



# Updates on the Development Progress of the Proposed Regional Transit System: CAREC Advanced Transit System/ Information Common Exchange (CATS/ICE)

23rd Meeting of the  
Central Asia Regional Economic Cooperation (CAREC)  
Customs Cooperation Committee

15-16 August 2024, Astana, Kazakhstan

# Regional Transit Development under CAREC



- CAREC Integrated Trade Agenda 2030 supports participation in effective transit facilitation schemes
- CAREC Customs Cooperation Committee includes regional transit development in its priority areas of work
- Transit trade remains crucial in Central Asia noting most are landlocked countries
- CAREC region as a vital link to diversify transit routes (i.e. Middle Corridor)
- Need to strengthen regional cooperation to address transit facilitation challenges and gaps



# Opportunity to Improve the Existing CAREC Transit Systems

The introduction of a CAREC regional transit system supported by a CAREC guarantee mechanism would:

- Enhance security of the supply chain across the region
- Help trade flow more smoothly and efficiently across borders
- Reduce the overall cost of trade

# CAREC Advanced Transit System and Information Common Exchange (CATS/ICE)

*CATS/ICE aims to facilitate the movement and control of goods in transit through CAREC member states.*

## **Rationale of the project**

- Simplify regional transit procedures
- Enhance customs-to-customs and customs-to-business partnerships

## **Objectives**

- Create a regional harmonized electronic customs-to-customs transit data exchange system
- Streamline and harmonize existing regional transit procedures
- Provide a modern, risk-based affordable guarantee mechanism that rewards compliant economic operators
- Exchange of customs control information to inform risk assessment of transit movements

# Comparison of TIR to CATS/ICE

	TIR System	CATS and ICE
<b>System</b>	International Road Transport Union (IRU)	Customs-to-Customs
<b>Availability</b>	IRU Members only – large companies	Approved CATS Operators – Large and SME companies
<b>Transport Modes</b>	Road	Intention to be Multi-modal
<b>Transit Guarantee</b>	Single transit movement, Set fee, 100% of all Customs Fees and Duties	Comprehensive, Variable fees, Depending on risk Customs can set level – 100% 50% 25% of all Customs Fees and Duties
<b>Transit Notification</b>	Arrival at the Border	Commencement of Transit Movement
<b>Information to inform Customs Risk Assessment</b>	Cargo details	CATS Operator approval process, Cargo details, Customs control checks undertaken by each country along the transit route



# Pilot Phase Implementation: Overall Progress (October 2023 – August 2024)

Signing of  
Memorandum  
of  
Understanding  
(October 2023)

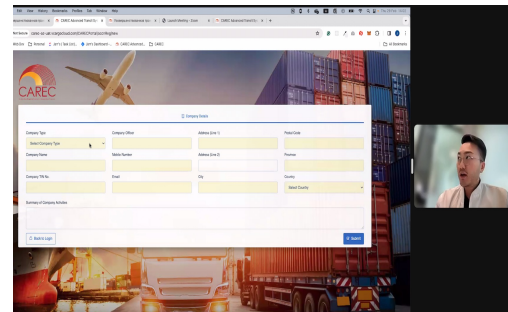
Technical  
working group  
meetings  
(October 2023  
– April 2024)

Virtual online  
training on  
ICE system  
(March 2024)

Prototype  
conformance  
testing (April  
2024)

Multi-country  
legal  
agreement  
updated (April  
- May 2024)

Updated  
functional  
specifications  
(May-August  
2024)



DAY 1 (1<sup>ST</sup> APRIL)

Country	Scenarios to Test		
	Approval of Accounts	Guarantee Application	Transit Declaration
Azerbaijan	1. Scenario AA-AZ-01 2. Scenario AA-AZ-02	1. Scenario GU-AZ-01	1. Scenario CTD-6 (Step 1 to Step 16)
Georgia	1. Scenario AA-GE-01 2. Scenario AA-GE-02	1. Scenario GU-GE-01	1. Scenario CTD-1 (Step 1 to Step 14)
Turkmenistan	1. Scenario AA-TM-01 2. Scenario AA-TM-02	1. Scenario GU-TM-01	1. Scenario CTD-3 (Step 1 to Step 14)
Uzbekistan	1. Scenario AA-UZ-01 2. Scenario AA-UZ-02	1. Scenario GU-UZ-01	1. Scenario CTD-2 (Step 1 to Step 16) 2. Scenario CTD-5 (Step 1 to Step 12)

ADB



# CATS/ICE Training Session (March 2024)

## Scenario #3 – Export from the Region for Salted Nuts

### 7. Review the CTD and Fill in Control Details



CUST APP

1. Review the details within these tabs

2. Click 'Customs Control' tab

3. Click 'Office of Departure'

4. Fill in these information, wherever applicable

5. Click 'Approve'

The Customs Officer must fill in the Customs Control tab before approving.

Upon approval, a message is sent of the transit movement to all the relevant countries.

Email will be sent to notify the Trader and the Customs Approvers.

Upon Approval, the system will share the details to other CATS portals via ICE

### Countries Involved:



Turkmenistan  
(Country of Transit)



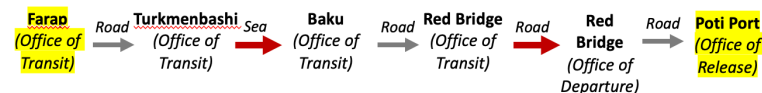
Azerbaijan  
(Country of Transit)



Georgia  
(Country of Release)



Final Destination



# CATS/ICE Compliance Testing Scenarios

Scenario / Сценарии	Trade Regime / Торговый режим	Item / Наименование товара	Country of Origin / Страна происхождения	Country of Departure / Страна отправления		Country of Transit / Страна транзита		Country of Transit / Release Страна транзита / выпуска		Country of Release / Страна выпуска		Country of Destination / Страна назначения
				BCP #1 / ПП 1 (выезд)	BCP #2 / ПП 2 (выезд)	BCP #1 / ПП 1 (выезд)	BCP #2 / ПП 2 (выезд)	BCP #1 / ПП 1 (выезд)	BCP #2 / ПП 2 (выезд)	BCP #1 / ПП 1 (выезд)	BCP #2 / ПП 2 (выезд)	
CTD-1	Intra-trade / Внутри-региональная торговля	Cashew Nuts / Орехи кешью	Georgia / Грузия	GE - Tbilisi / Тбилиси	GE - Red Bridge / Красный мост	AZ - Red Bridge / Красный мост	AZ - Baku / Баку	TM - Turkmenbashi / Туркменбаши	TM - Farap / Фарап	UZ - Alat / Алят	UZ - Tashkent / Ташкент	Uzbekistan / Узбекистан
CTD-2	Intra-trade / Внутри-региональная торговля	Dried Fruits and Nuts / Сухофрукты и орехи	Uzbekistan / Узбекистан	UZ - Tashkent / Ташкент	UZ - Alat / Алят	TM - Farap / Фарап	TM - Turkmenbashi / Туркменбаши	AZ - Baku / Баку	AZ - Red Bridge / Красный мост	GE - Red Bridge / Красный мост	GE - Tbilisi / Тбилиси	Georgia / Грузия
CTD-3	Export out of the region / Экспорт из региона	Glass Bottle / Стекланные бутылки	Turkmenistan / Туркменистан	TM - Ashgabat / Ашхабад	TM - Turkmenbashi / Туркменбаши	AZ - Baku / Баку	AZ - Red Bridge / Красный мост	GE - Red Bridge / Красный мост	GE - Poti Port / Порт Потти			Romania / Румыния
CTD-4	Transiting through the region / Транзит через регион	Toys / Игрушки	China / Китай	UZ - Kara-Suu / Кара-Суу	UZ - Alat / Алят	TM - Farap / Фарап	TM - Turkmenbashi / Туркменбаши	AZ - Baku / Баку	AZ - Red Bridge / Красный мост	GE - Red Bridge / Красный мост	GE - Poti Port / Порт Потти	Romania / Румыния
CTD-5	Import into the Region / Импорт в регион	Raw Chemical Material / Химическое сырье	China / Китай	UZ - Kara-Suu / Кара-Суу	UZ - Alat / Алят	TM - Farap / Фарап	TM - Turkmenbashi / Туркменбаши	AZ - Baku / Баку				Azerbaijan / Азербайджан
CTD-6	Export out of the region / Экспорт из региона	Dried Fruits and Nuts / Сухофрукты и орехи	Azerbaijan / Азербайджан	AZ - Red Bridge / Красный мост	AZ - Baku / Баку	TM - Turkmenbashi / Туркменбаши	TM - Farap / Фарап	UZ - Alat / Алят	UZ - Kara-Suu / Кара-Суу			China / Китай
CTD-7	Transiting through the region / Транзит через регион	Dried Fruits and Nuts / Сухофрукты и орехи	Iran / Иран	TM - Bajgiran / Баджигиран	TM - Turkmenbashi / Туркменбаши	AZ - Baku / Баку	AZ - Red Bridge / Красный мост	GE - Red Bridge / Красный мост	GE - Poti Port / Порт Потти			Azerbaijan / Азербайджан
CTD-8	Import into the Region / Импорт в регион	Sport Equipment / Спортивное оборудование	Romania / Румыния	GE - Poti Port / Порт Потти	GE - Red Bridge / Красный мост	AZ - Red Bridge / Красный мост	AZ - Baku / Баку	TM - Turkmenbashi / Туркменбаши	TM - Ashgabat / Ашхабад			Turkmenistan / Туркменистан





# CATS/ICE Compliance Testing Results

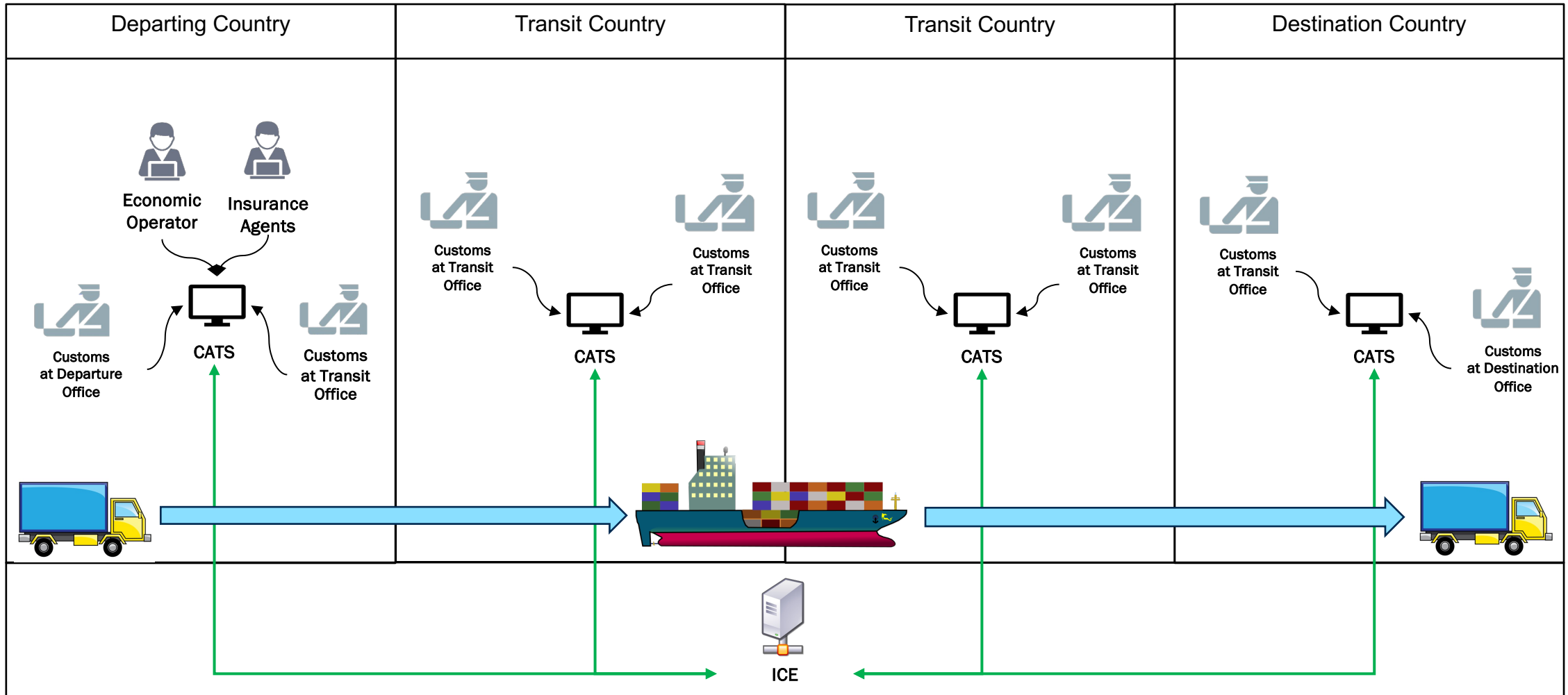
#	Scenarios	Total Test Cases	Execution by UAT		Total Test Steps	Execution by UAT		
			Passed	Failed		Passed	Failed	Missed
1	Approval of Account Scenarios	8	8	0	36	36	0	0
2	Guarantee Approval Scenarios	4	4	0	28	28	0	0
3	CATS Transit Declaration Scenarios	8	8	0	411	402	0	9
<b>Total:</b>		<b>20</b>	<b>20 (100%)</b>	<b>0 (0%)</b>	<b>475</b>	<b>466 (98.10%)</b>	<b>0 (0%)</b>	<b>9 (1.90%)</b>

## SUMMARY:

1. 20/20 (100%) of the Testcases have passed.
2. 466/475 (98.10%) Test Steps passed.



# System Features & Technology



# Moving Forward

## September – December 2024

- ✓ Parallel transit testing of CATS/ICE prototype
- ✓ Parallel transit test analysis and reporting
- ✓ Presentation of CATS/ICE functionality to individual countries

## January – March 2025

- ✓ Virtual system test of CATS/ICE Prototype Version 2
- ✓ 5<sup>th</sup> technical working group meeting and stakeholder consultations
- ✓ Circulate CATS/ICE progress report lessons learned from piloting test

## Beyond April 2025

- ✓ Further development of CATS ICE under new ADB TA
- ✓ Expansion to other CAREC countries

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