

**Multi-country Framework Agreement among Central Asia  
Regional Economic Cooperation Member Country Governments  
to Use the CAREC Advanced Transit System (CATS) and  
Information Common Exchange (ICE) (Draft version)**

**THE STATE CUSTOMS COMMITTEE OF THE REPUBLIC OF  
AZERBAIJAN**

**GÖMRÜK**  
**İNKİŞAF**  
**MODELİ**



**Azərbaycan Respublikası  
Dövlət Gömrük Komitəsi**

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**Article 1 Definitions**

**(a) “CATS Transit Declaration (CTD)”** means a document electronically lodged with the customs authorities in the prescribed format for the purpose of placing goods under the transit procedure, containing the particulars relating to such goods.

**(g) Customs Authority** means the Government Service that is responsible for the administration of Customs law and the collection of duties and taxes and which also has the responsibility for the application of other laws and regulations relating to the importation, exportation and transit of Goods

**Comments:** *It is considered more appropriate to formulate the definition in this manner in order to ensure consistency with international customs terminology and legislative drafting practices used within the framework of international customs law*

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- **Article 1 Definitions**

- (ee) “**Technical Protocols**” - are the instruments based on a Framework Agreement dealing with those technical matters containing detailed supplementary provisions to the agreement and an integral part of the current agreement ”.

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**Article 6: Guarantees**

- The issue of which payments are covered by the guarantee should be clarified. In particular, in Article 1 of the draft, under the definitions section, the guarantee is described as an obligation relating to the payment of customs payments. At the same time, Article 6 refers only to securing the payment of customs duties (“ACOs shall provide a guarantee for the purpose of securing the payment of customs duties during transit”)



## Technical Protocols

### Protocol 1: Data Model and Data Exchange

“For the implementation of the electronic data exchange system prescribed in Article 4 of the Agreement the Parties signatory hereto have agreed technical specifications as follows:”



## Technical Protocols

- **Protocol 2: Eligibility Criteria**

- “For the approval to use the CATS prescribed in Article 5 of the Agreement the Parties signatory hereto have agreed technical specifications as follows:”

- ***Comments:***

1. Preparation and inclusion of the application form in Protocol No. 2;
2. Inclusion, in Article 2.2 of Protocol No. 2, of the condition of absence of customs and tax debt as one of the criteria



## Technical Protocols

### Protocol 3: Guarantees

“For securing the payment of customs duties during transit prescribed in Article 6 of the Agreement the Parties signatory hereto have agreed technical specifications as follows:”

3.1. The Reference Amount of the Guarantee shall be based on the ACO’s expected liability based on past transactions and anticipated trends in operations.

**Comments:** Article 3.1 (3) of Protocol No. 3 states that the reference amount of the guarantee shall be determined on the basis of the ACO’s previous operations and anticipated activity trends. However, the draft does not distinguish between the mechanisms for determining the reference amount for an individual guarantee and a comprehensive guarantee.



## Technical Protocols

### Protocol 3: Guarantees

#### 1. Guarantor

1. A Guarantor shall be a legal entity established in the Party in which the Guarantee is provided .

**Comments:** Article 3.3 of Protocol No. 3 provides that the guarantor shall be a legal person established in the Party where the guarantee is lodged. However, it is not clearly specified whether the establishment of a separate local guarantor institution in each participating country is required.

#### 1. Types and Level of Guarantees

2. Unless otherwise agreed with regard to an additional guarantee, the operations carried out by the ACO shall not exceed the amount of the guarantee.



## Technical Protocols

### Protocol 4: Transit Operations and Mutual Recognition of Customs Control Results

“For the transit operations and mutual recognition of customs control results prescribed in Article 7 of the Agreement the Parties signatory hereto have agreed technical specifications as follows:”

**Comments:** Preparation and inclusion of the form of the “CATS Declaration” in Protocol No. 4, taking into account the NCTS practice;

#### 1. Exemptions

A Trusted ACO may be authorized by the relevant Competent Authority to carry out transit operations without physically presenting the Goods and the CTD at the Customs Office of Departure and/or the Customs Office of Destination. **where the relevant status is granted under the national legislation of the Parties**



## Technical Protocols

### Protocol 5: Amendment of Transit Declarations

“For ensuring the amendment of transit declarations prescribed in Article 8 of the Agreement the Parties signatory hereto have agreed technical specifications as follows:

1. Any amendment of the CTD shall be subject to approval by the Customs Office of Departure ***or Transit:***



**Technical Protocols**

**Protocol 6: Goods Excluded from CATS**

“For ensuring exclusion of the goods from CATS prescribed in Article 9 of the Agreement the Parties signatory hereto have agreed technical specifications as follows:”

Should be added



**Note:** The issue of establishing the reference amount of the guarantee at the level of USD 10,000 where sufficient information for determining such amount is unavailable remains unclear. In practice, it appears unlikely that situations would arise where information regarding the ACO's previous operations, planned activities, and the goods to be transported is not available.

In view of the above, it is considered appropriate for the draft to provide a uniform approach regarding whether the guarantee should cover all customs payments or only customs duties, as well as with respect to the possibility of recognition of foreign guarantors and whether the designation of a local guarantor should be mandatory or voluntary.

In general, taking into account the existence of significant inconsistencies in the Azerbaijani-language version, it is necessary to improve the translation.

**Diqqətiniz üçün  
təşəkkür edirik!**



**DGK**

AZ1073, Azərbaycan, Bakı,  
İnşaatçılar prospekti, 2

Tel: (+994 12) 404-22-00  
E-poçt: [office@customs.gov.az](mailto:office@customs.gov.az)  
[www.customs.gov.az](http://www.customs.gov.az)