can be passed through the whole railway transportation.

1.7 The CIM consignment note and SMGS consignment note are used for the transport of goods under the CIM UR and SMGS respectively. The CIM/SMGS consignment note is widely used to facilitate railway transportation between Europe and Asia (for the transport of goods under the two legal regimes, the CIM UR and the SMGS Agreement

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3 The Uniform Rules concerning the Contract of International Carriage of Goods by Rail (the CIM UR – Appendix B to the Convention) apply to contracts of carriage of goods by rail. Article 1 § 1 “Scope” specifies which contracts of carriage of goods by rail are subject to the CIM UR.

The 1951 Agreement on International Goods Transport by Rail (SMGS) is an international legal framework under the OSJD to regulate a range of issues related to the carriage of cargo by rail. Its annexes include Rules for the transportation of dangerous goods, Technical conditions for locating and securing cargo, Information guide and Manual on the CIM/SMGS consignment note.
Cooperation with a view to the introduction of electronic CIM/SMGS consignment notes is under way between the EU, the Community of European Railway and Infrastructure Companies (CER), the International Rail Transport Committee (CIT) and OSJD.

1.8 Consequently, the DMPT has been working on a harmonized dataset for Customs transit declarations for railway transportation by comparing a number of datasets shared by Customs administrations and the data elements in the CIM/SMGS consignment note.

b. Use of pre-arrival Advance Electronic Data (AED)

1.9 In the same way as is encouraged for air and maritime modes, pre-arrival risk management using Advance Electronic Data (AED) under the SAFE Framework of Standards should be applied to railway transportation by utilizing the same or minimized dataset for Customs transit declarations. The aim thereby is to effectively combat illegal trade and to facilitate railway transportation based on pre-arrival risk assessment.

1.10 Furthermore, from the perspective of railway carriers, simplifying and expediting Customs procedures by digitalization based on the below methods could be one of the key advantages for railway transportation in attracting clients:

- Transferring the AED to the subsequent transit declaration would ensure a reduction in costs and a time reduction by reusing the submitted data;
- Providing Customs with access to the railway company's IT system with relevant data could play a significant role by allowing adequate Customs control, including entry/exit of cargo, while expediting Customs procedures; Such access could improve the accuracy of data and of reporting, which is critical for effective risk management; and,
- The possible exchange of AED among Customs administrations en route could contribute to effective risk management by Customs administrations and facilitates railway transportation.

1.11 For the above mentioned purposes, it is important to create and use harmonized datasets for AED and transit declarations based on the WCO Data Model, with the same codes and definitions of data elements. The use of existing commercial data, e.g. consignment notes, would facilitate railway transportation significantly.

1.12 The ideal declaration and reporting procedures are set out in Chart 1 below:

[Chart 1]
National experience

Example 1: China

1.13 The railway manifest system and the rail vehicle control system were launched in China on 1st July 2020, with the aim of reducing costs, reducing Customs officers’ workload, and improving the efficiency of Customs clearance procedures by achieving paperless operations in railway transportation. China Customs cooperated with the railway sector on system development and in conducting pilot projects.

1.14 The functions of automatic data verification and data docking embedded in these systems allow the data submitted to be less redundant and to contain fewer errors.

1.15 These systems use WCO Data Model 3.0 and uphold the Single Window environment whereby information is shared among Customs administrations, railway companies, railway stations, freight forwarders and other railway stakeholders.

Example 2: South Africa

1.16 South Africa requires advance cargo notice information to be submitted by railway companies for import, export and transit. A carrier must give “advance cargo notice” to the Customs if the train is transporting cargo, at least one hour before arrival at the first railway station.

1.17 The advance cargo notice information should include data elements such as the total number of containers, cargo details and container details. It should use CUSCAR format to electronically send these to Customs.

<table>
<thead>
<tr>
<th>Report Name</th>
<th>Message Name</th>
<th>Time Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advance train arrival notice</td>
<td>CALINF_Train Schedule</td>
<td>1 hour before 1st station</td>
</tr>
<tr>
<td>Advance cargo notice</td>
<td>CUSCAR_Rail Manifest</td>
<td>1 hour before 1st station</td>
</tr>
<tr>
<td>Train arrival report</td>
<td>CALINF_Train Arrival</td>
<td>30 minutes after arrival</td>
</tr>
<tr>
<td>Rail terminal gate (container)</td>
<td>GOVGIO_Terminal In</td>
<td>Hourly intervals</td>
</tr>
<tr>
<td></td>
<td>GOVGIO_Terminal Out</td>
<td></td>
</tr>
<tr>
<td>Rail terminal gate (bulk/break</td>
<td>GOVGIO_Terminal In</td>
<td>Hourly intervals</td>
</tr>
<tr>
<td>bulk)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance train departure notice</td>
<td>CALINF_Train Schedule</td>
<td>1 hour before departure from 1st station</td>
</tr>
<tr>
<td>Advance cargo departure notice</td>
<td>CUSCAR_Rail Manifest</td>
<td>1 hour before departure from 1st station</td>
</tr>
<tr>
<td>Train departure report</td>
<td>CALINF_Train Departure</td>
<td>1 hour after departure from last station</td>
</tr>
</tbody>
</table>

Source: Presentation by South Africa at the first Global Railway Workshop in October 2020

Example 3: Turkey

1.18 Turkish State Railways (TCDD) lodges an Entry Summary Declaration (ENS) and Notification of Arrival using e-signatures. When the CIM consignment note data is recorded in the IT system of TCDD, the ENS is simultaneously created and sent to the Turkish Customs' IT system.
1.19 For transit procedures, a Transit Notice is sent by TCDD to the Customs with a reference to the ENS, which also contains information about the wagons, CIM consignment note, departure date and office of destination.

1.20 Use of the Transit Notice means that when goods arrive at the Customs office of destination, there is no longer any need for data submission by TCDD.

**Guidance for electronic Customs transit procedures**

- Customs should apply electronic Customs procedures and documentation, utilizing the data in commercial/transport documents such as the consignment note.
- Customs should facilitate railway transportation by utilizing Advance Electronic Data and conduct advance risk assessment of the cargoes.
- The railway carrier’s IT system storing the data on cargo movements should be connected to the Customs IT system, or Customs should have full access to such a system whenever necessary for the purposes of Customs procedures and control.
- Customs should use the data submitted or obtained through IT systems to facilitate railway transportation to the greatest extent possible.

2. Customs control in railway transportation

2.1 As explained in the WCO Illicit Trade Report 2019, Customs administrations have reported various types of detections and seizures in railway transportation, including duty fraud, illicit drugs seizures, Intellectual Property Right (IPR) infringements, and cultural heritage smuggling. Figure 1 shows that number of IPR products seized in railway exceeds those of air mode.

*Figure 1: Number of IPR product seizures and number of pieces seized by type and conveyance method, 2019 (WCO Illicit Trade Report 2019)*
2.2 Railway companies should be responsible for ensuring the security of railway cargo, in accordance with applicable national security standards. Customs should play a role in monitoring railway companies’ maintenance of security standards and requirements, and conduct the necessary Customs surveillance, including inspection, detection and seizure of illicit goods in railway transportation, based on risk management.

2.3 However, the challenge for Customs control in the context of railway transportation is that railway facilities are not well coordinated with these control needs. This could hinder effective Customs control using advance technologies for railway cargo inspections. A current observation is that many railway stations were developed without a camera surveillance system or NII equipment, and without a co-located Customs office.

a. Use of risk management based on data

2.4 As explained in Section 1, declaration and reporting requirements are the fundamental Customs scheme for ensuring the proper movement of cargo coming from and going to foreign countries. Instead of conducting 100% physical inspections of goods, Customs have developed a risk management system based on the data submitted via declarations and reporting. Accordingly, pre-arrival risk management using AED should be applied to railway transportation in order to effectively combat illegal trade and to facilitate railway transportation.

2.5 In this regard, Volume 2 of the WCO Customs Risk Management Compendium, which is available to Customs only, includes some useful documents related to risk assessment of railway transportation. It is therefore recommended that Customs administrations use the relevant parts of the Compendium.

2.6 Furthermore, the WCO Cargo Targeting System (CTS) enables the systematic receipt and risk assessment of pre-arrival AED, and the automatic identification of cargo consignments matching risk profiles. The WCO CTS has been developed and is owned by the WCO, and is available to all WCO Members.

2.7 Sharing seizure data and best practices to combat illegal activities in railways through the WCO Customs Enforcement Network (CEN), Regional Intelligence Liaison Offices (RILOs) and among Customs’ respective national contact points, could be beneficial in enhancing the safety and security of railway transportation.

b. Utilizing technology including non-intrusive inspection (NII) equipment

2.8 Given Customs’ limited human resources and the increase in railway transportation around the globe, it is not an easy task to conduct surveillance in respect of every aspect of railway transportation.

2.9 The private sector has aggressively explored the use of modern technology to secure and facilitate railway transportation, and it would seem essential for Customs to utilize these modern technologies also, together with the necessary facilities at the border to facilitate such use without disrupting the movement of trains.

2.10 The deployment of NII equipment should therefore be taken into account at the railway station construction phase, together with well-planned flows of railway locomotives and cargo to facilitate and secure the movement of cargo. Sharing information such as X-ray images among Customs administrations en route may secure and facilitate railway transportation.
National experience

Example 1: Kenya

2.11 Kenya Customs monitors the movement of rail cargo from when the containers are offloaded from a vessel, loaded on to the train, at the destination Customs station and until the cargo has exited. A train manifest is prepared once the train load has been determined and shared with the destination stations, which are two inland container depots in Nairobi and Naivasha. When exiting the port, the train passes through a railway scanner, which scans all containers on-board the train. This represents an approximate 99% level of scanning of all containerized railway cargo. The scanned information is accessed from a centralized image analysis centre known as Scanner Command Centre and analysed on a real time basis. The analysed image becomes accessible to the destination station even before the cargo arrives.

![Ethanol Concealed in Potatoes](image)

Source: Presentation by Kenya Customs at the first Global Railway Workshop in October 2020

Example 2: Netherlands

2.12 Netherlands Customs has, with an X-ray company, developed X-ray equipment for the use of railway transportation with support of the Dutch Research Institute. As a result,
Netherlands has established a station with an X-ray machine in the middle of the railway track with the aim of scanning railway containers travelling at over 60 km/hour to an with acceptable degree of quality.

2.13 The scanning location is guarded with thermal infrared cameras which are able to observe people under all circumstances in the scanner terrain. The X-ray machine has safety systems including a camera for container number recognition, to ensure that only recognized containers with a valid container number and driving in the right direction will be X-rayed.

**Example 3: Turkey**

2.14 Turkish Customs utilizes the following equipment and tools for Customs control on railway cargoes:
- Density measurement devices (devices that measure density);
- Videoscope;
- FTIR (Fourier Transform Infrared Spectroscopy) and Raman spectroscopy inspection equipment;
- Vehicle Tracking System; and,
- Detector dogs.

2.15 Turkish Customs shares X-ray images electronically with Bulgarian Customs. The images are captured by Turkish Customs after cargo is unloaded in Turkish seaports for subsequent loading onto a rail locomotive. Both countries also operate a joint information centre, staffed by Customs and other border and law enforcement agencies, to manage railway transportation and share information.

Source: Presentation by Turkey Customs at the first Global Railway Workshop in October 2020
c. Using electronic seals

2.16 Standard 8 in Chapter 1 of Specific Annex E to the RKC provides that Customs should take all necessary action to ensure the integrity of the consignment during the transit operation. This is of particular importance in railway transportation, owing to the number of countries involved in the transit process and of railway cargo in transit through countries. A Customs seal is one of the most effective means of ensuring the integrity of the consignment. Customs should apply a seal integrity programme as detailed in the RKC Guidelines to Chapter 6 of the General Annex.

2.17 Such seal integrity programmes should be based on the use of a high-security mechanical seal, as prescribed in ISO 17712, at the point of stuffing. They should also include procedures for recording the affixing and changing of seals, and for the verification of seal integrity at key points, such as modal changes, as suggested in the SAFE Framework of Standards.

2.18 Consistent application and enforcement of such seal integrity programme among the parties in the movement of secure containerized goods is important since it will provide multiple benefits to all of those parties. In particular, the benefits are: reduced risk of economic hardship caused by disruptions to, or closures of, trade in response to terrorist acts; and improved security against theft and diversion of cargo, with consequent reductions in direct losses and indirect costs (such as insurance).

2.19 Furthermore, there is the possibility of using a Customs Smart Security Device (SSD) such as an electronic Customs seal (“e-Customs seal”) and electronic cargo tracking system. This is a newly developed technology that enables electronic monitoring of the means of transport from the Customs office of departure to the Customs office of destination along the whole transit route. E-Customs seals are based on either Radio Frequency Identification (RFID) or Global Positioning System (GPS) technology.

National experience

Example 1: China

2.20 A Customs Smart Security Device (SSD) is used for sealing under the Customs supervision with the aim of utilizing advanced technology to improve Customs supervision and cooperative mechanisms. SSDs play an indispensable role and are easy to carry, and simple to operate, giving a more stable and secure performance. China Customs has started using SSDs in Ningbo, Qingdao and other areas as a pilot programme.

Guidance for Custom control in railway transportation

- Customs should apply risk management concepts with the effective use of Advance Electronic Data and electronic transit declarations to control railway cargo.
- Seizure and detection results should be shared via the WCO Customs Enforcement Network (CEN) with the aim of analysing the regional or global trend of illegal activities.
- Customs should establish and maintain surveillance systems at entry and exit control points of railway transportation. For this purpose, Customs should use non-intrusive inspection (NII) equipment, surveillance cameras and other technologies to monitor cargoes.
The construction of railway facilities should be based on a well-coordinated plan with the need for Customs to conduct effective control with the use of advance technologies including NII equipment for railway cargo inspections.

Customs should explore the possibility of utilizing advanced technologies, such as Customs Smart Security Devices (SSDs) including electronic tracking systems and electronic Customs seals, to monitor cargo movements.

If a Customs administration obliges a transit operator to affix an electronic Customs seal or electronic tracking systems, Customs should not collect administrative/processing fees for the use of the seal, apart from the cost of the seal itself.

3. **Railway postal procedures**

3.1 There is growing cross-border e-commerce and associated demands for new ways of ensuring reliable, effective and safe delivery of international postal items. In order to include the emergence of cross-border transportation of postal items via rail, standardized business processes need to be developed, along with the harmonization of related documents for the transportation of postal items by rail.

3.2 The postal-rail pilots conducted thus far by the Universal Postal Union (UPU) indicate that a common understanding of Customs transit procedures in respect of postal items, particularly the uniform application of special transit declaration forms for postal items in rail transportation, as well as the liability of the Customs authorities for in-transit cargo and a standardized business process for Customs controls, may facilitate cross-border movements. To that end, defining the roles and responsibilities of the various parties involved in railway transportation (including railway companies in transit countries) should be a useful way forward, leading to effective trade facilitation and control.

3.3 The UPU forms such as the CN 22 and CN 23 (Customs declarations), and the CN 37 (delivery bill for surface mail) may be used for this purpose. The combination of the CN 37 and the CIM/SMGS consignment note has been fulfilling the proper Customs declaration for postal items transported by rail at the current stage.
3.4 Another important aspect is how to exchange standardized Electronic Advance Data (EAD) (pre-arrival) between postal operators, Customs and railway carriers. The UPU Electronic Advance Data Global Postal Model has eight data flows. This model has been developed in collaboration with the WCO, ICAO, IATA and other bodies, including the European Commission.

3.5 The WCO has cooperated with the UPU on a postal-rail project regarding the transportation of postal items by rail to provide a Customs perspective, as part of a UPU-lead task force. Key elements for facilitating and securing the railway transportation of postal items, have emerged from several pilots, which have been compiled into the UPU “Guidelines for establishing an international postal rail transport service”.

3.6 The draft Guidelines document was discussed at the WCO-UPU Contact Committee on 15 and 16 November 2018, and the final document can be consulted at: https://www.upu.int/UPU/media/upu/files/postalSolutions/programmesAndServices/postalSupplyChain/Transport/publications/guidelinesForEstablishingAnInternationalPostalRailTransportServiceEn.pdf

3.7 The UPU Global Postal Model for EAD could also mitigate any conflicts that may arise from the application of regulations/instruments from different sectors, specifically UPU conventions and regulations and Customs’ instruments governing transit and/or destination regimes. All relevant stakeholders need to work out ways of harmonizing the different requirements and propose a standardized business process and operational procedure for the transportation of postal items by rail in which the roles and responsibilities of the designated operators, the railway companies and the Customs services involved are clearly defined and understood. The primary goal is to facilitate the smooth and prompt transportation of postal items by rail, while respecting the applicable regulations. It is anticipated that, through the exchange of standardized Electronic Advance Data (EAD) (pre-arrival) messages, the operational and Customs transit procedures could be simplified and harmonized, which will, in turn, enhance the competitiveness of rail transport of mail.

## Guidance for railway postal procedures

- Customs should improve the interoperability of the Customs-Postal network through transport activities by developing operational standards regarding rail transportation of postal items and by developing rail transportation processes in cooperation with the UPU and railway companies.

- Customs should consider the possibility of standardizing electronic data interchange (EDI) requirements or the electronic exchange of CN 22/CN 23 data (e.g. CUSITM/CUSRSP) and transport-related EDI messages (e.g. CARDIT/RESDIT) in the rail transportation of postal items for seamless Customs procedures, such as Customs declarations and/or Customs transit declarations.

- Customs should utilize Electronic Advance Data based on the UPU Electronic Advance Data Global Postal Model to facilitate and control postal items transported by rail based on pre-arrival risk assessment.
4. **Passenger controls (use of passenger data such as API/PNR)**

4.1 The railway carries both cargoes and passengers, and the control of passenger’s baggage is also an important role of Customs administrations in ensuring safety and security. API and PNR are currently utilized by Customs administrations and border agencies for risk management of mainly air passengers. However, the PNR, in particular, could also be used for rail passengers, by applying WCO guidelines and data elements related to PNR, with necessary adjustments to reflect typical and current business practices of railway passenger transportation, as illustrated by a trial conducted by Customs (see below).

4.2 In this regard, Customs administrations are referred to the WCO Punta Cana Resolution of December 2015, and invited to adopt security as part of their national mandate. Furthermore, Customs administrations should seek the legislative authority to obtain API/PNR data through a national single window.

4.3 Several Customs administrations have reported that connecting the Customs IT system with that of the railway company could facilitate the sharing of passenger-related information in order to conduct necessary risk assessment.

**National experience**

**Example 1: Belgium**

4.4 The Belgian Federal Government has identified the setting up of a PNR system as one of its top priorities, intending to use PNR not only for air passengers but also for travellers by road, sea and rail. A pilot project has been launched for the Eurostar, which connects Belgium and Great Britain. Technical documentation has been produced. The Passenger lists are forwarded to the Passenger Information Unit, where the Federal Police, National Security, Military Intelligence and Customs work together, checking the PNR against the security services’ databases.4

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**Guidance for passenger controls**

- Customs should consider utilizing passenger related data, in particular, the Passenger Name Record (PNR), and consider doing so as part of a national single window, for the risk management of railway passengers. In this regard, Customs administrations should seek the legislative authority to obtain passenger-related data including PNR.

- Connecting the Customs IT system with that of the railway company could facilitate the sharing of passenger-related information stored in these systems.

- Customs administrations are referred to the WCO Punta Cana Resolution of December 2015 and invited to adopt security as part of their national mandate.

- Customs could consider leading or participating in a joint Passenger Information Unit to conduct passenger risk assessment, and conduct targeting in advance of a train’s arrival. While recognizing that not all countries share the same border management model, cooperation for cargo and passenger facilitation and enforcement is required to ensure a border that allows the movement of risk-mitigated goods and people.

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5. Cooperation with the private sector and other governmental agencies

5.1 Enhancing cooperation with railway operators is key to enhancing facilitation and safety and security for railway transportation. To that end, it is necessary to have cooperation mechanisms with railway operators and companies, such as periodic dialogue and reporting, and the provision of adequate training. Such periodic dialogue and sharing of information would enable Customs and the railway sector to work together to solve any issues and challenges in railway transportation. The assignment of a Customs officer responsible for each company might be another possible mechanism for sustainable cooperation. Customs could also ask railway operators to assign their own contact point to Customs.

5.2 The establishment of cooperation frameworks between and among various national agencies, including law enforcement agencies, is also essential in order to provide a cohesive and coordinated response to safety and security risks stemming from railway transportation.

a. Applying the “Authorized Economic Operator” (AEO) concept

5.3 Limited resources and staffing mean that Customs administrations are now facing various challenges in managing increasing volumes of cargo and adapting to new types of business while adequately responding to the developing need to secure global trade. As a consequence, Customs’ perspective of companies has changed from seeing them as entities that pay duties or are possibly involved in illegal activities, to seeing them as trusted partners in achieving effective and efficient border procedures in a rapidly changing environment.

5.4 Consequently, one possible method of efficiently managing cargo while providing benefits, could be to apply the AEO concept. The AEO is a model programme that many Customs administrations are pursuing as a means of securing and facilitating global trade. At the same time, it provides incentives that benefit both Customs and traders who have decided to work in partnership. The WCO SAFE Framework of Standards (SAFE Framework) is a document that provides overall guidance for this purpose.

5.5 Together with a list of specific benefits for each category of economic operator, application, validation and authorization procedures are also provided by the SAFE Framework in order to establish and maintain an effective AEO programme.

5.6 Customs should utilize the AEO concept for railway transportation, in close cooperation with railway operating companies and define benefits such as inspections on their premises.

National experience

Example 1: Austria

5.7 With the aim of monitoring the usage of the simplified paper-based transit procedure, Austria Customs conducts ex-post audits at the accounting offices of railway companies. These audits provide a regular opportunity to exchange views on Customs procedures and to maintain cooperative relationships between the Customs administration and railway companies.

5.8 Regarding the AEO application procedure, Austria has established the process aligned to the Union Customs Code (UCC) requirements as below:
Before issuing an AEO certificate, the Customs authorities must check whether all the prerequisites have been fulfilled;

Economic operators who have decided to apply for AEO status are advised to conduct a self-assessment before submitting the formal application in order to internally determine whether the criteria have been met and all the necessary information is available; and,

The self-assessment enables the economic operator and Customs authorities to conduct an upfront risk assessment and minimises the scope of the pre-audit at the company to check for potential risks.

5.9 To reduce costs and administration, applications and self-assessments can be electronically completed on the website of the Ministry of Finance of Austria.

Example 2: Republic of Azerbaijan

5.10 In the Republic of Azerbaijan, Presidential Decree No. 427 provides for a “Green Corridor release system”: authorized Green Corridor users with railway lines connected to their warehouses directly transport their goods to and from their own warehouses so that Customs clearance can take place in their warehouses, without the need to wait at railway stations or other railway terminals.

5.11 Azerbaijan Customs holds regular meetings with railway companies with the aim of discussing daily and emerging Customs clearance issues.

Example 3: Georgia

5.12 In Georgia, there are ten (10) Customs Clearance Zones (CCZs) for railway transportation. In principle, Customs clearance needs to be conducted at a CCZ, and advance declarations and remote submission of declarations are possible. For authorized persons, Customs clearance is allowed at their premises with authorization from Georgia Customs.
Example 4: Belgium

5.13 Each year, the Community of European Railway and Infrastructure Companies (CER) invites the European Commission, railway companies and national Customs administrations from the common transit territory to a “joint Customs/railways meeting”. Over two days, participants exchange information on Customs procedures used by the railways.

5.14 Railway companies and Customs present their needs and any new developments expected in their area. They clarify procedures, legal provisions and operational practices. Joint discussions are currently being held to seek harmonized and legal solutions to the specific challenges of railway transportation in the area of Customs.

Guidance for cooperation with the private sector and other governmental agencies

- Customs, railway operators and other governmental agencies should establish and maintain cooperation mechanisms including measures such as periodic dialogue, reporting/information-sharing, and the provision of adequate training.

- Through such periodic dialogue and information-sharing, Customs, the private sector and other governmental agencies should work together to solve any issues and challenges in railway transportation.

- Customs should utilize the Authorized Economic Operator (AEO) concept for railway transportation, in close cooperation with railway operating companies and define benefits such as inspections on their premises.

- Customs administrations should foster mutual cooperation with other competent government agencies to facilitate railway movements and increase the competitiveness of railway transportation by harmonizing cross-border facilitation and control measures.

6. Cooperation among Customs administrations

a. Joint controls and mutual recognition of Customs controls with neighbouring countries

Explanation

6.1 As railway transportation involves a number of countries en route, proper and efficient Customs procedures and control requires international action and cooperation to combat illegal activities that exploit weaknesses in railways.

6.2 The WCO Transit Guidelines explain that joint control is the operational part of Coordinated Border Management (CBM) which can significantly facilitate transit trade. They further point out that joint control based on mutually recognizable risk management systems will help to reduce the time and costs of transit operations, as well as increase the efficiency of Customs operations.

6.3 Guideline No.130 of the WCO Transit Guidelines recommends that governments cooperate with those of neighbouring countries to conduct joint controls on transit goods. It also encourages governments to recognize the results of controls and risk
management activities carried out by other governments in order to avoid unnecessary multiple inspections of the transit goods.

6.4 The SAFE Framework stipulates the routine sharing of information and control results; the elements which may contribute towards a system of mutual recognition of controls cover a wide range of Customs activities. Furthermore, the Johannesburg Convention and Model Bilateral Agreement contain provisions that can support joint screening activities. During the WCO workshops on railways, several countries highlighted the effectiveness of international information exchange among Customs along transit routes.

6.5 As underlined by those global instruments and tools, joint control is one of the key elements for supporting facilitation and control of railway cargo. It could be conducted via:
- the harmonization of railway Customs procedures and formalities;
- the development of joint facilities;
- sharing AED, inspection results, X-ray scanned images and relevant intelligence.

6.6 Those activities can be conducted based on bilateral Customs Mutual Assistance Agreements (CMAA) or Memorandum of Understanding.

**National experience**

**Example 1: Bulgaria**

6.7 Bulgarian Customs has an office at Dimitrovgrad Railway Station (in Serbia) where it can conduct joint inspections, if necessary; locomotives have to be switched at this station due to a changeover in operating companies. In 2006, a bilateral agreement entered into force which regards a 13 km long area between Bulgaria and Serbia as an “area of exchange of traffic/common border for the railway” in order to permit both Customs administrations to conduct the necessary inspections, even after a train has crossed their own physical border.

6.8 If Bulgarian Customs needs to inspect a railway container potentially posing a risk, then Bulgarian Customs officers will go to the above-mentioned Serbian railway station to conduct a joint inspection with Serbian Customs. Bulgarian Customs officers may conduct X-ray scans and physical inspections at the railway station, in cooperation with Serbian Customs officers.

**Example 2: China**

6.9 With the aim of enabling Customs to identify risk at an earlier stage and ensure safety and security of railway cargo, China Customs has been developing the Customs-Train Operators Partnership for Security and Expedited Clearance of Trans-Eurasia express Trains (CTOP initiative).

6.10 The CTOP initiative consists of the three pillars below:
- Information exchange and sharing, including e-manifest data, scanner images and inspection results;
- Strengthening Customs-to-Customs cooperation on data exchange and mutual recognition along the route; and,
- Improving efficiency throughout the Customs clearance process to facilitate railway trade.
Example 3: Mexico

6.11 There is joint Customs and border control in Laredo on the USA-Mexico border. A joint cargo processing facility was established at the Laredo-Texas railroad border crossing in 2017. The purpose of this facility is to: share NII security scanning images; conduct export processing to Mexico at the U.S. railhead; streamline the examination of documentation; and conduct joint inspections of inbound shipments. By eliminating the stopping of trains on the bridge, the intention is to increase the velocity and fluidity of train movements over the border.

Guidance for cooperation among Customs administrations

- Customs should cooperate with neighbouring Customs to conduct joint control as the operational part of Coordinated Border Management (CBM), with the aim of facilitating and controlling transit trade based on harmonized Customs procedures and formalities, jointly established facilities and mutually recognizable risk management systems by sharing control results and scanned images.

- Customs en route along railway transit corridors should share appropriate information including Advance Electronic Data, control results, scanned images and relevant intelligences, under Customs Mutual Assistance Agreements (CMAAs), where relevant, for the purpose of combating illegal activities which utilize railway transportation.

- Customs should establish contact points to facilitate such cooperation among Customs.

Annex I

Checklist

1. Electronic Customs transit procedures
   - Application of electronic Customs procedures and documentation
   - Use of the data in commercial documents such as the consignment note
   - Use of Electronic Advance Data (EAD) and advance risk management
   - Connection between Customs’ and the railway carrier’s IT system and use of electronic data obtained through these systems

2. Customs control of railway transportation
   - Application of risk management concepts with the effective use of EAD and electronic transit declarations
   - Sharing of seizure and detection results via the WCO Customs Enforcement Network (CEN)
   - Establishment of surveillance systems with non-intrusive inspection (NII) equipment, such as X-ray scanners
   - Construction of railway facilities coordinated with NII equipment
   - Use of advanced technologies, such as Customs Smart Security Devices (SSDs) including electronic tracking systems and electronic Customs seals, taking into account the exemption of administrative fees for the use of the seal

3. Railway postal procedures
   - Interoperability of the Customs-Postal network by developing operational standards and railway transportation processes in cooperation with the UPU and railway companies
   - Standardization of electronic data interchange (EDI) requirements and electronic exchange of CN 22/CN 23 data and transport-related EDI messages
   - Application of EAD to the UPU Global Postal Model (GPM) based on pre-arrival risk assessment taking into account the application of UPU regulations and Customs instruments
4. **Passenger controls (use of passenger data such as Passenger Name Records (PNR))**

- Use of passenger-related data, in particular Advance Passenger Information (API) and the Passenger Name Record (PNR) through the national Single Window
- Connection of IT systems between Customs and the railway company for sharing passenger-related information
- Reference to the WCO Punta Cana Resolution of December 2015 and adoption of security as part of the national mandate
- Information sharing with neighbouring Customs through, for example, participation in a joint Passenger Information Unit

5. **Cooperation: Cooperation with the private sector and other governmental agencies**

- Establishment of cooperation mechanisms among Customs, railway operators and other governmental agencies, including measures such as periodic dialogue, information sharing and provision of adequate training, in order to resolve issues and challenges in railway transportation
- Application of the Authorized Economic Operator (AEO) concept to railway transportation
- Mutual cooperation with other competent government agencies by harmonizing cross-border facilitation and control measures

6. **Customs to Customs cooperation**

- Cooperation with neighbouring Customs with a view to conducting joint controls based on harmonized Customs procedures and formalities
- Establishment of joint facilities and mutually recognizable risk management systems for sharing control results and scanned images
- Sharing of appropriate information among Customs en route including EAD, control results and relevant intelligence under Customs Mutual Assistance Agreements (CMAAs)
- Establishment of contact points to facilitate cooperation among Customs
Summary of the railway survey conducted during the WCO Global Railway Workshop in October 2020

Background and overview of the survey

1. As a part of the WCO Railway Project launched in 2019, the first Global Railway Workshop was held virtually from 13 to 16 October 2020 with a view to the development of the WCO Railway Guidelines. This first workshop aimed at understanding the current situation and challenges of railway transportation and exploring key elements for suitable Customs procedures and controls in railway transportation, including the digitalization of railway transit with standardized datasets.

2. In that context, the WCO Secretariat conducted a railway survey among the Member countries attending the workshop and received 29 responses. The response rate was 15.8% based on the total of 183 Member countries, but 56.9% based on the 51 countries who attended the workshop.

3. The questionnaire consisted of 33 questions divided into six main parts: (1) Transit Declaration; (2) Electronic Customs Procedures; (3) Advance Electronic Information (AEI); (4) Simplified Customs Procedures; (5) Customs Control; and (6) Cooperation. The main findings are presented below in greater detail.

Key findings from the survey

(1) Transit Declaration

4. Of the 29 countries that responded to the survey, 22 countries (75.9%) require a transit declaration. In certain cases, Azerbaijan may accept an SMGS consignment note and some European Union countries (Belgium, Germany, Greece, Romania and Slovakia) may accept a CIM consignment note as a transit declaration. Of the seven countries that do not currently require a transit declaration, Bangladesh will implement a transit declaration in the near future, three countries (Laos, Namibia and Sri Lanka) have no railway transit activity in their territory, and three countries (Georgia, Turkey and Vietnam) have no specific plans to introduce a requirement for a railway transit declaration.

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Of these, 11 are from the Europe region (Azerbaijan, Belgium, Georgia, Germany, Greece, Latvia, Moldova, Romania, Serbia, Slovakia and Turkey), eight are from the Asia-Pacific region (Bangladesh, China, India, Iran, Laos, Pakistan, Sri Lanka and Viet Nam), four are from the Americas and Caribbean region (Argentina, Brazil, Chile and Guatemala), three are from the East and Southern Africa region (Malawi, Namibia and South Africa), two are from the West and Central Africa region (Cote d’Ivoire and Ghana) and one is from the North of Africa, Near and Middle East region (Iraq).
5. For the transit declaration, relevant information (such as consignor and consignee, including names and addresses, description of cargo including weight, quantity, origin and value, transportation information, Customs seals, guarantee, etc.) should be provided to Customs. In this regard, some countries use specific transit declaration forms and/or systems. Argentina and Chile use a specific form, called "Conocimiento-Carta de Porte Internacional/Declaración de Transito Aduanero" (TIF/DTA), and China use its own declaration form for transit goods. In the EU Customs Union, the CIM consignment note serves as a transit declaration, and the New Computerised Transit System (NCTS) is used for electronic data submission.

6. It is the responsibility of the railway company (in 16 countries), Customs broker (in 11 countries), forwarder (in eight countries) and/or importer (in three countries) to submit the transit declaration (more than one answer was possible). Of 22 countries, 13 countries require only one stakeholder to submit a transit declaration (for seven countries, this is the railway company, for three countries the Customs broker and for a further three countries the forwarder); four countries require that two stakeholders submit a declaration (for two countries, these are the railway company and Customs broker, for one country the railway company and forwarder, and for one other country the Customs broker and forwarder); four countries require three stakeholders to submit a declaration (for two countries, these are the railway company, Customs broker and forwarder, and for two countries the railway company, Customs broker and importer); while one country requires all stakeholders to submit a transit declaration.

Chart 1:

![Chart 1: Do you require a transit declaration for railway transportation?](chart1.png)

Chart 2:

![Chart 2: Who should submit transit declaration for railway transportation?](chart2.png)
7. For Customs purposes, supporting documents (for example, a consignment note, invoice, bill of lading, certificate of origin, transit permit, etc.) must be submitted. Of 22 countries, 13 countries require both a consignment note and invoice as supporting documents, three countries require only a consignment note, a further three countries require only an invoice, while three countries require neither a consignment note nor an invoice. In addition to a consignment note and invoice, each country requires other supporting documents according to their relevant national legislation.

Chart 3:

| What kinds of supporting documents are requires to submit with a transit declaration to Customs |
|---------------------------------|------|------|------|------|
|                                 | 13   | 3    | 3    | 3    |
| Consignment note and invoice    |      |      |      |      |
| Consignment note only           |      |      |      |      |
| Invoice only                    |      |      |      |      |
| Other                           |      |      |      |      |

8. Of 22 countries, nine countries accept commercial documents as a transit declaration if they include all the information required by Customs, whereas 13 countries use them as supporting documents.

Chart 4:

<table>
<thead>
<tr>
<th>Do you accept commercial documents as a transit declaration to Customs in cases where they include all the necessary information?</th>
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</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
</tbody>
</table>

9. At the moment, Namibia’s sole mode of transportation of imported goods is the railway, and so Namibia Customs require only the railway company to submit the import declaration with supporting documents. However, in the near future, when railway transit operations start up with Botswana, Namibia Customs will adopt a transit declaration scheme. In Greece, Customs may ask the representative for a transit declaration or CIM consignment note plus other supporting documents; although not currently mandatory, when phase 5 of the NCTS system is implemented, electronic submission will become mandatory.
(2) Electronic Customs Procedures

10. Of the 22 countries that have adopted a transit declaration scheme, 20 countries accept the declaration electronically (five countries allow declarations to be submitted both in electronic data format and as scanned copies, 14 countries accept declarations in electronic data format only, such as EDIFACT, XML, JSON, etc., and one country allows the submission of scanned copies only), while only two countries use a paper-based method. Of the seven countries that have not adopted the use of transit declarations, both Bangladesh and Namibia intend to use electronic transit declarations when they adopt a transit declaration scheme in the near future.

Chart 5:

11. Of the 19 countries that accept transit declarations in electronic data format, 15 countries follow international standards (six countries use only the WCO Data Model, four countries use only UN/EDIFACT, two countries use only the EU Data Model, two countries use both the WCO DM and UN/EDIFACT, and one country uses both the WCO DM and EU DM), while two countries follow proprietary standards. The WCO Data Model is being used in nine countries (60.0% of the 15 countries that follow international standards).

Chart 6:
12. With regard to changing the mode of transportation between rail and road, the use of eTIR will help ensure fast and safe railway transit procedures. Of the 22 countries that have adopted a transit declaration scheme, 17 countries are planning to use eTIR (one country already uses it, 11 countries are planning to do so, and five countries are discussing the use of eTIR), while three countries do not have any plans to use it.

Chart 7:

13. Of the 22 countries that have adopted a transit declaration scheme, 15 countries accept documents submitted in support of a transit declaration electronically (five countries accept supporting documents both in electronic data format and as scanned copies, six countries accept them in electronic data format only, and four countries accept scanned copies only), while seven countries do not accept them electronically. A comparison with Chart 5 on the electronic transit declaration shows that five countries that accept electronic transit declarations do not accept documents in support of those declarations electronically. Altogether, 19 countries accept transit declarations in electronic data format, but only 11 countries allow the submission of supporting documents in electronic data format. The number of countries that allow supporting documents to be submitted as scanned copies is nine compared to only six for the transit declaration itself.

Chart 8:
14. Of the 11 countries that accept electronic supporting documents, nine countries follow international standards (four countries use only the WCO Data Model, one country uses only UN/EDIFACT, one country uses only the EU DM, two countries use both the WCO DM and UN/EDIFACT, and one country uses both the WCO DM and EU DM). The WCO Data Model is being used in seven countries (77.8% of the nine countries that follow international standards).

Chart 9:

15. With regard to the electronic Customs procedure, some countries face challenges, such as a limited budget, poor system infrastructure or lack of human resources, etc. Even in countries that are already implementing electronic transit declarations, there is a need for greater interoperability with other national systems or capacity building activities to implement improved Customs procedures.

(3) Advance Electronic Information (AEI)

16. Regarding Advance Electronic Information, 11 countries require the provision of AEI (four countries for transit and importation, three countries for transit only, and four countries for importation only), only seven of which require the provision of AEI for transit purposes (31.8% of the 22 transit declaration countries and 46.7% of the 15 electronic transit declaration countries). Of the 22 countries that require a transit declaration, 11 do not require AEI for transit or importation.

Chart 10:
17. The information received through the AEI process is similar to that provided on a transit declaration or entry summary declaration, such as a description of the goods, consignor and consignee information, and tax and duty information, etc. to enable the proper conduct of risk analysis and Customs controls. The electronic forms used for a transit declaration or entry summary declaration are used for AEI purposes as well, which means that there are no specific forms for AEI.

18. Of the 11 countries that require the provision of AEI, only eight countries indicated who is responsible for submitting AEI for railway transportation (more than one answer was possible). Of those eight countries, four countries require only the railway company to submit AEI, three countries require three stakeholders to do so (for two countries, these are the railway company, Customs broker and importer; and for one country the railway company, Customs broker and forwarder), while one country requires all stakeholders to provide AEI. The railway company is responsible for providing AEI in all eight countries.

Chart 11:

19. With regard to AEI in connection with railway transportation, Members reported that they would expect more efficient risk management and Customs control, as well as simplified and time-saving Customs procedures. In view of these benefits, some Members are planning to establish an AEI scheme in their countries in the near future.

(4) Simplified Customs Procedures

20. The most common answer in response to the question as to how Customs can use data to simplify Customs procedures for the transit of goods via rail is risk management and faster clearance times. With the help of AEI, Customs can undertake immediate Customs clearance when the cargo arrives at border. The Customs system using the data can be extended and connected to other authorized national systems as well as the railway company’s database in order to increase the speed and accuracy of the data analysis. These kinds of interoperability solutions can provide new fields for data analysis, for example, analysis based on consignor/consignee characteristics, recent trade patterns in railway transportation, or necessary Customs control for better risk management.

21. Members suggested possible ways of facilitating and simplifying Customs procedures for the transit of goods transported by railway. The most important considerations are the implementation of a dedicated AEI system and use of a standardized data format.
The interoperability of the system and access to the railway company’s database will enable more efficient use of AEI. Alongside risk management, the use of non-intrusive inspection (NII) equipment will save both time and resources. An authorization system, such as authorized consignor/consignee or authorized railway company, and a Customs sealing system can lead to safe and efficient transit procedures. Cooperation with neighbouring Customs administrations, including through electronic data interchange, is crucial for the whole process of railway transportation.

(5) Customs Control

22. During the transit of goods transported by railway, 14 countries inspect the cargo (53.8% of the 26 countries that have railway transportation, as three of the countries that responded to the survey have no railway transportation). Of those 14 countries, X-ray scanners are used in eight countries, fiberscopes are used in two countries, detector dogs are used in one country, and the manual method (open up and look inside) is used in two countries (more than one answer was possible).

Chart 12:

<table>
<thead>
<tr>
<th>Do you inspect cargo during the transit of railway transportation?</th>
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<tbody>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>14</td>
</tr>
</tbody>
</table>

23. Of the 26 countries that have railway transportation, only three countries (11.5% of the 26 countries: Bangladesh, India and Serbia) carry out joint inspections of cargo with neighbouring Customs authorities.

Chart 13:

<table>
<thead>
<tr>
<th>Does your Customs authority inspect importing/transit/exporting cargo in railway transportation jointly with adjacent neighbour Customs?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>3</td>
</tr>
</tbody>
</table>

24. Even though it is not always the case, and it depends on certain conditions, such as whether a Customs seal or other identification measures have been used, of the 26 countries that have railway transportation, four countries (15.4% of the 26 countries:
Azerbaijan, Bangladesh, China and Côte d’Ivoire) accept the results of an inspection carried out by a neighbouring Customs administration and take them into account in the assessment of Customs risk. Some countries reported that this was because they did not have access to a common system for sharing information with neighbouring Customs authorities.

Chart 14:

25. In response to the question as to how Customs can apply modern technologies for Customs surveillance without disturbing the cargo during railway transportation, 12 countries suggested the use of non-intrusive inspection equipment, such as X-ray container scanners (more than one answer was possible). Three countries proposed a digitalized Customs declaration or AEI, and two countries suggested information sharing with neighbouring Customs authorities. Other measures such as drones, Customs seals and simplified Customs procedures were also mentioned.

Chart 15:

26. Of the 26 countries that have railway transportation, 21 countries (80.8% of the 26 countries, including two countries where the use of seals is not mandatory) require that Customs seals are used for the transportation of cargo by rail.
27. Of the 26 countries that have railway transportation, 12 countries (46.2% of the 26 countries) require the provision of a financial guarantee for the transportation of cargo by rail, including Romania, although it does not require such a guarantee if a CIM consignment note is submitted as a transit declaration and the railway company plays only a transportation role. Two countries (Azerbaijan and Guatemala) are considering the adoption of a guarantee scheme for railway cargo.

28. Of the 26 countries that have railway transportation, 18 countries (69.2% of the 26 countries) implement risk management procedures for railway transit. As for the type of risk management method used, nine countries use (electronic) document analysis, two countries use non-intrusive inspection (NII) equipment such as X-ray scanners, two countries use physical checks by Customs officers, and one country exchanges cargo information with neighbouring Customs authorities (more than one answer was possible).
(6) Cooperation

29. Of the 26 countries that have railway transportation, 18 countries (69.2% of the 26 countries) implement a cooperation mechanism with railway operators and companies. Of those, 16 countries hold regular/periodic meetings with railway operators and companies in order to share information and resolve current issues with a view to improving Customs procedures for railway transportation. Three countries provide/support training courses for technical staff in railway companies. Six countries have signed agreements/MOUs with railway operators or offer AEO certification, which makes railway transit procedures faster and more efficient (more than one answer was possible).

30. In response to the question as to how Customs can enhance connectivity with other Customs authorities regarding transit declarations, 10 countries suggested system integration and the use of integrated ICT, mainly for information sharing purposes. Bearing in mind that only five countries proposed information sharing and AEI, 15 countries underlined the importance of information sharing between Customs in connection with transit declarations. In addition, Members felt that cooperation agreements, regular meetings and joint inspection schemes would be a useful means of improving transit declaration practices.
31. In response to the question as to whether there is any possible way to apply the AEO concept to railway stakeholders, 18 countries responded in the affirmative, while some reported that they had already adopted an AEO programme involving railway stakeholders. Member countries demonstrate very little experience of the joint detection of illicit trade through international cooperation in the area of railway transportation. However, some countries responded that international cooperation would be helpful and should be conducted with a view to preventing illegal trade in connection with rail transportation.

**Summary of the WCO online survey**

32. In the light of the expansion of the transportation of freight via rail and the demands for harmonized and effective Customs procedures and controls for railway transport, based on Members’ experiences and views on railway transportation, including current transit procedures, and given that cooperation with the railway sector and neighbouring Customs authorities was among the key findings of the WCO online survey outlined below, we need to build a global standard for railway transit procedures and controls.

- With regard to “Transit Declaration”, almost 80% of countries require that a transit declaration be submitted, for the most part by railway companies, Customs brokers and forwarders, together with supporting documents, for example a consignment note, invoice and/or bill of lading. Commercial documents are not generally accepted as a transit declaration, even though they usually include all the necessary information.

- With regard to “Electronic Customs Procedures”, 20 of the 22 countries that require a transit declaration accept it electronically, and 15 countries follow international standards, such as the WCO Data Model and UN/EDIFACT. Supporting documents can be submitted electronically in 15 countries. For more effective electronic Customs procedures, some challenges, such as a limited budget, poor system infrastructure and the degree of interoperability with other national systems, need to be addressed.

- With regard to “Advance Electronic Information (AEI)”, only seven countries require AEI for transit purposes (31.8% of the 22 countries that require a transit declaration), even though Members reported that they would expect more efficient risk management and Customs control, as well as simplified and time-saving Customs procedures.
With regard to “Simplified Customs Procedures”, Customs can use data to simplify customs procedures for the transit of goods via rail through risk management and faster clearance times. The customs system using the data can be extended and connected to other authorized national systems as well as the railway company’s database in order to increase the speed and accuracy of the data analysis. Alongside risk management, the use of non-intrusive inspection (NII) equipment will save both time and resources. Cooperation with neighbouring customs administrations, including through electronic data interchange, is crucial for the whole process of railway transportation.

With regard to “Customs Control”, 14 countries inspect the cargo during transit (53.8% of the 26 countries that have railway transportation), including eight countries that use X-ray scanners. Only three countries carry out joint inspections of cargo with neighbouring customs authorities, and only four countries accept the results of an inspection carried out by a neighbouring customs administration. Furthermore, 21 countries require the use of customs seals, and 12 countries require the provision of a financial guarantee for the transportation of cargo by rail. Of the 18 countries that implement risk management procedures for railway transit, nine countries use (electronic) document analysis and only two countries use non-intrusive inspection (NII) equipment such as X-ray scanners.

With regard to “Cooperation”, 18 countries implement a cooperation mechanism with railway operators and companies, including the holding of regular/periodic meetings, the provision of training courses, the conclusion of MOUs and the issuance of AEO certification, etc. Members suggested system integration and the use of integrated ICT, as well as information sharing and AEI, especially among customs administrations for transit declaration purposes.
Annex III

Summary of the WCO railway online survey conducted in 2019

Background

1. A growing proportion of goods in international trade, especially in some regions and countries, are being transported by rail across borders. Railway transportation generally involves a greater number of countries taking part in international transit procedures than transportation by air or sea. This growing transport sector, characterized by its unique features, has created new strategic drivers and opportunities for cooperation between railway companies and Customs administrations, as well as between the WCO and relevant international organizations and stakeholders with a view to the possible harmonization of Customs procedures/control.

2. The Permanent Technical Committee (PTC) held a series of discussions on Customs-Railway Cooperation, covering key issues such as the transit declaration, Advance Electronic Information (AEI), cargo inspection using modern technologies, and passenger controls. Furthermore, after acknowledging the lack of an internationally agreed set of data for Customs declarations and the merits of digitalization, delegates agreed on the need for data harmonization and the electronic submission of declarations while maintaining the quality of the data. As a result, it was agreed to establish a virtual working group to exchange practical information on railway transportation, as well as to conduct an analysis of possible data harmonization for Customs railway transit procedures within an appropriate WCO body such as the Data Model Project Team (DMPT).

3. Following the PTC decision, the DMPT (Data Model Project Team), at its meeting in January 2019, held an intensive discussion on the possibility of data harmonization for the Customs transit declaration based on the commercial document, in particular the CIM/SMGS consignment note, which contains detailed information about railway freight and is widely used among Member countries of both OTIF (Intergovernmental Organization for International Carriage by Rail) and OSJD (Organization for Co-operation between Railways) to facilitate railway transportation between Europe and Asia.

4. As a result, the DMPT concluded that the WCO Secretariat needs to collect WCO Member countries’ data elements for the Customs transit declaration for railway transit clearance through a WCO online survey (if consignment note data can be accepted as a Customs transit declaration, then the data elements of such consignment note).

5. This process of data harmonization for the Customs transit declaration for railway transit procedures will be supported by additional research – including fieldwork in the area of railway transit in different WCO regions and as part of workshops. This will allow for an in-depth analysis of the current situation, including the development of common ground on which to build adequate international standards on Customs procedures and controls.

6. The purpose of the present document is to provide a preliminary summary of the results of the WCO online survey on railway transit procedures conducted in March/April 2019, with the aim of providing a brief overview of Members’ experiences in order to facilitate further discussion by the PTC and identify ways of moving forward.
Overview of the WCO online survey

7. The survey questionnaire consisted of four main parts: (1) Do Members require a transit declaration for railway transportation, and who is required to submit a transit declaration?; (2) Do Members accept the transit declaration in an electronic format?; (3) Do Members accept commercial documents or transport documents as transit declarations for railway transportation?; and (4) Do Members require Advance Electronic Information (AEI) for railway transportation, and who is responsible for submitting transit AEI?

8. Replies to the questionnaire were received from 24 of the WCO’s 183 Members (i.e. 13.1% of the membership); six responses were received from the Europe region, seven from the Asia-Pacific region, six from the Americas and Caribbean region, one from the West and Central Africa region, two from the East and Southern Africa region, and two from the North of Africa, Near and Middle East region.

9. The key findings from the online survey are as follows:

Chart 1:

![Chart 1](image)

Q1. Do you require a transit declaration for railway transport?

10. It was found that 12 Members (50%) require a transit declaration for railway transportation, while 12 Members do not require such a declaration (four of which are island countries (Chart 1).

Chart 2:

![Chart 2](image)

Q2. Who is required to submit a transit declaration for railway transport?

11. It was found that 5 Members require a transit declaration for railway transportation for carriers, 4 for customs brokers, 2 for forwarders, 2 for exporters/consignees, 1 for transit operators, and 1 for marine carriers.
11. Nine Members indicated that carriers (five Members) and Customs brokers (four Members) have the responsibility for submitting a transit declaration, while six Members indicated that forwarders (2), exporters (2), transit operators (1) and marine carriers (1) are responsible for submitting it (Chart 2).

Chart 3:

Q3. Do you accept the transit declaration in an electronic format?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>0</td>
</tr>
</tbody>
</table>

12. All Members (12 countries) which require a transit declaration for railway transportation accept it in an electronic format (Chart 3).

Chart 4:

Q4. Do you accept commercial documents or transport documents as transit declarations for railway transport?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>7</td>
</tr>
</tbody>
</table>

13. Five Members accept commercial documents or transport documents as transit declarations for railway transportation, while seven Members do not.
Table 1:

**Q5. Do you require Advance Electronic Information (AEI) for railway transport?**

<table>
<thead>
<tr>
<th></th>
<th>No. of administrations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Yes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For Transit</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>For Import</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>For Transit and Import</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td><strong>No</strong></td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

14. Nine Members responded that they require Advance Electronic Information (AEI) for railway transportation, while five Members do not. Specifically, of the nine Members who responded “Yes”, two Members receive it for transit, two Members for import, and five Members for both transit and import.

Chart 5:

**Q6. Who is required to submit a transit AEI for railway transport?**

15. Six of the nine Members who require Advanced Electronic Information (AEI) for railway transportation responded that carriers (railway companies) are responsible for submitting it, while three Members responded that Customs brokers (1), forwarders (1) and importers (1) are responsible for submitting it.

**Summary of the WCO online survey**

16. Bearing in mind all of the above-mentioned considerations, the initial analysis of the online survey on railway transportation leads to the following key findings which could potentially provide the basis for creating an international standard for a possible harmonization of Customs procedures/control, since railway transportation generally involves a greater number of countries taking part in international transit procedures than transportation by air or sea:

- The need to ensure cooperation between railway companies and Customs administrations, as well as between the WCO and relevant international organizations and stakeholders, because of the unique characteristics of railway transportation;
The need to ensure that the WCO and Member administrations consider introducing electronic commercial/transportation documents as a transit declaration in order to facilitate railway transportation;

The need to ensure that the Member administrations that do not use Advance Electronic Information (AEI) introduce it as soon as possible; and

The urgent need to find a new way of using AEI data effectively in order to control the overall movement of railway cargo for transit/transshipment, import and export, and even pre-arrival processing.

**Action required**

17. The WCO is invited to:

- research more information from international organizations and private-sector stakeholders (railway carriers, Customs brokers and forwarders), including Member administrations, on railway transportation and transit;
- exchange ideas on possible innovative Customs transit procedures and controls using Advanced Electronic Information (AEI) and modern technologies to be applied experimentally in railway transportation and transit, taking into account the unique characteristics of railway transportation and treating challenges as opportunities; and
- discuss awareness-raising activities that could be carried out by the Customs community in order to ensure effective Customs procedures/controls aimed at facilitating railway transportation and increasing compliance.

* * *