

Working Paper No. 1

**Harmonization and Simplification of
Customs Documentation and Procedures**

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I. INTRODUCTION

1. Significant progress has been achieved in standardization of Customs documentation systems. The Central Asian Republics (CARs) all use declaration forms that are variants of the European Union's (EUs) Single Administrative Document (SAD) and these are generally in UN recommended format. The Peoples Republic of China (PRC) documentation is also believed to be compliant. This would suggest therefore that customs documentation, in itself, is not an area that needs further work in relation to simplification and harmonization, though there may be a case for minor changes rather than major introduction of new systems.

2. Documentation systems have been the subject of several studies by the European Union's TRACECA¹ Program since 1995. The key concerns relate to the support documentation requirements—invoices, packing lists, bank forms, certificate of origin, veterinary and phytosanitary certificates etc.—that are predominantly not in United Nations format. It can be argued reasonably that Customs cannot insist on standardization of documentation over which they have no responsibility. This can only be achieved by discussion with other Ministries, particularly the Ministry of Trade, to improve the situation.

3. The various import, export and transit declarations are based on the SAD and are similar, though not identical. There is still a case to develop a single standard format for the CARs that will interface with that of the PRC and Mongolia by using identical forms with identical layouts. This has two main advantages: (i) it can be replicated at each border if necessary using a diskette; and (ii) it could be used as a transit document without the need for replication at the border.

4. While there is a significant degree of harmonization of documentation, the procedures at the border usually require a change from the export or transit declaration of the country of exit to the import or transit declaration of the country of entry. These two forms are virtually identical, except in the case of PRC and Mongolia. In an ideal situation, if the country of entry could accept a copy of the previous country's declaration this would save the transposition process. This would be useful in also avoiding the incidence of revaluations at the border because the previous documentation would be available. This document transposition process at the borders, often in remote locations, has been cited as a significant cause of delays and problems, often due simply to typing errors. The importer would still have to present the national declaration at the point of clearance.

5. Trade facilitation is predominantly about informed compliance. In order to achieve this, it is necessary to "inform" the user (i.e. traders, transporters, forwarding agents and entrepreneurs) what those regulations actually are. Informed compliance in the region is difficult for users to fulfill because:

- (i) The regulations and requirements are so complex that they are difficult to understand even by experienced users. Even Customs officers often fail to comprehend them;
- (ii) The regulations and requirements in force are not sufficiently transparent resulting in different interpretations as to what is required; and
- (iii) Information on the requirements is often not available in foreign countries.

6. Simplification and streamlining of documentation will help in raising compliance levels. The use of ICT can help to reinforce such initiatives by widely disseminating customs documentation requirement both regionally and globally and improving transparency of customs services. Lack of such transparency and the complexity of customs regulations are considered to be a potential source of corruption and poor governance.

¹ Transport Corridor Europe-Caucasus-central Asia

7. The key area of concern in relation to trade facilitation is the customs procedures. The procedures in the CARs were developed for a centrally controlled Soviet system that no longer exists. They have changed little since 1991, despite major changes in the environments in all the countries. Notwithstanding changes in Customs Codes and external assistance programs, the border and final clearance procedures are almost identical to those prior to independence. In those countries where ICT systems have been introduced, the procedures have also not been simplified or transit and clearance times improved. The PRC and Mongolian systems are similarly complex, particularly to non-nationals.

8. The Revised Kyoto Convention sets out the "Pathway to Progress" for Customs organizations, irrespective of whether they become signatories or not. Analysis of the Convention's standard, transitional standard and recommended practice recommendations indicate that the region is not yet compliant, though significant progress has been made in recent years. It is important that countries undertake audits to determine the current level of compliance such that some focus can be provided in relation to regional compliance requirements in relation to both documentation and procedures. The requirements in relation to border crossings are identified in Section II.

9. One of the roles of the Customs Cooperation Committee is to address mutual issues such as convention compliance. Given the similarities between the procedures throughout the region, it is considered that proposals for change to achieve compliance may have to be addressed regionally, rather than solely on a national basis. The current position on compliance with International Conventions is shown in Appendix 1.

10. The TRACECA project is currently addressing the issue of harmonization and simplification of border procedures. They have undertaken audits in each country, except for the PRC and Mongolia, and proposed new procedures. In general, these proposals are less radical than might have been expected but may still be difficult to implement. The recommendations are contained in Appendix 2. The concept of service and performance standards in particular is expected to be a contentious subject. However, there are no studies looking at other procedural issues such as final clearance, usually a source of significantly longer delays than the procedures at the border. This will need to be addressed at some stage.

11. The Common Action Plan proposed joint training seminars aimed at: (i) sharing country experience; and (ii) raising awareness levels in respects of new control concepts. Such training initiatives, such as those undertaken under the EU TACIS program and others, do not have a particularly good record in terms of achievements in implementation. Key problems have been as follows:

- (i) attendance of decision makers—training is always for someone else "I am too busy";
- (ii) training in subjects that have no immediate application or relevance in the countries concerned; and
- (iii) overseas courses are attended by more senior officials as a reward, but is often not related to their area of expertise—national courses are poorly attended by senior personnel because they have no travel benefits.

12. Whilst it is recognized that training, particularly in simplification and consistency of application of procedures is vital, proposals should be based on:

- (i) what should be the subject of the training and what is its purpose?
- (ii) what level of personnel should attend?
- (iii) where should the training take place and why?
- (iv) has it a regional dimension?

- (v) has there been previous training covering this subject and if so why is it needed again?

13. These issues have been addressed within the CCC Common Action Plan by combining training with working group meetings, thus significantly improving the targeting of personnel and relevance of training materials. Training is more effective if it has direct relevance to country development priorities and issues of shared concerns. This points to the future direction of training activities under the CCC framework: in that it should be country-focused, and regional training should always be done in combination with regional working group meetings.

14. Progress towards the simplification and harmonization of both documentation and procedures is vital to the trade community. Despite efforts by the International Financial Institutions (IFIs) and recognition by many of the customs organizations in the Region that changes are needed, the track record to date is poor in terms of generating visible positive results. When considering new initiatives, such as those proposed under the Common Action Plan, this lack of implementation needs to be addressed by defining realistic objectives that can be achieved.

II. BORDER CROSSING RECOMMENDATIONS IN THE REVISED KYOTO CONVENTION

15. The Revised Kyoto Convention amends and updates the 1973 Convention and consists of the following:

- (i) **Nine Articles** covering methods of contracting to the Convention;
- (ii) **Appendix 1** that sets out the terms of the Convention;
- (iii) **A General Annex** that sets out the standards to be applied in respect of Customs operations in general; and
- (iv) **Ten Specific Annexes** that set out the standards to be applied in respect of specific Customs activities.

16. The Convention establishes three types of standards in relation to implementation of the Convention:

- (i) **Standards** - that have to be implemented within 36 months of contracting;
- (ii) **Transitional Standards** that have to be implemented within 60 months of contracting; and
- (iii) **Recommended Practices** – have to be implemented within 36 months of contracting to that specific annex.

17. The contents of the General Annex that relate to border crossings and procedures are contained in Chapter 3-Clearance and other Customs Formalities. The recommendations are as follows:

- (i) **Standard** - Where Customs offices are located at a common border crossing, the Customs administrations concerned shall correlate the business hours and the competence of those offices;
- (ii) **Transitional Standard** – At common border crossings, the Customs administrations concerned shall, whenever possible, operate joint controls;
- (iii) **Transitional Standard** - Where the Customs intend to establish a new Customs office or to convert an existing one at a common border crossing, they shall, wherever possible, co-operate with the neighboring Customs to establish a juxtaposed Customs office to facilitate joint controls;

- (iv) **Standard** - The contents of the Goods Declaration shall be prescribed by Customs. The paper format of the Goods Declaration shall conform to the UN-layout key. For automated Customs clearance processes, the format of the electronically lodged Goods Declaration shall be based on international standards for electronic information exchange as prescribed in the Customs Co-operation Council Recommendations on information technology;
- (v) **Standard** - The Customs shall limit the data required in the Goods Declaration to only such particulars as are deemed necessary for the assessment and the collection of duties and taxes, the compilation of statistics and the application of Customs law; and
- (vi) **Standard** - Where, for reasons deemed valid by the Customs, the declarant does not have all the information required to make the Goods Declaration, a provisional or incomplete Goods Declaration shall be allowed to be lodged, provided that it contains the particulars deemed necessary by the Customs and that the declarant undertakes to complete it within a specified period

18. It can be seen that the requirements of the Revised Kyoto Convention in respect of border-crossing procedures the Region is generally compliant, though this needs to be confirmed in relation to PRC and Mongolia. However, there is still scope for significant simplification of border procedures and improvements in transit times.

III. PROPOSALS FOR HARMONISATION OF BORDER PROCEDURES

19. The EU TRACECA project “Harmonization of Border Crossing Procedures” has been working in the CARs and Azerbaijan to develop recommendations to both harmonize and simplify border procedures. These recommendations are being discussed with their Border Working Groups² that include major representation by Customs. It should be noted that the recommended procedures cover all the activities at the border, rather than solely the Customs operations.

20. It is recognized that the situation at each border crossing will vary according to local legislation, physical layout, manning etc. The key areas for reducing transit times through simplification and harmonization of procedures are by addressing the following issues:

- (i) waiting time at the border – both in queuing outside the border control zone for processing, as well as for processing by each agency within the zone;
- (ii) workload for all entities at the border – by eliminating duplication and unnecessary checks;
- (iii) number and complexity of the procedures – by simplification of the procedures and increased use of ICT;
- (iv) number of organizations present at the border – by the “core organizations” at the border, Border Police and Customs, acting as checking agents for the other border organizations, based on the principles of “Integrated Border Management”;
- (v) risks for governmental organizations and the private sector – by adopting risk management mechanisms;
- (vi) registration processes by collecting only that data that is absolutely essential for control purposes – by simplifying the data requirements and sharing them with other border organizations; and

² Border Working Groups consist of representatives of each of the organisations present at the border – Border Guard, Customs, Sanitary, Veterinary, Phytosanitary, Ministry of Transport etc.

- (vii) duplication in data collection and checks by the organizations – by the establishing of a database at the border-crossing that provides shared information, with controlled access, to all the border organizations.

21. The main recommendations in relation to road and rail borders proposed by TRACECA are shown in Appendix 2. This initiative will be completed in October 2003. Consideration needs to be given to mechanisms to extend the role of these Border Working Group through to the implementation stage setting out clear targets to be achieved to justify its continuity.

ACCESSION STATUS TO MAJOR INTERNATIONAL CONVENTIONS

No n/n	International Agreements and Conventions	ECE Reference	Azerbaijan	Kazakhstan	Kyrgyz Republic	Mongolia	PRC	Tajikistan	Turkmenistan	Uzbekistan
1	Convention on Road Traffic (08/11/1968)*	8		X				X	X	X
2	Convention on Road Signs and Signals (08/11/1968)*	10		X				X	X	X
3	Convention on the Contract for the International Carriage of Goods by Road (19/05/1956)*CMR	25		X	X			X	X	X
4	Customs Convention on the Temporary Importation of Commercial Road Vehicles (18/05/1956)*	42	A.		X					X
5	Customs Convention on the International Transport of Goods Under Cover of TIR Carnets (14/11/1975)*	40	X	X	X	X		X	X	X
6	International Convention on the Harmonization of Frontier Controls of Goods (21/10/1982)*	49	X		X					X
7	Customs Convention on Containers (02/12/1972)*	47								X
8	European Agreement supplementing the Convention on Road Traffic (01/05/1971)	11								
9	European Agreement supplementing the Convention on Road Signs and Signals (01/05/1971)	12			X			X	X	X
10	European Agreement concerning the Work of Crews of Vehicles engaged in International Road Traffic (AETR) (01/07/1970)	21	X	X					X	X
11	European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) (30/09/1957)	51	X	X						
12	Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for such Carriage (ATP) (01/09/1970)	55	X	X						X
13	European Agreement on Main International Traffic Arteries (AGR) (15/11/1975)	2	X	X						
14	European Agreement on Main International Railway Lines (AGC) (31/05/1985)	3		C						
15	European Agreement on Important International Combined Transport Lines and Related Installations (AGTC) (01/02/1991)	4		X						

Comments:

* Conventions, recommended by UN ESCAP Resolution 48/11

X Final sign, ratification, joining

C on the stage of the Governmental procedures

Source: ECE, EU TRACECA and ADB Customs Working Group

TRACECA PROPOSALS FOR HARMONIZED BORDER PROCEDURES

1. The proposals for simplification and harmonization of border procedures relating to the road and rail borders are indicated below:

A. ROAD BORDERS

1. Outward Cars

- (i) signposts leading to the border-crossing, directions to respective lanes and information material on border procedures should be provided in national language, neighboring country language and English language;
- (ii) entrance gate to border control zone should be controlled by Border Guard or Customs if a fixed barrier is required, not traffic police;
- (iii) processing order within the control zone should ideally follow the principles of the Integrated Border Management (IBM);³
- (iv) one-stop principle to be followed;⁴
- (v) drivers and passengers should remain with or within the car at all times. If exit to a Customs or Border Guard office is required, such as for registration purposes, this should be the driver only. The procedure of demanding that car passengers exit the car and walk through the zone should be suspended;
- (vi) entries into ledgers should be abolished where computer entries are being made;
- (vii) Customs Declarations to be made are limited to taxable and export-controlled goods, as an exception, and not for every export;
- (viii) Customs Declarations should be in standardized format, be in the national or a common language (such as Russian) and English and be completed by the driver and passengers when within the car;
- (ix) inspections of the car and contents should only be undertaken after completion of the Customs Declaration (if there are declarable goods or currency);
- (x) inspection or examination of vehicles by Customs and Border Guard should only be undertaken on the basis of risk management;
- (xi) any examination by representatives of border authorities should be in line with the IBM and also be undertaken on a risk management basis;
- (xii) in accordance with IBM principles, Customs should screen for other organizations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organizations;
- (xiii) any registration requirements for cars and passengers by Customs should be minimized⁵ – statistical data should be collected in conjunction with Border Guards and be limited to number of vehicles and number of passengers;
- (xiv) drivers should not be required to produce passports, driving license or car documents to Customs unless an inspection or examination is to be undertaken in connection with an identified risk;
- (xv) outward cars should not require inspection, examination or registration by Traffic Police, Traffic Inspectorate, Ministry of Transport (MOT) personnel etc. – i.e., only by Customs and Border Guards unless they are conveying special products;

³ Integrated Border Management is the systems whereby all the border organizations integrate their services into a coordinated system, often with the Border Police and Customs acting as agents for other border organizations.

⁴ One stop principle means the vehicle may stop only once within the Control Zone where it is subject to control.

⁵ Elimination of this procedure appears unacceptable for certain countries due to risks involved.

- (xvi) spraying or drive-through disinfection of outward vehicles should be eliminated. This should be the inward responsibility of the other country;
- (xvii) Border Guards services in relation to immigration/passport control should be confined to inspection and examination of passports and visas. It should exclude the necessity to present car documents, drivers license, cargo declarations etc. for registration;⁶
- (xviii) the external control barrier to the control zone should be manned by Border Guards if applicable;
- (xix) outward cars should not be required to stop and register with any organization regarding border-related procedures immediately prior to the border control zone;
- (xx) other services than Customs and Border Guards should be subject for relocation from the BCP unless decided otherwise by the national law;
- (xxi) the proposed organizations that may be relocated from the control zone – Veterinary, Phytosanitary, Health, MOT, etc. - should not be permitted to be relocated in the immediate vicinity of the border. Alternative control mechanisms need to be developed instead;
- (xxii) there should be no fixed charges for transiting the control zone;
- (xxiii) outbound cars/passengers should be segregated from inbound cars/passengers;
- (xxiv) a single border payment form should be developed so that any payments to Customs, MOT, Border Guards, Ministry of Agriculture etc are on a single form for payment at the bank, rather than payments to each organization. There should be no charges solely for registration, only for services (certificates etc.) provided; and
- (xxv) average transit time through the control zone should not exceed 5 minutes per car and should achieve a processing minimum of 12 cars per hour per processing lane, with a future target of 2 minutes per car or 30 cars per hour per lane through automation or the introduction of reduced controls/registration. At borders with a high proportion of localized cross border movements, these targets should be doubled.

2. Inward Cars

- (i) signposts leading to the border crossing, directions to respective lanes and information material on border procedures to be provided in national language, neighboring language and English language;
- (ii) traffic separation to be applied for cars;
- (iii) entrance gate to border control zone should be controlled by Border Guard, if applicable;
- (iv) spraying or drive through disinfection of inward vehicles should not be a standard practice but should only be undertaken in respect of specific outbreaks of disease and use specific approved chemicals in relation to the containment of that disease. No charge should be made for this service or receipts issued;
- (v) entries into ledgers should be abolished where computer entries are made;
- (vi) processing order within zone should follow the IBM principle;
- (vii) one-stop principle to be followed;
- (viii) Border Guards services in relation to immigration/passport control should be confined to inspection and examination of passports and visas. It should exclude the necessity to present car documents, drivers license, cargo declarations etc. for registration purposes;

⁶ Border Guards in some countries are the responsible authority to investigate for stolen cars; where this procedure is applied, it may be continued.

- (ix) drivers and passengers should remain with or within the car at all times. If exit to a Customs or Border Guard office were required, such as for registration purposes, this should be the driver only. The procedure of demanding that car passengers exit the car and walk through the zone should be suspended;
- (x) controls and examination of car, goods and persons by representatives of authorities should be in line with the IBM and also be undertaken on a risk management basis. Procedures for the detection of stolen cars or parts thereof should be followed as the services deem necessary;
- (xi) Customs Declarations should be in standardized format, be in national or a common language and English and be completed by the driver and passengers within the car;
- (xii) drivers of inward foreign registered cars should not be required to produce a separate Customs Declaration for temporary admission or registration in relation to the actual vehicle;
- (xiii) although the general rule states not to undertake Customs Clearance for home use at the border an exception should be made for travelers' merchandise or resident's for non-commercial goods. Limited to a certain value, goods might be imported against payment of a flat-rate or lumpsum - system in order to reduce works for classification- and valuation at the border-crossing;
- (xiv) inspections of the car and contents should only be undertaken after completion of the Customs Declaration (if there are declarable goods or currency); Inspection or examination of vehicles by Customs and Border Guard should only be undertaken on the basis of risk management techniques. Procedures for the detection of stolen cars or parts thereof should be followed as the services deem necessary;
- (xv) following the IBM principle, Customs should screen for other organizations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organizations;
- (xvi) any registration requirements for cars and passengers by Customs should be minimized⁷ – statistical data should be collected in conjunction with Border Guards and be limited to number of vehicles and number of passengers;
- (xvii) drivers should not be required to produce passports, driving license or car documents to Customs unless an inspection or examination is to be undertaken in connection with an identified risk;
- (xviii) inward cars should not require inspection, examination or registration by Traffic Police, Traffic Inspectorate, MOT personnel etc. – i.e., only by Customs and Border Guards unless they are conveying special products;
- (xix) a particular problem observed is private cars imported. In many cases - if imported individually - the Customs Clearance for home use is done at the border. This is time-consuming and is also not in accordance with the principle of undertaking Customs clearance for home use at the border only in exceptional cases. The procedure should therefore be abolished. The system to be applied comprises an alternative to apply national transit to an inland Customs office against payment of a guarantee to ensure Customs duties are paid and the car is nationally-registered within the given time;
- (xx) issue specific Customs license plate either before the importation inland or at the border, valid for a limited period mentioned on the plate and the obligation to get the car registered within this set period;
- (xxi) if there is a requirement for foreign drivers to obtain 3rd party insurance or pay road transit fees, this process should be undertaken within the Customs inspection zone immediately after Customs checks;

⁷ To eliminate this procedure appears unacceptable for certain countries due to risks involved.

- (xxii) the external barrier to the control zone should be manned by Border Guards, if applicable;
- (xxiii) inward cars should not be required to stop and register with any organization regarding border-related procedures outside the border control zone;
- (xxiv) other services than Customs and Border Guards should be subject for relocation from the border-crossing unless decided otherwise by the national law. The proposed organizations that may be eliminated from the control zone – Veterinary, Phytosanitary, health, MOT, etc - should not be permitted to be relocated in the immediate vicinity of the border. Alternative control methods need to be developed instead;
- (xxv) there should be no fixed charges for transiting the control zone;
- (xxvi) inbound cars/passengers should be segregated from outbound cars/passengers; and
- (xxvii) a single border payment form should be developed so that any payments to Customs, MOT, Border Guards, Ministry of Agriculture etc are on a single form for payment at the bank, rather than payments to each organization. There should be no charges solely for registration, only for services (certificates etc.) provided.

3. Outward Trucks

- (i) signposts leading to the border crossing, direction to respective lanes and information material on border procedures to be provided in national language, neighboring language and English language;
- (ii) entrance gate to border control zone should be controlled by Border Guard or Customs if a fixed barrier is required, not traffic police;
- (iii) processing order within the control zone should ideally follow the principles of the IBM;
- (iv) a check-fiche system should be established at the first stop or control point;
- (v) entries into ledgers should be abolished where computer entries are made, except where the initial issue and final submission of a document, like the check-fiche, is recorded;
- (vi) separate lanes for TIR, non-TIR and empty trucks should be established;
- (vii) weighing of trucks may be of interest to both Customs and transport authorities. Customs requires to cross-check whether the declared goods correspond with the actual weight whereas transport authorities want to reduce deterioration of roads by overweight. Thus, weighing should be done at random applying risk management techniques and IBM;
- (viii) there should be a designated holding/parking area within the control zone for drivers to park their vehicles whilst they undertake the registration process. The current process of such registration being undertaken whilst the truck is still outside the control zone should be discouraged and only be used where there is insufficient parking area within the zone;
- (ix) after being weighed the next process should be for the driver to complete a personal Customs Declaration if necessary for taxable goods and/or export-control. This Customs Declaration should be in standardized format, be in national or a common language and English and be completed by the driver in the office;
- (x) any inspections of the truck and contents should only be undertaken after completion of the Customs Declaration (if one is required) and registration;
- (xi) inspection or examination of vehicles by representatives of authorities should be in line with the IBM and also be undertaken on a risk management basis. Sealed vehicles should be subject to an external inspection unless there is some evidence of breaking or tampering of the seal or damages to the

- cover/container. Each Customs should accept the validity of a seal by the Customs of another country;
- (xii) any examination by Border Guards should be jointly with Customs and also be undertaken on a risk management basis;
 - (xiii) following the IBM principle, Customs should screen for other organizations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organizations;
 - (xiv) any registration requirements for trucks and their cargo by Customs should be minimized;
 - (xv) drivers should be required to present only the following documents in order to undertake an inland to border or border to border transit – TIR Carnet, CMR or Consignment Note and a Cargo Declaration/Transit Note, plus any certificates required in relation to the above screening process. For outward trucks the data collected should be sufficient to merely confirm the exit of the goods from the country, as Customs already hold information on the traffic at the point of export clearance or the entry border in the case of transit traffic. There is substantial scope for a reduction in the data fields for registration;
 - (xvi) all freight traffic arriving at the border should be “export cleared” prior to its arrival at the border. Transit traffic has been “export cleared” at the point of entry but national exports should be export cleared at an inland Customs office, rather than at the border – i.e. the border crossing is a transit point not a clearance facility;
 - (xvii) drivers should not be required to produce passports, driving license or truck documents to Customs unless an inspection or examination is to be undertaken in connection with an identified risk;
 - (xviii) inspection and examination of the truck and seals should only be undertaken after the registration process;
 - (xix) the inspection and registration activities should be separated such that registration and inspection can be taking place concurrently at a border crossing, following the IBM;
 - (xx) the documentation should be stamped by only one Customs Inspector following the inspection/examination;⁸
 - (xxi) outward trucks should not require inspection, examination or registration by Traffic Police, Traffic Inspectorate etc. – i.e., only by Customs and Border Guards unless they are conveying special products;
 - (xxii) the MOT or designated authority responsible for permits and transit fees should be located in the Customs building. Customs should screen on their behalf and only send drivers there by exception, such as no permit for the next country or foreign drivers needing to return their permit;
 - (xxiii) spraying or drive through disinfection of outward vehicles should be eliminated;
 - (xxiv) Border Guards services in relation to immigration/passport control should be confined to inspection and examination of passports and visas. It should exclude the necessity to present truck documents, drivers license, cargo documentation etc.;
 - (xxv) the external barrier to the control zone should be manned by Border Guards if applicable;
 - (xxvi) outward trucks should not be required to stop and register with any organization regarding border-related procedures outside the border control zone unless international agreements request otherwise;
 - (xxvii) other services than Customs and Border Guards should be subject for relocation from the border-crossing unless decided otherwise by the national law;

⁸ Countries may apply internal control of this procedure to reduce risk of malfunction.

- (xxviii) the proposed organizations that may be relocated from the control zone – Veterinary, Phytosanitary, health, MOT, etc - should not be permitted to be relocated in the immediate vicinity of the border. Alternative control mechanisms need to be developed instead;
- (xxix) there should be no fixed charges for transiting the control zone;
- (xxx) outbound trucks should be segregated from inbound trucks; and
- (xxxi) a single border payment form should be developed so that any payments to Customs, MOT, Border Guards, Ministry of Agriculture etc. are on a single form for payment at the bank, rather than payments to each organization. There should be no charges solely for registration, only for services (certificates etc.) provided.

4. Inward Trucks

- (i) signposts leading to the border-crossing, directions to respective lanes and information material on border procedures to be provided in national language, neighboring language and English language;
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- (v) separate lanes for TIR, non-TIR and empty trucks should be established;
- (vi) spraying or drive through disinfection of inward trucks should not be a standard practice but should only be undertaken in respect of specific outbreaks of disease and use specific approved chemicals in relation to the containment of that disease. No charge should be made for this service or receipts issued;
- (vii) weighing of trucks may be of interest to both Customs and transport authorities. Customs requires to cross-check whether the declared goods correspond with the actual weight whereas transport authorities want to reduce deterioration of roads by overweight. Thus weighing should be done at random applying risk management techniques and IBM;
- (viii) processing order in zone should follow the IBM principle;
- (ix) Border Guards services in relation to immigration/passport control should be confined to inspection and examination of passports and visas. It should exclude the necessity to present truck documents, drivers license, cargo declarations etc.;
- (x) there should be a designated holding/parking area within the control zone for drivers to park their vehicles whilst they undertake the registration process. The current process of such registration being undertaken whilst the truck is outside the control zone should be discouraged and only be used where there is insufficient parking area within the zone;
- (xi) the next process should be for the driver to complete a personal Customs Declaration, if necessary for taxable goods and/or import control. This Customs Declaration should be in standardized format, be in national or a common language and English and be completed by the driver in the office;
- (xii) any inspections of the truck and contents should only be undertaken after completion of the Customs Declaration (if one is required) and registration;
- (xiii) inspection or examination of vehicles by either representative of authorities should only be in line with the IBM and also be undertaken on the basis of risk management techniques. Sealed vehicles should be subject to an external inspection unless there is some evidence of breaking or tampering of the seal

- or damages to the cover/container. Each Customs should accept the validity of a seal by the Customs of another country;
- (xiv) any examination by Border Guards should be jointly with Customs and also be undertaken on a risk management basis;
 - (xv) Customs should screen for other organizations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organizations;
 - (xvi) any registration requirements for trucks and their cargo by Customs should be minimized;
 - (xvii) drivers should be required to present only the following documents in order to undertake a border to inland or border to border transit – TIR Carnet, CMR or Consignment Note and a Cargo Declaration/Transit Note (from previous country), plus any certificates required in relation to the above screening process. For inward trucks the data collected should be sufficient to merely confirm the key details of the goods sufficient to recover duty if the goods are not later import cleared or leave the country. There is substantial scope for a reduction in the data fields for registration;
 - (xviii) the requirement for a Cargo Declaration to be generated at the border should be eliminated in favor of a Transit Note for national transit permitting inland movement to a point of clearance or exit border, because as a general rule no Customs-clearance for home use should be undertaken at the border, with the exception of travelers and local residents of the region. The data requirements and requests for back-up documentation should not exceed that contained on a TIR carnet or as shown in the transit note;
 - (xix) the current practice in some countries, whereby authorization/permission is required to enable an inland clearance to be undertaken should be reviewed such that all traffic should automatically be entitled to inland clearance for home use;
 - (xx) the higher the risk the higher the guarantee/security that should be fixed;
 - (xxi) the procedure for Customs convoys should be abolished. According to the World Customs Organization recommendations conveying constitutes a high risk of corruption, additionally there is a need of personnel which may be required elsewhere and could be used more efficiently. Another reason for avoiding convoys is the fact that the border time is lengthened for trucks awaiting the convoy being formed and to start moving;
 - (xxii) drivers should not be required to produce passports, driving license or truck documents to Customs unless an inspection or examination is to be undertaken in connection with an identified risk;
 - (xxiii) inspection and examination of the truck and seals should only be undertaken after the registration process;
 - (xxiv) the documentation should be stamped by only one Customs Inspector following the inspection/examination;
 - (xxv) inward trucks should not require inspection, examination or registration by Traffic Police, Traffic Inspectorate etc. – i.e. only by Customs and Border Guards unless they are conveying special products;
 - (xxvi) the MOT or designated authority responsible for permits and transit fees should be located in the Customs building. Customs should screen on their behalf and only send drivers there by exception – driver required to pay transit fees or requires permit;
 - (xxvii) the external barrier to the control zone should be manned by Border Guards if applicable;
 - (xxviii) inward trucks should not be required to stop and register with any organization regarding border related procedures outside the border control zone unless international agreements request otherwise;

- (xxix) the proposed organizations that may be eliminated from the control zone – Veterinary, Phytosanitary, health, MOT, etc - should not be permitted to be relocated in the immediate vicinity of the border. Alternative control methods need to be developed;
- (xxx) there should be no fixed charges for transiting the control zone;
- (xxxi) inbound trucks should be segregated from outbound trucks;
- (xxxii) if there is a requirement for foreign trucks to obtain permits or 3rd party insurance, this process should be undertaken by the MOT or its designated authority following Customs registration; and
- (xxxiii) a single border payment form should be developed so that any payments to Customs, MOT, Border Guards, Ministry of Agriculture etc. are on a single form for payment at the bank, rather than payments to each organization. There should be no charges solely for registration, only for services (certificates etc.) provided.

B. RAIL BORDERS

2. It is recognized that it may be more difficult to harmonize the procedures at the rail borders given their specific constraints in relation to infrastructure and access to ICT equipment, given the remoteness of many of these stations. On the other hand, cooperation as practiced in some countries may serve as a reference to outline some general principles.

3. Main Station Clearance occurs when the terminus station is relatively close to the border and the train transits directly between the border and the terminus. Examples of this in Central Asia are Bishkek, Dushanbe, Tashkent, Osh, etc. In such situations, the procedures should broadly follow those used at the international airports. This is because the border procedures relate to passengers being processed as individuals, rather than as a community such as within a train. The platform should be sealed off and be a restricted area with an adjacent passenger processing hall. The proposed procedures should be as follows:

1. Outward Passengers

- (i) purchase ticket in main ticket hall, if not already in possession;
- (ii) proceed to ticket hall with access restricted to passengers only. Barrier manned by Transport Police or Railways who check validity of ticket;
- (iii) the processing order should be first Customs and then Border Guards prior to exit onto the platform;
- (iv) enter Customs Zone and complete Customs Declaration if necessary only for taxable and export-controlled goods as an exception and not for every exportation. Customs Declarations should be in standardized format, be in the national or a common language and English and be completed by each passenger;
- (v) present Declaration to Customs Inspector who checks and stamps;
- (vi) any inspections should be based on risk management techniques;
- (vii) Customs should screen for other organizations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organizations;
- (viii) passenger proceeds to Border Guard for processing of passports and visas;
- (ix) following passport operations the passengers should board the train;
- (x) on completion of loading passengers, the doors should be locked. The train could be accompanied to the border by Border Guards or Transport Police, but not Customs unless traveling to process an inward train; and
- (xi) there should be no need for onboard inspection on the train after boarding by either Customs or Border Guards, assuming the boarding platform is a secure zone.

2. Inward Passengers

- (i) Train transits from the border direct to the main station with locked doors;
- (ii) There should be no need for inspection on the train during transit by either Customs or Border Guards if clearance is to be effected at the main station. Such checks only duplicate later controls;
- (iii) On exiting the train into the secured area and entering the passenger hall, the processing order should be first Border Guards and then Customs;
- (iv) Passenger proceeds to Border Guard for processing of passports and visas;
- (v) Enter Customs Zone and complete Customs Declaration if applicable. Customs Declarations should be in standardized format, be in the national or a common language and English and be completed by each passenger;
- (vi) Where applicable, present Customs Declaration to Customs Inspector who checks and stamps;
- (vii) Any inspections of luggage should be based on risk management techniques;
- (viii) Customs should screen for other organizations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organizations;
- (ix) Following the World Customs Organization recommendation a red/green system, as in use at airports, to be installed in larger stations; and
- (x) Following Customs clearance, passengers should exit the Customs Zone within the passenger hall exiting to public areas through barriers manned by transport police.

4. Clearance at Border Stations may be at the border or at a nominated transit station close to the border. Both use the same principles of a walk-through procedure as follows:

3. Outward Passenger Trains

- (i) train enters border station. Platform secured as temporary control zone. No passengers allowed to board unless terminal clearance systems in use;
- (ii) procedures for outward transits Customs and then Border Guards, though since this is a secure environment the order is less critical on outward trains;
- (iii) customs board train and pass through train (or divide train into control sections with more than one team) checking and stamping Customs Declarations (provided on board by conductor) only for taxable and export-controlled goods as an exception and not for general exportation. Customs Declarations should be in standardized format, be in the national or a common language and English and be completed by each passenger;
- (iv) any inspections of luggage to be based on risk management techniques;
- (v) Customs should screen for other organizations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organizations;
- (vi) Border Guards follow Customs pass along train (or divide train into control sections with more than one team) checking passports and visas;
- (vii) changing of locomotive and technical checking of carriages/railway interchange should be concurrent with the Border Guard and Customs processing; and
- (viii) verbal permission should be given jointly by the heads of the Border Guard/Customs inspection teams to Railways to allow the train to proceed when all walk-through teams have reported completion.

4. Inward Passenger Trains

- (i) train enters border station. Platform secured as temporary control zone. No passengers allowed to discharge unless terminal clearance as above;
- (ii) Border Guards pass along train (or divide train into control sections with more than 1 team) checking passports and visas;
- (iii) Customs may follow behind checking and stamping Customs Declarations (provided on board by conductor) if dutiable or taxable goods are imported. Customs Declarations should be in standardized format, be in the national or a common language and English and be completed by each passenger;
- (iv) any inspections to be based on risk management techniques;
- (v) if any import duty is liable the passenger should leave the train and pay duty as assessed by the Inspector at a designated payment point within the station (i.e. payments should not be made on the train);
- (vi) although the general rule states not to undertake customs clearance for home use at the border an exception should be made for travelers' merchandise or residents for non-commercial goods. Limited to a certain value, goods might be imported against payment of a flat-rate- or lumpsum - system in order to reduce works for classification- and valuation at the border-crossing;
- (vii) Customs should screen for other organizations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organizations;
- (viii) changing of locomotive and technical checking of carriages should be concurrent with the Border Guard and Customs processing; and
- (ix) verbal permission should be given by the heads of the Border Guards/Customs inspection teams to the Railways to allow the train to proceed when all walk-through teams have reported completion.

5. Outward Freight Trains

- (i) Railways prepare train list and commence marshalling wagons;
- (ii) Railway Office send wagon list, Railway Bills and cargo documents to Customs;
- (iii) Customs check Railway Bills against wagon list and then cargo documents against Railway Bill and register noting Cargo Declaration or Transit Note numbers. For outward wagons, the data collected should be sufficient to merely confirm the exit of the goods from the country, as Customs already hold information on the traffic at the station of export clearance or the entry border in the case of transit traffic. There is substantial scope for a reduction in the data fields for registration. Key documents should be stamped – Railway Bill/Cargo Declaration/Transit Note. This act is to be considered as closing an internal transit procedure;
- (iv) Customs should screen for other organizations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organizations;
- (v) the inspection of the wagons by Customs should be concurrent with the registration using the wagon list as soon as the marshalling has been completed, rather than waiting until registration is completed;
- (vi) Railways complete marshalling and prepare train list. Technical inspection of train by Railways (one or both countries). Rail transfer documents prepared;
- (vii) all documents returned by Customs to rail office. Railways prepare documents and hand over to driver and train leaves; and
- (viii) Railways enter wagon information into wagon movement reporting system.

6. Inward Freight Trains

- (i) train arrives in station. Documents transferred from driver to rail office;
- (ii) joint technical inspection of wagons by railways (unless already completed in neighboring country). On completion prepare transfer documents and sign by both railways;
- (iii) on arrival of documents in rail office, register all wagons and prepare marshalling instructions;
- (iv) Transfer Wagon List, Railway Bills and cargo documents to Customs who check Railway Bills against wagon list and then cargo documents against Railway Bill. Register Railway Bill and key data from Railway Bill and Cargo Declaration from country of origin or previous country. There should not be a requirement to provide new Cargo Declarations for either import or transit cargoes. Issue inland transfer note or transit document and register.⁹ There is substantial scope for a reduction in the data fields for registration. Key documents should be stamped – Railway Bill and Transfer/Transit Note;
- (v) Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organizations;
- (vi) the inspection of the wagons by Customs should be concurrent with the registration using the wagon list;
- (vii) if Customs decides in exceptional cases based on risk management physical inspection of a wagon or its content is necessary, the whole train should not have to wait. The suspicious wagon should be removed from the train and continue travels later on another train;
- (viii) all documents returned to rail office;
- (ix) on completion of marshalling trains proceed with transit and transfer wagons; and
- (x) Railways enter movements into wagon movement reporting system.

⁹ No additional information should be requested than for using the transit note.