



WORLD CUSTOMS ORGANIZATION

COMPENDIUM OF BEST PRACTICES IN THE AREA OF TRANSIT

June 2020

Table of Contents

Contents

Foreword by the Secretary General of the World Customs Organization	4
Introduction	6
Best practices.....	9
I. South America, North America, Central America & the Caribbean (AMS)	9
1. Argentina and Uruguay	11
2. Argentina	15
3. Brazil	16
4. El Salvador.....	19
5. Uruguay	23
II. Europe (EUR)	26
1. European Union (EU)	28
2. Bulgaria.....	35
3. France	36
4. Italy.....	39
5. Kyrgyz Republic	40
6. Moldova	44
7. Montenegro.....	45
8. North Macedonia	48
9. Switzerland	57
10. The TIR Convention	59
11. Turkey.....	63
III. East & Southern Africa (ESA).....	64
1. Angola.....	67
2. COMESA	69
3. East African Community	71
4. Mozambique	73
5. Uganda, Kenya, Rwanda and the Democratic Republic of the Congo (DRC).....	76
IV. West & Central Africa (WCA)	79
1. Benin and Niger	81
2. Burkina Faso and Togo.....	83

3.	Democratic Republic of the Congo	86
4.	Guinea	89
5.	Mali	91
V.	North of Africa, Near & Middle East (MENA)	93
1.	Algeria	94
2.	Jordan	95
3.	Morocco	97
4.	United Arab Emirates	102
VI.	Far East, South & South East Asia, Australasia & the Pacific Islands (AP)	105
1.	Afghanistan	107
2.	Association of Southeast Asian Nations (ASEAN)	111
3.	Iran	114
4.	Pakistan	115

Foreword by the Secretary General of the World Customs Organization

The economic development of many countries “locked in” by those around them is often hindered by their lack of access to the sea. These countries face an array of challenges, one of those being their dependence on other countries for international trade via transit.

The World Customs Organization (WCO) is fully aware of the challenges faced by landlocked developing countries (LLDCs) and contributes to the efforts aimed at unlocking the potential of those countries, in particular in the area of Customs transit. More specifically, the WCO contributes to improving transit systems for LLDCs and transit developing countries by setting standards for simplified and harmonized border procedures, delivering capacity building projects and enhancing cooperation and coordination with other development partners.

The WCO launched the Transit Handbook during the Second UN Conference on LLDCs that was held in Vienna on 3 November 2014. The Handbook deals with various aspects of the operation of the Customs transit procedure, and is accordingly intended to serve as a practical guide to assist WCO Members to develop functional and effective transit systems which may contribute to the enhancement of economic competitiveness and secure their revenue. In particular, the Transit Handbook helps developing and least developed Members to assess the effectiveness of their transit schemes and identify any further improvements needed.

In July 2017, the WCO launched another tool in the area of transit – the Transit Guidelines. The development of the WCO Transit Guidelines, containing 150 guiding principles for efficient transit regimes, is an important milestone, not only for LLDCs but also for other Members, in particular transit countries. Given that there are countless regional and national initiatives on transit, the WCO Transit Guidelines contribute to the harmonization of different regional transit projects, support the economic growth of LLDCs, and promote regional economic integration. The Transit Guidelines have been used to assist Members in implementing the relevant international instruments, such as the Revised Kyoto Convention (RKC), the World Trade Organization Agreement on Trade Facilitation (WTO TFA), the Vienna Programme of Action for LLDCs for the Decade 2014 – 2014, etc.

Following the launch of the Transit Guidelines, in the period November 2017 – April 2019, the WCO delivered regional workshops for all six WCO regions to promote the implementation of the Guidelines, further discuss challenges and possible solutions, and collect regional and national best practices in the area of transit.

The best practices collected through these regional workshops and as a result of a call for submission of best practices have been compiled in this new WCO tool – the Compendium of Best Practices in the Area of Transit. The objective of the tool is to support Members with practical examples of enhancing the transit regimes efficiency and effectiveness. The best practices cover the various aspects of transit as outlined in the Transit Guidelines - legal

framework, ICT and efficient information management, guarantee system, simplification of formalities, security measures, etc.

The best practices included in the Compendium provide practical examples of how WCO Members, both developed and developing, simplify and harmonize their Customs procedures and implement technology-driven and information and communications technology solutions to reduce trade costs and expedite international trade.

I therefore hope that the compilation of best practices in the area of transit will be a useful tool for Members and partner international organizations in their efforts to improve the effectiveness and efficiency of transit regimes and to implement the relevant international agreements and regional free trade agreements in a harmonized manner.

Dr. Kunio Mikuriya
Secretary General

Introduction

The establishment by Members of efficient and effective transit regimes in their territories is a major trade facilitation measure. The WCO Revised Kyoto Convention (RKC), Article V of the General Agreement on Tariffs and Trade (GATT), and Article 11 of the World Trade Organization Agreement on Trade Facilitation (WTO TFA) frame the nature of transit by prohibiting the application of any duties and taxes for goods in transit and ensuring their free flow. For Customs administrations, however, transit still causes concerns vis-à-vis the cases of diversion of transit goods to home consumption and the associated revenue implications, as well as other illicit activities involving goods in transit.

In addition to the international legal instruments, which are subject to implementation by their respective contracting parties, such as the WTO TFA, transit is outlined as a key element in United Nations (UN) strategy papers like the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014 - 2020. Both the WTO and the UN highlight the role of transit for developing countries, especially LLDCs, which face much higher trade costs due to their greater distances from the main markets, additional border crossings, cumbersome transit procedures and inadequate infrastructure.












Generally, efficient Customs transit procedures contribute greatly to economic development and regional integration. An effective transit system can promote regional economic integration through increased intraregional trade. Regional integration is key to enabling countries to expand their markets, widen regions' economic space and secure the benefits of economies of scale for production and trade.

In this regard, transit has been highlighted as one of the key elements of the WCO Economic Competitiveness Package (ECP). The Action Plan for Phase IV of the ECP foresees that a Compendium of Best Practices in the Area of Transit will be compiled by June 2020.

The Members' practices compiled in the Compendium have been collected through a series of regional workshops on transit delivered for all six WCO regions in the period November 2017 – April 2019 and as a result of a call for submission of best practices by Members. The Compendium includes a total number of 34 best practices, grouped per WCO region. The introduction to each of the sections of the Compendium provides information about the respective WCO region in terms of Members, regional integration entities of relevance to transit, etc.

The Compendium of Best Practices in the Area of Transit is aimed at illustrating, in practical terms, the recommendations outlined in the WCO Transit Guidelines – a tool that was launched in July 2017 and contains 150 guiding principles on how to implement an efficient transit regime. The best practices in the Compendium cover the various aspects of transit as described in the Transit Guidelines - legal framework, ICT and efficient information management, guarantee system, simplification of formalities, etc. Each of these aspects is designated by an icon as shown below and the icons are used in the text to illustrate the area to which the specific good practice is most relevant.

The objective of the tool is to support Members with practical examples of enhancing the transit regimes efficiency and effectiveness, thus enhancing economic competitiveness.

Section of the WCO Transit Guidelines, 2017	Icon used to designate the respective section
1. Legal Framework	
2. ICT and Efficient Information Management	
3. Guarantee System	
4. Fees and Charges	
5. Simplification of Formalities	
6. Risk Management	
7. Authorized Economic Operators	
8. Customs Seals and Other Security Measures	
9. Coordinated Border Management	
10. Hard Infrastructure & Equipment	
11. Transparency & Anti-Corruption	

12. Partnership with Business

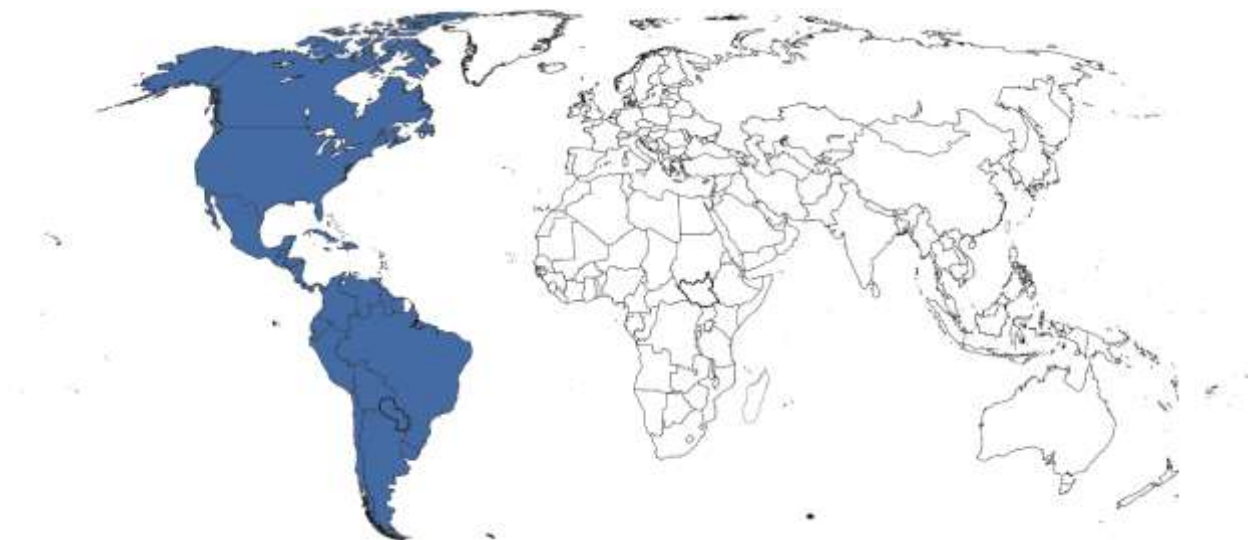


13. Performance Measurement



Best practices

I. South America, North America, Central America & the Caribbean (AMS)



The WCO AMS region has 33¹ Members. Nine of them (Antigua and Barbuda, Bahamas, Barbados, Bermuda, Cuba, Curaçao, Jamaica, Saint Lucia and Trinidad and Tobago) are island states that do not share a land border with any other state. The number of Landlocked Developing Countries (LLDCs) in the AMS region is two (Bolivia and Paraguay).

The regional economic integration entities in the WCO AMS region are as follows:

Organisation	Members
Andean Community (Comunidad Andina) – CAN (www.comunidadandina.org)	Bolivia, Colombia, Ecuador and Peru Associated countries: Argentina, Brazil, Chile Paraguay and Uruguay Observer: Spain
Caribbean Community -CARICOM (www.caricom.org)	Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Lucia, St Kitts and Nevis, St Vincent and the Grenadines, Suriname and Trinidad and Tobago Associated Members: Anguilla, Bermuda, British Virgin Islands, Cayman Islands and Turks and Caicos Islands

¹ Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bermuda, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Cuba, Curaçao, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Lucia, Suriname, Trinidad and Tobago, United States, Uruguay and Venezuela

Latin American Integration Association (Asociación Latinoamericana de Integración) - LAIA/ALADI (www.aladi.org)	Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, Paraguay, Panama, Peru, Uruguay and Venezuela
Secretariat for Central American Economic Integration - SIECA (www.sieca.int)	Costa Rica, El Salvador, Honduras, Guatemala, Nicaragua and Panama
Southern Common Market - MERCOSUR (www.mercosur.int)	Argentina, Brazil, Paraguay and Uruguay. Venezuela is a full member but has been suspended since December 1, 2016. Associate countries: Bolivia, Chile, Colombia, Ecuador, Guyana, Peru and Suriname. Observer countries: New Zealand and Mexico.

More detailed information about the regional agreements of relevance to transit under the auspices of ALADI, MERCOSUR and CAN can be found in the Background report for the Latin America regional review meeting on the implementation of the Vienna Programme of Action for the Landlocked Developing Countries for the Decade 2014-2024, pages 22 to 25. The background report can be accessed at the following link: http://unohrrls.org/custom-content/uploads/2019/06/Latin-America-VPoA-Review-Report-VPoA_ENG_June6.pdf.

Other relevant regional organizations are the Caribbean Customs Law Enforcement Council - CCLEC (www.cclec.org), the Organization of American States –OAS (www.oas.org).

Other relevant regional agreements and initiatives are the Central America Border Control Agreement, the Pacific Corridor of the Mesoamerican Integration and Development Project, the International Land Transport Agreement between Argentina, Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay (ATIT).

Out of the 76 Contracting Parties to the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975), four (Argentina, Canada, Chile and the United States) are Members of the WCO AMS region. However, the TIR procedure is not yet operational in these four Members.

1. Argentina and Uruguay

The SINTIA System - International Customs Transit Computerized System



Background and legal framework

In the year 1990, the Agreement on International Land Transport (ATIT) was signed and registered as a Partial Scope Agreement within the framework of the Latin American Integration Association (ALADI), with signatory countries Argentina, Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay. It is the main legal text that regulates international land transport between these countries. The Agreement established a series of guidelines for international land transport between the signatory countries, both in direct transport from one country to another and in transit to a third country, providing that international transport of passengers or cargo may only be carried out by companies authorized by the transport authority of each of the signatory countries.

Transit document

At the XVIII Meeting of Ministers of Public Works and Transport of the countries of the Southern Cone, held in 1991, the participating countries - Argentina, Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay - through the Agreement of Ministers 1.97 (XVIII) approved the **International Cargo Manifest/Customs Transit Declaration (ICM/ CTD)** and its filling instructions.

SINTIA System

The SINTIA System was created within the scope of MERCOSUR and it was approved by Resolution 17/04 of the Common Market Group under the heading “Rules for the Digitalization of the International Cargo Manifest/Customs Transit Declaration and for the Follow-up of the Operations among the Member States of MERCOSUR”.

It is the computerized system through which the Member States of MERCOSUR (Argentina, Brazil, Paraguay and Uruguay) computerized the International Cargo Manifest/Customs Transit Declaration (MIC / DTA), a document used in international Customs Transits, within the framework of the Agreement on International Land Transport (ATIT) (ALADI /AAP/A14TM/3).

Subsequently, the remaining signatory countries (Chile, Bolivia and Peru) were incorporated.

How does it work?

The designed procedure consists of the computerized registration of the data of the MIC/DTA, of the sequence of events of Customs control on the operation in the different countries participating in the transit and of the availability of the information of all these events for all the countries involved through electronic transmission of data, which allows the determination of the status of the operation.

This means that, when a transit from one of the signatory countries departs, the other countries participating in the transit (countries of transit and of destination) will be able to know all the data of the MIC/DTA and where it is located, as well as the news and unforeseen events that may occur.

It consists of sending electronic information from the Customs office of departure to all the Customs participating in the transit through web services, there being no database or a centralized registry system, but each Customs develops its own MIC/DTA registration system.

The parameterized events are the following:

a) Validation of the International Customs Transit - "**OFTAI**", to be carried out by the registration Customs office of the International Customs Transit (TAI) procedure in the Member State: the transmission of the validation event to the participating Customs office will be carried out jointly with that of the departure, except in those cases in which contingency procedures have been authorized.

b) Departure of the International Customs Transit procedure - "**PATAI**", to be carried out by the cargo Customs office of the International Customs Transit in the Member State of departure: after all the necessary requirements for the application of the system have been met, and after the controls have been completed and the seals placed and after the departure of the International Customs Transit has been authorized, the departure Customs will electronically transmit the departure message, which implies the authorization to start the transit by means of an International Customs Transit (TAI) procedure.

c) Exit of an International Customs Transit from the Member State of departure- "**SATAI**" to be performed by the border Customs office of the Member State of departure: it takes place after all requirements, controls and formalities have been met/accomplished, when the means of transport and the goods being transported have been authorized by the border Customs of the country of departure to continue the authorized itinerary, and the transit in its territory is concluded.

d) Entrance of the International Customs Transit to the Member State of transit - "**EPTAI**", to be carried out by the border Customs office of the Member State of transit: it takes place after all requirements, controls and formalities have been met, when the means of transport and the goods being transported, have been authorized by the border Customs office of entry to the Member State of transit to proceed with the authorized itinerary.

e) Exit of a an International Customs Transit from the Member State of transit - "**SPTAI**", to be carried out by the border Customs office of the Member State of transit: it takes place after all the relevant requirements, controls and formalities have been met/accomplished, when the means of transport and the goods being transported, have been authorized by the border Customs office of exit of the Member State of transit to proceed with the authorized itinerary, having concluded the transit in its territory.

f) Entrance of an International Customs Transit to the Member State of destination- "**EDTAI**", to be carried out by the border Customs of the Member State of destination: it takes place after all the requirements, controls and formalities have been met/accomplished, when the means of transport and the goods being transported have been authorized by the border Customs office of entry to the Member State of destination to proceed with the authorized itinerary, destined for the Customs office of destination of the International Customs Transit.

g) End of an International Customs Transit - "**FITAI**", to be carried out by the Customs office of destination in the Member State of destination: it takes place after all relevant requirements, controls and formalities have been met/accomplished, when the means of transport and the goods being transported have been authorized by the Customs office of destination to consider the International Customs Transit as complied with and completed, and the goods are in a status to be submitted to a destination or permitted Customs operation.

h) Destination or operation after the International Customs Transit – "**DETAI**", to be carried out by the Customs office of destination of the Member State of destination, within forty eight (48) hours of the destination or operation subsequent to the International Customs Transit, to enable consultation by the Customs offices of the Member States, to enable them to discharge the relevant procedures.

i) News (occurrences) of an International Customs Transit –"**NOTAI**": this is electronic information to be registered by the Customs office of the computerized route after the departure, according to the following structure:

i.1) News related to the means of transport and the driver: to be performed by all the Customs offices involved in an International Customs Transit procedure.

i.2) News related to the Computerized Route: to be performed by the Customs offices that are part of the computerized Route and have registered any computerized event in the International Customs Transit procedure.

i.3) News due to casualties, interruption or other contingencies of an International Customs Transit, to be performed by the Customs involved, located at the control points of an International Customs Transit.

i.4) News about the seals: to be generated by all the participating Customs offices of an International Customs Transit procedure.

j) Acknowledgement of receipt of an International Customs Transit - "**ARTAI**": to be performed by all the participating Customs of the Member States of an International Customs Transit, **ARTAI** is the computerized acknowledgement of receipt of the events transmitted through the messages provided for by this rule.

Guarantees

The Agreement on International Land Transport (ATIT) is currently in the review stage and one of the issues to be modified is the possibility of including other types of guarantees that are not required by Section 13, Chapter VII of Annex II - Customs Issues - which establishes that: "... *Those companies authorized to carry out international land transport of cargo are exempted from presenting formal guarantees to pay charges that may apply to the goods under the international Customs transit system and to vehicles under the system of temporary admission. The vehicles of the authorized companies, authorized to carry out international transport in accordance with this Agreement, are by operation of law established as guarantees for any applicable charges and pecuniary sanctions that could affect both the transported goods and the vehicles that are allowed temporarily in the territories of the countries ...* ".

Benefits of the SINTIA System

- It improves the controls on the land transit operations and soon on the Paraguay-Parana Waterway;
- It provides uniformity throughout the Member States;
- It provides online information of the cargo declaration in the country of departure, including nature, value and origin;
- It provides full traceability of cargo, based on official information:
 - From the beginning of the operation (departure)
 - Until the Customs destination (destination) .
- It makes it possible to lower operating costs and achieve greater speed in the processing of the operation.
- It makes it possible to have unique lists of authorized carriers in line with the Customs systems, in order to have information about unauthorized transports subject to embargo and other situations.
- It makes it possible to prepare control strategies based on regional information.
- It ensures, through data reuse processes, the consistency of data, avoiding repetition of data entry.
- It allows destination Customs to have details about the goods in transit providing the estimates of resources and control mechanisms.
- It allows the future possibility of replacing paper documents with electronic documents.

Current state

SINTIA System has been implemented as from June 2009 at a bilateral level between Argentina and Paraguay, when the Validation of the International Customs Transit (OFTAI) and the Departure of the International Customs Transit (PATAI) started to be transmitted.

It is currently implemented in Argentina, Bolivia, Chile, Paraguay and Uruguay, while Brazil and Peru are working to incorporate the system.

Sources: **The Customs Administration of Argentina, January 2019**
 The Customs Administration of Uruguay, January 2019

2. Argentina **Customs Transit Security Initiative (ISTA)**



The Customs Transit Security Initiative (ISTA) is a national land transit control measure. Defined as a technological platform for the satellite monitoring of transport, it ensures the integrity of shipments and the transparency and security of operations, at low cost; it also prevents the diversion of goods, thefts and any other offences.

In the context of the SAFE Framework of Standards, the ISTA has promoted and facilitated the integrated monitoring of the transit of goods, through the use of electronic security seals and the ability to pinpoint the goods at all times. Thus, it prevents losses from shipments and the illegal entry of products into the country.

Source: The Customs Administration of Argentina

3. Brazil

Comprehensive Guarantees in Brazil



The Guarantee management system for transit is a part of a comprehensive “Siscomex Trânsito” system. The system is fully automated and it allows lodgment of the guarantee, monitoring of the remaining amount, adding up additional guarantee if necessary, renewal, and the discharge of the guarantee. The guarantee is linked to the transit operator. The system allows the use of both individual and comprehensive guarantees. The system works like a “balance sheet”, registering all entries as following:

- Register of the guarantee provided: credit entry.
- Register of the transit declaration loading: debit entry.
- Register of the termination of transit operation: credit entry (restoring the previous balance).
- Register of the expiry of the guarantee provided: debit entry.
- Renewal of the guarantee: credit entry. etc.

The guarantees are automatically renewed after Customs administration terminates the correspondent transit operation. In other words, the guarantee is discharged and immediately ready for use each time when the previous transit operation is completed. In case the guarantee amount is high enough, it allows coverage of several transactions at the same time. The system allows the operator to add more guarantee values, even being of different forms.

The guarantee can be of the following forms:

- cash deposit;
- insurance;
- surety bond.

The Siscomex Transit system is an internal system of Brazil, used to record both the Customs transit operations for Brazilian exports and imports and the transit from other countries when they cross the Brazilian territory, as for example, the exports from Paraguay that embark in the ports of Santos and Paranaguá in Brazilian territory.

Although it is basically an **internal** system and currently it does not allow the exchange of information with the Customs administrations of other countries, the system can be later integrated into regional or international system for exchange of information.

The main advantages of system are explained below:

- **Simplicity**: possibility of using a single account that will add all the forms of guarantee offered by the transit operator.

- **Accuracy of the values in guarantee**: lower values required for operator's guarantee, that is, for each conclusion of Customs transit operation the guarantee will be available again for immediate use. This procedure meets the specific guideline of WCO.
- **Reduced Customs work**: there is no need for the Customs authority to estimate or approve estimates of minimum guarantee values to be offered as the system will not allow the commencement of any transit operation without sufficient guarantees. They will be available in the system.
- **Flexibility**: the transit operator itself offers the Customs authority, for registration in the system, documents that support sufficient amounts in guarantee so that the operations programmed or estimated by the operator take place, allowing it to offer more accurate values which do not depend on minimum levels or third-party estimates. No need to separate guarantees "by operation" or "comprehensive", since the logic of the system simply is to indiscriminately control all the values in guarantee, which can be offered by the operator in the most convenient way.
- **Control**: better control, because the system prevents the Customs transit from beginning without the existence of a guarantee loaded in the system. The transporter is enabled as a Customs transit operator and its data are entered into the system after analysis and approval of Customs. The qualification period expires in 3 years, after which there should be a new qualification process.
- **Applicable reduced amounts**: the system itself automatically calculates the reduction applicable to the operator, requiring proportionally lower amounts of guarantee for each operation.
- **Waiver**: the system allows the registration of operators or situations that could waive the guarantee, which is automatically applied.
- **Risk analysis**: the system considers the risk of each operator, automatically applying the reduction or waiver in each operation.

Key features of the Siscomex Transit guarantee control functionality, which should be considered in the system specification or warranty control modules in national or international systems:

1. The guarantee is linked to the transit operator and can be provided once or complemented many times.
2. The system works like a "checking account", registering the entries as follows:
 - a. Register of the guarantee provided: credit entry.
 - b. Register of the transit declaration loading: debit entry.
 - c. Register of the transit conclusion: credit entry, restoring the previous balance.
 - d. Register of the expiry of the guarantee provided: debit entry.
3. Therefore, the guarantees values are automatically renewed in real time when each transit conclusion is registered, according to WCO guideline.
4. The system allows multiple transactions using one single guarantee, although the operator can add more guarantee values, even being of different forms.
5. All steps and processes involved are integrated by this system. It allows, for instance, the debit entry in the guarantee control module immediately after the register of the transit declaration loading.

6. The “Siscomex Transit” system also considers the risk of the transit operator (in general a conveyer) to determine:
 - a. If the guarantee will be demanded or not, and
 - b. A percentage of reduction applicable to the guarantee demanded.Both situations are applied automatically by the system.
7. Guarantee waivers:
 - a. Depository of Customs Bonded Warehouse.
 - b. Conveyer with consistent patrimony.
 - c. Some types of transit declaration.
 - d. Some situations wherein system does not require commercial invoice data
 - e. Conveyer AEO certified
8. Brazilian legislation provides for waiver of the guarantee for AEO certified conveyers, in line with the WCO guideline. The “Siscomex Trânsito” system will be adapted to recognize if the conveyer is AEO certified. If so, the system will automatically waive the guarantee.
9. The guarantee reduction percentage is automatically applicable to the transit declaration considering:
 - a. The time of the registration of the Company.
 - b. The time the Company has been operating in Customs Transit
 - c. Quantity of Customs Transit operations performed in the last 6 months.
 - d. The Company’s declared patrimony.
 - e. Registered occurrences in the “Siscomex Trânsito” system in the last 24 months.
 - f. When the reduction percentage is higher than 80%, the system will reduce the guarantee to zero.

Source: The Customs Administration of Brazil

4. El Salvador

PORTAL TIM for processing of Customs International Ground Transits



PROJECT TIM

- What is TIM?

In 2008, nine countries in Mesoamerica (Mexico, Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama and Dominican Republic), designed an innovative project called International Goods in Transit (or TIM, its Spanish acronym) aiming to improve the speed and efficiency of border clearance for transit goods.

The TIM is an electronic system for managing and controlling the movement of goods in transit, harmonizing previously cumbersome procedures into a single electronic document. The project is based on three main pillars:

- Process reengineering: TIM harmonizes multiple paper-based declarations into a unique and comprehensive electronic document that gathers all data needed by Customs, immigration, and phytosanitary agencies;
 - Information technology: TIM connects the intranet systems of all agencies in all countries participating in the project, and includes state-of-the-art risk analysis and cargo control systems plus a modern server that hosts all data and produces a dashboard of statistics to measure performance at every border crossing;
 - Cooperation: TIM improves cooperation within the country and between the different agencies operating at border crossings in the Mesoamerican region. TIM was initiated through a two million US dollar project, allowing the Inter-American Development Bank (IDB) to design and implement the system at the El Amatillo border crossing between Honduras and El Salvador. Since then, further resources (950,000 dollars) have been provided, allowing the project to be implemented at all major border crossings from Mexico to Panama.
- Origin of the Project
- At the Tenth Tuxtla Dialogue and Coordination Mechanism Summit, Villahermosa 2008, Presidents of the Region announced the transformation of Plan Puebla Panama (PPP) to Mesoamerica Project.
- TIM's objective
- To facilitate the international Transit of Goods operations across border, reducing transport costs and increasing the competitiveness through the optimization and simplification of Customs and quarantine procedures, improving at the same time, the fiscal and para-fiscal control by traceability of the operation and the application of risk management.
 - The implementation of Project TIM started in 2009 and finished in 2012 with General Administrative Regulation DACG DGA-011-2012.
 - Four stages took place for TIM implementation with four different General Administrative Regulations.

- In each stage, new fiscal routes were added in order to include in the electronic platform, all Customs offices involved in Customs international ground transit.
- Agencies involved in TIM
 - Private Central America transport entities
 - Freight forwarders
 - Customs Brokers
 - Public Customs Function Auxiliaries
 - Users of Customs services that carry goods under the Customs international ground transit regime in all routes established by El Salvador Customs.

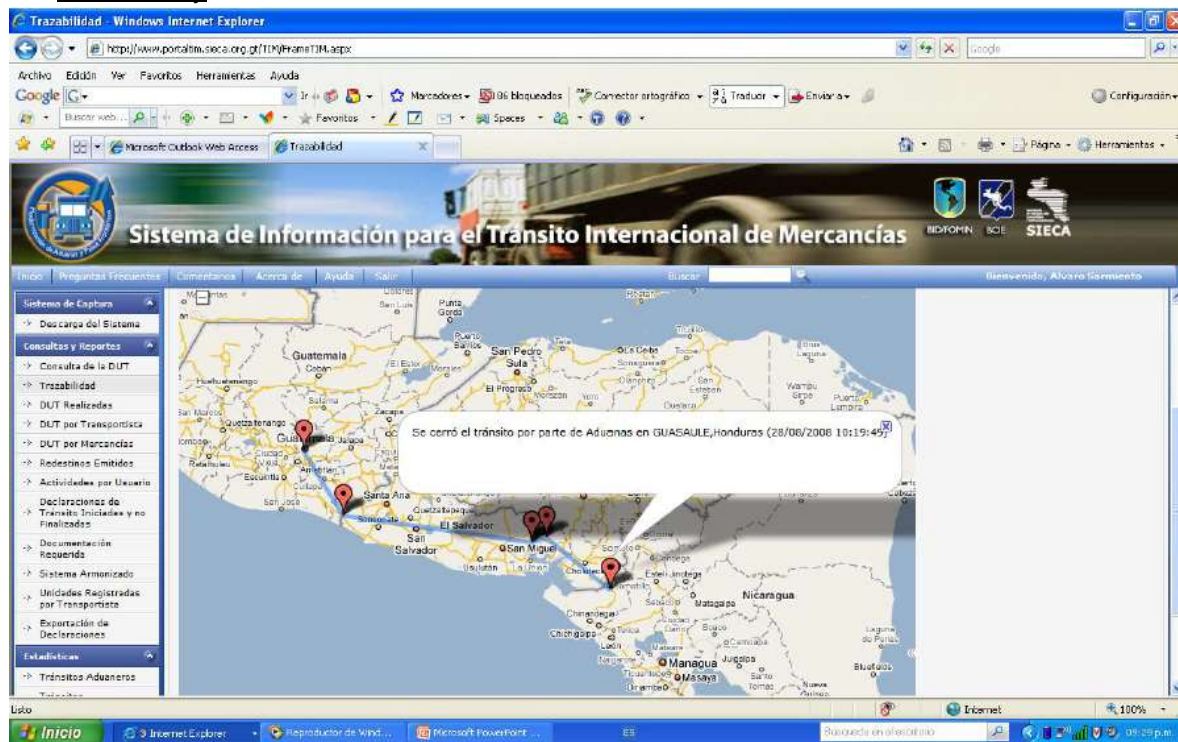
TIM General aspects

- Obligation of electronic transmission for DUT (Transit Unique Declaration as its acronyms in Spanish), in TIM System.
- A DUT can be registered by: Transport companies, Customs Brokers, Freight forwarders, Public Customs Function Auxiliaries, and other external users who must install the DUT capture module in their computers.
 - Accounts for external users are authorized by Legal Division and are created by Technology Division, both from El Salvador Customs.
- Transport company or external user shall:
 - Record DUT requested information as per the instructions for filling.
 - Scan all supporting documents (invoice, cargo manifest, permits and others).
- Central Regional Server sets an alphanumeric record number in this way:
 - Country ISO Code for country where the operation will start;
 - Two last digits of the current year;
 - A correlative twelve-digit number.
- Permits must be requested from the respective agencies prior to presentation of documents in the Custom office of departure.

Connection TIM – Central America

- TIM System has two elements:
 - Information record and registration of Customs transit operation by external users;
 - Web inquiry section which enables traceability of a single Customs international ground transit operation by the Customs administrations from Central America.
- Information record:
 - DUT record module must be installed, which can be found on the Ministry of Finance website at <http://www7.mh.gob.sv/pmh/es/Servicios/Descargas.html#nxt:nxtAPMHAP44>
 - External users shall provide, among others, the following information:
 - Consignee of transported goods;
 - Customs offices of departure and of destination;
 - Identification of carrier or authorized transport entity, driver, authorized truck plate, trailer or container if required;
 - Tariff identification of the transported goods, together with weight and value thereof.
 - External users must scan and upload the following documents on Portal TIM to complete the DUT recording:

- Commercial invoice;
- Transportation document (carriage letter, cargo manifest or other);
- Phyto-sanitary or Zoo-sanitary permit if required.
- The system will assign an operation number, which will be transmitted to the countries of departure, transit and destination.
 - In El Salvador, DUT number will turn into a transit number commonly named DTI (International Transit Declaration as per the acronyms in Spanish), which is formed by Country ISO Code for El Salvador (SV), plus two last digits of the current year and a correlative seven-digit number.
 - Samples of DUT: GT1200000058715
 - First two characters GT: identifies the Country ISO Code where the transit declaration is recorded, in this case Guatemala (Other options: SV, HN, NI, CR, PA).
 - Third and Fourth characters 12: identifies the year of recording of the transit operation.
 - From fifth to sixteenth characters: identify the correlative number of the transit operation, assigned by TIM System.
- Connection TIM – Central America: inquiry section
 - A web portal (<http://www.portaltim.sieca.int/TIM/WebFormLogin.aspx>) is used by the Central America Custom services for traceability and risk management on transit.
 - The Portal is administered by the Secretary of Central America Economical Integration – SIECA.
 - El Salvador DGA users are created on demand by Technology Division.
- Traceability



Annex to
doc. PC0606Ea

The System enables Customs to know where the means of transport has traveled and sends information to the previous Customs, facilitating the traceability along the route. In the example, the operation started in Guatemala and was closed by Customs in GUASAULE, Honduras (28/08/2008 10:19:49).

Source: The Customs Administration of El Salvador, January 2019

Note: Information about TIM has been published also in the WCO Transit Handbook in Section IV. Effective information sharing, sub-section 5. Members' Practices, as well as in the WCO Transit Guidelines in Section II.13 Performance measurement.

5. Uruguay

Use of electronic seals



The electronic seal changed the way the transit shipments were conceived by the foreign trade community in Uruguay. Nowadays, all the vehicles that carry transit shipments have this electronic device which permits to monitor them with satellite tracking. By implementing this, the Customs Administration is able to monitor the transit shipments throughout the national territory, 24 hours/365 days, thus achieving full presence in the whole transit shipment chain.

Background

In Uruguay, an average of 70,000 Customs operations are registered per year under the “transit shipment” regime. This number has been growing due to an increase in in-bound cargo especially ocean shipments destined for the region. Such a volume of operations, in which the goods shipped are worth millions, lacked effective and efficient controls.

Within this framework and according to the Customs Surveillance strategy that aims at optimizing controls, the “Uruguay Safe Transit” Project was developed. This project is aligned with the objective of the Customs Administration of becoming an active part of the transformation of the country into a Logistic Hub. “From Uruguay to the region, and from the region to the world.”

Description

The device is fitted in each vehicle, so that it protects the shipment and allows the use of satellite tracking. The electronic seals transmit signals to the Monitoring Centre at the Uruguay National Customs Directorate, where officials control that the established route is respected and that there are no excessive delays.

Prior to the implementation of the initiative, the Uruguay National Customs Directorate had to take some decisions that were crucial, at the economic, regulatory and technological level. Freight forwarders, Shipping Agents, Customs Brokers, Chamber of International Road Transport, and International and National Truck Drivers Unions, participated actively in reaching a consensus before the initiative was implemented, in order to ensure its success.

With these regulations, documents and technology, on December 19th, 2011, the implementation process of the electronic seals started, which was developed gradually, incorporating the different origin and destination points of transit shipments to the requirement of electronic seal.

Features

- **Mandatory universalization of the service**, the reason why 100% of the transit shipments are required to use electronic seal.
- Creation of the **Monitoring Centre**, a specialized unit that is in charge of carrying out the monitoring of the transit shipments with electronic seals.
- At the Monitoring Centre, transit shipments are **tracked throughout the national territory 24 hours/365 days**, which permits to achieve **full presence** in all the transit shipment chain.
- The Monitoring Centre is also in charge of the response coordination for the cases of incidents, audits and transit shipments analysis. In the case of deviations or any other type of incident in which there is presumption of any illicit action, alerts will be sent to the Regional Surveillance Centres that carry out their duties in strategic points of the territory.
- Creation of the 5 Regional Surveillance Centres, located in strategic points of the territory, in order to respond to any incident that is detected at the Monitoring Center.
- The **electronic seal service** can only be **provided by companies whose systems have been homologated by the Uruguay National Customs Directorate**.
- This technology has made it possible to control the following: goods entering or leaving Customs areas; vehicles parked in rest areas; stopped outside their established route, or delayed due to any other circumstance; alerts due to unauthorized departures from Customs areas; and any breach of an electronic seal.
- **Automated Processes:** The use of this technology has also allowed the use of automated processes in the operations (automated arrival) without the need of having Customs officials, who can be relocated by the Human Resources Department to other critical areas that require controls.
- **Facilitations for the operations and improvement in logistics:** The electronic seal has allowed the incorporation of operations such as “Consolidated Shipments Transport” and “Consolidated Transit”, highly required by the main local logistic operators, involved in foreign trade.

Benefit

In addition to the guarantees that this technology offers, the Customs Directorate offers the following benefits to the operators:

- Permission for carrying out transit shipments during the night.
- The establishment of rest areas in which the transporter can stop if necessary (for example to sleep, stock up, etc.)
- Simplified Customs declaration process and elimination of paper forms.
- Thanks to the use of this technology, a decrease in the insurance premiums has been achieved. So far, we have had a 100% security rate in protection against theft.

Conclusions

The electronic seal changed the way of thinking within the foreign trade community. The use of electronic seals involves a cost for the companies for each transit shipment, but the operators have also started perceiving it as an investment that differentiates our country from the others

when it comes to selling services to their customers abroad. Its added cost has been estimated by companies in the sector as insignificant compared with the value of the goods transported.

Source: The Customs Administration of Uruguay, October 2019

II. Europe (EUR)



The WCO EUR region has 53² Members, including the European Union that has akin to WCO Membership status. The number of LLDCs in the EUR region is nine (Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Moldova, North Macedonia, Tajikistan, Turkmenistan and Uzbekistan). Andorra, Austria, Belarus, the Czech Republic, Hungary, Kosovo, Luxembourg, Serbia, Slovakia and Switzerland are also landlocked countries, but they do not fall in the category of LLDCs.

The regional economic integration entities in the WCO EUR region are as follows:

Organisation	Members
Eurasian Economic Union (www.eaeunion.org)	Armenia, Belarus, Kazakhstan, Kyrgyzstan and the Russian Federation
European Free Trade Association – EFTA (www.efta.int)	Iceland, Liechtenstein, Norway and Switzerland
European Union (www.europa.eu)	Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom

² Albania, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, European Union (akin to membership status), Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Kazakhstan, Kyrgyzstan, Kosovo, Latvia, Lithuania, Luxembourg, Malta, Moldova, Montenegro, Netherlands, Norway, North Macedonia, Poland, Portugal, Romania, Russian Federation, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tajikistan, Turkey, Turkmenistan, Ukraine, United Kingdom and Uzbekistan

Other relevant regional agreements and initiatives are the Central Asia Regional Economic Cooperation Program (CAREC) and the Central European Free Trade Agreement (CEFTA).

The WCO EUR region features regional transit systems operating in the Eurasian Economic Union, in the European Union (Union transit) and in the Contracting Parties to the Convention on a Common Transit Procedure (common transit). The common transit procedure is used for the movement of goods between the EU Member States, the EFTA countries (Iceland, Norway, Liechtenstein and Switzerland), Turkey (since 1 December 2012), the Republic of North Macedonia (since 1 July 2015) and Serbia (since 1 February 2016).

Out of the 76 Contracting Parties to the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975), 51 (including the European Union) are Members of the WCO EUR region.

1. European Union (EU)

The EU best practices in the area of Transit

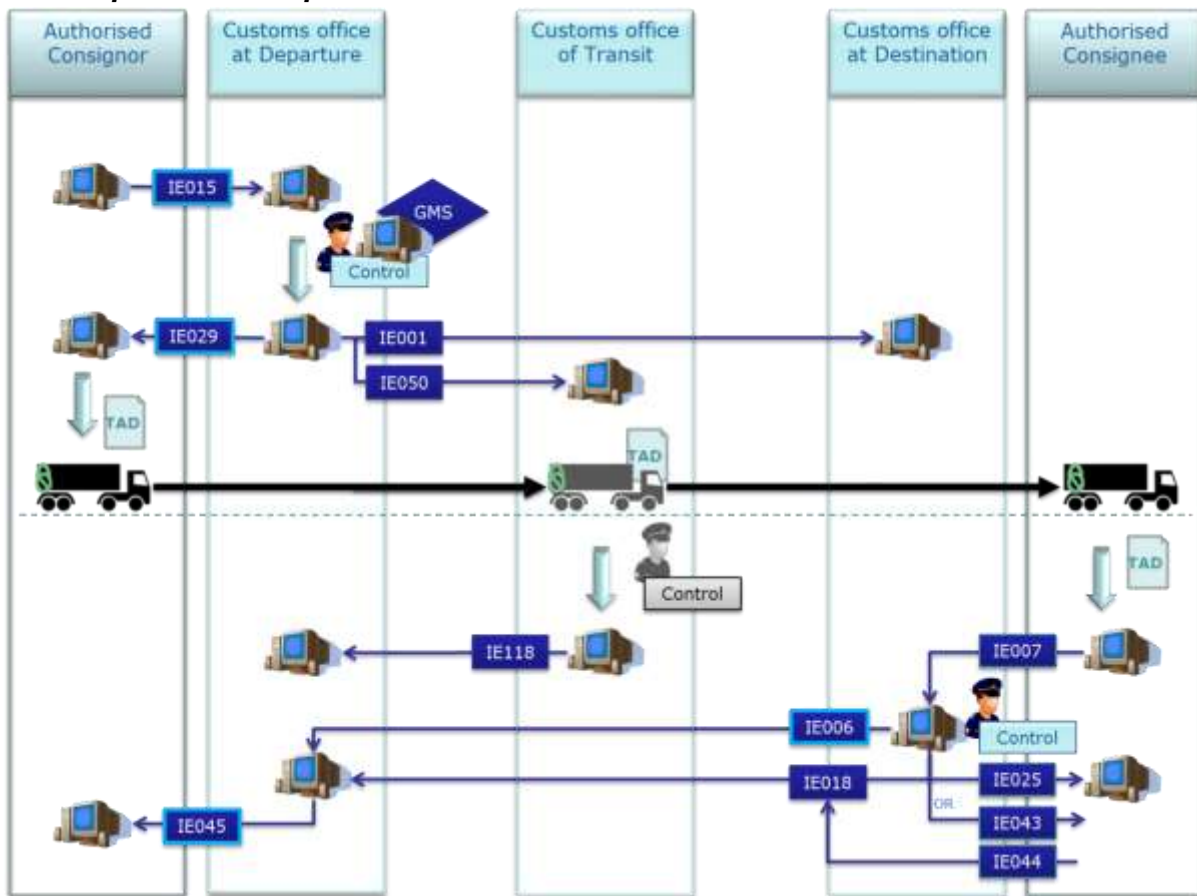


Simplifications to the Union and common transit procedure in the EU and in the common transit countries.

A number of simplifications to the Union and common transit procedure may be authorised under certain conditions and mainly depending on the level of experience and reliability of the trader. These include the following:

- the status of an authorised consignor,
- the status of an authorised consignee and
- the use of seals of a special type.

The simplified transit procedure – how does it work?



The messages in NCTS are named as follows:

- IE001 Anticipated Arrival Record
- IE006 Arrival Advice
- IE007 Arrival notification

IE015	Declaration Data
IE018	Control Results
IE025	Goods Release Notification
IE029	Release into transit
IE043	Unloading Permission
IE044	Unloading Remarks
IE045	Write-off Notification
IE050	Anticipated Transit Record
IE118	Notification of Crossing Frontier

The Union transit procedure and the common transit procedure (standard and with simplifications) are covered by the New Computerised Transit System (NCTS), the use of which is mandatory.

At departure, the simplification '**authorised consignor**' is often combined with the authorisation to use a '**seal of a special type**' and with a **comprehensive guarantee**.

The principle is that the goods are no longer presented at the Customs office of departure. Instead, the authorised consignor lodges his declaration in NCTS by means of the message IE015. Upon receipt of the message, the Customs office knows that the trader is an authorised consignor. The Customs office will have an agreed timeslot, in general 15-30 minutes, prior to which he has to decide to select the consignment for control or not before the consignment can be released for transit. Subsequently, the authorised consignor will print the Transit Accompanying Document (TAD). And, if combined with the authorisation to use a seal of a special type, the trader will seal himself the consignment.

These simplifications concern the departure and do therefore not lead to a different treatment compared to the standard transit procedure *en-route* at the Customs offices of transit or at the Customs office of destination.

However, for the formalities at destination, the simplification '**authorised consignee**' can be used. It functions in a similar way as the 'authorised consignor' at departure.

The goods are not physically presented to the Customs office of destination. The consignee informs the Customs office of destination that the goods have arrived at his premises by means of the NCTS message IE007. The Customs office at destination will know that the message comes from an authorised consignee. The Customs office will then inform the Customs office of departure that the movement has arrived (message IE006) and decide within an agreed timeslot, in general 15-30 minutes, whether the consignment is selected for control or not. If not selected for control, Customs sends the unloading permission (IE043). The authorised consignee will control the goods himself and send the unloading remarks (IE044) to the Customs office of destination. The control results message IE018 is sent by the Customs office of destination to the Customs office of departure and the transit procedure may be discharged.

During a transit operation, a number of additional messages listed on the sketch above are exchanged between Customs and traders.

Authorisations to use simplified procedures

In order to be entitled to use one or more of the above simplifications, the trader has to apply for the relevant authorisation to the competent Customs authority. Authorisations for the authorised consignor and the use of seals of a special type are only valid for transit operations beginning in a Member State of the EU or in a common transit country where the authorisation is granted. Authorisations for authorised consignee are only valid for transit operations ending in a Member State of the EU or in a common transit country where the authorisation is granted. Authorisations will, however, be granted only if the Customs authority considers that it will be able to supervise the transit procedure and carry out controls without an administrative effort disproportionate to the requirements of the person concerned.

The use of simplifications is built on a trust-based relationship, with the level of reliability being the most decisive factor. If the trader does not fulfil its obligations or breaches the conditions, he breaks the trust-based relationship and may lose the authorisation and related advantages.

The general conditions for the transit procedure related simplifications are: being established in the EU or in a common transit country, regularly using the transit procedure, having not committed any serious or repeated offences against Customs or tax legislation, keeping records to allow an effective control and being professionally qualified to perform Customs related tasks.

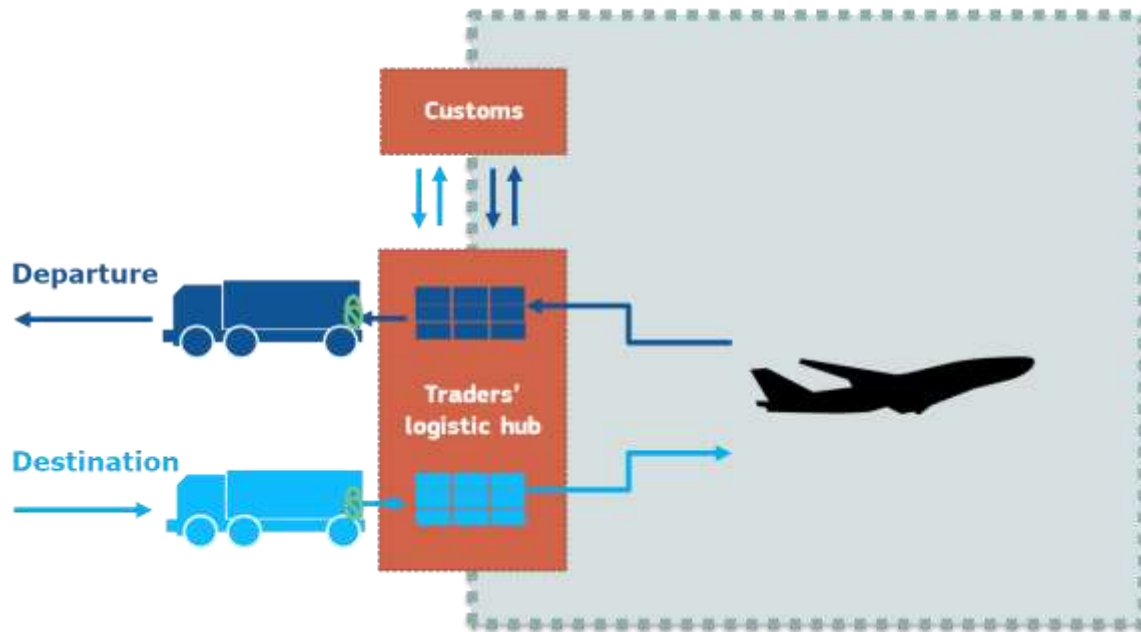
In the case of the authorised consignor, the application has to be submitted to the competent authority in the country where the Union/common transit operation is due to begin and, in the case of the authorised consignee, to the competent authority in the country where the Union/common transit operation is due to be ended. In addition, the authorised consignor must hold an authorisation to use a comprehensive guarantee, with or without a reduced amount or a guarantee waiver. The trader must also use data-processing technique to communicate with the Customs authorities.

In the case of the use of seals of a special type, the application has to be submitted either to the Customs authority competent for the place where his main accounts for Customs purposes are held or are accessible, and where at least part of the activities covered by the authorisation are to be carried out, or alternatively to the Customs authority competent to take a decision in a Member State or in a common transit country where the transit operations of the authorised consignor are due to begin. The special types of seals have to comply with the specific security features and technical characteristics. The main concerns hereby are that they cannot be tampered with without being unnoticed. The seals must be unequivocally identifiable.

Case story

The following case story illustrates an example on how the above-described simplifications may be applied in the field.

The starting point is an enclosed area where no goods enter or leave the area unnoticed, for example an airport. Linked to this area, there is the logistic hub of the trader and the Customs office.



Scenario 1: Departure

A plane lands, completes its entry obligations which bring the goods in temporary storage and unloads the goods.

Instead of releasing the goods for free circulation, the trader – an authorised consignor authorised also to use seals of a special type and holding a comprehensive guarantee or a guarantee waiver - decides that the consignment should be further transported inland by truck under the transit procedure.

He loads the goods, seals the truck himself, lodges his transit declaration with Customs.

Customs receives the notification and decides within the time agreed with the authorised consignor (e.g. 15 minutes) whether it will control the goods or not.

When all is fine, the trader prints the TAD and the goods can be moved.

Scenario 2: Destination

In the case of the authorised consignee, the truck arrives at the logistic hub.

The trader notifies Customs about the arrival.

Customs receives the notification and decides within the time agreed with the authorised consignee (e.g. 15 minutes) whether it will control the goods or not.

When receiving the unloading permission, the trader may open the seal and start unloading. The trader sends Customs the unloading remarks. When the unloading remarks are fine, the Customs office of destination will send a positive control result message to the Customs office of

departure and the transit operation may be discharged on the basis of control results sent to the Customs office of departure.

Customs seals and other security measures for Union and common transit procedures.

The identification of goods transported under the transit procedure is very important. In general, identification of these goods is ensured by means of Customs seals.

However, the Customs office of departure can waive the requirement for sealing when the description of goods in the declaration data or in the supplementary documents is sufficiently precise to permit easy identification of the goods and states their quality and nature and special features, e.g. by giving engine and chassis number where cars are transported under the transit procedure or serial numbers of the goods.

If the identity of the consignment cannot be ensured by sealing or by the precise description of the goods, the Customs office of departure shall refuse to allow the goods to be placed under the transit procedure.

As an exemption, no seals are required unless the Customs office of departure decides otherwise where:

1. the goods are carried by air, and either labels are affixed to each consignment bearing the number of the accompanying airway bill, or the consignment constitutes a load unit on which the number of the accompanying airway bill is indicated;
2. the goods are carried by rail, and identification measures are applied by the railway companies.

In the case that goods which are not subject to the transit procedure are being carried together with goods under the transit procedure on the same means of transport or in the container, sealing of the load compartment or the space containing the goods will normally not be done where the identification of the goods is ensured by sealing of the individual packages or by a sufficiently precise description of the goods. The goods must be clearly separated and labelled clearly in order to easily identify which goods are carried under transit and which are not.

Methods of sealing

There are two methods of sealing:

1. the space containing the goods, where the means of transport or the container has been recognised by the Customs office of departure as suitable for sealing;
2. each individual package, in other cases.

The Customs office of departure regards the means of transport as suitable for sealing where:

- seals can be simply and effectively affixed to the means of transport or the container;
- the means of transport or the container contains no concealed spaces where goods may be hidden;
- the spaces reserved for the goods are readily accessible for inspection by the Customs authority.

Note: the means of transport or the containers are regarded as suitable for sealing where they are approved for the carriage of goods under Customs seals in accordance with an international agreement to which the Contracting Parties acceded. For example: the Customs Convention of 14 December 1975 on the international transport of goods under cover of TIR carnets.

Characteristics of seals

All seals used as a means of identification have to comply with specified characteristics and technical specifications.

Seals shall have the following essential characteristics:

- remain intact and securely fastened in normal use;
- be easy checkable and recognisable;
- be so manufactured that any breakage, tampering or removal leaves traces visible to the naked eye;
- be designed for single use, or if intended for multiple use, be so designed that they can be given a clear, individual identification mark each time they are re-used;
- bear an individual seal identifiers which are permanent, readily legible and uniquely numbered.

In addition, seals shall comply with the following technical requirements:

- the form and dimensions of the seals may vary depending on the sealing method used, but the dimensions must be such as to ensure that identification marks are easy to read;
- the identification marks of seals must be impossible to falsify and difficult to reproduce;
- the material used must be resistant to accidental breakage and such as to prevent undetectable falsification or re-use.

The seals shall be deemed to fulfil the above requirements, where they have been certified by the competent body in accordance with ISO International Standard No 17712:2013 'Freight containers – Mechanical Seals'.

For containerised transports, seals with high-security features shall be used to the widest possible extent.

The Customs seal should bear the following indication:

- the word 'Customs' in one of the official languages of the Union or of the common transit country or a corresponding abbreviation;
- a country code, in the form of the ISO-alpha-2 country code, identifying the country in which the seal is affixed.

In addition, the Contracting Parties may, in agreement with each other decide to use common security features and technology.

Each country shall notify its Customs seal types in use to the Commission. The Commission shall make this information available to all countries.

Customs convoys and escorts

Customs convoys and escorts are not used in the EU. Other tools, e.g. NCTS, are used for ensuring Customs supervision. Customs convoys and escorts are very resource consuming and administratively challenging to apply in a Customs Union that relies on a number of Customs Administrations.

Source: The European Commission, February 2019

Note: Information about different aspects of the Customs transit in the EU has been published also in the WCO Transit Handbook and WCO Transit Guidelines.
Information on NCTS is available in the Transit Handbook, Section IV. Effective information sharing, sub-section 5. Members' Practices and in the Transit Guidelines, Section 2. ICT and efficient information management.
Information on comprehensive guarantees in the EU is available in the Transit Handbook, Section V. Guarantee system, sub-section 3. Members' Practices.
Information on simplified procedures for authorised consignors and consignees – EU is available in the Transit Handbook, Section VII. Risk Management, sub-section 4. Members' Practices.

2. Bulgaria



The Customs Administration of the Republic of Bulgaria has introduced since 2003 the requirement for compulsory completion of the Harmonized System (HS) code in Customs declarations for placing of goods under the EU/common transit procedure in all Customs offices of departure, located on the territory of the Republic of Bulgaria, in order to improve the quality of the risk analysis at the movement of goods under external transit procedure as well as to increase the efficiency in identifying such goods.

It is expected that in 2023 the indication of the HS code in Customs declarations will become mandatory under the European Union Customs legislation. However, the issue is still currently under consideration.

Source: The Customs Administration of Bulgaria, January 2019

3. France



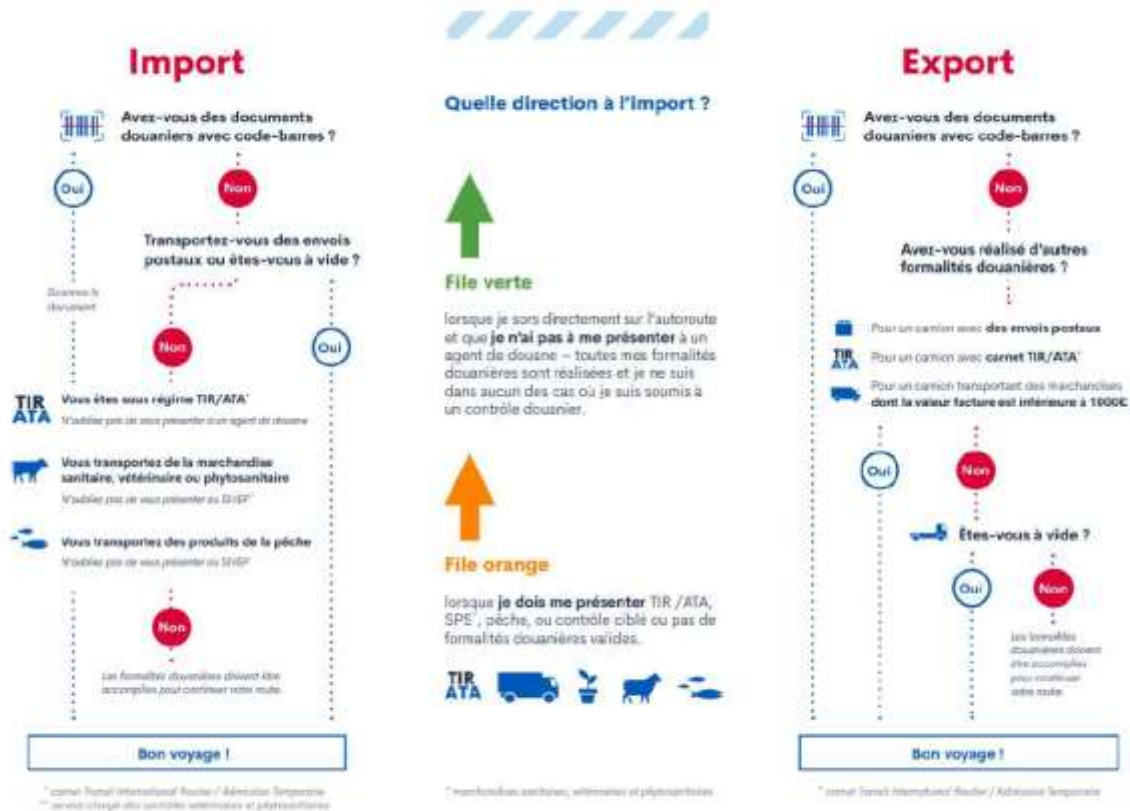
Establishment of a Smart Border between France and the United Kingdom

The hypothesis of a hard exit of the United Kingdom from the European Union ("Hard Brexit") has prompted French Customs to establish a Smart Border at the points of entry at Port / Rail Hauts de France, Normandy and Brittany.

For example, almost 6,000 heavy goods vehicles a day use the Calais and Dunkerque entry points to enter from the United Kingdom or Ireland. While free movement has hitherto applied, in essence, to the goods carried by these transport units on ferries or through the Eurotunnel by train, they will henceforth have to be presented to Customs on arrival at the border of the European Union.

In order to avoid massive congestion at the ports of Calais and Dunkirk and at the Eurotunnel site, none of which is suitable for goods storage, the French Customs Administration has established the following mechanism based on principles promoted by the World Customs Organization:

- **A common legal framework:** In cooperation with the EU negotiators, France has encouraged and supported the United Kingdom in its accession to the Convention on a Common Transit Procedure so that both sides can benefit from its legal and technical advantages (NCTS).
- **Development of Customs ICT:** Development of an innovative *ad hoc* software program (Brexit IT system) to speed up border crossings of transport units by means of early filtering into separate logistical channels, depending on the Customs status of the transported goods (cf. *Focus* below).
- **The acceleration of border crossing time:** Creation of a dedicated lane for goods that have already been placed under the common transit regime on entering the Customs territory of the European Union.
- **Co-ordinated border management:** Conclusion of cooperation agreements between the various administrative bodies responsible for applying the Customs, tax, veterinary and passport-control rules so as to ensure rapid processing of transport units on a one-stop basis.
- **Information transparency and accessibility:** Awareness-raising campaign for economic operators, designed to explain in simple terms the changes caused by the re-introduction of Customs formalities between the United Kingdom and the European Union.

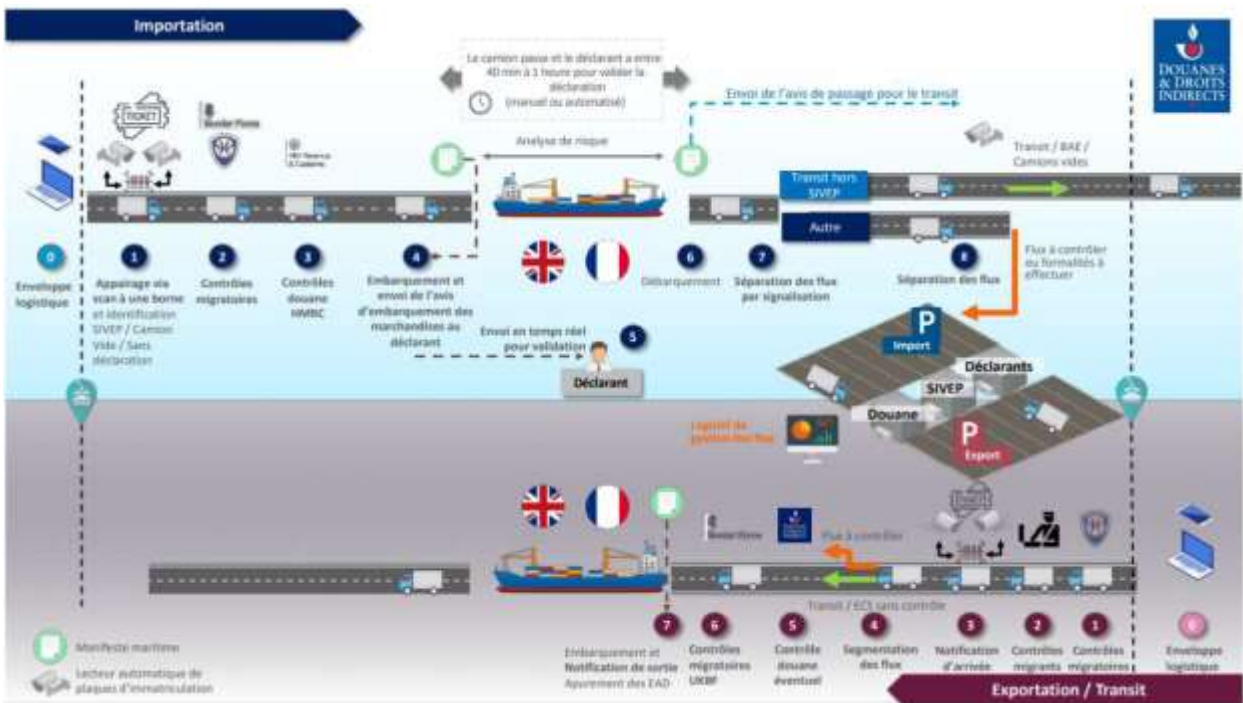
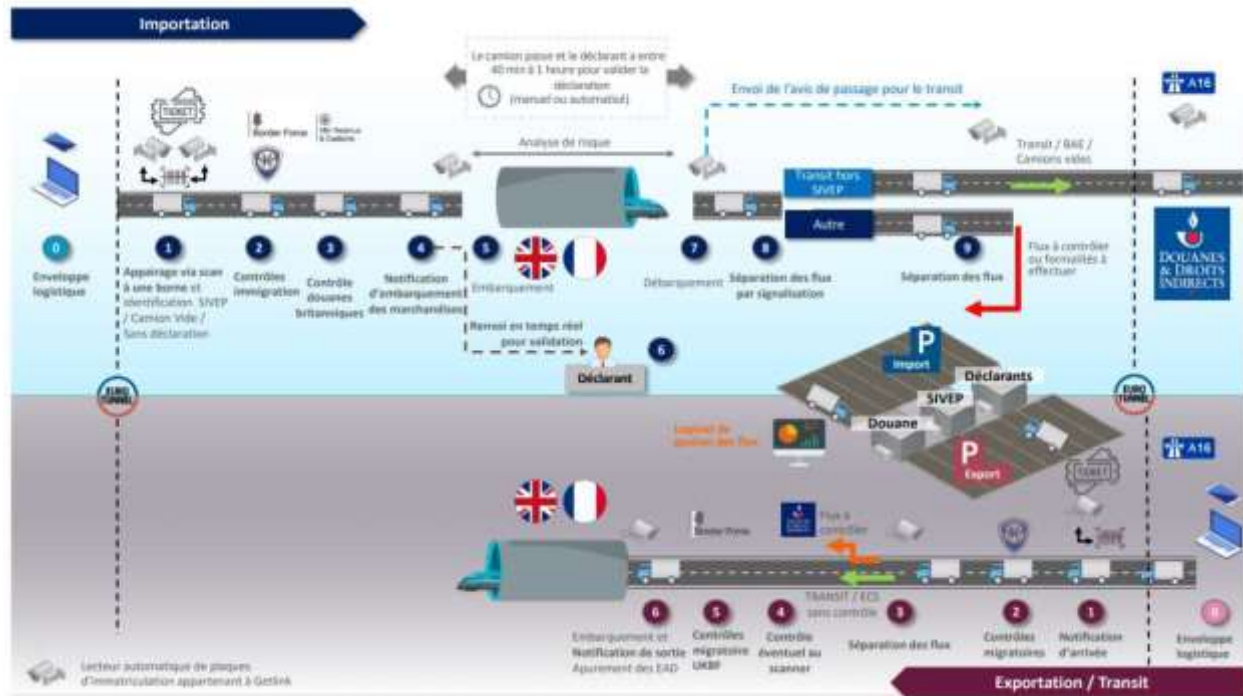


Focus on the new Brexit IS software

What is innovative about the Brexit IS software is that it can link the identification of means of transport, particularly via the registration plates of both the tractor and trailer, with Customs transit declarations (Movement Reference Number from the NCTS application) or Customs clearance declarations (Delta G app) that contain a reference to these means of transport and can transfer this information to the various logistics and customs actors through the relevant port / railway platforms.

During the Channel crossing, the Brexit IS is able, on the basis of the Customs status of the declarations (collection voucher validated, under Customs control, guarantee invalid, rectified, etc.), to indicate to both Customs authorities and drivers, by means of a streaming system, whether the means of transport can continue its journey immediately on arrival in France or whether it has to make a logistical pit stop for Customs control or for the completion of a formality.

This solution, which combines pre-arrival Customs processing, new technology and real-time streaming of means of transport serves to strike a fair balance between the regulation of third-country goods arriving from the United Kingdom (or from the European Union) and the need to maintain the logistical fluidity of this new external border of the European Union.



Source: The Customs Administration of France, September 2019
(<https://www.douane.gouv.fr/fiche/la-frontiere-intelligente>)

4. Italy



Goods in transit cross borders many times, therefore speedy and efficient Customs formalities constitute an indispensable element of freedom of transit. Complicated, non-transparent, burdensome procedures cause unnecessary delays, raise transportation costs and create ground for corruption. If a transit operation is interrupted at the borders it causes considerable economic losses for the operators. One of the specific objectives of the Customs administrations is to significantly simplify and streamline border-crossing Customs transit procedures with the aim of reducing delays.

Customs administrations should therefore focus their efforts on ensuring the clarity, transparency and predictability of transit formalities.

Simplifications of formalities for transit can be considered from two different points of views:

- simplifications based on the mode/means of transport (air, rail and vessel)

In the context of these simplifications, transport documents are used instead of the transit declaration.

- simplifications regarding economic operator .

These simplifications imply that authorized consignors and consignees act on behalf of the Customs office of departure and destination.

The authorized consignors are allowed to place goods under transit procedure directly at their own premises. NCTS permits them to create the transit declaration in their own computer system and exchange electronically messages with the Customs office of departure, such as notification of the release of the goods.

The authorized consignees are allowed to receive the goods and the accompanying document directly at their own premises. The New Computerised Transit System (NCTS) ensures an electronic exchange of information between the Customs authorities and the company, such as the permission to unload goods and the notification of the unloading results to Customs office of destination.

Source: The Customs Administration of Italy, January 2019

5. Kyrgyz Republic

Information on Transit Practices in the Kyrgyz Republic



In accordance with the Agreement on the Accession of the Kyrgyz Republic to the Agreement of the Eurasian Economic Union (EAEU), the implementation of the Transit Control System has been launched in the framework of the Union.

Activities within the framework of control over the transportation of goods in accordance with the Customs procedures of Customs transit are conducted in accordance with the law of the EAEU and national legislation. Since 12 February 2016 Customs operations in respect of goods and vehicles imported by road to the Customs territory of the EAEU in the Kyrgyz Republic are carried out only after preliminary information has been submitted on goods imported by road.

Interested parties, not earlier than 30 days and not later than two hours before goods and vehicles of international transport enter the territory of the Kyrgyz Republic, submit preliminary information to the Customs authorities of the Kyrgyz Republic in electronic form using information technologies of electronic submission of information.

Submitting preliminary information to the Customs authorities on goods and vehicles transported across the Customs border of the EAEU by the relevant operators is possible with the use of the Internet through the electronic submission portal (www.eais.Customs.kg/PreInfor), the link to which is posted at the official website of the State Customs Service under the Government of the Kyrgyz Republic (the SCS): www.Customs.kg

A transit declaration has to be registered by Customs officials at the Customs office of departure in accordance with the Customs legislation of the EAEU and the Kyrgyz Republic, including application of information systems and technologies.

The Customs office of departure places goods under the Customs transit procedure after the registering of a transit declaration and presenting the goods to the Customs office of departure and immediately after the Customs office of departure is satisfied that the conditions established by the EAEU Customs Code are observed.

When releasing goods placed under the Customs transit procedure, the Customs office of departure sets the time for Customs transit and determines the place of delivery of the goods, which are indicated in the transit declaration.

Registration of the release of goods is carried out by filling in, by a Customs official at the office of departure, of the corresponding box in the transit declaration form, stamping it with a stamp, the form of which is established by the legislation of the EAEU Member States, certified by an imprint of his/her personal number on two copies of the transport document.

Information about the prescribed time limit of the Customs transit operation and the place of delivery is also indicated in the information system of the Customs authority of departure with the use of information technologies. The Customs authorities of the Republic of Belarus, the Republic of Kazakhstan, the Russian Federation and the Republic of Armenia, as well as the Customs authorities of the Kyrgyz Republic exchange electronic information for the purpose of monitoring transit goods. The Customs authorities of the EAEU Member States perform Customs operations related to the filling, registration of a transit declaration, release of goods and completion of the Customs transit operation, carrying out of control over the transportation of goods under the Customs transit procedure, carrying out the registration, issuance, acceptance and redemption of certificates.

The following information is subject to exchange when controlling the transportation of goods under the Customs transit procedure:

- a) electronic messages on the placing of goods under Customs transit procedure;
- b) electronic messages on the completion of the Customs transit operations;
- c) corrected electronic notifications and electronic confirmations;
- d) electronic messages on the extension of the Customs transit period;
- e) electronic messages on the invalidity of previously sent electronic notifications, etc.

Electronic notifications and electronic confirmations are sent to the Customs offices of destination and to the Customs offices of departure, respectively. Electronic notifications and electronic confirmations of goods transported between Kazakhstan, Belarus, Armenian and Kyrgyz Customs authorities, generated by the Customs transit control systems of these States, are automatically transmitted to the Customs transit control system of the Russian Federation.

In accordance with the Law of the Kyrgyz Republic of 22 November 2016 No. 183, the Kyrgyz Republic ratified the Protocol on Amendments to the Marrakesh Agreement Establishing the World Trade Organization, adopted on 27 November 2014 in Geneva.

As it is known, after ratification by two thirds of the member states, the Bali Trade Facilitation Agreement entered into force on 22 February 2017. Starting from this date, WTO Members need to proceed to the implementation of the standards provided by TFA.

The TFA foresees simplifying Customs operations and procedures, speeding up the movement, release and Customs clearance of goods, including transit goods, and assisting developing and least developed countries to enhance their potential to further implement the Agreement and facilitate access to world markets.

Currently the Kyrgyz Republic is working actively on the implementation of the stipulated standards.

Thus, pursuant to the Agreement, a Trade Facilitation Council was established, the composition of which was approved by Governmental Decree No. 639 of 25 September 2017 and a "Plan for the Implementation of the WTO Agreement on trade facilitation and other trade and transport

facilitation measures for 2018-2022” (hereinafter the “Plan”) was developed by an interdepartmental working group with the participation of competent representatives of the SCS, experts from international organizations, donors and other representatives of relevant ministries and government agencies in the Kyrgyz Republic.

The TFA aims, in particular, to maximize the simplification and harmonization of Customs procedures. One of the goals is to accelerate the movement of goods across borders, as well as to increase the transparency and predictability of trade and business operations.

One of the key elements of the Agreement is the simplification of transit procedures. The TFA contains a separate article on “Freedom of Transit”, the implementation of which will significantly affect the development of the transit potential of the Kyrgyz Republic. The following measures are envisaged for the purpose of implementing the Freedom of Transit article:

- carry out an analysis of transit procedures, including changes in the place of delivery and route during transit, and, if necessary, draft amendments to the Customs legislation;
- carry out an analysis of data and documents submitted for transit when imported into the territory of the Kyrgyz Republic, identify and solve problems of a long cargo delay at the border. Transit monitoring by foreign carriers on the territory of the Kyrgyz Republic;
- carry out an analysis of international law and practice on applicable safeguards, comprehensive guarantees, identify problems in the administration of the guarantee system and appropriate solutions;
- develop and implement procedures for accepting guarantees in electronic format;
- develop and implement an insurance and assurance mechanism as a security measure for transit;
- develop and approve the Regulation on the National Transit Coordinator;
- develop a list / registry of bona fide export and import companies to simplify procedures;
- publish relevant information on the Website;
- conduct an information campaign on the main Customs procedures (export, import, transit, temporary import and free storage);
- develop and sign an Agreement on the exchange of advanced information and other information that ensures the acceleration of trade procedures between the SCS and other authorized state bodies;
- optimize and automate the business processes of applying the Risk Management System (RMS) on Customs procedures for export, import, transit and ensure the exchange of data and information flow on risks within the Customs, including the law enforcement unit with the RMS units, between Customs and other government agencies, Customs authorities of other countries, etc.

Implementation of the above activities in the Kyrgyz Republic is scheduled for 2019-2020.

One of the mandatory requirements of the TFA is to conduct a “Time Release Study” (TRS).

In order to implement this requirement, the SCS, with the support of the International Finance Corporation (IFC), a member of the World Bank Group and the “Simplification of Trade Procedures in Central Asia” program of the German International Centre (GIZ), conducted a

study of the release time at the following checkpoints: Torugart, Dostuk, Kyzyl-Bel and the Customs clearance places of “Businessstransservice”, “Kyrgyzmebel”, “Bimi Osh Service”. The field survey was conducted from 14 to 28 March 2018.

All control authorities at checkpoints took part in conducting the TRS. This study will allow participants to examine each of their own processes throughout the entire chain of cargo passage at the border and determine the time spent by regulatory agencies to improve existing procedures.

In accordance with the Plan’s activities, it is planned to introduce a risk management system at checkpoints, including during transit by the end of 2019, with full transition to electronic declaration by the end of 2020.

Source: The Customs Administration of the Kyrgyz Republic, February 2019

<p>Note: Information on the Customs transit procedure in the Eurasian Economic Union (EEU) is also available in the Transit Guidelines, Section 1. Legal framework.</p>
--

6. Moldova



On the territory of the Republic of Moldova two types of transit procedures are applied:

- transit declaration T1 (national transit);
- TIR carnet (international transit).

According to the Customs Service Order no. 310-O of 04 August 2017 "regarding the approval of the Methodological Norms on the application of the transit system on the territory of the Republic of Moldova", the transit declaration T1 is submitted only in electronic format. At the request of the economic operator addressed to the responsible Customs officer, the T1 transit declaration on paper shall be issued with the signature, date and stamp applied.

Source: The Customs Administration of Moldova, February 2019

7. Montenegro

Customs transit procedure in Montenegro



Legal framework

The transit procedure in Montenegro is based on the Customs Law, Decree on implementation of the Customs Law and Rulebook of filling out and submission of Customs declaration and summary declaration.

In Montenegro two transit procedures are recognized: external and internal transit procedure. In the external transit procedure, foreign goods may be transported between two places within the Customs territory, without:

- the payment of import duty;
- the collection of other prescribed fees;
- the implementation of commercial policy measures, which do not prohibit the entry into or exit of goods from the Customs territory.

The transport of goods shall take place:

- In accordance with the TIR Convention, if applicable;
- In accordance with the ATA Convention / Istanbul Conventions, if ATA carnet is used only as a transit document;
- Based on Form 302, in accordance with the North Atlantic Treaty of 19 June 1951;
- Within the framework of postal traffic, in accordance with the acts of the Universal Postal Union, when, according to these acts, the goods are transferred by the holder of rights and obligations or carried to him by another person.

Under the internal transit procedure, domestic goods may be transported without changing their Customs status between two places within the Customs territory with the passage through the territory of another state, under one of the following conditions:

- In the internal transit procedure, if provided for in a confirmed international agreement;
- In accordance with the TIR Convention;
- In accordance with the ATA / Istanbul Conventions, if the ATA carnet is used only as a transit document;
- Based on Form 302 in accordance with the North Atlantic Treaty of 19 June 1951; or
- Within the framework of postal traffic in accordance with the acts of the Universal Postal Union, when, according to these acts, the goods are transferred by the holder of rights and obligations or carried to him by another person.

Transit document

The transit declaration is used to declare goods under transit. The following documents can be lodged with the Customs authority as a transit declaration: TIR Carnets, ATA Carnets and Form 302.

Procedure with regard to the transit declaration

The Customs office of departure receives the transit declaration and enters it in the records. The Customs office of departure shall specify the timeline within which the goods should be presented at the Customs office of destination, and, in a suitable manner, ensure the identity of the goods. If the Customs authority deems it necessary, the office of departure may determine a specific route for the transit of goods. Exceptionally, at the request of the holder of the transit procedure, this route may be changed only by the competent Customs authority. The Customs authority shall insert the corresponding remark in the transit declaration and it shall without delay notify the office of departure. The Customs authority shall take all measures necessary to ensure efficacious prevention of irregularities. In the event of force majeure, the carrier may not follow the specified route. The goods and the transit declaration should be without delay presented to the nearest Customs office. The Customs office shall without delay notify the office of departure about the change and insert the corresponding remark in the transit declaration.

The Customs office of departure shall insert in the transit declaration the corresponding data, retain a copy intended for it and hand over the remaining copies to the holder of the transit procedure or his agent.

Ensuring the identity of the goods

As a rule, the identity of the goods shall be ensured by affixing the Customs seals.

Customs seals shall be affixed:

- to the space containing the goods, if the means of transportation already has the approval on the basis of other regulations, or if it was recognized by the office of departure as being fit for the affixing of seals,
- in exceptional cases, on the individual packages.

The means of transportation which are fit for the affixing of Customs seals are those:

- to which Customs seals may be affixed easily and efficaciously;
- which are made in such a manner that it is not possible to add or take the goods without leaving visible traces of damage or breakage of Customs seals;
- in which there are no hidden spaces in which it would be possible to hide the goods;
- in which the spaces reserved for the goods are readily accessible for Customs control.

The Customs office of departure shall not affix Customs seals where the identity of the goods can be determined on the basis of the description of the goods provided in the transit declaration or in accompanying documents, taking into account other measures for ensuring the identity, if any.

Procedure with the Customs authority of destination

The goods and the transit declaration shall be presented to the office of destination. The office of destination shall, on a copy of the transit declaration, insert the results of verification and without delay submit one copy to the office of departure, while the other copy shall remain with the office of destination. The transit procedure may also be concluded in a Customs office different from the one specified in the transit declaration. In such event, this Customs office shall become the office of destination. If the Customs authority deems it necessary, the competent Customs authority may, at the request of the holder of the transit procedure and upon the consent of the Customs office of departure, change the office of destination. The competent Customs authority shall without delay notify the former office of destination about this change and accordingly insert an official note in the transit declaration.

The timeline for presenting the goods to the office of destination, which is to be specified by the office of departure, shall be binding for other Customs offices en route and they shall not be able to change it. Where goods were presented to the office of destination only after the expiry of the timeline specified by the office of departure, such timeline shall be approved if the office of destination demonstrates that the timeline was exceeded due to the reasons for which neither the carrier nor the holder of the transit procedure was responsible.

Next steps

Within the project "Support to the Customs Administration", the Montenegro Customs Administration has signed three contracts: one contract for aimed at providing support for the accession to the Convention on a Common Transit Procedure and the Convention on Simplification of Formalities in Trade in Goods, the second one for implementation of the New Computerised Transit System - NCTS and the third one for equipment procurement. The contracts are financed by the Instruments of Pre – Accession Assistance (IPA 2014).

The general objective of the Project is to support the process of public administration modernization by implementing Common Transit Procedure while introducing modern architecture and technology in Customs Information System in the same time. Conditions for Montenegro accession to the Convention on a Common Transit and the Convention on Simplification of Formalities in Trade in Goods will be fulfilled by this Project. Within this project, which will last 36 months, Montenegro will meet technical, organizational and personnel preparations for the accession to the conventions, which are important instruments of trade facilitation through establishing common procedures for cross border movement of goods under custom supervision.

Source: The Customs Administration of Montenegro, February 2019

8. North Macedonia

Authorised consignor and authorised consignee



The aim of the authorised consignor and authorised consignee transit simplifications is to find a proper balance between Customs control and the facilitation of trade. National provisions for these types of simplifications are fully aligned with the Convention on a Common Transit Procedure.

These simplifications are dependant on the reliability of the economic operator and they are subject to authorisation.

Upon application the Customs authorities may authorise the status of authorised consignor, allowing the holder of the authorisation to place goods under the common/national transit procedure without presenting them to Customs or the status of authorised consignee, allowing the holder of the authorisation to receive goods moved under the common/national transit procedure at an authorised place to end the procedure.

Conditions for granting authorised consignor or authorised consignee status

The authorisations - the status of authorised consignor and the status of authorised consignee can be issued on condition that the applicant:

- is established in the Customs territory of the Republic of North Macedonia,
- declares that he will regularly use the transit arrangements;
- has not committed any serious infringement or repeated infringement of Customs legislation and taxation rules, including no record of serious criminal offences relating to his economic activity;
- demonstrates a high level of control of his operations and of the flow of goods, by means of a system of managing commercial and, where appropriate, transport records, which allows appropriate Customs controls;
- has the practical standards of competence or professional qualifications directly related to the activity carried out.

The authorisations shall only be granted provided that the Customs authority considers that it will be able to supervise the transit procedure and carry out controls without an administrative effort disproportionate to the requirements of the person concerned.

The applicant who wants to use these types of simplifications should be previously granted with authorisation for electronic communication with Customs administration. The notification of the forthcoming transit operations should be submitted with appropriate electronic messages through the New Computerised Transit System (NCTS), in accordance with the authorisation for electronic communication issued by the Customs Administration. The electronic messages can be submitted via Electronic Data Interchange (EDI) using his own system that is connected with

NCTS or via Direct Trader Input (DTI) using the web application developed by Customs Administration of the Republic of North Macedonia that is available to the traders free of charge.

The status of authorised consignor shall be granted solely to persons authorised to use a comprehensive guarantee for transit procedure or granted a guarantee waiver.

The status of authorised consignee shall be granted solely to persons authorised to use a comprehensive guarantee for temporary storage or for the next Customs procedure or granted a guarantee waiver.

In case of an authorised economic operator for Customs simplifications some of the conditions are deemed to be fulfilled and only part of the conditions should be checked (regular use of the transit arrangements, ability of the custom authority to supervise the transit procedure and authorisation to use a comprehensive guarantee or guarantee waiver).

Authorisation procedure

The status of authorised consignor and the status of authorised consignee are subject to authorisation. The trader should submit an application and provide the competent authorities with all the facts necessary for granting the authorisation, such as particulars of the applicant, place of establishment and all information which enables the competent authorities to decide if the conditions are fulfilled. The applicant is responsible for the accuracy of the information given and the authenticity of the documents supplied.

The application should be submitted to the regional Customs authorities competent for the place where the applicant's main accounts for Customs purposes are held or accessible or where at least part of the activities covered by the authorisation are to be carried out. The regional Customs authorities shall assess whether the conditions are met and they will prepare report with suggestion to accept or to reject the application. The report and complete application should be sent on the central level for taking final decision.

Authorisations shall be issued at central level. The authorisation shall be valid without limitation of time and it can be valid to the whole Customs territory. The authorisation shall take effect from the date on which the applicant receives it, or is deemed to have received it, and shall be enforceable by the Customs authorities from that date.

The Customs authorities shall monitor the conditions to be fulfilled by the holder of the authorisation and compliance with the obligations resulting from that authorisation. Where the holder of the authorisation has been established for less than three years, the Customs authority shall closely monitor that holder during the first year after the authorisation is granted.

The authorisation contains all the information necessary for the correct application of the simplification concerned by the economic operator and the supervision by the competent authorities.

The holder of the authorisation should inform the Customs authorities of any factor arising after the authorisation was granted which may influence its continuation or content.

The Customs authorities shall annul an authorisation if it was granted on the basis of incorrect or incomplete information and the holder knew or ought to have known that this information was incorrect or incomplete (eg. incorrect number of transit operations justifying the use of a simplification, wrong location of the goods).

The authorisation shall be revoked or amended at the request of the holder.

In certain cases the authorisation may also be suspended, instead of annulling, revoking or amending it. The Customs authorities have to set up the period of suspension. Generally, it should correspond to the period of time needed by those authorities to establish whether the conditions for an annulment, revocation or amendment are fulfilled or to the period needed to the holder of the authorisation to ensure fulfilment of the conditions or the compliance with his obligations.

The period of suspension may be further extended at the request of the holder of the authorisation or by decision of the Customs authorities, but that extension shall not exceed 30 days.

Content of the authorisation

The authorisation for the status of authorised consignor or authorised consignee contains the following information:

- type of transport for which the simplification can be used;
- the Customs office or Customs offices of departure that will be responsible for starting of the forthcoming transit operations (authorised consignor) or the Customs office or Customs offices of destination that will be responsible for ending of the transit operations (authorised consignee);
- authorised locations of goods where the goods can be placed in transit procedure (authorised consignor) or where the goods moved under the transit procedure can be received and to end the transit procedure (authorised consignee);
- time period for using the simplification;
- the time-limit in minutes available to the Customs office of departure after the lodging of the transit declaration or to the Customs office of destination after receiving the arrival notification, within which those authorities may carry out any necessary controls before the release and the departure of the goods or before ending of the transit procedure at destination;
- in the case of business continuity procedure how the authorised consignor is to inform the Customs office of departure of transit operations or the authorised consignor to inform Customs office of destination about the arrival of the goods, in order that it may carry out any necessary controls before the departure of the goods or before ending the transit procedure;
- the categories or movements of goods which are excluded from the authorisation (if any);

- the operating and control measures which the authorised consignor or authorised consignee has to comply with;
- any specific conditions related to transit arrangements carried out beyond normal working hours of the Customs office(s) of departure or destination (if applicable).

The authorisation can be used for different type of transport. Usually it is used for road transport, but some authorisations are also valid for rail transport.

The authorised consignor or authorised consignee can use more locations for placing the goods in transit procedure or for ending of the transit procedure. For each location separate code and separate competent Customs office of departure or Customs destination should be specified.

Time-limit available for Customs office of departure or Customs office of destination to take decision for control by default is 30 minutes. For certain locations and/or certain type of goods time-limit is 15 or even 5 minutes. Decision for control is taken by the risk management system. If the risk management system put the declaration on red channel the simplified procedure will be stopped and the Customs office of departure can allow putting the goods in transit procedure or Customs office of destination can allow ending the transit procedure, after Customs control only. Customs office of departure or Customs office of destination can decide to control the goods even if the risk management system doesn't suggest control. After working hours of the Customs office of departure or Customs office of destination, decision for control is taken by the Customs Center on Duty that works at the central level.

For excluding certain categories or movements of goods form the authorisation usually negative list of goods are used. By default sensitive goods like tobacco, cigarettes or alcohol are excluded from the authorisation. If the holder of the procedure operates with limited types of goods in that case the positive list is used that contains only the goods that can be placed in procedure. TIR carnet operations are excluded from the authorisation for the status of authorised consignor.

By default, the authorisation can be used all days of the week, from 08:30 to 20:00. For certain types of goods, e.g. goods placed in transit procedure after finishing the export procedure or receiving the equipment, spare parts and raw materials necessary for the smooth running of the production process, the authorisation can be used 24 hours every day in the week.

Authorised consignor

An authorised consignor is a person authorised by the competent authorities to carry out transit operations without presenting the goods at the Customs office of departure.

The owner of the authorisation is the holder of the procedure. The authorisation can be issued to forwarding companies also and they can put in the procedure the goods of other entities. The owner of the authorisation can include new companies in his authorisation at any time, with obligation to keep records and to inform Customs authorities about the extension not later than 10 days after expiration of the current quarter in which the extension took place and to submit a consolidated text on the list of the companies in which the newly-given companies will be listed.

The goods have to be under the control of the authorised consignor at his premises specified in the authorisation at the moment he launches the declaration.

After the goods are loaded on the truck and the truck is sealed, the authorised consignor is entitled to lodge a transit declaration (IE015 – Declaration data) in the NCTS and enter in the system the following information:

- Customs office of Departure responsible for the forthcoming transit operation;
- Authorised location of goods code where the goods are available for control;
- The number and the individual seal identifiers (if seals were affixed);
- Control results using the code A3;
- Guarantee reference number (GRN) and other guarantee details;
- Prescribed itinerary, if required;
- Timelimit for presentation of the goods at the office of destination.

The authorised consignor shall affix the seals of a special type. Authorisation to use seals of a special type is part of the authorisation for the status of authorised consignor. Details about the Customs office of departure and authorised location of goods code should correspond to the details in authorisation for status of authorised consignor that are registered in the system for management of the economic operators (MEOS). Details about the GRN should correspond to the details registered in the guarantee management system (GMS).

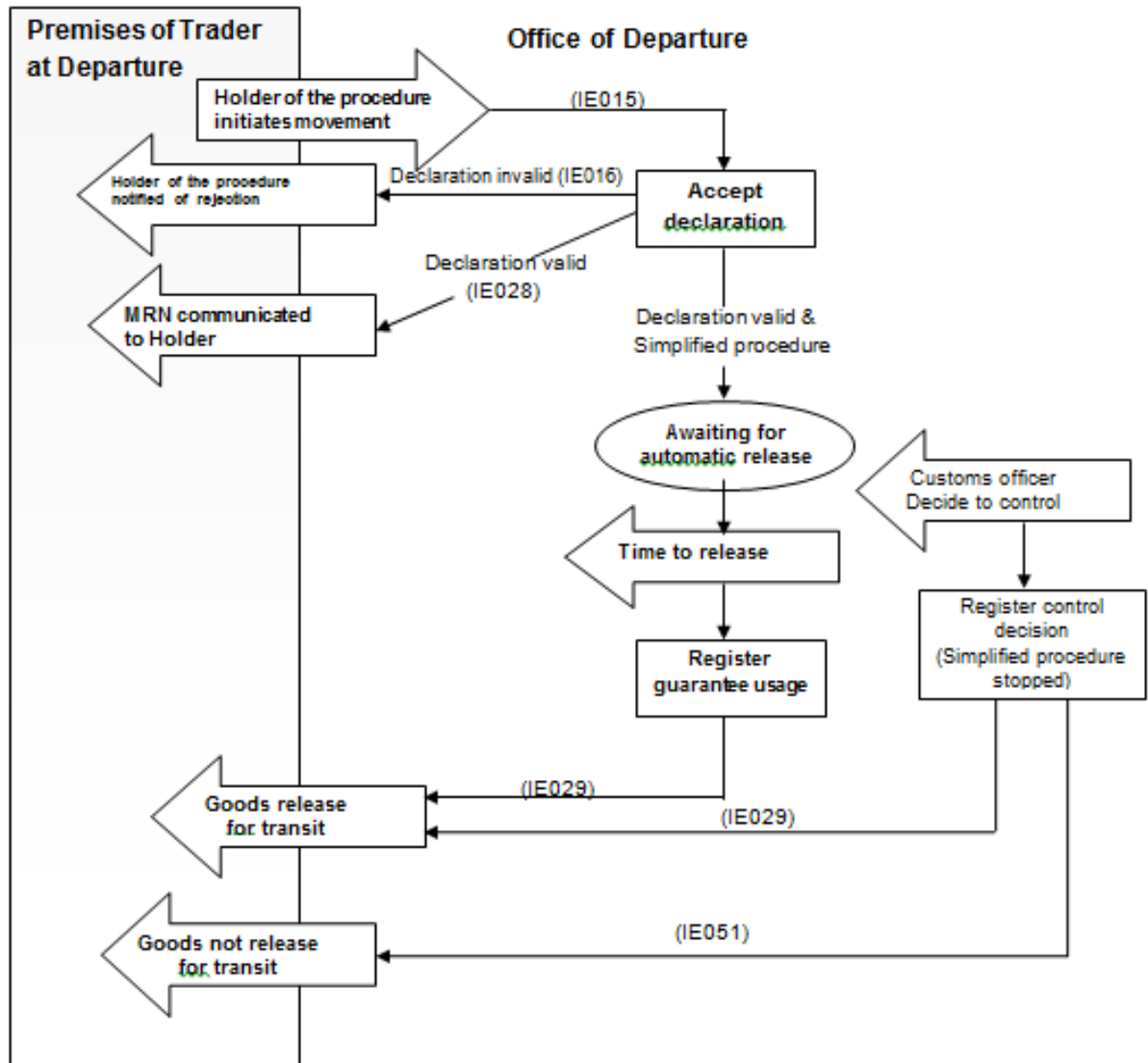
Transit declarations submitted in simplified procedure will be accepted automatically by NCTS and the system will inform the holder of the procedure about the allocated master reference number of the declaration (IE028 – MRN Allocated).

The authorised consignor can put the goods in transit procedure only after receiving the information from the Customs office of departure that the goods can be released for transit (IE029 – Release for transit). NCTS will send message IE029 automatically after expiration of the time limit prescribed in the authorisation (the timer 'Awaiting for automatic release' in NCTS). If the authorised consignor doesn't receive the message IE029 he should consult competent Office of Departure during the working hours or the Customs Center on Duty outside of working hours.

After receiving the message IE029 the authorised consignor has to print the transit accompanying document (TAD) from his own system and to give this document to the carrier. TAD should accompany the goods and should be presented to the office of destination

Paper transit declarations in form of Single Administrative Document (SAD) can be used only in case when it is not possible to submit electronic transit declaration in NCTS. Business continuity procedure should be approved by the Customs Center on Duty.

Process simplified procedure at departure



Authorised consignee

An authorised consignee is a person authorised by the competent authorities to receive goods moved under the common/national transit procedure at his premises, or at any other specified place, without presenting them at the Customs office of destination.

After the goods are presented at the authorised consignee premises and the transit procedure is ended, the authorised consignee has to inform immediately Customs office of destination about the arrival of the goods (IE007 – Arrival Notification) in the NCTS and enter in the system the following information:

- Customs office of Destination responsible for ending of the transit operation;
- Master reference number of the transit declaration;
- Authorised location of goods code where the goods are available for control;
- Trader at destination who is responsible for placing the goods in the next Customs procedure;
- Information about any irregularities or incidents that occurred during transport (transhipments, incidents, changing of the seals, etc.)

Details about the Customs office of destination and authorised location of goods code should correspond to the details in authorisation for status of authorised consignee and that are registered in the system for management of the economic operators (MEOS).

After notification of the office of destination responsible for the arrival of the goods with the message "Arrival notification" (IE007), the authorised consignee has to wait to receive the "Unloading permission" (IE043) message before starting to unload the goods. If the authorised consignee doesn't receive the message IE043 he should consult the competent Office of Destination during the working hours or the Customs Center on Duty outside of working hours.

After receiving the message IE043 the authorised consignee can remove the Customs seals and has to unload and carry out detailed control of the goods on the basis of the data stated in the "Unloading permission" (IE043) message and other documents accompanying the goods.

After the detailed control the authorised consignee has to inform Customs office of destination about the control results with sending the message "Unloading remarks" (IE044), indicating any irregularities at the latest on the third day following the day on which he has received the permission to unload the goods. In case of irregularities indicated in unloading remarks then NCTS notifies the Customs officer that he has to decide to control or not the consignment.

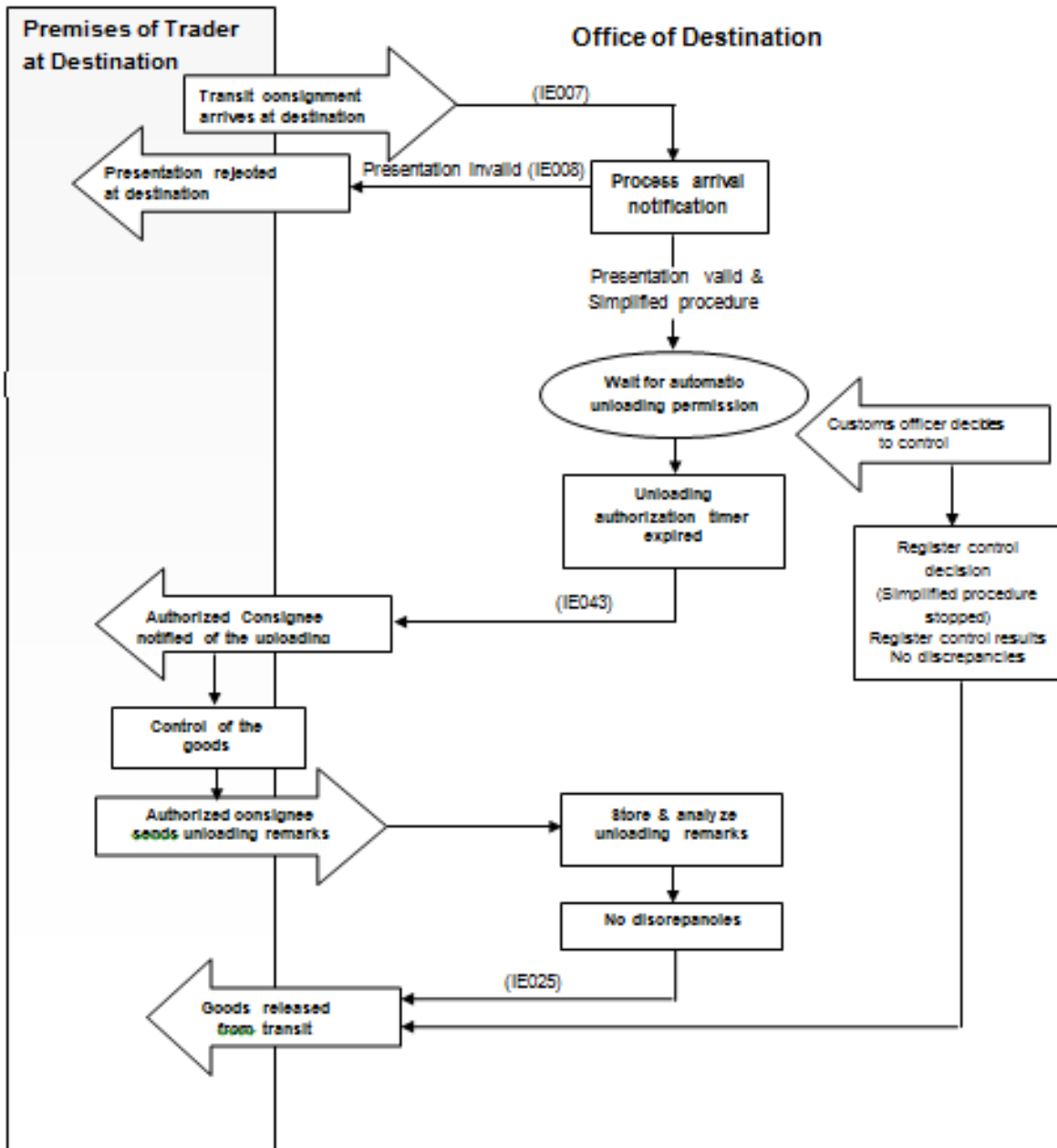
In case that no irregularities were indicated in unloading remarks or the irregularities do not prevent releasing the goods from transit (the Trader can dispose of the goods), NCTS notifies the Trader of that fact sending the message "Goods release notification" (IE025).

At the carrier's request the authorised consignee can issue the receipt (TC11) which certifies that the goods have been presented at the office of destination.

The authorised consignee has to deliver to the office of destination the transit document and any additional documents accompanying the goods no later than the fourth working day following the day on which it was authorised to carry out the unloading of the goods or at the latest the day following the receipt of the message "Goods release notification" (IE025).

After receiving the "Goods release notification" (IE025) message the authorised consignee should place the goods in the next Customs procedure.

Process simplified procedure at destination



Source: The Customs Administration of North Macedonia, February 2019

Note: Information on simplified procedures for authorised consignors and consignee is also available in the WCO Transit Handbook and WCO Transit Guidelines, as follows: the practice of Switzerland – in the Transit Handbook, Section VII. Risk Management, sub-section 4. Members' Practices; EU – Transit Handbook, Section VII. Risk Management, sub-section 4. Members' Practices and Transit Guidelines, Section 7. AEO.

9. Switzerland **Transit System in Switzerland**



“Transito” is a NCTS-based Customs transit initiative, implemented at the (EU-external) border between Switzerland and Germany. The goal of its implementation is, that transit documents will no longer have to be issued at the border, as they will already have been issued before (inland), in order to speed up the transit procedure (and respective clearance times) at the border. When transit documents have already been issued beforehand, truck drivers are now able to use dedicated “transit lanes” and to remain in their vehicles (similar to a “drive-in” desk) while the necessary documentation handling (transit clearance for “import” and “export”) is carried out by both (Swiss and German) Customs services.

The first Transito site (see photos below) has been opened in 2013-2014 at the Swiss/German Border Crossing Point (BCP) Basel/Weil am Rhein-Motorway. Meanwhile, “Transito” has been implemented as well at the BCP of Rheinfelden Motorway. If a truck driver with an already issued and valid (NCTS) transit document approaches the border, he will first perform (EU-) transit “export” clearance with German Customs at the German “Transito” booth, and afterwards he will drive to the Swiss “Transito” booth (approx. 100 m further down the lane), where the Swiss transit “import” procedure takes place. At the same time, the necessary data for the heavy road tax is registered.



In the “old” system, truck drivers had to park their vehicles in all cases, in order to get their transit documents Customs-cleared by Swiss and German Customs in the stationary Customs office called the Transit Import- (respectively the Transit Export-) Building.

Impact of initiatives/practices:

- Reduction of dangerous and economically costly traffic jams on the motorway;
- Faster clearance of transit consignments (clearance time per truck in transit has dropped by 50 %!);
- Less parking space needed for trucks with transit consignments (they no longer need to park);
- Possibility of reallocation of available human resources (because fewer Customs staff are occupied with the issuing of transit documents at the border).



Source: The Customs Administration of Switzerland, updated in October 2019

10. The TIR Convention



Anyone who has ever travelled on European roads will recognize the familiar blue and white TIR plate, borne by thousands of trucks and semi-trailers using the TIR Customs transit system. For the driver, the transport operator and the shipper, this plate stands for fast and efficient international road transport.

The TIR transit system started soon after the Second World War in order to contribute to the facilitation of international transport initially between a small number of European countries. This was, at first, an industry-led scheme in order to reduce the difficulties and delays experienced by transport operators. At the same time, it offered Customs administrations of participating countries an international system of control replacing traditional national procedures, whilst effectively protecting the revenue of each country through which goods were carried.

The success of this limited scheme led to the negotiation of the TIR Convention which was adopted in 1959 by governments and entered into force in 1960. The practical experience, the technical advances and changing Customs and transport requirements and the emergence of new transport techniques, the maritime and inland containers, led to a complete revision in 1975 which aimed at rendering the TIR Convention more efficient, less complex, more secure and adapted to intermodal transport.

Today, the TIR Convention of 1975 has been ratified by 76 countries from all around the world and is currently operational in 62 of the contracting parties, covering a geographical scope from Lisbon to Shang Hai, and from Narvik to Mumbai.



After a strict selection process by national Customs authorities, the TIR Carnet holder is entitled to use a TIR Carnet. This TIR Carnet, representing both the Customs transit declaration and the evidence of an international financial guarantee, is duly completed and stamped by Customs authorities who seal the load compartment at departure, and, thus, ensure the integrity of the load to Customs authorities at all successive border-crossing points, while avoiding time-consuming inspections or bond deposits at each border.

The operation of the TIR guarantee system is straightforward. Every national guaranteeing body - an association or chamber of commerce representing the interests of the transport sector in a particular country - is authorized by the Customs administration of that country to guarantee payment within that country of any duties and taxes which may become due in the event of any irregularity occurring in the course of a TIR transport operation.

The national guaranteeing association, thus, guarantees the payment of duties and taxes of national and foreign carriers for TIR Carnets which have been issued by itself or by a guaranteeing association in another country. All national guaranteeing associations constitute a guarantee chain linking all TIR countries. Today, the only existing and well-functioning guarantee chain is administered by the International Road Transport Union (IRU), a non-governmental organization representing the interests of road transport operators worldwide and authorized by the Contracting Parties to the TIR Convention. The guarantee chain is supported by several large international insurance companies and is supervised by the TIR Executive Board (TIRExB).



The United Nations, as a universal organization, is the depositary of the TIR Convention and provides the framework and the services to administer and, where necessary, adapt the TIR Convention to changing requirements.

Further to the positive results obtained in the various projects and in view of the imminent adoption of the new Annex 11, TIRExB has also greatly contributed toward the improvement and the finalization of the so-called "eTIR International System", the ICT system at the heart of the eTIR system, which will allow Customs administrations to electronically manage the data on the guarantees and electronically exchange TIR related data between the stakeholders involved in TIR transports.

TIR system – computerization in progress

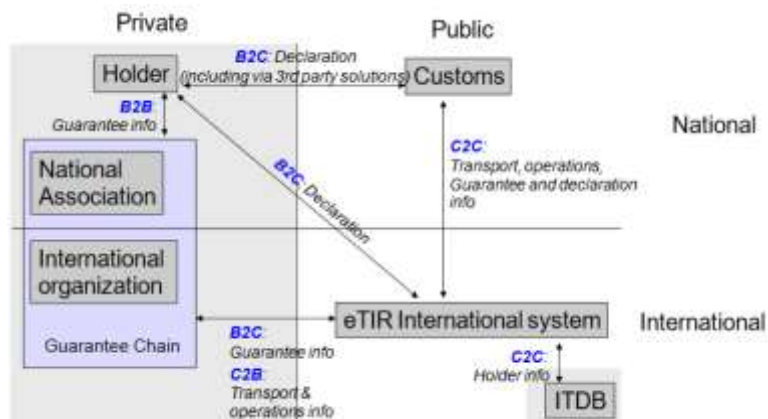
To keep up with the latest developments in the transport sector and in Customs administrations, the TIR system is constantly being updated. The ongoing revision process of the TIR Convention is mainly aimed at leveraging the latest developments in the field of information and communication technology (ITC) to further facilitate international transport while providing additional security for Customs administrations. With that in mind, TIR contracting parties have launched the eTIR project with the aim to fully computerize the TIR procedure.

Over the years, various electronic tools have already been developed to secure the system and improve risk management by all stakeholders. The TIR Executive Board (TIRExB) is also responsible for a number of ICT applications and projects that contribute to the computerization of the TIR Procedure. The International TIR DataBank (ITDB) was fully revamped in 2017 and includes now 3 important modules. The first module allows Customs administration and national associations to manage and consult a secure database containing all natural and legal persons to utilize TIR Carnets.



The second module allows Customs administrations to share information on the Customs sealing devices and Customs stamps they use for transit. The latest module added to the ITDB allows Customs administration to exchange information on the Customs offices which can process TIR Carnets. For the future, TIRExB also plans to develop an additional module to allow competent authorities to electronically manage, register and consult the approval certificates of vehicles used for TIR transports. IRU has also greatly contributed to the computerization effort by developing Real-Time SafeTIR (RTS) and the electronic pre-declaration tool (TIR-EPD).

Taking advantage of the existing tools as well as the ICT systems used by Customs administration, the eTIR project focuses on the parts of the TIR procedure which still rely on paper. Thus, the main objectives of the eTIR project are the secure electronic exchange of TIR transport data between national Customs systems and the management by Customs of TIR guarantee data. Contracting parties to the TIR Convention have prepared the functional and technical specifications of the eTIR international system, and ICT systems that build on the existing public-private partnership, which has made the success of the TIR Convention, and will allow a secure Customs-to-Customs (C2C), Customs-to-business (C2B) and business-to-Customs (B2C) electronic data exchange (see figure below).



Finally, further to the signature on 6 October 2017 of a five years Memorandum of Understanding (MoU) on cooperation between ECE and the International Road Transport Union (IRU) in the field of computerization of the TIR procedure, TIR contracting parties have volunteered to launch or continue eTIR projects. The latest eTIR project was launched by Azerbaijan and Iran (Islamic Republic of) in 2019. Since 2015, Iran (Islamic Republic of) and Turkey have an active eTIR pilot project to the great satisfaction of Customs officers and the transport operators which had volunteered for the project.

UNECE online register of Customs sealing devices and Customs stamps

The UNECE TIR secretariat has developed and maintains the UNECE online register of Customs sealing devices and Customs stamps with the aim to provide authorized Customs officers with an online tool to verify the authenticity of foreign Customs sealing devices and Customs stamps used in the framework of the TIR procedure.

Until 2008, the register was an annual publication in paper format. Since then, it has been replaced by an online register, which provides real-time up-to-date information to Customs officers in the field, thus ensuring smoother border crossing procedures. The TIR secretariat maintains and updates the register in accordance with a mandate from the TIR Executive Board (TIRExB) on the basis of information provided by Customs administrations.

At present, the register contains sketches and descriptions of Customs sealing devices and Customs stamps of 54 Contracting Parties to the TIR Convention, 1975, in English, French and Russian. Customs administrations of TIR Contracting Parties interested in getting access to the online register are invited to contact the TIR secretariat.



Source: UNECE, updated in October 2019

11. Turkey

e-TIR Pilot Projects with Iran and Georgia



Since the TIR System is the global transit regime with 76 Contracting Parties, e-TIR Project was launched in 2003 to ensure the secure exchange of data between national Customs systems related to the international transit of goods and to allow Customs to manage the data on guarantees, issued by guarantee chains to holders authorised to use the TIR System. As the e-TIR Reference Model was about to be concluded following a period of more than 10 years study, Turkey launched e-TIR Pilot Projects with Iran and Georgia respectively under the aegis of UNECE to test the specific features of the model.

These Pilot Projects were developed in accordance with the provisions of the WCO SAFE Framework of Standards where all data elements as required for S&S in the framework of transit, had already been included. Turkish Customs considers those pilot projects to be a big step forwards and even a role model for the future prospects of the e-TIR System.

The first e-TIR Pilot Project developed by UNECE-IRU was conducted by the Turkish and Iranian Customs Administrations. This project aims at C2B2C data exchange. Pursuing the completion of the signing of the ToR by 6 parties (Turkey, Iran, UNECE, IRU and two National Guarantee Associations), the pilot project officially started. The first phase of the pilot project covered a period from November 2015 to August 2016 and successfully completed. After the positive first step, the Turkish Customs Administration was eager to expand the pilot in a more comprehensive manner by including more transport companies and more Customs Administrations for the multiple loading and unloading transactions. Therefore, the second phase was launched during the period from August 2016 to February 2017 (the ToR foresees a 1-year implementation).

The main results of the pilot refers to the computerisation process of TIR, for the first time e-TIR guarantee mechanism was tested. During the pilot, all transportation operations were performed under e-guarantee scheme. This proved to be efficient and effective. Taking into consideration the benefits of the project and with mutual consent of all stakeholders, the project continues with its limited scope. Up until 2019, more than 200 transports were carried out under e-guarantee scheme and negotiations to expand the scope of the project were started in October 2018.

Apart from that, e-TIR Pilot Project with Georgia testing C2C data exchange started on 18 May 2018 might be a role model for GNC concept. The e-TIR Pilot with Iran on C2B2C data exchange might also be another tool for the future projections of the GNC concept by taking into account the business component of the Utility Blocks and aspiring a new aspect for the transit transactions. Hence, it will serve for filling the gaps within the GNC Utility Blocks for the business sector for Customs-Business Partnership.

Source: The Ministry of Trade of Turkey, January 2019

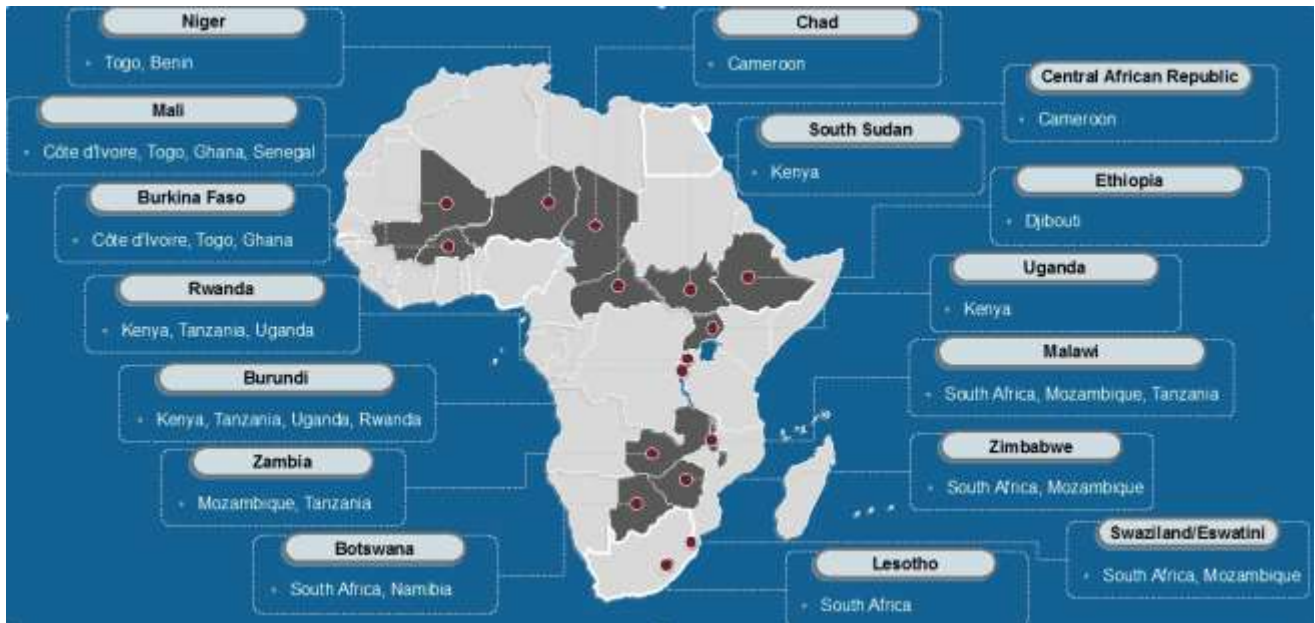
III. **East & Southern Africa (ESA)**



The WCO ESA region has 24³ Members. Four of them (Comoros, Madagascar, Mauritius and Seychelles) are island states that do not share a land border with any other state. The number of LLDCs in the ESA region is eleven (Botswana, Burundi, Ethiopia, Eswatini, Lesotho, Malawi, Rwanda, South Sudan, Uganda, Zambia and Zimbabwe). Eight of them (Burundi, Ethiopia, Lesotho, Malawi, Rwanda, South Sudan, Uganda and Zambia) fall also in the category of Least Developed Countries (LDCs).

³ Angola, Botswana, Burundi, Comoros, Djibouti, Eritrea, Eswatini, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Somalia, South Africa, South Sudan, Tanzania, Uganda, Zambia and Zimbabwe

Out of the total number of 32 LLDCs worldwide, 16, or 50%, are on the African continent. The picture below illustrates the LLDCs and transit countries on the African continent.



© Sovereign Border Solutions 2019 – All Rights Reserved

The Program for Infrastructure Development in Africa (PIDA) has identified 42 transport corridors in Africa. The transport corridors form a core network for regional integration and connectivity.

The regional economic integration entities in the WCO ESA region are as follows:

Organisation	Members
African Union (www.au.int)	55 member states located on the continent of Africa
Common Market for Eastern and Southern Africa – COMESA (www.comesa.int)	Burundi, the Comoros, the Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia and Zimbabwe
East African Community – EAC (www.eac.int)	Burundi, Kenya, Rwanda, South Sudan, Tanzania and Uganda
Southern African Customs Union – SACU (www.sacu.int)	Botswana, Eswatini, Lesotho, Namibia and South Africa
Southern African Development Community – SADC (www.sadc.int)	Angola, Botswana, Comoros, Democratic Republic of the Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South

	Africa, Tanzania, Zambia and Zimbabwe
--	---------------------------------------

Out of the 76 Contracting Parties to the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975), none is a Member of the WCO ESA region.

1. Angola



A section on rules of Transit was included in the new version of the Customs Tariff 2017 which highlights the types of guarantees and the conditions in which they are provided, as well as contains the following provisions:

Declarant in the Customs transit procedure

The following entities may be considered as declarants in the Customs transit procedure:

- a) the forwarding agent;
- b) the carrier;
- c) the Customs warehouse transit operator;
- d) the clearing agent;
- e) the owner or consignee of the goods.

Customs control of goods in transit

1. Goods transiting the Customs territory shall be subject to Customs control from the Customs office of entry to the Customs office of departure or destination.
2. The entry and exit of goods in transit must be declared to AGT (Administração Geral Tributária) upon presentation of the respective Declaration of Transit and supporting documents.
3. Loading, unloading and transshipment of goods in transit outside qualified or duly authorised locations is prohibited.
4. Exceptionally, loading, unloading and transshipment of goods in transit may be concluded outside authorised locations, when there is fear of loss or damage to the means of transport or goods, and it must be immediately communicated to the nearest Customs office to enable it to control and supervise the operation.
5. AGT may take precautionary fiscal measures in relation to means of transport in monitoring transit operations.
6. For goods leaving any premises under Customs control and transported by the beneficiary of the transit procedure, the guarantee of the premises may cover the transit operation.
7. For goods leaving a warehouse with a valid guarantee, yet not transported by the beneficiary of the transit procedure, the carrier must prove that he/she is acting on behalf of the holder of the respective guarantee.

Guarantees for Customs transit

1. For the transit procedure, the declarant or his/her representative shall provide AGT with a comprehensive or individual guarantee to ensure payment of Customs duties and other charges to which the goods would be subject if introduced for internal consumption pursuant to Articles 35 to 42 of the PPIs (Preliminary Instructions of the Tariff Code).

2. The comprehensive guarantee will be calculated on 20% of the value of the Customs duties and other charges established above.
3. The exemption of the guarantee provided for in the paragraphs above shall be conducted by setting the initial Customs declaration.
4. In calculating the Customs duties and other charges due under the terms of the paragraphs above, the transaction value of the goods shall be used as the Customs value, which may be subject to adjustments under the terms of the Customs Code.

Customs General Emoluments

1. Goods in Customs transit require the submission of a Customs declaration.
2. Goods in international transit are subject to payment in Kwanzas equivalent to UCF 50 (UCF = fiscal correction unit; UCF 50 is equal to USD 11), as Customs general emoluments.
3. Goods in national transit are exempt from all Customs charges.

Source: The Customs Administration of Angola, February 2019

2. COMESA

Regional Customs Transit Guarantee in the Common Market for Eastern and Southern Africa (COMESA)



Background

The COMESA Regional Customs Transit Guarantee (RCTG-CARNET) Scheme is a component of the COMESA Protocol on Transit Trade and Transit Facilitation, Annex I of COMESA Treaty.

COMESA RCTG Agreement was signed by the Heads of State and Government of the Preferential Trade Area (PTA), (now COMESA) Summit, held in Mbabane, Swaziland, in November 1990. The development on the modalities of operations was started in 2002 and Scheme became operational in the Northern Corridor countries in 2012.

Objective

The objective of the RCTG scheme is to provide a uniform basis for transit movement throughout the region, where only one guarantee is used for the transit of goods through all transiting Member States.

RCTG Institutional Set Up

- Council of Ministers;
- Council of RCTG;
- Management Committee;
- Revenue Authorities;
- Clearing & Forwarding Agents;
- National Sureties;
- Primary Sureties.

Membership

The RCTG Agreement was signed and ratified by thirteen (13) COMESA member and non-Member States, namely: Burundi, Djibouti, DR Congo, Ethiopia, Madagascar, Malawi, Kenya, Rwanda, South Sudan, Sudan, Tanzania, Uganda and Zimbabwe.

Current Status of Implementation

Currently, the Scheme is fully operational in the Northern and Central Corridor countries, namely: Burundi, Kenya, Rwanda, Tanzania and Uganda.

Benefits of the RCTG scheme

- Reduced cost of bond/guarantee and collaterals charged by sureties;
- Reduced cost of bond /guarantee charged by agents;
- Reduced delays at border posts;
- Simplified clearance process;

Annex to
doc. PC0606Ea

- Increased business opportunities;
- Minimized revenue leakage.

Source: COMESA website, accessed on 6 October 2019: <https://rctg-mis.comesa.int/>

3. East African Community **Single Customs Territory**



Background

The East African Community (EAC) is an intergovernmental organization composed of six countries in the African Great Lakes region in Eastern Africa: Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda. The scope of the [Treaty for the Establishment of the EAC](#) includes economic, social, cultural and political spheres. The integration process is progressive, starting with a Customs Union, followed by a Common Market, Monetary Union and Political Federation.

With regard to the Customs Union, a [Protocol on the Establishment of the East African Community Customs Union](#) was signed on 2 March 2004 and implemented on 1 January 2005. The Republic of Rwanda and the Republic of Burundi joined the EAC Customs Union in 2007 and implementation took effect in July 2009.

The EAC Customs Union comprises four major elements:

- the establishment of a Common External Tariff (CET);
- the establishment of EAC Rules of Origin (RoO) criteria, including Certificates of Origin and Simplified Certificates of Origin;
- the internal elimination of tariffs for goods meeting the EAC RoO criteria; and
- the elimination of Non-Tariff Barriers (NTBs).

Implementation of the Single Customs Territory

To further consolidate the goals of the Customs Union and to address the challenges experienced in the implementation of the Customs Union Protocol, in April 2012, the EAC Summit of Heads of State decided on the implementation of the Single Customs Territory (SCT), which commenced in July 2014. The SCT is the final stage for full implementation of the Customs Union which is attainable by the removal of duties and other restrictive regulations and/or minimization of internal border Customs controls on goods moving among Partner States with an ultimate realization of free circulation of goods. Under the SCT, assessment and payment of duties is done at the destination Partner State while goods are still at the first point of entry thus reducing the multiplicity of documentation that dominated the pre-SCT period.

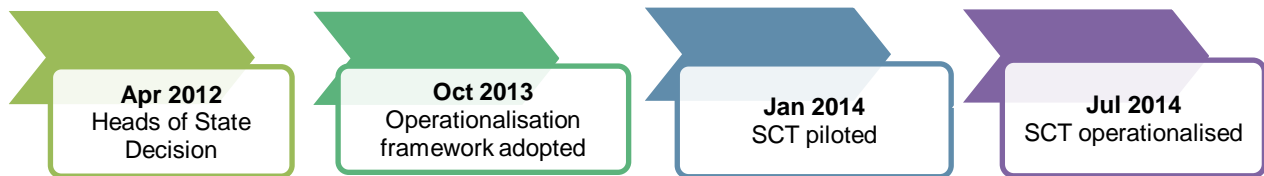
The overall objectives of the SCT is to enhance trade facilitation through:

- enabling a seamless flow of goods to enhance intra-EAC trade;
- eliminating trade barriers that discourage trade and investments in the region;
- lowering clearance costs of goods within the region;
- shifting from physical to electronic controls;
- enhancing coordination between agencies responsible for the clearance of goods;
- enhancing compliance and improving revenue collection; and

- building a foundation for the EAC Common Market.

Being a new innovation in the EAC region, implementation of the SCT was preceded by the development of requisite instruments, revamping of the information technology to respond to the new operating environment, as well as instituting capacity building and sensitization interventions for both the public and the private sectors. An all-inclusive approach from top to bottom, public to private, headquarters to entry ports ensured smooth rollout of the SCT.

Roadmap for the establishment of the EAC SCT



Achievements in the SCT implementation

The implementation of the SCT and other trade facilitation initiatives has seen major strides in the movement of goods across the borders.

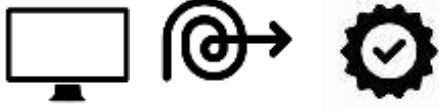
- Time and cost of transporting goods from the respective ports of Dar es Salaam and Mombasa has reduced from 21 and 18 days to 7 and 4 days respectively. The cost has reduced from USD 3,100 to USD 1,025;
- Partner States Customs systems have been interconnected and information sharing has improved;
- Multiple entries and documents has been replaced by use of a single declaration.
- Goods move under a regional bond guarantee;
- Mutual recognition of clearing agents of Partner States has been introduced;
- Customs processes for customs regimes were developed and deployed;
- All intra-regional trade, exports and imports are all cleared under SCT;
- Customs systems in the region have been upgraded to facilitate the clearance of goods under SCT for imports, exports and transit;
- Currently a regional centralized ICT platform is being developed to seamlessly exchange information among Partner States.

Sources: Presentation by the Northern Corridor Transit and Transport Coordination Authority, Regional Workshop on Transit for the ESA Region, November 2017

Presentation by the EAC Secretariat, Regional Workshop on Transit for the WCA Region, April 2018

<https://www.eac.int/sct> accessed on 12 March 2020

4. Mozambique



Legal Regime

In the context of Mutual Administrative Assistance and Information Exchange, the Mozambican Customs Administration has signed cooperation agreements with all neighboring countries.

Information and Communication Technology and efficient information management

The Customs clearance computer system in the Customs Administration of Mozambique is the Electronic Single Window (ESW). The implementation of the Customs Transit module in the ESW began in 2013.

This system allows interaction between the different stakeholders, namely Customs, Customs brokers, freight forwarders, banks, etc. in the management of Customs transit. It also makes it possible to make timely information available at the border of exit in order to allow the termination of the Customs transit operation, as well as the immediate release of the guarantee.

Guarantee System

For the purpose of facilitating transit operations, the Customs administration has approved through a Ministerial Decree various forms of guarantees, including: cash, certified check, insurance policy, bank or financial institution letter of guarantee, treasury bonds or bonds, a term of liability constituting a real guarantee of the assets sufficient for the amount guaranteed by the applicant.

Regarding the types of guarantees, in the case of a single transit operation, the individual guarantee to the amount of 100% of the Customs duties and other charges that may become payable for the goods, applies. For transit operations that are covered by a comprehensive guarantee, the charge is 35% of the amount of Customs duties and other charges due, which makes it easier for several transit operations to run under the comprehensive guarantee.

The release of guarantees is on the basis of the computer system of the ESW and occurs immediately upon termination of the transit operation.

Fees and charges

Transit charges are 50.00mt (*equivalent to USD 0.8 at a current average exchange rate of 62.00mt per dollar*) per shipment (means of transport) on each transit declaration.

In the case of work outside of normal working hours, work outside the Customs premises, Customs escort or any other work requested by the transit operator, fees shall apply to support the allowance for the services performed.

Simplification of formalities

The use of the Electronic Single Window contributes significantly to the simplification of formalities by: submitting the Customs declaration electronically by the Customs broker, as well as all subsequent steps till the acceptance of the declaration, without the need to have brokers

or freight forwarder physically present at the Customs facilities. These procedures may occur before the goods arrive at the border of entry.

The documents required are only those strictly necessary for identification of the goods such as the cargo manifest, Customs goods declaration and possibly quality certification documents required by the competent authorities.

Risk management

Documentary verification of transit declarations is done on a risk basis. Declarations subject to Non-Intrusive Inspection, physical examination and escort obey a set of risks previously activated in the system or on the basis of inspector analysis.

Authorized Economic Operators

The process of studying legislation to implement the AEO figure for the Customs transit regime is in progress.

Customs seals and other security measures

All containerized cargo is sealed to ensure the integrity of the goods and to ensure that it reaches the exit border under the same conditions as it arrived at the entry border.

For transit facilitation purposes, foreign seals affixed to containers are accepted. In cases of suspicion where there is a need for effective verification of the goods, the foreign seal is broken for the purpose of physical verification and a new seal is affixed.

Customs escorts are applied in exceptional cases and occur through careful assessment of the risk associated with the goods, the operator, the route, or other risk factors.

Coordinated Border Management

Several Government Entities are positioned at the borders to assure the most diverse regulatory requirements, such as Border Guard Force, Migration, Agriculture, Health, among others.

The current practice is that whenever there is need for inspection by any of these entities, this occurs in a coordinated and joint manner with all other entities that need to inspect the same consignment, thus avoiding unnecessary delays.

Infrastructure and hard equipment

The implementation of the Electronic Single Window occurred with the implementation of traffic management infrastructure, through the allocation of alternative energy sources, internet and adequate facilities that facilitate the normal flow of traffic.

However, some borders still do not respond to the demand for normal flow of foreign trade due to lack of adequate parking conditions and lack of appropriate facilities for dangerous goods as is the case of fuel.

Transparency and anti-corruption

The normative package presenting the procedures on traffic management has been and continues to be widely disseminated to the beneficiaries of the transit regime. The concerns and suggestions of the transit operators are welcomed and taken into consideration. Fees to be collected, goods not covered by the guarantee, calculation of the guarantee to be paid and all other aspects are laid down by law.

The system of the ESW, which allows the submission of the declaration electronically as well as the questionnaires for benchmarking the information provided by the declarant and this information is available in the system for management purposes.

The organic structure of the Customs Administration incorporates an Internal Control, Anti-Corruption, Investigation and Intelligence Sector, aimed at combating and repressing corruption. Since 2013 the Customs Administration introduced the National Transit Coordinator figure as a focal point between Customs and Economic Operators.

These elements allow for greater transparency in the transit process.

Partnership with business

The current Customs Transit Regulation was the result of joint work between the Customs Administration and the Private Sector in which their concerns were addressed without jeopardizing compliance.

Regular meetings are held with the private sector, especially with freight forwarders, to coordinate the management of the transit system.

Performance measurement

The Mozambique Customs Administration has invested in a modern system of Customs clearance of goods that is the Electronic Single Window that allows interaction between the various players, namely Customs, Customs brokers, freight forwarders, banks, etc., which allows for smoother submission, verification, acceptance and clearance of goods in transit. This interaction allows the declaration to be submitted electronically to Customs even before the goods arrive at the border of entry.

At the border level, the different entities, depending on the need for their intervention in a given commodity, work in a coordinated manner.

There are very clear and publicly available regulations that address traffic procedures, fees and charges to be paid, among other things.

Physical checks are made on the basis of the risk assessment and not at random.

In the case of guarantees, they are released immediately after the completion of transit using the ESW.

Source: The Customs Administration of Mozambique, January 2019

5. Uganda, Kenya, Rwanda and the Democratic Republic of the Congo (DRC) DRC joins the Regional Electronic Cargo Tracking System (RECTS)



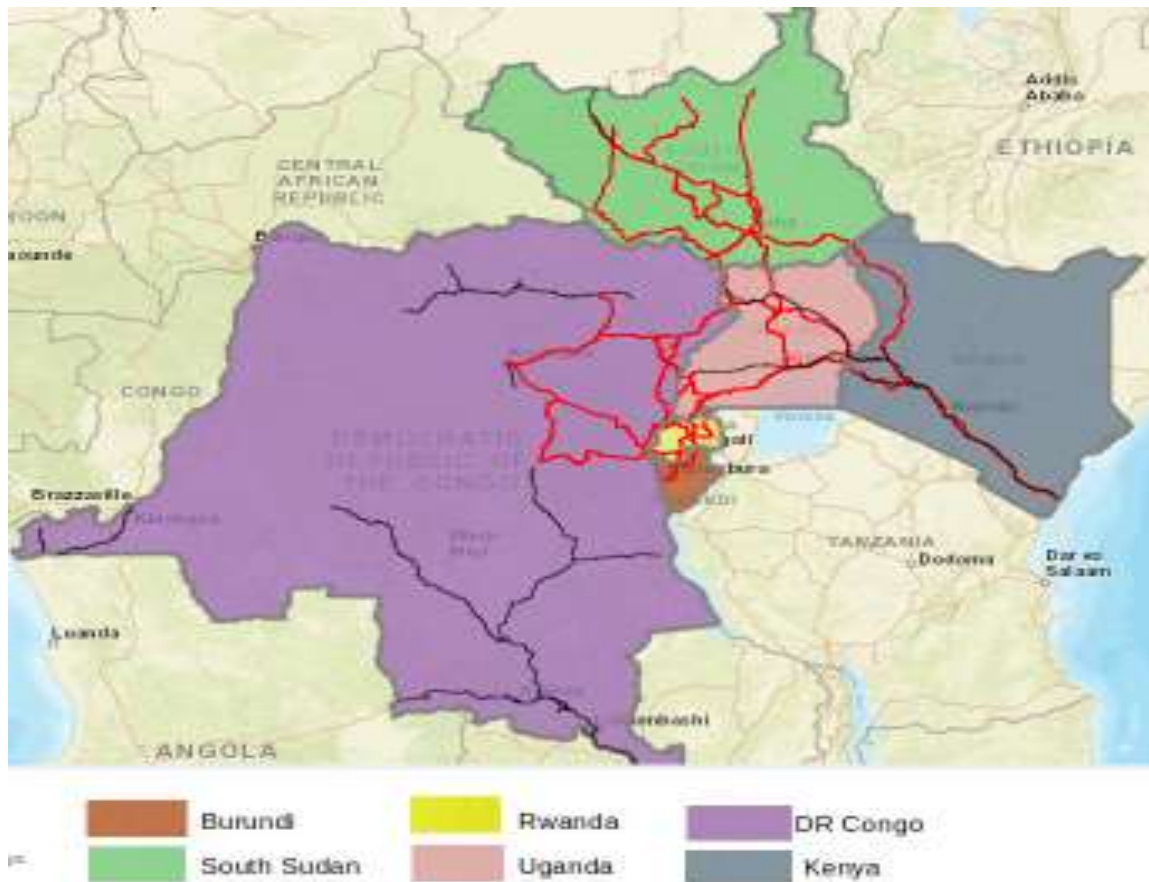
On 9 July 2019 the electronic monitoring of transits on a single platform, which started with Uganda in 2014, followed by its extension to Kenya and Rwanda (2014), was successfully extended to the Democratic Republic of the Congo (DRC) with a launching event that happened in Kampala, Uganda.



Today, the four customs authorities of Uganda, Kenya, Rwanda and DRC are in a position to electronically monitor the movement of sensitive transits among the Northern Member States on a single platform, across the Northern Corridor.



The Northern Corridor Member States are Kenya, Uganda, Rwanda, Burundi, DRC and South Sudan.



DRC, predominantly a French-speaking country, is the first non-East African Community Member State to join this Regional Electronic Cargo Tracking platform in use by the other three Member States.

For so long, both DRC and Uganda have lost Revenue to fraudulent schemes that have taken advantage of the administrative gaps arising from the inability of the two Customs administrations to share and exchange information, including pre-arrival information.

For DRC in particular, this platform has, amongst other benefits, provided pre-arrival information to DRC about their maritime cargo cleared through Port Mombasa or the goods sourced from the East African Community Member States.

DRC joining the RECTS leads to better coordination, cooperation, information sharing, resource optimization and capacity building in a bid to deter smuggling and commercial fraud. This has got a positive recurrent impact on the protracted struggle to protect and facilitate legitimate trade, while at the same time sustainably collecting revenue.

Currently, with the existing electronic monitoring device stocks available to the four Revenue Authorities, only up to 30% of the total transits destined to DRC are electronically monitored. The rest are not.

For the first time, Uganda and DRC successfully launched the electronic monitoring of transit cargo while in the course of its movement on Lake Albert, shared by Uganda and DRC. For the first time, in the comfort of their offices in Kampala Headquarters, through the CCTV infrastructure in place, the officers from the Uganda Revenue Authority are in a position to monitor the movement of the boats carrying transits along the lake, even in the absence of the expensive surveillance and patrol boats, which have not been acquired yet.



DRC Customs is in a position to monitor their cargo prior to its arrival and plan their Customs interventions better. Ever since its implementation in July 2019, revenues collected in the Eastern Region of DRC grew by 20% and 30% in the months of August and September 2019 respectively.

From the private sector perspective, transit accountability and truck turnaround has improved; and the cost of doing business greatly reduced.

Source: The Customs Administration of Uganda, October 2019

Note: Information about the RECTS implemented by Uganda, Kenya and Rwanda has been published also in the WCO Transit Guidelines, Section 8 Customs seals and other security measures.

IV. West & Central Africa (WCA)



The WCO WCA region has 23⁴ Members. Two of them (Cape Verde and Sao Tome and Principe) are island states that do not share a land border with any other state. The number of LLDCs in the WCA region is five (Burkina Faso, Central African Republic, Chad, Mali and Niger). All of them fall also in the category of Least Developed Countries (LDCs).

The regional economic integration entities in the WCO WCA region are as follows:

Organisation	Members
African Union	55 member states located on the continent of Africa
Economic and Monetary Community of Central Africa (Communauté économique et monétaire de l'Afrique centrale - CEMAC) (www.cemac.int)	Cameroon, Central African Republic, Chad, Republic of the Congo, Gabon and Equatorial Guinea
Economic Community of Central African States – ECCAS (www.ceeac-eccas.org)	Angola, Burundi, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of the Congo, Equatorial Guinea, Gabon, Rwanda and Sao Tome and Principe.
Economic Community of West African States – ECOWAS (www.ecowas.int)	Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo

⁴ Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Congo (Republic of the), Côte d'Ivoire, Democratic Republic of the Congo, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Sao Tome and Principe, Senegal, Sierra Leone and Togo

West African Economic and Monetary Union (Union Economique et Monétaire Ouest Africaine - UEMOA) (www.uemoa.int)	Benin, Burkina Faso, Côte D'Ivoire, Guinea- Bissau, Mali, Niger, Senegal, and Togo
---	---

Another relevant regional organization is the Community of Sahel-Saharan States (CEN-SAD).

Out of the 76 Contracting Parties to the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975), one (Liberia) is a Member of the WCO WCA region. However, the TIR procedure is not yet operational in Liberia.

1. Benin and Niger

Interconnection of the Customs IT systems of Benin and Niger: A robust IT system for the automation of transit operations between the two countries and for efficient information exchange



In response to the challenges associated with efficient management of Customs transit operations between Benin, a coastal country, and Niger, a landlocked developing country, and with a view to preventing the illegal dumping that had been occurring, the Customs administrations of those two countries signed a Memorandum of Understanding on 29 July 2016 in which they agreed to interconnect their IT systems with a view to exchanging information efficiently and automating formalities at the joint checkpoint of Malanville, a one-stop border post between the two countries.

Advantages of interconnecting the Customs IT systems:

- speedy processing of goods in transit;
- fast takeover of goods, thanks to the prior electronic transmission of the manifest drawn up when the T1 document (Transit Accompanying Document) is generated;
- automated risk analysis as a basis for any subsequent inspections;
- action to combat fraudulent practices relating to transit;
- automated exchange of information;
- management of the flow of communications and statistics relating to transit between the two countries;
- faster completion of the transit procedure once the arrival notification message is sent (replaces the compiling of return declaration vouchers for dispatch to the office of departure);
- fast release of the guarantee on completion of the procedure.

Configuration

- installation of a Java Message Service (JMS) server for both parties;
- configuration of a Virtual Private Network (VPN) tunnel between the two countries;
- encryption/decryption of tunnel data for security purposes by Internet Protocol Security (IPsec).

Formalities

Office of departure

- The **T1 document** is generated under the appropriate regime code – direct exportation (**EX1**), temporary export (**EX2**), re-exportation (**EX3**) or outward transit and export (**EX8**), and the documents are keyed into the ASYCUDA system by the freight forwarder.
- A “**Vue départ**” (“seen on departure”) declaration is made by the Customs clearing agent, and the validated T1 is endorsed with the word **Validé**.

Office en route (checkpoint)

- Documentary and physical checks are conducted (inspection of seals, registration number of means of transport and identity of carrier or driver).
- If everything is in order, the transit is validated in the IT system of the relevant country and endorsed with a “**Vue au passage**” (“seen en route”) declaration.
- In the event of irregularities, the shipment is seized, the driver is detained, and an incident report is completed and forwarded to the issuing office for information and for any subsequent litigation. That office may continue the investigation of the detected infringement.

Office of exit in the country of departure

- The T1 document is presented to the competent Customs service.
- The T1 is checked against the cargo.
- The T1 is corrected if necessary.
- If everything is in order, exit is confirmed with a “**Vue sortie frontière**” (“seen at border exit”) declaration.
- In the event of irregularities, an incident report is completed and forwarded to the issuing office for information (for non-release of the guarantee) and for any subsequent litigation.

Office of entry in the country of destination

- The transit operation is closed, the **T1** document is discharged, and the office of departure is informed accordingly by means of a “**Vue arrivée**” (“Seen on arrival”) declaration.
- After taking over the goods, the clearing agent in the Customs office of the country of destination **generates a manifest**, which will be automatically transferred to the system of the country of departure.
- The security deposit is released without delay in the system of the country of departure. This is done by a credit transfer whereby the amount of the guarantee indicated on the T1 is transferred to the principal’s account.

Source: The Customs Administration of Benin, transit accreditation workshop, March 2019

2. Burkina Faso and Togo

Regional project on interconnectivity of the Customs IT systems of the Customs administrations of Togo, Mali, Côte d'Ivoire, Senegal and Burkina Faso - Successful interconnection between Togo and Burkina Faso



Introduction

If there is an example of good practice in efficient sharing of information within a country and between neighbouring countries on a coherent legal basis, as recommended in the relevant provisions of WCO Transit Guidelines 1 to 35, it is surely that of the interconnection of the Customs IT systems of Togo and Burkina Faso, two West African countries that share a common border.

Origins of the project

This interconnectivity project between the two neighbouring countries of Burkina Faso and Togo originated in the creation of the Cinkassé Joint Customs Post on the border between the two countries and the inclusion of Togo in the PACIR Project (Trade and Regional Integration Support Programme) along with Côte d'Ivoire, Burkina Faso, Mali and Senegal. The interconnectivity project was launched in 2016.

Objectives

The following are among the main objectives of this project:

- to facilitate and secure international trade by implementing best trade practices in accordance with the WCO SAFE Framework of Standards;
- to improve the effectiveness and efficiency of transit procedures;
- to improve the prevention and detection of fraud;
- to simplify and secure transit operations;
- to make it possible for transit data to be exchanged electronically;
- to establish a regional transit database.

Organisational structure for the implementation of the project

For the purpose of implementing the project, three committees have been created, namely:

- **a steering committee** to lead and monitor all of the work required for the establishment of the project;
- **a project committee** to monitor the progress of the project activities, to manage any slippage and the requisite remedial action, to monitor planning and the quality of outcomes, to guarantee cohesion between the various stages of the project and to present the results to the steering committee;
- **a technical committee** to draw up the functional specifications, write the technical specifications and develop and implement the solutions.

Basic principles

The principles underlying the project relate to a functional solution and a technical solution.

- **A functional solution**, adopted on a legal basis comprising the Revised Kyoto Convention, the Inter-State Road Transit (ISRT) Convention, the DDU Incoterm, etc.
 - ✓ Various notification transmission and exchange scenarios have been developed (linking the Customs office of departure, the border Customs office, an inland Customs office and the Customs office of destination).
 - ✓ 32 processes have been deployed and 18 messages developed, all for the purpose of making it possible to exchange transit data by means of a single document that will help to ensure the termination of the transit operation in the country of destination.
- **A technical solution**, comprising XML messaging by means of the ActiveMQ and JMS server, allowing exchanges of data relating to the pending transaction.
 - ✓ **Interconnected systems**
Either ASYCUDA-to-ASYCUDA or ASYCUDA connected to other systems.
 - ✓ **Content of the solution**
National and joint processes have been established at the office of departure, enabling classification of some processes (initiation of transit, printing of the transit accompanying document) as national responsibilities, of other processes (transfer of data to the border Customs office and the Customs office of destination) as joint responsibilities and of others (recording of data at the border office and at the office of destination) as both national and joint responsibilities.
 - ✓ **Technological architecture**: The interconnection of the Customs systems is effected through a virtual private network (VPN), which eliminates the need to create or have recourse to a centralized system. A system of standardization, based on a template, is used between the two Customs administrations.

State of progress

- May 2018: Successful interconnection of the Customs IT systems of Burkina Faso and Togo.
- August 2018: Interconnection between Togo and Niger.
- In the course of 2019: Interconnection of the Customs IT systems of Togo and Benin and of Togo and Ghana

Impact of interconnectivity on transit between the two countries

Several beneficial effects have already been observed, in particular:

- accurate, smooth and effective exchange of information on transit operations;
- acceptance by both parties of the principle of a single guarantee;
- transit operations covered by a single document;
- reduction of Customs clearance times and lower transit costs resulting from the simplification of formalities;
- transit facilitated and secured;
- facilitation of local cross-border economic activity.

Conclusion

Customs administrations must be aware that it is not easy to effect a large-scale interconnection in one fell swoop to facilitate and secure transit operations, but it is still possible to succeed in such a venture by working in pairs. The example of the interconnection between Togo and Burkina Faso is an illustration of good transit practice. Needless to say, it requires strong political will on the part of both countries as well as an input of qualified human resources and efficient technology, which are priceless assets in any effort to establish an effective and secure inter-state transit regime for goods.

Source: The Customs Administration of Togo, transit accreditation workshop, March 2019

3. Democratic Republic of the Congo

Establishment of a Customs office of the Democratic Republic of the Congo in the Port of Dar Es Salaam in the United Republic of Tanzania



Cases have been reported of organized international fiscal fraud and terrorism relating to goods declared to be in transiting through Tanzania to the Democratic Republic of the Congo. As a result a ministerial decision was adopted to enhance the Customs cooperation between Tanzania and the Democratic Republic of the Congo.

With a view to securing goods imported by Congolese economic operators when in transit at the Tanzanian port of Dar es Salaam and combating fraud within the international logistics chain between Tanzania and the DRC, the Customs administrations of the two countries signed an Agreement on Mutual Administrative Assistance on 23 August 2012, based on the Johannesburg International Convention on Mutual Administrative Assistance in Customs Matters, on Standard 1 concerning integrated supply chain management in Pillar 1 *Customs-to-Customs cooperation* of the SAFE Framework of Standards and on Article 12 of the WTO Trade Facilitation Agreement, which relates to Customs cooperation.

The Tanzania Revenue Authority (TRA) and the Directorate General of Customs of the DRC, in line with Transit Guidelines 7, 8, 9 and 10, have agreed:

- to exchange information relating to the transit of goods and of products exported locally to the DRC,
- to combat fraud in all its forms,
- to secure goods in the logistics chain between the Tanzanian port of Dar es Salaam and the various borders of the DRC,
- to develop Customs cooperation between the two administrations, and
- to establish a Customs office of the Democratic Republic of the Congo in the port of Dar es Salaam with the task of facilitating the clearance of cargo declared to be in transit and bound for the DRC.

To implement this cooperation between the two Customs Administrations, the Tanzanian Revenue Authority connected the Congolese Customs office in Tanzania to its ASYCUDA++ IT system and then to TANCIS – the Tanzania Customs Integrated System, which is in line with the WCO Transit Guidelines 27 to 33 and Chapter 7 of the General Annex to the Revised Kyoto Convention, which deals with the application of information technology. This connection enables the Congolese Customs unit in Tanzania to collect all data relating to the transit of goods declared to be in transit to the DRC. This exchanged information enables the Congolese Customs officials in Tanzania to forward timely transit information to all of the relevant Customs posts. This practice enables the offices of destination to take all necessary facilitation measures as recommended in Articles 10 and 11 of the Trade Facilitation Agreement and all necessary action to combat fraud in all its forms.

To reassure Tanzanian Customs that the consignments declared to be in transit through its offices have actually arrived in the DRC, the representative office of Congolese Customs in the port of Dar es Salaam sends the Tanzanian Customs authority information, in accordance with Guidelines 7, 8, 9 and 10 on the exchange of information, regarding the goods that have actually been taken over by Customs offices in the DRC. The information received from the DRC enables the Tanzania Revenue Authority to conduct analyses, investigations and, where necessary, recovery operations in respect of goods that have been illegally released for consumption in Tanzania without payment of Customs duties and other taxes.

The Congolese Customs office, by using the software tool made available by its Tanzanian counterparts, can monitor all movements of goods at Customs offices of exit in Tanzania without handling the physical declarations covering transit to the Democratic Republic of the Congo. On the Tanzanian side, the border crossings at Mtukula (Uganda-Tanzania), Tunduma (Zambia-Tanzania), Kigoma (Tanzania-DRC via Lake Tanganyika), Kabanga (Tanzania-Burundi), Rusumu (Tanzania-Rwanda) and, on the Congolese side, the Kasumbalesa, Mokambo and Sakania crossings (Zambia-DRC) and the Kamanyola, Ruzizi I and Ruzizi II crossings (Rwanda-DRC) are relevant when it comes to securing the international logistics chain for goods in transit through the port of Dar es Salaam.

This cooperation between the Tanzanian and Congolese Customs authorities serves to increase revenue from Customs duties and court proceedings, thanks to the important information that is exchanged, and to minimize fraud and corruption.

In view of the benefits derived from the implementation of the Agreement on Mutual Administrative Assistance between the two Customs administrations, the latter, encouraged by their respective governments, decided to move on from mutual administrative assistance to a formal memorandum of understanding.

The Memorandum of Understanding, which was signed in 2014, introduced new elements over and above the provisions of the Agreement on Mutual Administrative Assistance. These elements, designed to facilitate trade, comprised Single Customs territory procedures, the use of electronic seals, mutual recognition of Customs clearing agents, Customs guarantees and release of a category of goods.

Through the interfacing of the ASYCUDA World and TANCIS systems, information on goods that have arrived in the port of Dar es Salaam has been directly transmitted electronically to the Congolese Customs system and has enabled Customs agencies to assign declarations to the regimes of their choice.

This practice, which is additional to the arrangements set out in the Memorandum of Understanding concluded between the two administrations, has enabled Congolese economic operators to benefit from time savings, fewer checkpoints and faster processing of declarations at the port.

Annex to
doc. PC0606Ea

This procedure and project, though still at the pilot stage, are simplifying and harmonizing Customs formalities in the port of Dar es Salaam and at the various Customs posts in the Democratic Republic of the Congo.

Source: The Customs Administration of DRC, transit accreditation workshop, March 2019

4. Guinea

Guinean experience in implementing the national project for the automation of transit operations (PPAT)



Background

The Republic of Guinea is a Member State of the Economic Community of West African States (ECOWAS), of the Mano River Union and of the African Union. It shares borders with six countries: Mali, Senegal, Guinea-Bissau, Sierra Leone, Liberia and Côte d'Ivoire. It has been a Member of the WCO since 08 December 1994 and of the WTO since 25 October 1995 and also belongs to other international organizations. Accordingly, the Customs Administration is striving to implement the agreements, conventions and guidelines relating to transit. Its reform and modernization programme uses the instruments of the WCO and follows the recommendations set out in Article 11 of the TFA. Similarly, it has initiated a multiannual national project for the automation of transit operations as a prelude to the implementation of the regional transit system proposed by ECOWAS.

Implementation of the national project for the automation of transit operations (PPAT)

The multiannual national project for the automation of transit operations (*Projet pluriannuel d'automatisation du transit* – PPAT) benefits from technical assistance and the support of the World Bank.

Rationale: Given the need to comply with the agreements, conventions and recommendations of the WCO, the WTO, the ECOWAS, etc., the Guinean Customs Administration strives to apply the trade facilitation measures. Guinea, with its coastline, should encourage the passage of goods in transit to Mali, which is a landlocked country. A total of 50% of transit operations relate to consignments bound for Mali, while only 2% relate to goods transported in the opposite direction.

Prerequisites: Political will for the implementation of the project, appointment of a project team and selection of a transit corridor (Conakry – Customs post PK36 – Pamalap corridor).

Benefits of the implementation of the project:

- Automated transit system formalized;
- Rapid release of goods (release times decreased from 4 days to 1 day);
- Simplified formalities;
- Satisfaction among interested parties;
- Available and reliable statistics.

Way forward:

- Purchase of tracking devices;
- Incorporation of the WCO Transit Guidelines into procedures;
- Roll-out to other transport corridors, such as Conakry – Customs post 36 – Kourémalé;
- Interconnectivity of IT systems. Guinea's plan to establish interconnectivity from December 2019 has been approved, thereby enabling it to comply with the objectives set by ECOWAS.

Annex to
doc. PC0606Ea

Conclusion

The implementation of automated transit nationally is an opportunity for least developed countries to become more familiar with the trade facilitation instruments, such as the TFA and the RKC, particularly with regards to transit.

Source: The Customs Administration of Guinea, transit accreditation workshop, March 2019

5. Mali



The high volume of red tape has been identified as a challenge that obstructs the freedom of transit in Mali.

It was because of this very problem that the Malian authorities implemented, in the course of 2017, an extensive programme of road checkpoint closures.

The purpose of this programme was to meet the demands made by the World Bank in its West Africa Regional Transport and Transit Facilitation Project and to achieve the targets set for freight processing times at borders (30 minutes) and at roadside checkpoints (10 to 15 minutes).

The large number of checkpoints is indicative of a duplication of formalities that generated unnecessary delays, high costs and corruption. For a landlocked country like Mali, these factors can cause untold harm in terms of impeded growth, malfunctioning of the market resulting from rising goods prices and, above all, deterrence of investors.

These closures were carried out after a consultation process involving several government departments, such as the Ministries of Finance, Transport and Security, and after a study had identified the checkpoints to be closed on the basis of traffic volumes and distance from other checkpoints. It is important to note that some checkpoints were less than 100 kilometres apart.

The following table shows the change in the number of checkpoints that took place in 2017:

Year	No. of checkpoints
Before 2017	170
2017	74

The number of checkpoints closed was 96 or more than 56% of the total number of checkpoints.

This percentage testifies to the efforts made by the authorities and their commitment to the long-term pursuit of good practice, especially bearing in mind the extent to which the network of checkpoints was hampering the freedom of transit. The situation was poles apart from the principles underlying most of the guidelines included in the WCO Transit Guidelines. The simplification of formalities is one of the areas that suffered from weak implementation before those numerous barriers were lifted.

It should be noted that these closures met with objections on various grounds. The need for security was the commonest argument advanced by those who wanted to save the checkpoints to justify the numerous controls. Yet the twofold aim of the SAFE Framework of Standards of June 2005, updated in July 2018, has always been to secure and facilitate global trade. Customs need to strike the right balance between the interests of those who enforce the rules (Customs) and those who are bound by them (economic operators).

The programme of road checkpoint closures is considered a step in the right direction by Mali, a landlocked country sharing borders with seven other states. This rationalization and facilitation of procedures is central to the objectives of the Vienna Programme of Action, the provisions of which refer to the implementation of specific actions in the priority area of fundamental transit policy issues.

Source: The Customs Administration of Mali, transit accreditation workshop, March 2019

V. North of Africa, Near & Middle East (MENA)



The WCO MENA region has 18⁵ Members. None of the Members of the WCO MENA region is an LLDC.

The regional economic integration entities in the WCO MENA region are as follows:

Organisation	Members
Agadir Technical Unit – ATU (www.agadiragreement.org)	Egypt, Jordan, Morocco, Tunisia
Cooperation Council of the Arab States of the Gulf – GCC (www.gcc-sg.org)	Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates

Other relevant regional organizations are the Council of Arab Economic Unity (CAEU), the Cooperation Council of the Turkic Speaking States (TURKKON), the Islamic Centre for Development of Trade, the League of Arab States (LAS) and the Organisation of Islamic Cooperation (OIC).

Out of the 76 Contracting Parties to the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975), twelve (Algeria, Jordan, Kuwait, Lebanon, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Syrian Arab Republic, Tunisia and the United Arab Emirates) are Members of the WCO MENA region. However, the TIR procedure is not yet operational in Algeria, Oman, Palestine and Qatar.

⁵ Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates and Yemen

1. Algeria



Formalities at office of departure

➤ **Simplified transit declaration**

The forwarding of goods from one Customs office to another in the same regional area is carried out under a simplified transit declaration rather than a detailed transit declaration.

The simplified transit declaration is not a summary declaration. It is a Customs declaration which does not provide all the information connected to the taxation criteria and should furthermore contain a certain amount of information required for identification and Customs supervision purposes.

➤ **Summary cargo manifest to replace the transit declaration**

The obligation to submit the Customs declaration for imported goods to the first Customs office may be waived in the event of the lodging of a summary declaration, if the goods are forwarded to a second Customs office to be declared in detail.

Authorized Economic Operators

Transit operations carried out by Authorized Economic Operators systematically benefit from the simplified transit regime, without geographic restrictions in national Customs territory.

Guarantee system

The assignment of the transit regime is dependent on submission of a secured obligation. Such secured obligations, however, signed at the time of the assignment of another economic Customs regime (suspensive), such as temporary admission, Customs warehousing, etc., and temporary deposits may cover the undertakings arising out of the transit regime.

Export facilitation

Goods declared on exportation or re-exportation from an internal office are forwarded (transit) to the office of exit under the export or re-export declaration.

Source: The Customs Administration of Algeria, January 2019

2. Jordan **Electronic Transit Monitoring and Facilitation System**



Jordan's electronic transit monitoring and facilitation system utilizes GPS Technology to locate the position of the monitored trucks, GPRS/SMS Technology for communications between the tracking units and the control room, and digital maps (vector and raster) to provide a graphical interface to the user to enable him to follow up the movements of trucks. MIS/CIS are used to provide the necessary statistics and reporting, and to interface with other existing computerized applications to avoid duplication in data entry; wireless networks and PDAs are used at the Customs houses to initiate and terminate transit trips.

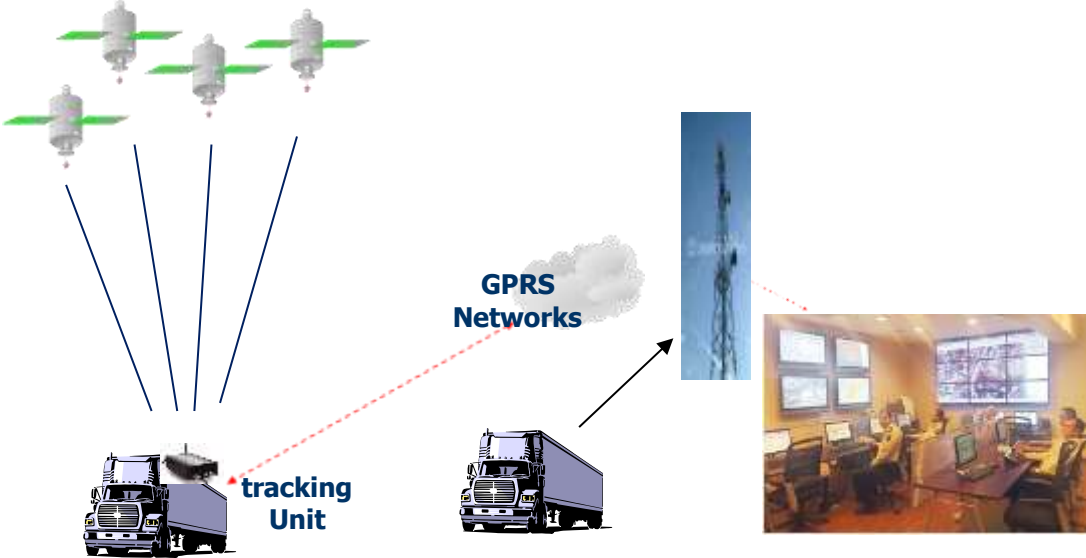
The tracking operation starts at the Customs centre of entry; after the transit truck has completed all Customs procedures, it moves to the electronic tracking yard which is located just before the exit gate. A tracking unit and electronic seals are configured and installed on the truck. The transit route which the truck will follow is assigned at this stage. The unit is identified by the system at the control room and the truck appears on the main monitoring screen.

During the transit trip, the truck's position is updated at preassigned intervals; based on a computerized risk analysis system, the intervals can be short for high risk shipments, and long for low risk shipments. Any violation committed during the trip is reported immediately to the control room.

When the truck reaches the Customs centre of exit, a trip report is issued by the system, showing the route that has been followed by the truck and identifying any violations committed during the trip. The report is analyzed by the Customs officer, who will terminate the transit trip and remove the tracking unit and electronic seals. The tracking unit is then recharged to be used on another trip in the opposite direction.

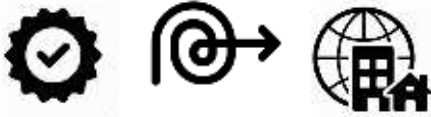
This system has contributed to the security and facilitation of the international supply chain, as it reduces the transit time across Jordan by more than 50%, and contributed to reducing the smuggling of valuable goods and dangerous materials via transit trade.

Annex to
doc. PC0606Ea



Source: The Customs Administration of Jordan

3. Morocco



Legal framework

National legal framework

National legislation is harmonized with international standards and good practices recommended by the international conventions ratified by Morocco.

➤ Legal effect of the transit regime

Goods in transit **are eligible for suspension of the duties and charges**, prohibitions and restrictions normally applicable.

➤ Transit documents and Customs clearance circuit

Goods in transit move under a national Customs declaration or any other document serving as such, particularly the documents provided for in the international conventions ratified by Morocco (cf. following point).

For national declarations the Customs clearance circuit is fully dematerialized via the BADR IT system (Computerized Online Customs Database), without physical submission.

International legal framework

➤ Agreements ratified by Morocco

Morocco is a party to the principal conventions governing the transit regime and has applied the Guidelines and practices recommended by those conventions, particularly:

- the Revised Kyoto Convention (RKC);
- the TIR Convention;
- the ATA Convention.

➤ Transit under international documents

ATA and TIR carnets are accepted as transit documents (declarative support and guarantee). In these cases, the formalities are reduced to a strict minimum. Officials initial the international documents presented and may merely verify the seals affixed by foreign Customs, adding their own seals where applicable.

Morocco also accepts the supporting documents provided for in these conventions lodged in support of these declarations (CMR⁶).

ICT and efficient information management (coordination at international level)

Transmission of information on termination of the TIR operation to the IRU via the national Customs clearance system (BADR): Partial or final discharge of TIR carnets is recorded via BADR and allows real-time transmission to the IRU of data relating to the conclusion of TIR operations.

⁶ Convention on the Contract for the International Carriage of Goods by Road.

Guarantee system

The guarantee system introduced provides economic operators with a range of guarantee facilities allowing them to carry out their transit operations under the best possible conditions of cost and time.

Guarantee amount: The guarantee amount required for goods in transit may not exceed the sum of import duties and charges.

Acceptance of international guarantees: Morocco accepts international guarantees, i.e. TIR and ATA carnets.

Timing of guarantee settlement: Immediate release following confirmation of receipt by the office of destination.

Electronic validation of bank guarantee: The bank guarantee is validated electronically by the guarantee banking organization.

Use of global guarantees - global bank guarantee: This is a secured bond covering several operations which gives rise to the establishment of a guarantee decision without any validation by the bank for each operation.

Specific forms of guarantee for transit operations from and to free zones and operators of Customs clearance warehouses and areas: Operators established in free zones may cover their transit operations from and to these zones by means of their personal commitment, embodied in a bonded facility managed by the BADR system. Operators of Customs clearance warehouses and areas also benefit from a form of guarantee adapted to their activity.

Guarantee waiver: The guarantee may be waived in certain cases, particularly the international transit of humanitarian convoys through national territory.

Fees and charges

The transit regime is not subject to any taxation other than a fee related to the use of the Customs clearance IT system up to an amount of MAD 150 (approximately USD 15) per transit declaration recorded.

Simplification of formalities

Reduction of transit operation requirements to a minimum:

- Easing of declarative support for transit operations by reducing the number of declarations only to those which are relevant for identifying the goods and means of transport (14 declarations instead of the usual 38).
- Introduction of the “Combined Declaration” covering both the transit operation and the definitive Customs arrangements assigned to the goods.
- Introduction of the “Provisional Declaration” covering a range of operations carried out under the transit regime during a defined period. Goods are removed during this period under cover of commercial or transport documents (invoice, bill of lading, etc.).

Pre-arrival declaration:

Moroccan Customs regulations allow the transit declaration to be submitted prior to the arrival of the goods at the Customs office.

To that end, submission of the summary declaration (manifest) is mandatory prior to the arrival of the goods.

Use of international documents as transit declarations:

In addition to the simplified transit declarations referred to above, transit operations can also be covered by TIR or ATA carnets.

Dematerialization of procedures:

Since 1 January 2019, the Customs clearance circuit has been fully dematerialized via the BADR system, which brings all Customs tasks together (summary declaration (Manifest), detailed declaration, integrated tariff, Customs control, exchanging of results of normative supervision with other supervisory departments, electronic validation of the bank guarantee, payment of duties and charges, removal of goods, etc.).

Single Window:

Transit formalities from Moroccan ports are ensured via the "Portnet" electronic Single Window.

Portnet currently incorporates the most important actors in the foreign trade chain and is responsible for much of the functional process, i.e.:

- call stage;
- coordination of controls initiated by the various competent bodies;
- financial circuit;
- exchange of data between control agencies.

Risk management

Moroccan Customs continually adapts its control strategies by analysing risks and collecting information. The aim is to improve the control apparatus on the basis of selectivity and risk analysis. In view of the increase in the volume of trade, this is an effective way to limit intrusive controls, respond to operators' needs and ensure that their operations are secure.

Authorized Economic Operators (AEOs)

Moroccan Customs has introduced an AEO programme in accordance with the WCO SAFE Framework of Standards.

Facilities for AEO freight forwarding:

- Filing of pre-declarations;
- Priority treatment;
- Granting of guarantee facilities;
- Exemption from payment of fines as penalties for non-tax relevant infringements;
- On-site Customs clearance.

Customs seals and other security measures

In relation to seals, goods shipped in transit are sealed, either by package or, when the state of transport units allows, by capacity.

In the case of fluids and liquids transported in casks or other recipients not likely to be lead sealed, the sealing guarantee is replaced by sampling. The samples are placed in separate cases and sealed to be presented with the goods either at the office of destination or the border office.

When the transport units presented at the border office already have intact seals affixed by foreign Customs and there is no reason to suspect any offloading, Moroccan Customs may choose not to affix a national seal.

The quantity of seals and their numbers are recorded in the BADR IT system.

A plan to introduce electronic sealing is currently under study.

Coordinated Border Management

Coordinated physical visit

This procedure allows Customs and/or the control agencies concerned to manage and schedule coordinated visits and goods inspections.

Single Window

The Portnet Single Window for Foreign Trade Formalities incorporates the most important actors in the foreign trade chain and is responsible for much of the functional process, i.e.:

- call stage;
- coordination of controls initiated by the various competent bodies;
- financial circuit;
- exchange of data between control agencies.

Harmonization of working hours at national level between the different bodies involved in processing transit operations

Hard infrastructure and equipment

Transit lanes: Moroccan Customs and the port management bodies have introduced lanes devoted to transit operations in offices with considerable transit traffic, allowing them to be processed as quickly as possible.

Separation of goods and passenger flows: This measure essentially seeks to improve Customs clearance conditions.

Customs clearance warehouses and areas (dry ports): Moroccan Customs encourages the creation of Customs clearance warehouses and areas to decongest the country's Customs premises, thereby helping to reduce logistical costs and bringing Customs clearance centres closer to economic operators.

Use of non-intrusive inspection techniques: Customs control is based essentially on the targeting method and the use of non-intrusive means of control such as scanners.

Transparency and anti-corruption

The Administration's Internet portal allows free and fully transparent access to all information on the transit regime.

A dedicated e-mail address, a telephone hotline and regional and central assistance units have been introduced to respond to the various questions operators may have, to help them where necessary and to collect complaints.

Economic operators may also carry out real-time consultations of the IT system on the processing state of their transit operations.

Partnership with business

Partnership with the private sector is a major pillar of the modernization strategy advocated by Moroccan Customs. In this respect, since 2015 the Administration has:

- institutionalized relations with professionals through the signing of conventions and framework agreements;
- put in place structures dedicated to the management of client relations at both regional and central level;
- introduced a welcome desk.

Performance measurement

Several leading indicators tracking the development of transit times are closely monitored by the Customs Administration and the bodies concerned, particularly Customs clearance times.

Source: The Customs Administration of Morocco, February 2019

4. United Arab Emirates **Practices in Transit**



During the 32nd Session of the Gulf Cooperation Supreme Council which took place in 2011, the GCC Member States agreed to unify their Customs Procedures. As a result, the GCC Unified Guide for Customs Procedures at First Points of Entry was created to simplify Customs procedures while simultaneously increasing trade volumes within GCC member states and international trade. The following articles from the Guide describe the practices regarding transit:

03010103. Temporary Admission

Goods in Transit under the ATA Carnet:

Subject to the International Convention on temporary Admission (ATA Carnet).

Controls:

The exit Customs port/office shall ensure that the goods have exited the country within the authorized transit period.

The Temporary Admission procedure shall terminate upon payment of the duties and fines applicable to the goods that were not re-exported for any of the following reasons: sale, distribution, loss, theft, damage.

Required documents:

ATA Carnet

Documents to be attached:

- Bill of Lading (for air or sea importation);
- Manifest (for importation by land).

Procedures:

- The owner of the goods/importer, his representative or the authorized Customs broker shall file the ATA Carnet to the Entry/Exit Customs office.
- The Customs office shall enter all the information outlined in the ATA Carnet into the automated system.
- The goods shall be subject to inspection /examination.
- The Customs office shall stamp and remove the blue copy (voucher) designated for transit, of the ATA Carnet, and fill out the boxes (1-7) of the counter foil designated for transit.
- Issuance of the exit order and release of the goods.

0302. Goods in Transit

Subject to the conventions regulating transit of goods

Controls and conditions to be met in the modes of transport used for transit:

- Motor vehicles shall be duly licensed under a valid traffic license.
- Lead and Customs seal shall be easily affixed thereon.
- A partition shall be installed between driver's cabin and the goods compartment, to ensure proper placement of packing and canvas under the procedures of this policy.
- No goods can be taken out or placed in the part of the motor vehicle on which the lead or Customs seal is affixed without breaking or leaving obvious tampering traces.
- The motor vehicle shall not contain hidden compartments wherein goods can be concealed.
- The floor and sides of the load compartment shall be firmly secured to the chassis in such a manner that it can be separated only from inside. In addition, metal rings shall be welded on the sides.
- Open modes of transport shall be covered with canvas firmly secured by ropes, wrapped from outside with a wire that allows affixing of the lead or the Customs seal in a way that prevents access to the goods.

Modes of transport to be fitted with canvas that meets the following conditions:

- Canvas shall be intact and made of strong fabric, plastic coated fabric or reinforced rubber, consisting of a single piece.
- Canvas shall cover the whole load and roll down the sides of the load compartment being wrapped.
- Canvas shall be fitted with metal rings secured into the fabric on its length at equal distances to prevent leakage of the goods.

Roping (lead rope) shall meet the following conditions:

- Rope shall consist of a single piece ending with a metal piece on both sides. The metal piece shall be hollowed to accommodate the Customs seal.
- Rope shall be of a length that allows its ends to be joined after passing through all canvas rings, as well as compartment hooks.
- Rope to be firmly secured to prevent access to any part of the load compartment or the load itself without cutting or damaging it.

The Customs seal (lead) shall meet the following conditions:

- It shall be made from robust metal or plastic weatherproof material that prevents breaking or wear.
- It shall be of an adequate form and size to allow visibility.
- It shall be difficult to imitate or forge.
- It shall bear the word 'Customs' and the name of the country.
- It shall bear serial numbers.
- It shall be designed for a single use only (disposable).

The load compartment/container shall meet the following conditions:

- Constituent components (sides, covers, top, columns, partitions) shall be impossible to remove or replace from outside without leaving obvious traces.
- The doors and closing/locking systems shall be designed in such a way that would easily allow affixing of the Customs seal/lead thereon.

- The closing/locking system shall be impossible to remove or replace from outside.
- The door shall be designed in such a way that it cannot be opened without removing the Customs seal/lead.
- Ventilation ducts (louvers) shall be designed in such a way that they cannot be opened from outside, and goods cannot be taken out through them.

Documents to be attached:

- Bill of Lading (for air or sea transport);
- Manifest (land transport);
- Invoice, if any.

Procedures:

- The Customs declaration shall be electronically completed by the freight agent or the authorized Customs broker.
- Presentation of a financial security or bank guarantee in an amount equivalent to the amount of Customs taxes/duties applicable to the goods, as well as payment of the other applicable charges.
- All documents and documents to be attached shall be submitted to the Customs office.
- The goods shall be subject to inspection and examination based on risk assessment criteria. Sealing and printing of the Customs declaration shall be completed according to the automated clearance system applicable at the Customs office.
- Issuance of the exit order and release of the goods.

Source: The Customs Administration of UAE, January 2019

VI. Far East, South & South East Asia, Australasia & the Pacific Islands (AP)



The WCO AP region has 33⁷ Members. Eleven of them (Australia, Fiji, Japan, Maldives, New Zealand, Philippines, Samoa, Singapore, Sri Lanka, Tonga and Vanuatu) are island states that do not share a land border with any other state. The number of LLDCs in the AP region is five (Afghanistan, Bhutan, Lao People's Democratic Republic, Mongolia and Nepal). Four of them (Afghanistan, Bhutan, Lao People's Democratic Republic and Nepal) fall also in the category of Least Developed Countries (LDCs).

The regional economic integration entities in the WCO AP region are as follows:

Organisation	Members
Association of Southeast Asian Nations – ASEAN (www.asean.org)	Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam
South Asian Association for Regional Cooperation – SAARC (www.saarc-sec.org)	Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka

Other relevant regional organizations and initiatives are the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), the Economic Cooperation Organization (ECO) and the Oceania Customs Organization (OCO).

Out of the 76 Contracting Parties to the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975), eight (Afghanistan, China, India,

⁷ Afghanistan (Islamic Republic of), Australia, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, China, Fiji, Hong Kong, China, India, Indonesia, Iran (Islamic Republic of), Japan, Korea (Republic of), Lao People's Democratic Republic, Macau, China, Malaysia, Maldives, Mongolia, Nepal, New Zealand, Pakistan, Papua New Guinea, Philippines, Samoa, Singapore, Sri Lanka, Thailand, Timor-Leste, Tonga, Union of Myanmar (Republic of the), Vanuatu and Vietnam

Annex to
doc. PC0606Ea

Indonesia, Iran, Mongolia, Pakistan and the Republic of Korea) are Members of the WCO AP region. However, the TIR procedure is not yet operational in Indonesia and the Republic of Korea.

1. Afghanistan

A short paper on transit practices



Introduction

Afghanistan is a land locked country which is bordered by Pakistan to the South and the east, Iran to the West, Tajikistan, Uzbekistan and Turkmenistan are in the North and the People's Republic of China is located in the far North-East of Afghanistan. According to the Central Statistical Organization (CSO) of Afghanistan, the total population of the country is about 35 million in 2015. The approximate area of the country is 647,500 km².

Afghanistan has long borders with Pakistan and Iran. The porous border between Afghanistan and its neighboring countries has led to complicated and hard management of the border. Although Afghanistan is a landlocked country, it can become a land-linked country, as it is located in the heart of Asia which can play a vital role in connecting Central Asian countries with Southern Asian countries as well as Western countries.

The lack of proper infrastructure facilities at the borders, security constrains and geographical location of the country has led to the formation of two major types of Customs operations namely Border Customs and Inland Customs. The border Customs have the responsibilities of making and issuing the transit documents to the trade while the Customs duties other charges collections & final Customs clearance are performed in Inland Customs. Some of the perishable goods are also cleared at Border Customs for facilitating trade. There are 19 Inland Customs Depots (ICDs), 12 major Border Customs Post (BCPs), 65 Customs Checkpoints, 4 International Airport Customs and 1 Post Parcel Customs.

paid by the trader/broker as guarantee deposited in the Central Bank till the goods are cleared in the ICD.

When the consignment is entered in the system & the Customs seals are put in place into the container, the transit declaration (T1) form is issued and the consignment moves towards the destination ICD. As per the transit procedure, the maximum time limits are defined from a BCP to an ICD, within which the consignment has to reach to its destination. If the consignment does not reach to its destination within the time limit defined in the transit procedure, then the consignment is penalized on each day delay as described in the transit procedure.

An automatic message is generated in the system and is sent to the Headquarters and the destination Customs in relation to the consignment which is processed in the BCP and is moving towards the destination Customs.

Operations at the Inland Customs:

When the national transit consignment arrives at the Inland Customs, it is registered in the Entry gate of the Customs in the system. The Risk Management System is implemented almost in all Customs where the consignment is then diverted into the relevant Risk Management channels. The selection of the channels is randomly performed by the system. There is no check or examination for consignments in the green channel. Documentation check is performed for consignments in the yellow channel and in the red channel, a physical examination of the consignment is performed along with the documentation check.

After the check, the final Customs declaration is filled by the trader/broker against the initial T1 issued at the border under the supervision of a Customs officer. When the payment calculation is done by the system and is paid through the system to the Central Bank, the T1 is validated in the system and the national transit regime is completed.

International Transit

As per the Customs Act, the international transit is defined as a transit regime under which the goods entered the country through one of the Border Customs Posts under Customs control and exit to another country through a Customs office of exit under Customs supervision and control. In international transit, the goods entered through one of the borders and the same goods exit through another Border Customs Post under Customs control.

The international transit is performed on the basis of the following principles:

- The international transit is done only through the transporting companies (Consignors) registered and licensed in the Ministry of Industries and Trade;
- The transporting companies perform the transit functions as representatives of the importing and exporting companies; and in the presence of any violation, the transit companies are responsible accordingly.

Responsibilities of Transporting company (Consignor):

- Filling-in an application to the Afghan Customs Department for allowing the international transit;
- Presenting the Agreement between the parties (seller and buyer) in relation to the goods;
- Presenting the license of both parties (seller and buyer), money transfer transaction slip and in some cases health certificate;
- The transporting company should be registered in the ASYCUDA World system with the Afghan Customs Department;
- The transporting company should pay the amount of duties and taxes payable for the transit goods as guarantee in the Central Bank of Afghanistan.

Responsibilities of the Transit Department at HQ:

- Opening of the guarantee account in the ASYCUDA World system as per the transaction slip of the Central Bank;
- Sending all the relevant documents through email and archive unit to the relevant border Customs;
- Control and system supervision of the international transit regime so that the international transit operations are performed properly as per the procedure.

Responsibilities of the Border Customs:

- Examination of the goods entering the country;
- Preparation of the International transit form (T2) as per the documents provided by the consignor;
- Collection of the international transit fee as defined in the procedure;
- Defining the destination border Customs along with the maximum time limit in the System.
- When the consignment arrives at the Customs office of exit, the Customs transit officer should check the consignment (plate number, seal, documents, etc.);
- Validating the T2 in the system when the goods exit through the border Customs to another country.

Source: The Customs Administration of Afghanistan, January 2019

2. Association of Southeast Asian Nations (ASEAN) **ASEAN Customs Transit System (ACTS)**



Background and legal basis

The Association of Southeast Asian Nations (ASEAN) formed on 8 August 1967 is a regional economic integration entity comprising ten countries in Southeast Asia (Brunei, Cambodia, Lao PDR, Malaysia, Indonesia, Myanmar, Philippines, Singapore, Thailand and Vietnam).

Customs transit is one of the cornerstones of ASEAN integration and of vital interest to ASEAN businesses. It enables goods to move more freely and facilitates Customs clearance formalities from point of departure through transit and ending at point of destination. It does so by temporarily suspending duties and taxes that are applicable to goods at import into the region, or between the ASEAN Member States.

The legal basis for the implementation of the ACTS is the [ASEAN Framework Agreement on Facilitation of Goods in Transit](#) (AFAFGIT) of 1998 and its nine supporting Protocols. All ASEAN Member States have signed the AFAFGIT. The practical objective of the Agreement is the creation of a regional environment in which a vehicle operating under the transit system can move goods by road from a point of departure in any ASEAN Member State to a point of destination in any other Member State via any number of transit countries without intermediate unloading and with minimal procedures at borders.

[Protocol 7](#) to the AFAFGIT gives the headline structure for the Customs procedures and requirements of ACTS. The technical appendix of Protocol 7 gives more detailed legal information towards the implementation of ACTS.

Main objectives of the ASEAN Customs Transit System (ACTS)

The ACTS is a computerised Customs transit management system available to operators who move goods across borders without paying the required duties and taxes otherwise due when the goods enter (or leave) the country thus requiring only one (final) Customs formality. The main objectives of the ACTS are:

- to increase the efficiency and effectiveness of moving goods across land-based transport routes;
- to improve both the prevention and detection of fraud; and
- to reduce transaction cost and movement time for the trading community.

ACTS basic principles

Access

All qualifying traders will have access to the ACTS. The qualifying criteria will be a national decision set by the relevant competent authority. The following may participate in ACTS:

- Importers, exporters;

- Freight forwarders;
- Transporters and sub-contractors;
- Customs agents of the above.

Subject to national criteria, reliable traders can be selected to be Authorised Transit Traders (ATT). ATT will be given some privileges by the competent authorities including exemption from the requirement to present the goods and means of transport at the Customs office of departure.

Guarantees

- Flexible secure guarantee system;
- Approved guarantors (financial institutions);
- Guarantees based on actual consignment values and levels of risk;
- Reduced or waived for Authorised Transit Traders.

Facilitation

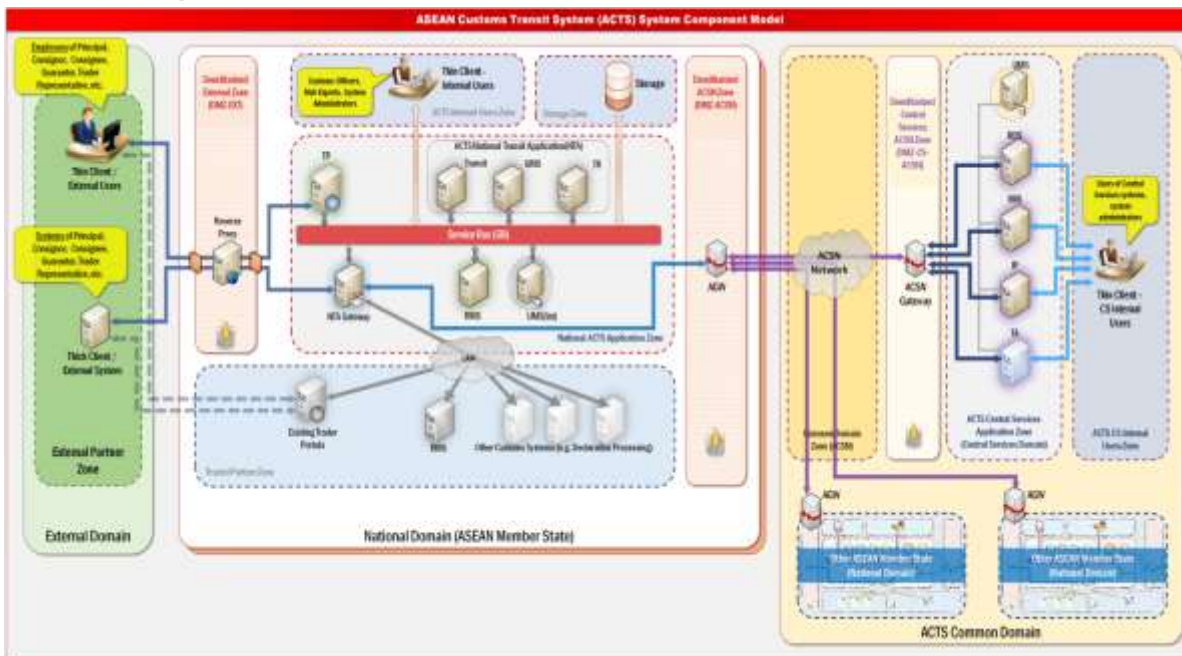
- Maximised efficiency for legitimate trade;
- Availability of simplified procedures;
- Application of risk management techniques;
- Mutual recognition by ASEAN Member States of vehicle inspection certificates for trucks;
- No movement restrictions on permitted transport/drivers.

ICT Enabled

Comprehensive computerisation, linking:

- All Customs offices in transit movement;
- Traders to Customs offices of departure
 - To manage movements and guarantees;
 - To identify irregularities fast, and
 - To provide detailed management information.

ACTS Component Architecture



Main Features to Assist Customs and the Trade:

- A single electronic goods declaration from departure, through transit, to destination;
- A single guarantee valid for the entire journey;
- A secure and efficient system;
- Full end-to-end computerization of operations;
- Proven operators authorised to use simplified procedures;
- Complete Customs to Customs and Customs to Business network;
- Free movement for permitted trucks and drivers.

ACTS Development Plan

Phase 1 (completed) – North – South Corridor - Thailand, Malaysia and Singapore:

- Registered traders to use the ACTS system with access to Trader Portal;
- Connects Thailand, Malaysia and Singapore Customs;
- Advance Movement Notification;
- Movement tracking;
- Automated facilities for discharge of guarantees.

It is envisaged that the ACTS will be in live operation in the three pilot countries as of April 2020.

Phase 2 – East – West Corridor - Cambodia, Laos, Myanmar, Vietnam

Sources: <https://acts.asean.org/acts>, accessed on 28 February 2020

Presentation by the Customs Administration of Myanmar, WCO Regional Workshop on Transit for the AP Region, January 2019

Presentation by the Customs Administration of Malaysia, WCO Sub-regional Workshop on Transit for the ASEAN Members, February 2020

3. Iran



The Islamic Republic of Iran Customs Administration applies the practices the online monitoring of transit goods; using of x-ray scanners and detection dogs; e-declaration; and dispatching of goods with the seal being fixed in the country of origin.

Source: The Customs Administration of Iran, February 2019

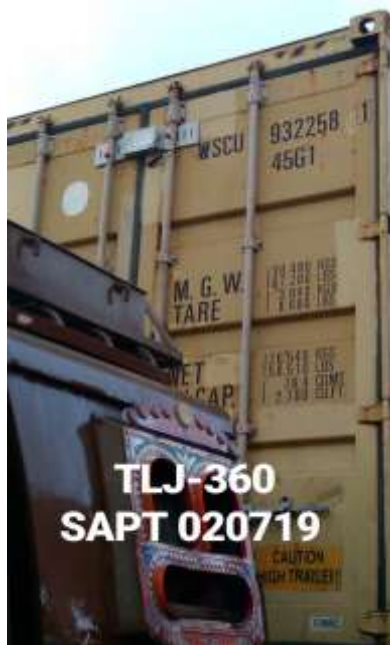
4. Pakistan



Pakistan Customs' Tracking and Monitoring of Cargo Rules were issued on 25 April 2012 through Notification SRO 413(I)/2012. These rules were issued to ensure integrity of transit cargo through tracking and monitoring by a duly licensed private company. The rules provide the criteria and procedure for licensing of companies for tracking and monitoring of cargo, responsibilities of the licensee, responsibilities of the carrier and transport operator, and responsibilities of the Project Director. The rules also determine the services to be provided by the licensee and mechanism to determine the fee for these services.

The actual project for tracking and monitoring, however, commenced on 7 May 2013 after award of license to M/s. TPL Trakker Ltd. Recently another company M/s. National Logistics Cell (NLC) has also been licensed for this purpose but they are not offering their services for commercial transit cargo yet. This project was a part of several measures to ensure integrity of cargo, following a major detection by the Customs Intelligence Unit which revealed that many Afghan transit consignments had been pilfered within Pakistan territories and never reached Afghanistan. Other important measures included initiation of IT based clearance through WeBOC system, movement of cargo bonded carriers, end to end reconciliation through uploading of T1 certificates by Afghan Customs, and formation of a separate Directorate General to administer transit regime at national level.

Under this project it is mandatory that a tracking device is installed on each transit container by the licensed company before its gate-out from port/office of departure against fees of Rs.6600/container to be paid by the importer or his authorized agent. For installation of the tracking device, necessary information like vehicle no., container no. and bonded carrier name are provided to the tracking company by WeBOC system once all other Customs formalities like examination, assessment and submission of financial security are completed. Once this information is received and the container has been loaded on the vehicle, a tracking device is installed on the containers' doors as shown in Pictures 1 and 2. The tracking device has thin and low profile enclosure. It is capable of both cellular and satellite communications. Its installation is simple and quick and its battery life is 30 days at 30 minute report interval. At the time of installation of the tracker, the company also obtains cell numbers of the vehicle drivers so that they may be contacted in case of any eventuality.



Picture 1



Picture 2

After installation of the tracking device, the vehicle movement is monitored by means of communication with tracking device through cellular network wherever the same is available and through satellite communication where the cellular communication is not possible. For the purpose of tracking and monitoring of international transit cargo, M/s. TPL Trakker has established a central control room at the two border stations, i.e. Chaman and Torkham. They have employed over 125 personnel which include 75 technicians and over 40 agents to monitor movement of inland and international transit cargo. They also have eight other regional control rooms exclusively to monitor movement of inland transit cargo.

Thought 24/7 monitoring, the system generates alerts whenever any abnormality is detected in movement of cargo and these alerts are visible to respective agents on their screens installed in the control rooms. The following alerts are generated during the cargo movement:

- **Unusual stop alert** is generated when a vehicle carrying transit cargo stops for more than two hours at a place;
- **Route deviation alert** is generated when a vehicle substantially deviates from the prescribed route;
- **Door opening alert** is generated whenever door of a container is opened during its journey to border station;
- **Sync. Alert** is generated when a container is removed from a vehicle.

When an alert is observed by an agent of the tracking company, he can immediately contact local Customs Mobile Enforcement Unit (MEU). For this purpose MEUs have already been formed at various field formations of Customs throughout the country and these have been provided with the requisite facilities. These MEUs, in coordination with the agents of the tracking company, reach the exact location of the vehicle involved in any possible illegal activity and take necessary corrective measures to thwart any attempts for pilferage of goods.

Tracking and monitoring of transit cargo on a real-time basis has resulted in complete elimination of en-route pilferage of transit cargo and its results are very encouraging in this regard.

Source: The Customs Administration of Pakistan, February 2019
