

APPENDIX 01
HBCP Project Activities Table

- Overview of Project Activities as of October 2002



Project Activities Table – October 2002

Harmonisation of Border Crossing Procedures

SUB-ACTIVITY	ACTIVITY	VERIFIABLE INDICATORS	VERIFICATION PROGRESS	ASSUMPTIONS
Task 1	Inception			
1.1	Brussels Kick-Off Meeting	Discussions with Task Manager - Brussels	COMPLETE	Indicators of New Systems
1.2	Mobilisation	Timely Site Arrival – Office Established	COMPLETE	Equip Budget Review
1.3	Project Methodology Assessment	Consensus with IGC and Contractor	COMPLETE	To Remain Flexible
1.4	Border Audit Methodology Assessment	Consensus with IGC and Contractor	COMPLETE	To Remain Flexible
1.5	Regional Visit Programme Preparation	Consensus with IGC and Contractor	COMPLETE	Can Be Varied
Task 2	Inception Meetings			
2.1	Project Programme Discussions at IGC	Consensus with IGC and Contractor	COMPLETE	To Remain Flexible
2.2	Project Presentation - Tbilisi – Georgia	Presentation to 13 Member States & EC	COMPLETE	TOR Amended (initial)
2.3	Project Presentation – Ashgabat - Turkmenistan	Full Presentation to Members States & EC	COMPLETE	None
Task 3	Review of Previous Work and Recommendations			
3.1	Review of TRACECA – Related Documents	Documents Reviewed Including Websites	COMPLETE	None
3.2	Review of Other Project / Entities Documents	Other Projects/Entities Documents Reviewed	COMPLETE	Awareness of New Projects
3.3	Provisional and Final Recommendations	Included in the BHEW Recommendations	COMPLETE	Borders Audit Complete
Task 4	Working Groups (Customs Working Groups, CWG's)			
4.1	Evaluate Logistics and Funding for CWG's	Final Review and discussions complete	COMPLETE	Funds Allocated
4.2	Evaluate Rationale for Development of CWG's	Draft TOR's complete and distributed	UNDER REVIEW BY CWG'S	Full or Partial Acceptance
4.3	Commence Progress of Holding CWG's	Country by Country structuring	REVIEW PROGRESS	Full or Partial Establishment
Task 5	Inception Report			
5.1	Complete Inception Phase Evaluations	Completed with Stakeholder Cooperation	COMPLETE	Delay due to 'Visa' work
5.2	Compile Relevant Data for the Inception Report	Completed with Stakeholder Cooperation	COMPLETE	Delay due to 'Visa' work
5.3	Prepare Report in English / Russian / CD and Distribute	Report Prepared, Delivered and Signed for by all recipients	COMPLETE & APPROVED	None

SUB-ACTIVITY	ACTIVITY	VERIFIABLE INDICATORS	VERIFICATION PROGRESS	ASSUMPTIONS
Task 6	Border Procedures Audit			
6.1	Determine Designated Border Crossing Points	Consensus with IGC on Crossing Points	COMPLETE	None
6.2	Carry Out Initial Border Audit (Red Bridge – Azerbaijan)	Initial Audit Carried-out Both Sides	COMPLETE	None
6.3	Prepare Audit Database Parameters and Programme	Initial Database in English Complete	ON-GOING	None Audit Complete
6.4	Summarise Audit Results and Recommendations	BHEW Created Recommendations	COMPLETE	None Audit Complete
6.5	Finalise Database and Define Web-Site Input	Database Eng. Version – Website Defined	ON-GOING	None Audit Complete
Task 7	Document Preparation			
7.1	Collection of Documentation	NAS Documentation to be finalised	ON-GOING	None
7.2	Correlation and Processing of Documentation	Awaiting Final Documentation	On-GOING	None
Task 8	List of Harmonised Controls and Implementation Plan			
8.1	Initiative on Afghan Aid – Transit Visa	Progressive Country Development	ON-GOING	Sufficient Drive and Authority by CWG's
8.2	Development of Transit Visa and Alternatives (Process)	Progressive Country Development	ON-GOING	Sufficient Drive and Authority by CWG's
8.3	Review Best Practices / EU Standards / Kyoto Convention	BHEW Recommendations Advocate this	ON-GOING	Customs Enthusiastic
Task 9	Management Development and Training			
9.1	Development of Customs Manual – CD ROM	BHEW Included Material for this purpose	ON-GOING	Customs open-minded on this.
9.2	Development of Users Guide - CD ROM	Data Assimilation and user enquiries	ON-GOING	Database will be supportive
Task 10	Establish an Institute of Customs Brokers			
10.1	Evaluation of and Institute as a Discussion Platform or Entity	Evaluation Documentation Prepared	COMPLETE	None
10.2	Develop Parameters for an Institute Foundation Documents	Foundation documents under review	ON-GOING	Introduction to CWG's
10.3	Prepare Recommendations for Institute Foundation Documents	Awaiting initial feedback from CWG'S	ON-GOING	None

SUB-ACTIVITY	ACTIVITY	VERIFIABLE INDICATORS	VERIFICATION PROGRESS	ASSUMPTIONS
Task 11	Prefeasibility Study for a Common Transit Procedure			
11.1	Development of TRACECA Common Documents	Assimilation of Data	ON-GOING	None
11.2	Development of TRACECA Transit Visa	Progressive with countries and CWG's	ON-GOING	Available Legal Base and CWG's acquire Authority
Task 12	Liaison With Other Projects and IFIs			
12.1	Interaction With Other Relevant Projects	World Bank, USAID, ADB, EU	ON-GOING	
12.2	Liaison and Interchange of Data / Information	World Bank, USAID, ADB, EU	ON-GOING	
Task 13	Progress Reports			
13.1	Preparation and Distribution of 1 st Progress Report	Complete and Distributed	Awaiting Comments	None
13.2	Preparation and Distribution of 2 nd Progress Report	Due March 2003		None
Task 14	Final Report			
14.1	Preparation and Distribution of Draft Final Report	Due September 2003		None
14.2	Preparation and Distribution of Final Report	Due November 2003		None
Task 15	Computerisation			
15.1	Development of Project Website	Basic Development and Parameters	COMPLETE	None
15.2	Correlate and Filter Website Data	Under current development	ON-GOING	None
15.3	Launch Website	Due February / March 2003	ON-GOING	None
15.4	Review and Ascertain Website Sustainability	Through rest of Project timeframe		None

APPENDIX 02

Border Crossing Audit and Evaluation

- Overview of Methodology and the Borders Audit Database

BORDER CROSSING AUDIT AND EVALUATION

HBCP – BordAudit Database

Introduction

To augment evaluations and proposed recommendations for the Harmonisation of TRACECA Border Crossings, it demanded that there was available up-to-date, reliable and accurate information on the process and procedures that are currently in practice.

There was also a demand to create a database that could readily correlate the information, itemise the process, sort selective parameters and compare data from the interfacing border crossings.

This database is now referenced as the *'HBCP-BordAudit Database'*

Border Crossing Audit Methodology

The methodology of carrying out physical Border Audits on each of the designated TRACECA crossing points was achieved by utilising a strict data collection system to ensure that the information collected was identical from each border crossing.

The basic methodology followed demanded that:

- Data is collected in a consistent manner and in sufficient detail.
- Information should be in a format that will enable comparisons between border crossings.
- All procedures of all entities should be included.
- Data is collected to represent the sequence of procedures.
- Data is collected on key documents that are presented and what happens to those documents.
- Data is collected on I.T. systems status and usage.
- Data is collected on what is registered and by whom.
- Estimates are made on the time taken on each process. This should always be based on actual observations.
- Indications should be given on what is considered as constraints to best practice.

As the data will be transferred to a database, it is important that any 'anecdotal' comments be of a standard format to enable matching and comparative filtering.

Border Number	Name of Border Post	Country	Interfacing Country	Name of Interfacing Border Post	Mode
00	Termez	Uzbekistan	Afghanistan	Hayraton	Road
Process Sequence	Organisation	Activity – Summer 0600-1900 hours Winter 0700-1900 hours Outward Passenger Car		Documentation Required Use of computers	Estimated Processing Time
1	Border Guards	1st control point 46 kms north of Termez on M39. Vehicle and passengers registered. On approach to border crossing 2 nd control gate through border fencing system. Passports checked and gate open where proceed to 3 rd gate. Passport checked and through chiquane to the control zone barrier. Passport checked and if room in parking area allowed to proceed passing through radiation check		Passport Vehicle Documents	3 mins 1 min 1 min 1 min
2	Sanitary	Leave car in parking area. Driver and passengers exit to kiosk/office for physical check and for check of international health certificate (vaccinations etc). Register in journal: seq no/registration no of vehicle/time/ destination/sanitary condition of vehicle/status of vehicle/citizenship/name/medical condition-temperature. Proceed to sequence 3.		Passport Vehicle Documents International Health Certificate	5 mins
3	Customs	At office/kiosk collect and complete Customs Declaration and present along with passport. Register in journal: seq no/time/make and registration no of car, licence no/name, date of birth, passport no, citizenship/currency declared/origin/ destination. Proceed to sequence 4.		Passport Customs Declaration	5 mins
4	Border Guard	At kiosk/office present passport. Register in journal and in computer: time/registration no/destination/ full passport details. Talon written out		Passport	3 mins
5	Border/Guards/Customs	Return to car and drive forward to inspection area for joint inspection. Following which Customs stamp Customs Declaration and Border Guards stamp passport and talon			3 mins

Format of originally collected information

HBCP – BordAudit Database

The HBCP BordAudit Database comprises a versatile information tool with in excess of 3,500 entries and includes all designated Borders information on the 13 TRACECA Countries.

The original data from the Border Audit Reports has been transferred into Excel and can be viewed in the originally collected format. The current collected data has presented some problems with standardisation in the 'Process Details' and 'Constraints Identified and Comments' attributes.

This was always perceived to be a problem as some of the collected data were anecdotal. This data will be subsequently standardised to the maximum possible extent for the input into the final database.

Data has been formatted so that the information is available for analysis for each of the two interfacing border posts and this data can be further sorted by means of Filters. Information can be processed and viewed as well by utilising any of the defined attributes, and additionally specific outputs will be programmed for the output of information separately by the criteria such as:

- By Country
- By Border Entity (Organisation)
- By Other Attributes (to be defined – e.g. process)

The current defined attributes are:

Border Number, Name of Border Post, Country, Interfacing Country, Name of Interfacing Border Post, Mode, Working Hours, Activity, Process Sequence, Process Sub-Sequence, Border Entity, Details, Documentation Required, Use of Computers, Estimated Processing Time, Constraints Identified and Comments.

Note: Password-protected links to Visit Reports will be available.

Eventually the HBCP – BordAudit Database will be available in a selective format on the HBCP Project Website, to be downloaded or viewed online.

Data Views

The following two pages depict the left and right hand sides of the screen view of the originally collected data to be input into the database. This data is to be further edited to arrive at the final database.

Format of originally collected information view (left hand side)

Microsoft Excel - B-18													
File Edit View Insert Format Tools Data Window Help Acrobat													
A	B	C	D	E	F	G	H	I	J	K	L	M	
SELECT THE CATEGORY SELECT THE COUNTRY	Border Number	Name of Border post	Country	Interfacing Country	Name of Interfacing Border Post	Mode	Hours	Activity	Process Sequence	Organisation	Details		
KAZAKHSTAN													
ARMENIA													
AZERBAIJAN									1	Traffic Police	Located approximately 3 km from Random checks		
BULGARIA									2	Border Guard	Control of Entry Gate, Lift barrier. The passengers are asked to go to Border Guards. (see sequence 3)		
GEORGIA													
KAZAKHSTAN								Outward Passenger Car	3	Customs	Stop car on selective basis. Inspect vehicle. If clear, allow to proceed.		
KYRGY View the Country Information												if over \$1500 being taken out of Customs Declaration and get it	
MOLDOVA													
ROMANIA										4	Border Guard	Stop vehicle to check driver's papers and let into car.	
TAJIKISTAN													
TURKEY													
TURKMENISTAN													
UKRAINE									1	Border Guard	Control of Entry Gate, Lift barrier. Stop vehicle to check passport for check and walk through to a remains in car.		
UZBEKISTAN	050	Korday	Kazakhstan	Kyrgyzstan	Akhzoi	Road	24 hours	Inward Passenger Car					
										2	a. Veterinary	Located close to Border Guard visual screening of cars and pass through.	
										2	b. Sanitary - Quarantine		
										3	Customs	Stop car on selective basis. Inspect apprehended vehicle. proceed. If over \$1500 or 50 kg complete Customs Declaration	
										(Customs Border)	If non-Kazakh car, have to get Customs Declaration for car (\$2 Customs. This allows 2 months Passenger re-enter car.		

Format of originally collected information view (right hand side)

SELECT THE CATEGORY	Details	Documentation Required	Use of Computers	Estimated Processing Time	Constraints Identified and Comments
1					
2	ARMENIA				
3	AZERBAIJAN	Located approximately 3 km from Customs Zone. Random checks	Licence	2 min	
4	BULGARIA	Control of Entry Gate. Lift barrier to allow car to enter. The passengers are asked to get out and walk to the Border Guards. (see sequence 3)		1 min	In general, reasonably efficient transit, except at peak periods when processing speeds are not compatible with processing demand leading to some significant queuing, but otherwise satisfactory. Some delays can occur due to delays in existing freight traffic into Kyrgyzstan that can restrict the roadway in the Border Zone. All bus and car passengers have to exit the bus / car and walk across the control zone resulting in extended processing time. Proposals that all passengers will have to leave their car for processing through the terminal would increase transit times significantly and are not compatible with international best practice which is retain passengers within their means of transport.
5	GEORGIA	Stop car on selective basis. Inspect apprehended vehicle. If clear, allow to proceed.	Customs Declaration	1-2 min	
6	KAZAKHSTAN	If over \$1500 being taken out need to complete Customs Declaration and get stamped.		2-3 min	
7	KYRGYZSTAN	Stop vehicle to check driver's passport. Passengers checked and let into car.	Passport	1 min	
8	MOLDOVA				
9	ROMANIA				
10	TAJIKISTAN	If passengers from countries requiring visa, passport taken away for registration and stamping. Car proceeds to exit gate. Barrier lifted to allow exit to adjacent Akhrol post.	Visa	5 min	
11	TURKEY	Control of Entry Gate. Lift barrier to allow car to enter. Stop vehicle to check passport. Passengers exit car for check and walk through to sequence 4. Driver remains in car.	Passport	1 min	
12	TURKMENISTAN				
13	UKRAINE	If passengers from countries requiring visa, passport taken away for registration and stamping. Check vehicle on selective basis.	Visa	5 min	
14	UZBEKISTAN				
15		Located close to Border Guard Process 1. Consists of visual screening of cars and passengers passing through.			Generally, a faster process than outwards and processing speeds adequate, except in rush hours. Higher level of inward checks by Customs. This can lead to congestion in the inward lanes due to apprehended vehicles. All bus and car passengers have to exit the bus or car and walk across the border resulting in extend processing times. Proposals that all passengers will have to leave their car for processing through the terminal would increase transit times significantly and is not compatible with international best practice. All cars will be checked by drug dogs. Proposals by Sanitary / Quarantine to check revaccination certificates all also cause delays.
16		Stop car on selective basis.		1-2 min	
17		Inspect apprehended vehicle. If clear, allow to proceed. If over \$1500 or 50 kg luggage, need to complete Customs Declaration and get stamped.	Customs Declaration	2-3 min	
18		If non-Kazak car, have to get Customs Broker to print Customs Declaration for car (\$2) and get stamped by Customs. This allows 2 months entry into country. Passages re-enter car.	Computerised Customs Declaration	Computerised Customs Declaration	5-10 min

Please note that the Project Terms of Reference and Inception Report can be found on the TRACECA Website:
www.traceca.org

APPENDIX 03

Agenda for the Borders Harmonisation Evaluation Workshop (BHEW)

- Agenda for the Borders Harmonisation and Evaluation Workshop

Harmonisation of Border Crossing Procedures Project (HBCPP)

Agenda for the Borders Harmonisation Evaluation Workshop (BHEW)

Date of Workshop: 9th to 23rd of September 2002

Venue: TRACECA Intergovernmental Commission Building - Baku

Contents:

1. Introduction
2. Workshop Topics Agenda
3. Synopsis of Topics
4. List of Project Experts

1.0 Introduction

- 1.1 The general format of the BHEW will cover theoretical but primarily practical aspects of Border Harmonisation Procedures, the initial 'simplification' of those procedures and draft proposals or recommendations for Border Harmonisation at and between borders of TRACECA Member States.
- 1.2 Due to the style of Workshop envisaged there is a need to keep the agenda as flexible as possible to enable session themes to be followed to a conclusion and additional themes to be introduced.

2.0 Workshop Topics Agenda

- 2.1 The initial Induction Sessions will be to clarify the Workshop Agenda and Administration issues. These sessions will also give the opportunity to gather any additional Workshop Material that has been brought for presentation by the visiting experts and assimilate this material and presentation timing into the Workshop Agenda.
- 2.2 The Opening Workshop Sessions will cover a Formal Introduction to the BHEW by the Secretary General of TRACECA. Following the formalities there will be the introduction of the HBCP Project and a review of previous Tacis TRACECA and alternative other IFI's related projects. This will be followed by a presentation on Basic Border Concepts and Problems, then by an explanation of the Borders Audit Methodology, discussions on the practical collection of information and a presentation of the BordAudit Database.

- 2.3 The Following Workshop Sessions will permit presentations and proposals by the various Project Experts.
- 2.4 The second week Workshop Sessions will include additional local participants. These will be experts from the TRACECA IGC, National Secretariat, Customs and Freight entities.
- 2.5 It is expected that some of the local experts will give presentations.
- 2.6 The Final Workshop Sessions will see the consolidation of proposals and interim recommendations. A review of Borders Procedures, that amalgamates the EU and Local expertise, to define an optimum total Border Procedure to act as a 'benchmark' for future simplification and as a step towards Harmonisation.
Final Draft of BHEW Workshop Conclusions and Recommendations.

3.0 Synopsis of Topics.

- Evaluation of all the data and reports assimilated by the Project since the start – ToR, Inception Report etc.
- Discussion of the Borders Audit Phase and Methodology
- Presentation and Utilisation of the BordAudit Database
- Evaluation of the findings of the Borders Audit
- Various aspects of Border Crossing Procedures
- Presentations by Visiting and Local Experts
- Trade Facilitation
- International Conventions
- Customs Information Technology
- Legal Framework and regional aspects
- Conclusions and Recommendations

4.0 List of Project BHEW Experts

Peter Ranger	HBCP Project Manager
Tony Bayley	Regional Team Leader – Asia
Werner Spenhoff	Regional Team Leader – Black Sea & Caucasus
Les Cheesman	Borders Expert
Georg Gotschlich	Customs and Legal Expert
M. Langeveld	Customs and Legal Expert
Valdis Kursietis	Customs Expert – UK and Latvia
A. Burgess	Trade Facilitation – Transport Policy Expert
Michael Arblaster	I.T. Expert – Customs



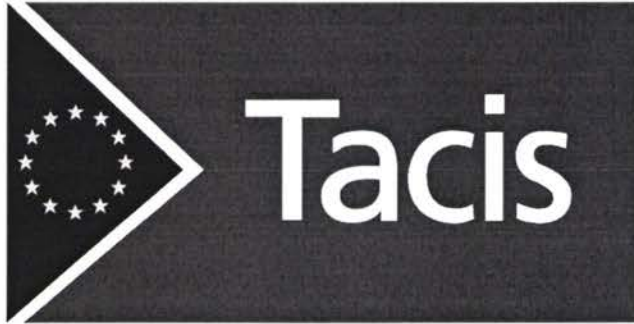
HARMONISATION OF BORDER CROSSING PROCEDURES PROJECT - BORDERS HARMONISATION EVALUATION WORKSHOP (BHEW)

WORKSHOP DAY	FIRST WEEK - 9TH TO 14TH OF SEPTEMBER		SECOND WEEK - 16TH TO 21ST OF SEPTEMBER						
	Borders Topic (Internal Sessions)	Experts Involved	Mornings are	Session One	Break	Session Two	Close	Experts Involved	
			Internal Sessions	1400 hrs to 1500 hrs	30 Minutes	1530hrs to 1730 hrs	1745 hrs		
MONDAY	Introduction to Project - Project Policy on support of TRACECA National Secretaries - Allocation of responsibility for Topic Production - BordAudit Demonstration - 1400hrs Official Opening	P. Ranger G-D Gotschlich W. Spenhoff V. Kursiets	- Preparation of Material - External Meetings - BHEW Administration	- IGC Executive - IGC Local Experts SEMINAR		16	-IGC Executive -IGC Local Experts SEMINAR		P. Ranger G-D Gotschlich W. Spenhoff V. Kursiets A. Burgess M. Langeveld
	Workgroup Session on production of background and presentation material for TRACECA Customs Working Groups. 1. Border Procedures. 2. Risk Analysis. 3. Trade Aspects.	P. Ranger G-D Gotschlich W. Spenhoff V. Kursiets	- Preparation of Material - External Meetings - BHEW Administration	National Customs SEMINAR		17	National Customs SEMINAR		P. Ranger G-D Gotschlich W. Spenhoff V. Kursiets A. Burgess M. Langeveld
TUESDAY	Introduce new members to Project & Project Policy. - Allocation of responsibility for Topic Production - 4. Conventions. - 5. Customs Working Groups (ToR) - 6 Additional Presentations	P. Ranger G-D Gotschlich W. Spenhoff V. Kursiets M. Langeveld L. Arblaster	- Preparation of Material - External Meetings - BHEW Administration	Freight Entities SEMINAR		18	Freight Entities SEMINAR		P. Ranger G-D Gotschlich W. Spenhoff V. Kursiets A. Burgess M. Langeveld M. Arblaster
	Development of Text Documents and Power Point Presentations on the above 5 Topics and Additional Presentations.	P. Ranger G-D Gotschlich W. Spenhoff V. Kursiets M. Langeveld L.	Finalisation of: Harmonisation Recommendations, CWG's Terms of Reference - Latvia and other Presentations - Additional Recommendations on: Trade Facilitation, TRACECA E-Net, Customs Information Technology, International Conventions and Customs Management						P. Ranger G-D Gotschlich W. Spenhoff V. Kursiets A. Burgess M. Langeveld M. Arblaster
WEDNESDAY	Development of Text Documents and Power Point Presentations on the above 5 Topics and Additional Presentations.	P. Ranger G-D Gotschlich W. Spenhoff V. Kursiets M. Langeveld L.	Finalisation of: Harmonisation Recommendations, CWG's Terms of Reference - Latvia and other Presentations - Additional Recommendations on: Trade Facilitation, TRACECA E-Net, Customs Information Technology, International Conventions and Customs Management						P. Ranger G-D Gotschlich W. Spenhoff V. Kursiets M. Arblaster
	Development of Text Documents and Power Point Presentations on the above 5 Topics and Additional Presentations.	P. Ranger G-D Gotschlich W. Spenhoff V. Kursiets M. Langeveld L.	Finalisation of: Harmonisation Recommendations for First Progress Report CWG's Terms of Reference - for distribution to National Secretaries. Finalisation on: Trade Facilitation, TRACECA E-Net, Customs Information Technology, International Conventions and Customs Management for Training and Discussion Papers						P. Ranger G-D Gotschlich W. Spenhoff V. Kursiets M. Arblaster
THURSDAY									
FRIDAY									
SATURDAY									

APPENDIX 04

Border Harmonisation Recommendations

- Border Harmonisation Recommendations



**TRACECA: Harmonisation of
Border Crossing Procedures
Border Harmonisation
Evaluation Workshop
Recommendations**

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List of Acronyms

IGC	TRACECA Intergovernmental Commission (Baku, Azerbaijan)
CWG's	Customs Working Groups (within TRACECA)
BCP	Border Crossing Point
BHEW	Border Harmonisation Evaluation Workshop
BordAudit	Designated name for the HBCP Project Borders Audit Database
IBM	Integrated Border Management, i.e. Joint controls of all relevant services active at the BCP
FSU	Former Soviet Union
NAS	New Accession States
NIS	New Independent States, former Soviet countries, or CIS
RAS	Risk Assessment and Selectivity, a method proposed by WCO to be applied at BCPs
SAD	Single Administrative Document. Customs document required for exporting, importing or transporting 'goods in transit' in countries in the European Union, the European Free Trade Area (Switzerland, Liechtenstein, Norway and Iceland) and the Visegrad group (Poland, Hungary, the Czech Republic and Slovakia).
TRACECA	Transport Corridor Europe Caucasus Central Asia
WCO	World Customs Organisation
IT	Information Technology

BACKGROUND

The following recommendations, which form a basis of 'Practical Recommendations for TRACECA Border Harmonisation', are the result of the work carried out on the Project since its inception and the evaluation of the information assimilated from the Borders Audit that included seventy TRACECA border post Procedure Evaluation visits.

The recommendations were prepared by a selected integral team of experts from the Project and created within the 'Border Harmonisation Evaluation Workshop' (BHEW) held in Baku, Azerbaijan from 09th to 23rd of September 2002. Additionally, most of the Project experts added their own EU and regional experience to enhance the practical results of the BHEW.

It was also foreseen to present the initial recommendations to selected entities, in three seminars, to evaluate professional reaction to the BHEW recommendations. The main contributions were prepared, presented and discussed in the course of the seminars in Baku, Azerbaijan from 16th to 19th of September 2002. The seminars gave the Project experts invaluable feedback on the quality and content of the presentation material that would eventually be distributed to all thirteen participating countries of the TRACECA programme. It was also vital that the resident experts of the TRACECA Intergovernmental Commission (IGC) were fully involved in the seminars and to this end, a dedicated seminar was held for IGC personnel. Additionally a representative group of National Secretaries were invited from Azerbaijan, Georgia and Uzbekistan to evaluate the reaction to recommendations from the side of TRACECA Secretariats.

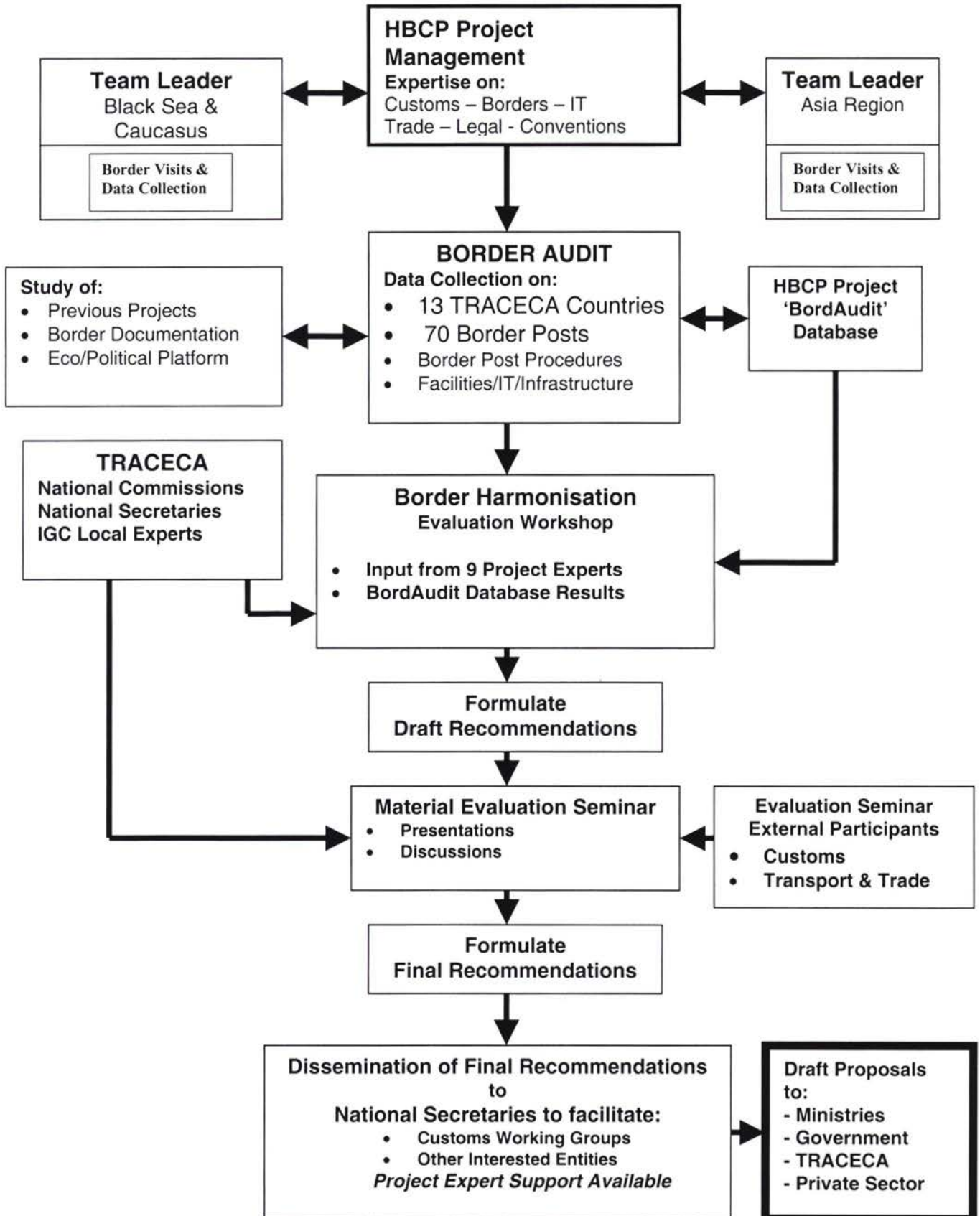
Recommendation Material Evaluation Seminar participants were:

- a) TRACECA Secretary General, TRACECA IGC National Secretary of Azerbaijan, IGC National Secretary of Georgia, TRACECA management and the residential modal expert members of the IGC Baku office ? Uzbekistan?
- b) The State Customs Committee, Azerbaijan, headed by the Chairman
- c) Transport industries and trade from Azerbaijan

The Recommendations contained in the presentations and documents are intended to form the main source of information and guidance for the members of the "TRACECA Customs Working Groups" (CWG's) in order to have practical background material for the decision-making process in the course of their meetings on national level and thereby provide the basis for harmonised procedures at border crossings.

The Project experts wish to express their appreciation for the positive dialogue and support extended by the representatives of all TRACECA countries during the Project from inception and in particular in the course of the Border Audit.

Border Harmonisation Recommendations – Intervention Logic



Recommendations

Executive Summary

As part of the Project Activities, within Task 6, Border Procedures Audit and encompassing Sub-Tasks 6.1 to 6.5, it was required to carry out a Border Audit whereby the transit procedures at seventy designated TRACECA BCPs, in all thirteen countries, were to be observed and recorded for subsequent evaluation and entry into a database. As the information from the Border Audit would be vital to harmonisation discussions and decisions it was decided, during the Inception Phase, to postpone the forming of Customs Working Groups (CWG's) until after the completion of the Border Audit to ensure the information was current and accurate.

The Border Audits were carried out in the following countries:

Armenia, Azerbaijan Bulgaria, Georgia, Moldova, Kazakhstan, Kyrgyzstan, Romania, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan.

This Audit has formed the foundation on which the '**BordAudit**' Database has been developed. The database provides a detailed overview on the procedures observed and main documents required when crossing the borders by road, rail and sea. The value of the database is fully dependent on future data maintenance and this task should be undertaken by the Customs Services of the country concerned. The database shall be made available to all the relevant interested parties. In particular it will serve as source of information for the **Customs Working Groups (CWG's)** that will discuss and formulate decisions on harmonised procedures at the BCPs of their country and adjoining Countries. Finally, working group results will form the foundation of **TRACECA Recommendations on Harmonised Procedures at Border Crossings**.

Based on the results of the Border Audit an integral Project Expert Team was formed comprising expertise from:

- WCO
- The E C on Integrated Border Management (IBM) and Customs
- The Latvian Customs HQs
- International legal matters
- IT networks
- Trade Facilitation
- Borders and Regional Transport

The expert team prepared, during the BHEW, a broad spectrum of **Recommendations** that will form the backbone for consideration at the Customs Working Groups within the project Harmonisation of Border Crossing Procedures.

Observations gathered during the audits suggest that individual countries may further develop in different ways from each other.

Objectives

- Recommendations shall serve to lay a common basis for discussion for all TRACECA Customs Working Groups and support the decision making process by its members
- The results of the Customs Working Groups' shall form the country recommendation on border procedures and shall influence the adaptation of the national law where applicable
- Country recommendations shall be presented to the TRACECA General Secretary to initiate and receive support of the implementation process

Risk

- The BHEW Team is aware of individual national progress and the different stage of development in trade and transport within and between the countries concerned. It may be expected that not all TRACECA countries can agree on and implement the same harmonised procedures at the same time or in the course of the project lifetime.
- Individual country's readiness to adopt harmonised procedures may therefore result in the definition of progress phases that permit each country to progressively reach the final harmonised process at the borders.

Important Note: New Accession States (NAS) within TRACECA

- In this context, it is noted that the process of enlargement of the European Union has an impact on procedures at the borders in certain countries being both NAS and TRACECA members at the same time. The role of the NAS with regard to their relation to the European Union is defined in the Standard Chapters opened up for each individual state and defining their obligations to conform in areas of Transportation, Health and Social, Legal Requirements etc. Some of the NAS have completed certain of the Chapters already so that some of the Chapters are closed on a temporary basis.
- This means the progress of implementing the European Law into National Law of the NAS is taking place. Therefore, new legal structures and procedures are now being observed in the fields of border management. These processes will take on increasing importance and will demand close cooperation in areas that include:
 - Customs
 - Combating of organised crime and drugs trafficking.
 - The Schengen system - This system will apply to all new Member States after they have achieved a high level of external border control upon accession.
 - Veterinary / Phytosanitary controls
 - Creation of common border control arrangements between two neighbouring countries

- Consequently the observations made at BCPs in the NAS differ from that observed in the non-NAS countries.
- It is logical that it will be the responsibility of the individual countries, together with their neighbours, to discuss and decide on the future procedures at their BCP's. In this process it is the role of the Project Experts to produce, as a 'benchmark,' recommendations reflecting the examples of the European Commission, the WCO and the countries, which have gained experience in adopting new procedures already.
- To this end, it is important to emphasise the introduction of recommendations that may not require a change in the law of the countries screened but can be adopted based on existing rules and regulations.
- The further spread of IT systems, covering both the EU member states and the NAS, has been observed and in relation to border procedures the existence and operation of such IT networks gains increasing importance. Therefore, the Project Experts opinion is to support the expansion of a TRACECA Information Net, thus permitting cross border data exchange among all main players. The functioning of the TRACECA Information Net would certainly be a catalyst for the development of TRACECA in general and efficiency at borders in particular.
- It should be noted that the European Commission, through its various programmes does render cooperation and assistance to carry the messages and related know-how further to non-NAS countries. It is therefore, left to the individual initiative and discretion of the countries concerned to follow the approach already implemented at the Western end of TRACECA.

Recommendations

The Recommendations that emanated from the BHEW are divided into two Sections, Discussion Papers and Case Studies. Each document may be read and used separately as a stand-alone reference document.

SECTIONS

The Sections that can be found within this document and are as follows:

Part I - Procedure Recommendations - Modal Section

This section is extensive and detailed information presented on identified procedures at the Road, Rail and Maritime border crossings. The section contains recommendations on:

- activities of the relevant services
- documents to be used
- time estimates for the processes.

The Procedures Modal Section was formulated to be read in relation to selected procedures and therefore repetition of text passages, where applicable, is intended.

Part II - Additional Relevant Problems and Recommendations Section

This section is formulated to give an overview of other areas of Border Crossing difficulties and is presented in a 'Problem and Recommendation' format.

The Discussion Papers and Case Studies can be found in the CWG's Training Material or as Appendices in the First Project Progress Report and are not part of this document.

DISCUSSION PAPERS – Training Material

The Discussion Papers can be found in the October Issue I and the November Issue II of the CWG's Training Document Packages and are as follows:

International Conventions – Discussion Paper – Training Material

In this Discussion Paper, a number of the most relevant international agreements related to border crossing are presented and discussed. The past TRACECA-projects have already made much effort to stress the importance of adherence to international conventions by the TRACECA-countries. Many times this task was very successfully accomplished with the best illustration of this being the TIR Convention 1975, of which agreement almost all TRACECA-countries are now contracting parties. Sometimes countries were maybe even too fast with the accession to a convention. This is, for instance, the case with the AETR Agreement, which stipulates many practical issues regarding road transport that are not very easy to implement. Attention is drawn to the Revised Kyoto Convention that is proposed to be eventually signed by all the TRACECA countries and implement its requirements.

TRACECA E-Net - Discussion Paper – Project Appendix

In relation to border procedures the existence and operation of IT networks gains increasing importance. The BHEW recommendation is therefore to support the further development of a TRACECA Information Net permitting cross border data exchange among all main players. The functioning of the TRACECA Information Net would certainly act as a catalyst in the development of TRACECA in general and efficiency at borders in particular. Expansion of the TRACECA Net may be created gradually in steps as outlined in the section.

Customs IT - Discussion Paper – Training Material

That '*Customs data requirements will be harmonized and simplified*'. This objective is now being pursued by the Brussels-based World Customs Organization, which is developing a global, harmonized standard data set that uses uniform electronic messages. The WCO Customs Data Model, as it is called, is likely to have a dramatic effect on the processing of business-to-business, business-to-government and government-to-government transactions. These developments represent an excellent opportunity for using the Internet to make international trade simpler and cheaper while also making international markets more accessible to enterprises from developing countries.

The development of Web-based versions of Customs automation system is observed, allowing Customs administrators and traders to handle most of their transactions - from Customs declarations to cargo manifests and transit documents - via the Internet.

The new e-Customs platform appears particularly useful to become part of the e-government applications that are being developed in parallel world wide. Systems should powerful enough to accommodate the operational and managerial needs of Customs operations. Improved tax revenue collection and lower transaction costs as well as effectiveness in combating fraud, corruption and illicit trafficking gives Customs authorities in different countries their useful tool for working together online cross border.

Expectations are the web based version will need to work with all major database management systems. The use of XML (extensible mark-up language) will allow for the exchange of any document inside and outside the system, between Customs administrations and traders and between Customs administrations in different countries.

The system needs to handle every step in the Customs process, from pinpointing high-risk consignments for inspection to processing payments.

The contribution presented in this section specifies the principles of adopting to automated Customs systems.

Trade Facilitation – Discussion Paper – Training Material

In this Discussion Paper, the working procedure for estimating the effects of transport policy on the harmonisation of border crossing procedures is elaborated. The central question of linking transport policy to the project is to estimate the effect of different transport policies and the effect of the harmonisation on the transport flows at the border. The effects of harmonisation on transport flows will be a reduction of transport times and costs. The larger this reduction the more positive this effect will be; in general a reduction of transport costs and times will lead to a more efficient use of productive capacity and to a lowering of prices of goods. As a secondary effect it can be supportive to economic growth.

BIFA – Discussion Papers – Training Material

These two Discussion Papers are extracts from the British International Freight Association and cover topics on new Customs initiatives. They are reproduced by kind permission of BIFA – www.bifa.org

CASE STUDIES – Training Material

The Case Studies can be found in the October Series I and the November Series II of the CWG's Training Document Packages and are as follows:

The Latvian Experience – Case Study

This Case Study provides an insight into the experience of the Republic of Latvia, a former Soviet Union (FSU) country, in the carrying out of the process of harmonising their border crossing procedures and how the theories were put into practice. This section is a valuable and import contribution since it accurately reflects the practical results of a country that started off from a similar environment as some of the TRACECA countries. The practical results presented from the Latvian side are quite impressive. It is important to note that coincidentally the Latvian experience matches extensively with observations made in Romania and Bulgaria and partly in Turkey. Decisions taken and implemented in these countries may convince some other TRACECA countries to logically follow an approach proved to be successfully so far.

The Croatia Experience – Case Study

This Case Study provides an example where, basic reorganisation of a BCP can bring significant improvements with very little financial investment.

MAIN RECOMMENDATIONS DOCUMENT

Part I - Procedures Recommendations – Modal Section

1.1 ROAD BORDERS

Outward Cars
Inward Cars
Outward Trucks
Inward Trucks

1.2 RAIL BORDERS

Main Station Clearance
- Outward Passengers
- Inward Passengers
Clearance at Border Station
- Outward Passenger Trains
- Inward Passenger Trains
- Outward Freight Trains
- Inward Freight Trains

1.3. MARITIME BORDERS

Outward Clearance Procedure
Inward Clearance Procedure
Outward Cars
Inward Cars
Outward Trucks
Inward Trucks

Sub-Section 1.1 ROAD BORDERS

It is recognised that the situation at each border crossing will vary according to local legislation, physical layout, manning etc. The key areas for improvement in transit times through simplification and harmonisation of procedures are considered to reduce:

- The waiting time at the border;
- The workload for all entities at the border;
- The number and complexity of the procedures;
- The number of organisations present at the border;
- The risks for governmental organisations and the private sector;
- The registration process by collecting only that data that is absolutely essential for control purposes;
- Reducing the duplication in data collection and checks by the organisations;
- Promoting the development of Integrated Border Management (IBM), through either manual or automated systems; and
- Implementation of automated procedures serves at the same time to reduce time and raises applied security, these are:
 - Automated readable documents relating to persons, vehicles and goods
 - Vehicle Recognition
 - Mobile surveillance/scanning of goods and vehicles

The following broad principles should be accepted:

Outward Cars

- Signposts leading to the BCP and to respective lane, information material on border procedures provided (national language, neighbouring country language and English language);
- Entrance gate to border control zone should be controlled by Border Guard or Customs if a fixed barrier is required, not traffic police;
- Processing order within the control zone should ideally follow the principles of the Integrated Border Management (IBM);
- One stop principle to be followed¹;
- 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;
- Entries into ledgers should be abolished where computer entries are being made;
- Customs Declarations to be made are limited to taxable and export-controlled goods as an exception and not for every export;
- Customs Declarations should be in standardised format, be in the national or a common language and English and be completed by the driver and passengers when within the car;
- 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 Assessment and Selectivity (RAS) principles. Procedures for the detection of stolen cars or parts thereof should be followed as the services deem necessary;
- Any examination by representatives of authorities should be in line with the IBM and also be undertaken on a RAS basis;
- In accordance with IBM Customs should screen for other organisations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organisations;
- Any registration requirements for cars and passengers by Customs should be minimised² – statistical data should be collected in conjunction with Border Guards and be limited to number of vehicles and number of passengers;
- Drivers should not be required to produce passports, driving licence or car documents to Customs unless an inspection or examination is to be undertaken in connection with an identified risk;
- Outward 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;

¹ One stop principle means the vehicle may stop only once within the Control Zone where it is subject to control. If additional investigation is required this does not relate to the one stop principle.

² Elimination of this procedure appears unacceptable for certain countries due to risks involved.

- Spraying or drive-through disinfection of outward vehicles should be eliminated. This should be the inward responsibility of the other country;
- 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 licence, cargo declarations etc. for registration³;
- The external barrier to the control zone should be manned by Border Guards if applicable⁴;
- Outward cars should not be required to stop and register with any organisation regarding border related procedures immediately prior to the border control zone.
- Other services than Customs and Border Guards should be subject for relocation from the BCP unless decided otherwise by the national law.
- The proposed organisations 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;
- There should be no fixed charges for transiting the control zone;
- Outbound cars/passengers should be segregated from inbound cars/passengers; and
- 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 organisation. There should be no charges solely for registration, only for services (certificates etc.) provided.

A standard procedure for an outward car should be as follows:

- Barrier opened by Border Guard or Customs (if such process required);
- Either drive-through Customs Inspection area with cars only being detained on a RAS basis or be handed a Customs Declaration for completion by driver and occupants (if over prescribed allowances) which then handed to Customs and stamped (but also subject inspection)
- Parallel to Customs-check submit passport/visa for check and registration by Border Guards;
- Drive to external gate; and
- Barrier opened, if applicable and exit into adjacent country/control zone.

For the above procedures the processing norms should be as follows:

- | | |
|-----------------|---|
| - Customs | 1 min – no declaration or inspection required
3 min - declaration but no inspection
5 min - declaration and inspection
10-30 mins - if full examination required |
| - Border Guards | 1 min - no registration required
3 mins - registration required |

³ Border Guards in some countries are the responsible authority to investigate for stolen cars; where this procedure is applied, it may be continued.

⁴ Cf. Turkish practice: Customs Security performs this function

Border Performance Indicators⁵

- Average transit time through the control zone should not exceed 5 mins per car and should achieve a processing minimum of 12 cars per hour per processing lane, with a future target of 2 mins 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 localised cross border movements, these targets should be doubled.
- Documentation of Border Performance and activities: Automated systems provide the relevant statistical data.

Inward Cars

- Signposts leading to the BCP and to respective lane, information material on border procedures provided (national language, neighbouring language and English language)
- Traffic separation to be applied for cars
- Entrance gate to border control zone should be controlled by Border Guard, if applicable;
- 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;
- Entries into ledgers should be abolished where computer entries are made;
- Processing order within zone should follow the IBM principle;
- One stop principle to be followed⁶;
- 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 licence, cargo declarations etc. for registration purposes;
- 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;

⁵ Identification of general indicators is known to be difficult, as these may not reflect the individual situation at each BCP. It should be noted that the times reached in many other countries are even shorter than proposed here.

The Consultant wishes to point out the most important principle of reducing risks is to be maintained. All times necessary to risk reduction should therefore be used. However, no time should be wasted by following inefficient procedures or controls. To decide on selective controls is the main task of the supervisor in bigger offices and for the head of Customs in smaller offices). Applied automated systems assist in the collection of statistical data permitting performance evaluation.

⁶ One stop principle means the vehicle may stop only once within the Control Zone where it is subject to control. If additional investigation is required this does not relate to the one stop principle.

- 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 RAS basis. Procedures for the detection of stolen cars or parts thereof should be followed as the services deem necessary;
- Following the IBM Customs Declarations should be in standardised format, be in national or a common language and English and be completed by the driver and passengers within the car;
- 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;
- Although the general rule states not to undertake Customs Clearance for home use at the border an exception should be made for travellers' 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 BCP;
- 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 RAS. Procedures for the detection of stolen cars or parts thereof should be followed as the services deem necessary;
- Following the IBM principle Customs should screen for other organisations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organisations;
- Any registration requirements for cars and passengers by Customs should be minimised⁷ – statistical data should be collected in conjunction with Border Guards and be limited to number of vehicles and number of passengers;
- Drivers should not be required to produce passports, driving licence or car documents to Customs unless an inspection or examination is to be undertaken in connection with an identified risk;
- 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;
- 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 doing 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:
 - 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;
 - Issue specific Customs licence 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;

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

- 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;
- The external barrier to the control zone should be manned by Border Guards if applicable⁸
- Inward cars should not be required to stop and register with any organisation regarding border related procedures outside the border control zone.
- Other services than Customs and Border Guards should be subject for relocation from the BCP unless decided otherwise by the national law.
- The proposed organisations 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;
- There should be no fixed charges for transiting the control zone;
- Inbound cars/passengers should be segregated from outbound cars/passengers; and
- 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 organisation. There should be no charges solely for registration, only for services (certificates etc.) provided.

A standard procedure for an inward car should be as follows:

- Barrier opened by Border Guard or Customs (if such process required);
- Either drive-through Customs Inspection area with cars only being detained on a RAS basis or be handed a Customs Declaration for completion by driver and occupants (if over prescribed allowances) which then handed to Customs and stamped (but also subject inspection);
- Parallel to Customs-check submit passport/visa for check and registration by Border Guards.
- Foreign cars register for insurance and road tax, if applicable;
- Drive to external gate
- Barrier opened, if applicable and exit into country.

For the above procedures the processing norms should be as follows:

- Border Guards 1 min - no registration required
 3 mins - registration required
- Customs 1 min - no declaration or inspection required
 3 min - declaration but no inspection
 5 min - if declaration and inspection
 10-30 mins - if full examination required
- MOT if applicable 3 mins - registration and issue of receipts

⁸ Cf. Turkish practice: Customs Security performs this function

Border Performance Indicators⁹

- Average transit time through the control zone should not exceed 5 mins per car and should achieve a processing minimum of 12 cars per hour per processing lane, with a future target of 2 mins 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 localised cross border movements, these targets should be doubled.
- Documentation of Border Performance and activities: Automated systems provide the relevant statistical data.

Outward Trucks

- Signposts leading to the BCP and to respective lane, information material on border procedures provided (national language, neighbouring language and English language)
- Entrance gate to border control zone should be controlled by Border Guard or Customs if a fixed barrier is required, not traffic police;
- Processing order within the control zone should ideally follow the principles of the IBM
- A check-fiche system should be established at the first stop or control point
- 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;
- Separate lanes for TIR, non-TIR and empty trucks should be established;
- 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 RAS method and IBM.
- 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;
- 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 standardised format, be in

⁹ Identification of general indicators is known to be difficult, as these may not reflect the individual situation at each BCP. It should be noted that the times reached in many other countries are even shorter than proposed here.

The Consultant wishes to point out the most important principle of reducing risks is to be maintained. All times necessary to risk reduction should therefore be used. However, no time should be wasted by following inefficient procedures or controls. To decide on selective controls is the main task of the supervisor in bigger offices and for the head of Customs in smaller offices). Applied automated systems assist in the collection of statistical data permitting performance evaluation.

national or a common language and English and be completed by the driver in the office;

- Any inspections of the truck and contents should only be undertaken after completion of the Customs Declaration (if one is required) and registration;
- Inspection or examination of vehicles by representatives of authorities should be in line with the IBM and also be undertaken on a RAS 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;
- Any examination by Border Guards should be jointly with Customs and also be undertaken on a RAS basis;
- Following the IBM Customs should screen for other organisations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organisations;
- Any registration requirements for trucks and their cargo by Customs should be minimised.
- Drivers should be required to present only the following documents in order to undertake an inland - border or border - 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, as foreseen in the SAD document;
- 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;
- Drivers should not be required to produce passports, driving licence or truck documents to Customs unless an inspection or examination is to be undertaken in connection with an identified risk;
- Inspection and examination of the truck and seals should only be undertaken after the registration process;
- 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;
- The documentation should be stamped by only one Customs Inspector following the inspection/examination¹⁰;
- 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;
- 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;

¹⁰ Countries may apply internal control of this procedure to reduce risk of malfunction.

- Spraying or drive through disinfection of outward vehicles should be eliminated;
- 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 licence, cargo documentation etc.;
- The external barrier to the control zone should be manned by Border Guards if applicable¹¹;
- Outward trucks should not be required to stop and register with any organisation regarding border-related procedures outside the border control zone unless international agreements request otherwise;
- Other services than Customs and Border Guards should be subject for relocation from the BCP unless decided otherwise by the national law;
- The proposed organisations 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;
- There should be no fixed charges for transiting the control zone;
- Outbound trucks should be segregated from inbound trucks;
- 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 organisation. There should be no charges solely for registration, only for services (certificates etc.) provided.

A standard procedure for an outward truck should be as follows:

- Barrier opened (if such process required) and handing out of Check Fiche to driver by Border Guard or Customs;
- Pass weigh bridge
- Drive to designated parking area and proceed to Customs office. Complete Customs Declaration if applicable, register documents. After completion Customs fill in Check Fiche, return to driver;
- Drive to inspection area to be inspected or examined, obtain stamps on key documents and drive to exit area. After completion fill in Check Fiche, submit to driver;
- Option visit to MOT for permits. After completion fill in Check Fiche, return to driver;
- Parallel to Customs-check submit passport/visa for check and registration by Border Guards. After completion Border Guard fill in Check Fiche, return to driver.
- Drive to external gate, return Check Fiche to Border Guard.
- Barrier opened by Border Guards and exit into adjacent country/control zone.

¹¹ Cf. Turkish practice: Customs Security performs this function

For the above procedures the processing norms should be as follows:

- Customs 5 min registration
 5 min inspection
 30 - 90 mins if full examination required
- MOT 5 min registration and issuing/collection of permits
- Border Guards 1 min no registration required
 3 mins registration required

Border Performance Indicators¹²

- Average transit time through the control zone should not exceed 20 mins per truck and should achieve a processing minimum of 3 trucks per hour per processing lane, with a future target of 10 mins per truck or 6 trucks per hour per lane with automation or the introduction of reduced controls.
- Documentation of Border Performance and activities: Check Fiche. Automated systems provide the relevant statistical data.

Inward Trucks

- Signposts leading to the BCP and to respective lane, information material on border procedures provided (national language, neighbouring language and English language);
- Entrance gate to border control zone should be controlled by Border Guard if applicable;
- A check-fiche system should be established at the first stop or control point;
- Entries into ledgers should be abolished where computer entries are made, except in cases where the initial issue and final submission of a document like the check-fiche is recorded ;
- Separate lanes for TIR, non-TIR and empty trucks should be established;
- 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;

¹² Identification of general indicators is known to be difficult, as these may not reflect the individual situation at each BCP. It should be noted that the times reached in many other countries are even shorter than proposed here.

The Consultant wishes to point out the most important principle of reducing risks is to be maintained. All times necessary to risk reduction should therefore be used. However, no time should be wasted by following inefficient procedures or controls. To decide on selective controls is the main task of the supervisor in bigger offices and for the head of Customs in smaller offices). Applied automated systems assist in the collection of statistical data permitting performance evaluation.

- 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 RAS method and IBM.
- Processing order in zone should follow the IBM principle;
- 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 licence, cargo declarations etc.;
- 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;
- 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 standardised format, be in national or a common language and English and be completed by the driver in the office;
- Any inspections of the truck and contents should only be undertaken after completion of the Customs Declaration (if one is required) and registration;
- 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 RAS 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;
- Any examination by Border Guards should be jointly with Customs and also be undertaken on a RAS basis;
- Customs should screen for other organisations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organisations;
- Any registration requirements for trucks and their cargo by Customs should be minimised.
- Drivers should be required to present only the following documents in order to undertake an inland - border or border - 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;
- The requirement for a Cargo Declaration to be generated at the border should be eliminated in favour of a Transit Note for national transit (Single Administrative Document -SAD) 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 travellers and local residents of the region. The data requirements and requests for

- back-up documentation should not exceed that contained on of a TIR carnet or as shown in the SAD for transit;
- The current practice in some countries, whereby authorisation/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.
 - The higher the risk the higher the guarantee/security that should be fixed;
 - The procedure for Customs convoys should be abolished. According to the WCO recommendations convoying constitutes a high risk for corruption, additionally there is a need of personnel which may be required elsewhere and could be used more efficiently. Another reason avoiding convoys is the fact that the border time is lengthened for trucks awaiting the convoy being formed and start moving.
 - Drivers should not be required to produce passports, driving licence or truck documents to Customs unless an inspection or examination is to be undertaken in connection with an identified risk;
 - Inspection and examination of the truck and seals should only be undertaken after the registration process;
 - The documentation should be stamped by only one Customs Inspector following the inspection/examination;
 - 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;
 - 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.
 - The external barrier to the control zone should be manned by Border Guards if applicable¹³;
 - Inward trucks should not be required to stop and register with any organisation regarding border related procedures outside the border control zone unless international agreements request otherwise;
 - The proposed organisations 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;
 - There should be no fixed charges for transiting the control zone;
 - Inbound trucks should be segregated from outbound trucks;
 - 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
 - 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 organisation. There should be no charges solely for registration, only for services (certificates etc.) provided.

¹³ Cf. Turkish practice: Customs Security performs this function

A standard procedure for an inward truck should be as follows:

- Barrier opened (if such process required) and handing out of Check Fiche to driver by Border Guard or Customs;
- Pass weigh bridge
- Drive to designated parking area and proceed to Customs office. Complete Customs Declaration, if applicable, register documents. After completion Customs fill in Check Fiche, return to driver;
- Parallel to Customs-check submit passport/visa for check and registration by Border Guards. After completion Border Guard fill in Check Fiche, return to driver.
- Drive to inspection area to be physically inspected or examined, if requested, obtain stamps on key documents and drive to exit area. Option visit to MOT for permits;
- Return Check Fiche to Border Guard, barrier opened and exit into country.

For the above procedures the processing norms should be as follows:

- Customs 5 min registration
 5 min inspection
 30 - 90 mins if full examination required
- MOT 5 min registration and issuing/collection of permits
- Border Guards 1 min no registration required
 3 mins registration required

Border Performance Indicators¹⁴

- Average transit time through the control zone should not exceed 20 mins per truck and should achieve a processing minimum of 3 trucks per hour per processing lane, with a future target of 10 mins per truck or 6 trucks per hour per lane with automation or the introduction of reduced controls.
- Documentation of Border Performance and activities: Check Fiche. Automated systems provide the relevant statistical data.

Sub-Section 1.2

RAIL BORDERS

¹⁴ Identification of general indicators is known to be difficult, as these may not reflect the individual situation at each BCP. It should be noted that the times reached in many other countries are even shorter than proposed here.

The Consultant wishes to point out the most important principle of reducing risks is to be maintained. All times necessary to risk reduction should therefore be used. However, no time should be wasted by following inefficient procedures or controls. To decide on selective controls is the main task of the supervisor in bigger offices and for the head of Customs in smaller offices). Applied automated systems assist in the collection of statistical data permitting performance evaluation.

- It is recognised that it may be more difficult to harmonise the procedures at the rail borders given their specific constraints in relation to infrastructure and access to IT equipment due to the remoteness of many of the locations. On the other hand, cooperation as practised in some NAS may serve as a reference to outline some general principles.

Passenger Trains

- There are different types of operation:
- Controls at the main station on commencement or end of the journey
- Controls at transit stations at or near the border
- In the trains whilst moving across the border.

Main Station Clearance

- This 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:

Outward Passengers

- Purchase ticket in main ticket hall, if not already in possession;
- Proceed to ticket hall with access restricted to passengers only. Barrier manned by Transport Police or Railways who check validity of ticket;
- The processing order should be first Customs and then Border Guards prior to exit onto the platform;
- 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 standardised format, be in the national or a common language and English and be completed by each passenger;
- Present Declaration to Customs Inspector who checks and stamps;
- Any inspections should be based on RAS;
- Customs should screen for other organisations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organisations;
- Passenger proceeds to Border Guard for processing of passports and visas;
- Following passport operations the passengers should board the train;
- 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 travelling to process and inward train;
- 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.

Border Performance Indicators

- It is recognised that the processing time required for this type of operation is dependant on the size of train and number of passengers. However, it is considered that a target processing time of 30-40 minutes should be achievable, even on the largest international trains for such terminus clearances.

Inward Passengers

- Train transits from the border direct to the main station with locked doors;
- 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;
- On exiting the train into the secured area and entering the passenger hall, the processing order should be first Border Guards and then Customs;
- Passenger proceeds to Border Guard for processing of passports and visas;
- Enter Customs Zone and complete Customs Declaration if applicable. Customs Declarations should be in standardised format, be in the national or a common language and English and be completed by each passenger;
- Where applicable present Customs Declaration to Customs Inspector who checks and stamps;
- Any inspections of luggage should be based on RAS;
- Customs should screen for other organisations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organisations;
- Following the WCO recommendation a red/green system as in use at airports to be installed in bigger offices;
- Following Customs clearance, passengers should exit the Customs Zone within the passenger hall exiting to public areas through barriers manned by transport police.

Border Performance Indicators

- It is recognised that the processing time required for this type of operation is dependant on the size of train and number of passengers. However, it is considered that a target processing time of 60 minutes should be achievable, even on the largest international trains for such terminus clearances. In effect this means that boarding of the train should commence 1 hour in advance of departure is full size international long distance train, but less for smaller less busy trains.

Clearance at Border Stations

Such clearances 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:

Outward Passenger Trains

- Train enters border station. Platform secured as temporary control zone. No passengers allowed to board unless terminal clearance as above;
- Procedures for outward transits Customs and then Border Guards, though since this is a secure environment the order is less critical on outward trains;
- Customs board train and pass through train (or divide train into control sections with more than 1 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 standardised format, be in the national or a common language and English and be completed by each passenger;
- Any inspections of luggage to be based on RAS;
- Customs should screen for other organisations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organisations;
- Border Guards follow Customs pass along train (or divide train into control sections with more than 1 team) checking passports and visas;
- Changing of locomotive and technical checking of carriages/railway interchange should be concurrent with the Border Guard and Customs processing; and
- 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.

Inward Passenger Trains

- Train enters border station. Platform secured as temporary control zone. No passengers allowed to discharge unless terminal clearance as above;
- Border Guards pass along train (or divide train into control sections with more than 1 team) checking passports and visas;
- 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 standardised format, be in the national or a common language and English and be completed by each passenger;
- Any inspections to be based on RAS;
- 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);
- Although the general rule states not to undertake Customs Clearance for home use at the border an exception should be made for travellers' 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 BCP;
- Customs should screen for other organisations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organisations;

- Changing of locomotive and technical checking of carriages should be concurrent with the Border Guard and Customs processing; and
- 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.

Border Performance Indicators¹⁵

- It is recognised that the processing time required for this type of operation is dependant on the size of train and number of passengers. However it is considered that a target processing time of within a maximum 60 minutes (scheduled stop time) should be achievable, even for the largest international trains;
- It is considered that the future target for such processing should be reduced to 30 minutes by dividing the train into processing sections.

Clearance in the moving train

- Preference should be given to the operation of this procedure wherever possible in order to shorten stopping times.
- The example of many EU and CEC countries should be considered where clearance on the moving train is widely practised.
- This procedure needs the conclusion of a bilateral treaty between the two neighbouring states in order to empower officials of the neighbouring country to act on the foreign territory

Freight Trains

Outward Freight Trains

The procedures for freight trains will probably differ according to the specific situation at the border as to whether the trains are marshalled at the border or at an inland marshalling yard. The key differences relate to possessing of the cargo documentation as to whether it arrives with the train from another station or if it is provided by the local freight agent direct to Customs at the border location.

- Railways prepare train list and commence marshalling wagons;
- Railway Office send wagon list, Railway Bills and cargo documents to Customs;
- Customs check Railway Bills against wagon list and then cargo documents against Railway Bill and register noting Cargo Declaration or Transit Note (SAD) numbers. For outward wagons, the data collected should be sufficient to merely confirm the exit of the goods from the country, as

¹⁵ Identification of general indicators is known to be difficult, as these may not reflect the individual situation at each BCP. It should be noted that the times reached in many other countries are even shorter than proposed here.

The Consultant wishes to point out the most important principle of reducing risks is to be maintained. All times necessary to risk reduction should therefore be used. However, no time should be wasted by following inefficient procedures or controls. To decide on selective controls is the main task of the supervisor in bigger stations and for the head of Customs in smaller stations). Applied automated systems assist in the collection of statistical data permitting performance evaluation.

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/SAD. This act is to be considered as closing an internal transit procedure;

- Customs should screen for other organisations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organisations;
- 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;
- Railways complete marshalling and prepare train list. Technical inspection of train by Railways (one or both countries). Rail transfer documents prepared;
- All documents returned by Customs to rail office. Railways prepare documents and hand over to driver and train leaves;
- Railways enter wagon information into wagon movement reporting system.

Inward Freight Trains

- Train arrives in station. Documents transferred from driver to rail office;
- Joint technical inspection of wagons by railways (unless already completed in neighbouring country). On completion prepare transfer documents and sign by both railways;
- On arrival of documents in rail office, register all wagons and prepare marshalling instructions;
- 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 like the SAD and register¹⁶. There is substantial scope for a reduction in the data fields for registration. Key documents should be stamped – Railway Bill and Transfer/Transit Note/SAD;
- Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organisations;
- The inspection of the wagons by Customs should be concurrent with the registration using the wagon list;
- If Customs decides in exceptional cases based on RAS 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;
- All documents returned to rail office;
- On completion of marshalling trains proceed with transit and transfer wagons; and
- Railways enter movements into wagon movement reporting system.

¹⁶ No additional information should be requested than for using the SAD

Border Performance Indicators

- It is recognised that the processing time required for this type of operation is dependant on the size of train, number of wagons and whether wagons are being inspected by one or two rail organisations. However, it is considered that a target processing time of 120 minutes should be achievable, even on the largest international trains.
- The breakdown of the 120 minutes is as follows:

Railways – Registration of documents	30 mins
Customs - Registration of documents	60 mins
Railways – Final preparation of documents	30 mins
- Inspections by both railways and Customs should be completed within the above overall time span of 2 hours
- In the case of total transit trains with bulk cargoes this should be reduced to 90 mins, though it is recognised that for scheduling purposes the 120 mins may still be required.

Sub-section 1.3. MARITIME BORDERS

The recommendations indicated below should only be applicable in the case of ferries, rather than relate to all vessels. This is because of their regularity¹⁷, and that such vessels are more time-constrained than general cargo or bulk vessels.

The key requirement is to improve the turnaround times of ferries in the region, which are significantly higher than international best practice. The key to achieving such targets is by reducing the ship clearance times and commencing passenger/cargo operations significantly earlier than is currently undertaken.

Outward Clearance Procedures

- The Clearance Committee, as in use in various countries, may not be formed and awaited for. Instead the services concerned may visit and clear the vessel as required by the vessel. Visit on board the vessel is done on particular reasons only, viz. suspicion, unclear documentation. Otherwise the service may clear the documents in its own premises. Ships agent to furnish the required documents. This new procedure is in line with the European Commission requirements¹⁸
- Customs, Border Guards, Harbour Master 30 minutes in advance of completion of cargo loading operations;
- Master notes protest in the case of damaged cargo during loading and discusses with stevedore and agent. Signs protest note if relevant;
- Customs and Border Guards clear vessel after completion of cargo operations;
- Captain should present the following documentation:
- Border Guards - General Declaration, Crew List, Seamen Books, Passenger List;
- Customs – Customs General Declaration, Cargo Manifest, Cargo Documents;
- There should be no requirement by Border Guard to request cargo documentation or passenger passports (which will have been inspected as

¹⁷ most TRACECA services are inter-NIS and Phare-NIS

¹⁸ Phare Convention as accepted by Romania, 01 April 2001

part of the outward passenger process ashore). Similarly there should be no requirement for Customs to request documentation in relation to the crew or passengers;

- Border Guards and Customs should complete their registration process and stamp the General Declarations. Note that all cargo documents should have been processed ashore and the Customs' focus should be on the ship clearance rather than on export cargo clearance, thus reducing the documentation checks and data required for registration;
- Members of the clearing services may inspect the vessel but this should only be in relation to an identified risk;
- Members of the clearing services sign their individual clearance document which serve as permits to the port authority to issue sailing permission;
- All clearing services should have the right to inspect facilities or vessel/crew documentation on board the vessel. Any checks in relation to passengers and cargo should be undertaken prior to embarkation/loading.

Border Performance Indicators

- Completion of processing and registration by the clearing services should not exceed 20 minutes;
- In the event of an inspection, this should be undertaken prior to the scheduled departure of the vessel and have no effect to the sailing unless particular reasons identified.

Inward Clearance Procedures

- Ship's agent notifies clearing services 2 hours in advance of ships arrival and reconfirms arrival 30 minutes prior to berthing;
- Ships agent to furnish the required documents to Customs and Border Guards.
- Ship's Captain notifies port in relation to health in advance by radio. If no sickness on board, Port Health not required to visit. If sickness on board, doctor boards first and others only embark after he gives clearance. Ship's Agent should present Health Certificate to port administration;
- The services check the documents. Visit on board the vessel is done on particular reasons only, viz. suspicion, unclear documentation. Otherwise the service may clear the documents in its own premises.
- It is proposed that the procedures should consist of a two stage process – screening followed by registration/inspection. This concept would enable the ship to obtain a faster clearance and for passenger and cargo to commence discharge concurrent with the later registration/inspection process;
- Captain should present the following documentation to members of the Boarding Committee;
- Border Guards - General Declaration, Crew List, Seamen Books, Passenger List;
- Customs – Customs General Declaration, Cargo Manifest, Cargo Documents;

There should be no requirement by Border Guard to request cargo documentation or passenger passports (which will be inspected as part of the inward passenger process ashore). Similarly there should be no requirement for Customs to request documentation in relation to the crew or passengers. The screening process should

confirm that all relevant documentation is present and appears correct. Following this, Customs and Border Guards should permit unloading operations to commence;

- Inspection of vessel should be based on RAS;
- Members of the clearing services sign their individual clearance document which serve as permits to commence discharging operations, for crews and passengers to come ashore;
- Services as Sanitary/Quarantine, Marine Safety/Veterinary/ Phytosanitary etc. have the right to inspect facilities or vessel/crew documentation on board the vessel but this should be separately and only following the preliminary clearance – i.e. after discharge has commenced. Any checks in relation to passengers and cargo should be undertaken following disembarkation/discharge into the terminal area.

Border Performance Indicators

- Preliminary screening to be done based on documentation submitted by ships agent prior to arrival of the vessel;
- Subsequent registration should be completed within 20 minutes of ship berthing and gangway/stern door in place;
- In the event of an inspection, this should be undertaken prior to the scheduled departure of the vessel and have no effect to the sailing unless particular reasons identified.

Outward Cars

In principle, the procedures should be similar to that undertaken at the road borders, but with procedures pertaining to the ferry service:

- Entrance gate to ferry terminal should be controlled by Security provided by the port or ferry operator. This should not be the entrance to the border control zone, as all the ferry operator procedures should be completed prior to entry into the zone;
- Drives car to barrier to enter border control zone with ticket being checked by terminal operator personnel;
- Drivers and passengers should be permitted to 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 or use the foot passenger process should only be used if the vessel has insufficient access on the car deck such that passengers need to board separately as foot passengers – it is recognised that many of the ferries on these routes are freight ferries not designed for significant numbers of car passengers;
- Processing order within the control zone should ideally follow the principles of the Integrated Border Management (IBM);
- One stop principle to be followed¹⁹;
- Entries into ledgers should be abolished where a document like the check-fiche is issued, which is then registered in a ledger, or computer entries are being made;

¹⁹ One stop principle means the vehicle may stop only once within the Control Zone where it is subject to control. If additional investigation is required this does not relate to the one stop principle.

- Customs Declarations to be made are limited to taxable and export-controlled goods as an exception and not for every export;
- Customs Declarations should be in standardised format, be in the national or a common language and English and be completed by the driver and passengers when within the car;
- 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 RAS principles. Procedures for the detection of stolen cars or parts thereof should be followed as the services deem necessary;
- Any examination by representatives of authorities should be in line with the IBM and also be undertaken on a RAS basis;
- Following the IBM Customs should screen for other organisations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organisations;
- Any registration requirements for cars and passengers by Customs should be minimised²⁰ – statistical data should be collected in conjunction with Border Guards and be limited to number of vehicles and number of passengers;
- Drivers should not be required to produce passports, driving licence or car documents to Customs unless an inspection or examination is to be undertaken in connection with an identified risk;
- Outward 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;
- 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 licence, cargo declarations etc. for registration;
- Outward cars should not be required to stop and register with any organisation regarding border related procedures immediately prior to the border control zone.
- Other services than Customs and Border Guards should be subject for relocation from the BCP unless decided otherwise by the national law.
- The proposed organisations 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;

²⁰ Elimination of this procedure appears unacceptable for certain countries due to risks involved.

For the above procedures the processing norms should be as follows:

- Ferry Operator 10 mins
- Customs 1 min – no declaration or inspection required
3 min - declaration but no inspection
5 min - declaration and inspection
10-30 mins - if full examination required
- Border Guards 1 min - no registration required
3 mins - registration required

Border Performance Indicators

- Average transit time through the actual control zone should not exceed 5 mins per car and should achieve a processing minimum of 12 cars per hour per processing lane, with a future target of 3 mins per car or 20 cars per hour per lane through automation or the introduction of reduced controls/registration;
- The border procedures should be commensurate with the ability to load all cars onto the vessel within 30 minutes of entry into the control zone, including a full examination.

Inward Cars

In principle, the procedure should be similar to that undertaken at the road borders, with procedures pertaining to the ferry service:

- The driver proceeds to the car deck when the first stage of the Inward Boarding Procedures has been completed, without any border checks on board, and then drives off the vessel. The procedure of demanding that car passengers use the foot passenger process should only be applicable if the vessel has insufficient access on the car deck such that passengers need to disembark separately as foot passengers – it is recognised that many of the ferries on these routes are freight ferries not designed for significant numbers of car passengers;
- Driver proceeds to queue in terminal area outside the border control zone. Barrier if present opened;
- Entries into ledgers should be abolished where computer entries are made;
- Processing order within zone should follow the IBM principle;
- One stop principle to be followed²¹;
- 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 licence, cargo declarations etc. for registration purposes;
- 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;
- 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 RAS

²¹ One stop principle means the vehicle may stop only once within the Control Zone where it is subject to control. If additional investigation is required this does not relate to the one stop principle.

basis. Procedures for the detection of stolen cars or parts thereof should be followed as the services deem necessary;

- Following the IBM Customs Declarations should be in standardised format, be in national or a common language and English and be completed by the driver and passengers within the car;
- 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;
- Although the general rule states not to undertake Customs Clearance for home use at the border an exception should be made for travellers' 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 BCP;
- 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 RAS. Procedures for the detection of stolen cars or parts thereof should be followed as the services deem necessary;
- Following the IBM Customs should screen for other organisations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organisations;
- Any registration requirements for cars and passengers by Customs should be minimised²² – statistical data should be collected in conjunction with Border Guards and be limited to number of vehicles and number of passengers;
- Drivers should not be required to produce passports, driving licence or car documents to Customs unless an inspection or examination is to be undertaken in connection with an identified risk;
- 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;
- A particular problem observed is private cars being 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 doing Customs clearance for home use only in exceptional cases. The procedure should therefore be abolished. The system to be applied comprises an alternative:
 - A) 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.
 - B) Issue specific Customs licence 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 period set.
- 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;

²² To eliminate this procedure appears unacceptable for certain countries due to risks involved.

- 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 licence, cargo declarations etc. for registration purposes;
- 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, except in the case indicated above;
- Any examination by Border Guards should be jointly with Customs and also be undertaken on a RAS basis;
- Customs Declarations should be in standardised format, be in national or a common language and English and be completed by the driver and passengers within the car;
- 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 either Customs or Border Guard should only be undertaken on the basis of RAS;
- Customs should screen for other organisations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required, as set out in pre-agreed instructions from those organisations;
- Any registration requirements for cars and passengers by Customs should be minimised or eliminated – statistical data should be collected in conjunction with Border Guards and be limited to number of vehicles and no of passengers or alternatively from the ferry operator;
- Drivers should not be required to produce passports, driving licence or car documents to Customs unless an inspection or examination is to be undertaken in connection with an identified risk;
- 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;
- If there is a requirement for foreign drivers to obtain 3rd party insurance or pay road transit fees this process should be undertaken outside the Customs inspection zone by the MOT or its designated authority immediately after exiting the zone but still within the terminal;
- Inward cars should not be required to stop and register with any organisation regarding border-related procedures outside the border control zone. The proposed organisations 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;
- There should be no fixed charges for transiting the control zone, as these should be incorporated within the fare;
- Inbound cars/passengers should be segregated from outbound cars/passengers whilst within the border control zone; and
- 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 organisation. There

should be no charges solely for registration, only for services (certificates etc.) provided.

- Exit gate from ferry terminal should be controlled by Security provided by the port or ferry operator. This should not be the entrance to the border control zone, as all the ferry operator procedures should be completed prior to entry into the zone;

For the above procedures the processing norms should be as follows;

- Border Guards 1 min - no registration required
 3 mins - registration required

- Customs 1 min - no declaration or inspection required
 3 min - declaration but no inspection
 5 min - if declaration and inspection
 10-30 mins - if full examination required

- MOT 3 mins - registration and issue of receipts

Border Performance Indicators

- Average transit time through the control zone should not exceed 5 mins per car and should achieve a processing minimum of 12 cars per hour per processing lane, with a future target of 3 mins per car or 20 cars per hour per lane through automation or the introduction of reduced controls/registration;
- All inward border processing should be complete within 1 hour of discharge.

Outward Trucks

In principle, the procedure should be similar to that undertaken at the road borders, with additional procedures pertaining to the ferry service:

- Entrance gate to ferry terminal should be controlled by Security provided by the port of ferry operator. This should not be the entrance to the border control zone as all ferry operator procedures should be completed prior to entry into the zone;
- Driver parks truck and registers ticket purchased²³, if not already in possession. This includes presentation of all necessary cargo documentation necessary to prepare all shipping documents to enable the manifest to be prepared later. Only after these processes have been completed should the truck be permitted to enter the control zone;
- Proceeds to barrier to enter control zone with register for ticket being checked by terminal operator personnel;
- Processing order within the control zone should ideally follow the principles of the IBM
- A check-fiche system should be established at the first stop or control point
- Entries into ledgers should be abolished where computer entries are made, except in cases where the initial issue and final submission of a document like the Check-Fiche is recorded;

²³ Ticket to be issued after all checks completed.

- Separate lanes for TIR, non-TIR and empty trucks should be established;
- 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 RAS method and IBM.
- 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;
- 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 standardised format, be in national or a common language and English and be completed by the driver in the office;
- Any inspections of the truck and contents should only be undertaken after completion of the Customs Declaration (if one is required) and registration;
- Inspection or examination of vehicles by representatives of authorities should be in line with the IBM and also be undertaken on a RAS 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;
- Any examination by Border Guards should be jointly with Customs and also be undertaken on a RAS basis;
- Following the IBM Customs should screen for other organisations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organisations;
- Any registration requirements for trucks and their cargo by Customs should be minimised. Drivers should be required to present only the following documents in order to undertake an inland - border or border - 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, as foreseen in the SAD document;
- 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;
- Drivers should not be required to produce passports, driving licence or truck documents to Customs unless an inspection or examination is to be undertaken in connection with an identified risk;
- Inspection and examination of the truck and seals should only be undertaken after the registration process;

- 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;
- The documentation should be stamped by only one Customs Inspector following the inspection/examination²⁴;
- 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;
- 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;
- Spraying or drive through disinfection of outward vehicles should be eliminated;
- 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 licence, cargo documentation etc.;
- The external barrier to the control zone should be manned by Border Guards if applicable²⁵;
- The driver should proceed to the parking area adjacent to the ramp to await loading instructions. Only those vehicles with Customs exit stamped should be loaded or in cases where a Check Fiche is used, this should be presented with the appropriate Customs stamp at the ramp on loading;
- Outward trucks should not be required to stop and register with any organisation regarding border-related procedures outside the border control zone unless international agreements request otherwise;
- Other services than Customs and Border Guards should be subject for relocation from the BCP unless decided otherwise by the national law;
- The proposed organisations 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;
- There should be no fixed charges for transiting the control zone terminal user charges should be within the ferry charges;
- Outbound trucks should be segregated from inbound trucks;

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 organisation. There should be no charges solely for registration, only for services (certificates etc.) provided. This excludes payments to the ferry operator.

For the above procedures the processing norms should be as follows:

- Customs 5 min registration
 5 min inspection
 30 - 90 mins if full examination required
- MOT 5 min registration and issuing/collection of permits

²⁴ Countries may apply internal control of this procedure to reduce risk of malfunction.
²⁵ Cf. Turkish practice: Customs Security performs this function

- Border Guards 1 min no registration required
3 mins registration required

Border Performance Indicators

- Average transit time through the control zone should not exceed 20 mins per truck and should achieve a processing minimum of 3 trucks per hour per processing lane, with a future target of 10 mins per truck or 6 trucks per hour per lane with automation or the introduction of reduced controls.

Inward Trucks

In principle, the procedure should be similar to that undertaken at the road borders, with procedures pertaining to the ferry service:

- The driver proceeds to the car deck when the first stage of the Inward Boarding Procedures has been completed without any border checks on board and then drives off the vessel;
- Driver proceeds to queue in terminal area outside the border control zone. Barrier opened;
- 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;
- A check-fiche system should be established at the first stop or control point;
- Entries into ledgers should be abolished where computer entries are made, except in cases where the initial issue and final submission of a document like the Check-Fiche are recorded;
- Separate lanes for TIR, non-TIR and empty trucks should be established;
- 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;
- 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 RAS method and IBM.
- Processing order in zone should follow the IBM principle;
- 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 licence, cargo declarations etc.;
- 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 standardised format, be in national or a common language and English and be completed by the driver in the office;
- Any inspections of the truck and contents should only be undertaken after completion of the Customs Declaration (if one is required) and registration;
- 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

- RAS 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;
- Any examination by Border Guards should be jointly with Customs and also be undertaken on a RAS basis;
 - Customs should screen for other organisations, such as Veterinary, Phytosanitary etc. and only seek their advice/assistance if required as set out in pre-agreed instructions from those organisations;
 - Any registration requirements for trucks and their cargo by Customs should be minimised. Drivers should be required to present only the following documents in order to undertake an inland - border or border - 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;
 - The requirement for a Cargo Declaration to be generated at the border should be eliminated in favour of a Transit Note 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 travellers and local residents of the region. The data requirements and requests for back-up documentation should not significantly exceed that contained on of a TIR carnet as shown in the SAD for transit;
 - The current practice in some countries, whereby authorisation/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.
 - The higher the risk the higher the guaranty/security that should be fixed;
 - The procedure for Customs convoys should be abolished. According to the WCO recommendations conveying constitutes a high risk for corruption, additionally there is a need of personnel which may be required elsewhere to be employed more efficiently. Another reason avoiding convoys is the fact that the border time is lengthened for trucks awaiting the convoy being formed and start moving.
 - Drivers should not be required to produce passports, driving licence or truck documents to Customs unless an inspection or examination is to be undertaken in connection with an identified risk;
 - Inspection and examination of the truck and seals should only be undertaken after the registration process;
 - The documentation should be stamped by only one Customs Inspector following the inspection/examination;
 - 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;
 - 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.

- The external barrier to the control zone should be manned by Border Guards if applicable²⁶;
- Inward trucks should not be required to stop and register with any organisation regarding border related procedures outside the border control zone unless international agreements request otherwise;
- The proposed organisations 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;
- There should be no fixed charges for transiting the control zone;
- Inbound trucks should be segregated from outbound trucks;
- 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;
- 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 organisation. There should be no charges solely for registration, only for services (certificates etc.) provided.
- Processing order in zone should be first Border Guards and then Customs;

For the above procedures the processing norms should be as follows:

- | | |
|-----------------|---|
| - Customs | 5 min registration
5 min inspection
30 - 90 mins if full examination required |
| - MOT | 5 min registration and issuing/collection of permits |
| - Border Guards | 1 min no registration required
3 mins registration required |

Border Performance Indicators

- Average transit time through the control zone should not exceed 20 mins per truck and should achieve a processing minimum of 3 trucks per hour per processing lane, with a future target of 10 mins per truck or 6 trucks per hour per lane with automation or the introduction of reduced controls.

²⁶ Cf. Turkish practice: Customs Security performs this function

Part II - Additional Relevant Problems and Recommendations Section

This section is formulated to give an overview of other areas of Border Crossing difficulties and is presented in a **'Problem and Recommendation'** format. The Recommendations are put forward to Simplify Border Procedures and Enhance Efficiency

This compilation of Regional Border and Transit Problems and subsequent Recommendations does not deal with the specific Customs Procedures, as they are contained in previous Modal HBCP Project Recommendations and in the Annexes of the Kyoto Convention. However, these recommendations puts together the other factors, which have an influence on the situation at the borders such as the delays produced by several unnecessary stops, the often traditional handling of transit, the organisation of the Customs procedures, the influence of handling of personnel, the missing international cooperation and lack of cooperation with the private sector. This document is set out in a 'Problem and Recommendation' format so that the reader can immediately understand the reasons why and the recommendation for resolving of specific situations.

All of these recommendations are not the result of theoretical considerations but are applied in practice in all developed and many developing countries alike. It is important to note that most, if not all, of these Recommendations do not necessitate a change of laws

Regional Border Crossing Problems and Recommendations

Problem: At most Border Crossing Points of the Region, cars and trucks have to stop several times for the application of the different functions: Trucks first have to stop for Passport Control who are often allowed to perform physical inspections of the specific mode of transportation in cases where drugs, weapons or munitions/explosives are suspected. Once the officials have fulfilled their designated function the vehicles are then required to travel, maybe just a short distance, to the Customs control cubicle to undergo Customs Control, then often another stop for Veterinary Control etc. This creates immense delays in the total Border Process.

Recommendation: *'One stop' for all vehicles/passengers. The system to carry out all controls in 'one stop' should be introduced at all borders. For the future planning of 'one stop' procedures Customs should begin now to commence discussions with all other Ministries concerned to achieve this 'one stop' goal. This will create the norm that all controls, at the border (other than immigration procedures), should be undertaken by the Customs only, as it is done in most countries of the world. There are always exceptions for particular cases to be specified in detail, for instance, veterinary vaccinations, which can only be undertaken by doctors etc. Although there would be in some places some changes in construction necessary, it would be well worth the effort. One stop should justify any changes in process and construction.*
Note: No change of law is required.

Problem: The procedure for foreign-registered cars is a very difficult and a time-consuming procedure. The procedure also does not have any real logic, since the permission for temporary admission is mostly not used at any later stage. It is often not even required, when the car is leaving the country again.

Recommendation: *The best solution would be to make obsolete the formal opening of a temporary admission procedure, as is standard now in most European nations. Where, in fact, it is also considered a temporary entry/admission without however formally being documented. This is in full compliance with WCO Recommendations.*

Problem: When approaching the border and when entering the country there is very often a complete absence of Direction and Information signs. When they are present then often they are not obvious, are too small or not in the appropriate language.

Recommendation: *Direction and Information Signs and facilities should be established immediately. All Border Crossings should be only on approved and delineated routes. Adequate information should be disseminated to all categories of users on the routes to the relevant Border Crossing. The content of the information provided on roadside signs should be an issue of bilateral discussion of the relevant authorities on both sides of the border. As a consequence, the route in question will be clearly marked, and legitimate users will have no problems. It can also obviate a claim, by illegitimate users, that a deliberate wrong turning was caused by the absence of proper signs. Law changes necessary: Importation and Exportation by non-approved routes should be automatically illegal. Any such transit should render the vehicle, goods etc. liable to seizure and subsequent forfeiture. Importation and Exportation by an approved route is in itself a declaration with automatic and accepted legal consequences.*

Problem: The Red/Green channelling/lane system is formally in place in some Border Crossings however, there appeared to be no difference in the treatment and handling of trucks, cars or passengers regardless of which channel or lane they are processed through. The reason given for this was, according to Customs officers, that incoming cars and trucks did not know where to go.

Recommendation: *The use of direction signs, in several languages, should clearly delineate the organisation and the processes that are required to be completed by Border Crossing users. This would significantly speed up procedures since the majority of the users crossing the border is 'repeat traffic' and effective channelling solutions can be implemented quickly and at minimum cost.*

Problem : The Customs clearance of personal/home-use (Domestic) imported items for Residents often takes a long time and creates queues, in particular if there is only one lane operating at the Border Crossing. Such procedures, when applied to Residents who bring in this category of merchandise, will result in hold ups and congestion of the Border Crossing.

Recommendation: *If possible several channels/lanes should be created and at least one for this Domestic user group. In addition, the use of a self declared permitted value limits should be explored whereby a there is a permissible value limit that can pass without control. However, like all Green/Red Channel/Lane procedures the penalties for abuse should be very high.*

Problem : In the case of clearance for personal/home-use (Domestic) of imported used cars. Currently, all the details of the vehicle have to be compiled and physically checked (i.e. make of the car, age, value, motor and chassis-number). This procedure is usually performed at the border, which takes a lot of effort, time and again creates Border Crossing congestion. In addition, the vehicle valuation estimation is very time consuming.

Recommendation: *There is an urgent requirement for a system of Customs Registration with special Customs License Number Plates for the importation of cars. This should be introduced as it is applied in EU countries, which would give the same security and simplify the Border Crossing Procedures enormously. These Customs Licence-Plates could be purchased before or issued using a simple procedure at the border.*

Problem: The 'Workflow' within some Customs Offices often appears to be inefficient
Recommendation: *To Establish a "Model Customs System" for every Border Crossing Point according to the WCO proposal.*

Problem: All non-commercial traffic i.e. car users and bus passengers often have to individually submit a written Customs Declaration. Additionally the Declaration Form is quite lengthy and takes time to complete and even if there are no items to be declared, it still has to be completed. Another aspect is that it would appear that the form is only available to users when they arrive at the particular Border Crossing Point.

Recommendation: *In accordance with the recommendations of the World Customs Organisation (WCO) and the dictates of the WCO Convention for the Simplification and Harmonisation of Customs Procedures (Kyoto Convention) this form should not be necessary. Therefore, steps must be taken to eliminate this form and procedure.*

Problem: All Border Crossing users in both commercial and private outbound vehicles normally have to exit their vehicles and pass through two counters for Customs and Passport Control.

Recommendation: *All Customs and Passport Control procedures should be performed without requiring travellers to leave their means of transportation, as is the case in rail Border Crossings. Physical controls should be applied according to clear guidance contained in unambiguous internal instructions to Customs Officers. i.e., physical inspection should be restricted except in cases where there is suspicion of fraud and/or drugs, etc. There is also a requirement to have reciprocal arrangements with the adjoining country. Additionally the normal Customs law, of the exporting country, usually places excess emphasis on outbound traffic. The focus of attention in the case of normal Customs activity should automatically focus on traffic coming into the country.*

Problem: Almost every passenger car is checked by Customs when leaving the country. Often passengers have to leave both cars and buses during this procedure. Often all visas have to be stamped at the Border Crossing Point in order to leave; otherwise, travellers are unable to pass the control point directly before the border barrier. This causes delay and congestion for both controls.

Recommendation: *Customs controls at the Border Crossing Point should be restricted to suspicious cases. Stopping vehicles and passengers leaving of buses or cars only for stamping procedure should be avoided.*

Problem: The Double Invoicing of goods was also mentioned by Customs as one of the problems that cause delays at border clearance.

Recommendation: *The principal function of the Border Crossing Point should be 'to commence' the transit procedure. The relevant invoice then serves only as an indicator of how high the guarantee/security has to be for each 'import'. It would be worthwhile to copy the 'Operation RAID' that was undertaken by Border Authorities of several countries of the EU to fight the problems of double invoicing. The results would be of significant relevance for the key players involved in the operation of Border Crossing Points.*

Problem: Difficulties still arise, when goods/cargo have to be classified as the classification categories or not always them same for each country although this problem has been improved, in the TRACECA Region, in the past two years.

Recommendation: *All countries of the region should, as soon as possible, become a contracting Party to the WCO Convention on the Harmonised Commodity Description and Coding System. This also offers a database, where the responsible Customs officer could find the appropriate tariff-number/classification by quickly checking the data.*

Regional transit problems and recommendations

Problem: The processing of TIR vehicles should normally take between 5 and 10 minutes. However, the same processing procedure takes, in many countries of the region, at the very minimum 30 minutes. The problem seems to arise from the insistence, by the Border Authorities, that all TIR transports are to be stopped and inspected.

Recommendation: *There should always be established a TIR handling process and a dedicated TIR booth. Then physical controls should only applied in cases of suspicion or on a random sample basis. There should also be an agreement in place between the two neighbouring countries to exchange information and where possible to conclude a MEMORANDUM OF UNDERSTANDING, that should serve to prevent the existence of double-checking, that regularly occurs. When the two Countries sign this agreement, it should be immediately implemented for all goods carried as TIR consignments.*

Problem: In transit cases (sometimes even in TIR and almost always in national transit cases) the SAD has to be completed in all the boxes of the form and full documentation is always required. This takes a long time, often the same time, as if a Customs clearance for home use was undertaken.

Recommendation: *In order to simplify and facilitate the work at the border and the preparations by the importer there must be a reduction of the number of documents to be presented for Customs Clearance of transit. The documentation should be reduced to the absolute minimum necessary (at any rate only the freight document, eventually the bill and licenses or permits for goods and transport mode in order to be able to enter the country at all)*

Problem: At several Borders the practice Customs Escort or 'Convoys' are used, which cost money, raise the level of corruption, cause unacceptable delays and are usually inadequate. Often they have to be paid for, but then in practice the payment is not recorded and transparency is not applied.

Recommendation: *Since the International Convention on Harmonisation and Facilitation of Customs Procedures requests the use of convoys only in exceptional cases, the particular country's national legislation should be adapted accordingly. Therefore, the present system of Customs escort can only be formally abolished by a change in the law. If this change is not wanted or would take too long then this particular Customs service that is connected with so many risks and cost should be made so expensive for the user, that private business would prefer another means of control as is the practice in most countries of the world.*

Problem: In the TRACECA Member States, theoretically there exists a Regional Transit System, which however is not adequately applied.

Recommendation: *Introduce a regional transit system as e.g. by taking as a basis the model of the New Customs Transit System (NCTS) of the EU.*

Problem: Although most of the regional countries belong to the TIR Convention, it is often not used. Often the reason given concerns the high cost of TIR but this does not seem to be a valid reason why there are only such a small number of trucks operating under the TIR System.

Recommendation: *When considering the benefits of the TIR system the other obstacles such as non-conforming exhaust emission vehicles have to be taken seriously. However, in the long run it will be possible to get rid of the old vehicles, which do not qualify to be TIR registered. Additionally, more should be done to smooth the work of guaranteeing associations and they should be convinced by the Customs and Ministries of Transport to make it easier for small firms to become a member in their association.*

Problem: Various 'Seals' are used for identification purposes, even though the mode of transportation might not have a TIR approval, and could therefore be tampered with

Recommendation: *In such cases, different means of identification could be used (numbers, description or even sealing of the merchandise itself). As a rule, removal to inland clearance depots should only be allowed where the transporting vehicle is capable of being sealed in a manner that will show any signs of interference. Additionally, vehicle registration numbers, detailed description of the goods such as Machine Numbers etc should also be used as supporting evidence along with the individual seal number system.*

Problem. National Transit Systems (non TIR) exist, but they are rarely applied, because the system of guarantees is not efficient and is too expensive

Recommendation: *As it exists, for TIR in particular, a detailed and efficient system of guarantees should be prepared for national transit in general together with interested business circles. Also perhaps, with the assistance of the European Customs officials experienced in the establishment of Transit and Guarantee systems, such as the New Customs Transit System (NCTS), in several neighbouring countries of the EU*

Problem: The adoption of the guarantee system is to be commended, however at this early stage the current system is still overly complicated. This places an overly difficult compliance obligation on the traders.

Recommendation: *The use of general bonds (guarantees) as opposed to individual bonds for each transaction would significantly alleviate this compliance burden. Financial institutions should be canvassed on this suggestion i.e. education/persuasion to get the financial institutions to underwrite bonds. In the beginning it could be restricted and applied to approved consignors / consignees with proven Revenue records. Importers may alternatively avail of the Customs convoy service, as described before and bear the associated fees.*

Problem: It was suggested that a system of bonds/guarantee for high duty consignments may not be workable in some countries of the region at the present time, so that convoys then always have to be used for the following reasons :

- Administration apprehension of the falsification of the appropriate documentation;
- The Banking system may not be prepared to underwrite guarantees due to the lack of business practice of and business relationships of this nature between the traders and the banks;
- Up till now it is often difficult in many countries of the region to communicate with the BCP, except very short messages;
- The significant daily fluctuation of relevant currency rates; and
- There is no inherent system of Customs Brokers (only Customs agents).

Recommendation: *Customs should become more active in brokering dealings between the Finance and Trade sectors. There is commercial advantage to be gained by all involved parties: If an efficient guaranteeing System would exist, Customs work would be facilitated, trade would receive the merchandise faster and the banks or other financial institutions like insurance agencies, would be able to earn money. Custom administrations should consider sponsoring seminars and conferences on this issue. The benefits of a smoothly operating guarantee/bond system to cover Customs or other indirect tax liabilities for goods in transit are obvious - i.e. reduced burden on Customs, increased efficiency, reliability and certainty for traders at border points, profits for the sponsoring financial sector.*

Problem: If the individual guarantee has not been prepared before the arrival at the point of entry into the country then significant delays ensue.

Proposed solution: *The following should be envisaged:*

- *The EU transit system has been designed to circumvent problems of this nature. Therefore, consideration should be given to the adoption of a system similar in form or amendments of the existing system should be considered to benefit from the EU's experience.*
- *In conjunction with the local banking interests, a guarantee system should be developed, whereby the relevant bank – which is deemed acceptable for such transactions by Customs after a tender procedure - opens an account from which, by a transaction at the border, the amount of the guarantee for a particular importation can be deducted.*
- *It is acknowledged; that the banking system in some countries in the region may not as yet attained the systemic sophistication existing in other countries. However, they should certainly be convinced to develop such a system, because this would open a new area for banks to earn money. The involvement of Customs and trader groups, in the development of the system, would ensure that the needs of the clients are represented in the system. In addition, the experience of other countries in this regard could be utilised.*
- *As a result, merchandise could be cleared faster from the border to the Inland Customs House system.*
- *The payment of a cash deposit at the border should be made possible, which then could be repaid by an order at the inland Customs house (without requiring the importer to revert to the border administration).*
- *The preferable solution is the use of general bonds as opposed to individual bonds for each transaction.*

Border Crossing Controls Recommendations

Problem: Customs Controls are applied without differentiation and mostly 100% of the merchandises and the means of transportation, which is in effect not efficient at all.

Recommendation – in the short term:

Even though the existing primary and secondary legislation allow often for different Customs treatment the system of Customs control will not change if the attitudes of the individual Customs officers and their local superiors are not equally transformed. Not every importer is a smuggler and that actual smuggling activity will be more efficiently dealt with on a macro-scale with the adoption of more efficient and up to date Customs methods.

A first positive step in this direction would be to create a Customs database for risk analysis at the border on a local level (which might be different from the one applied in an inland Customs house). It should not be any less thorough but should have priorities specific to the goals of border control, i.e. the search for drugs, prevention of fraud, etc.

If it were not possible to begin the implementation of this at a national level, a working group of officers from Customs and the other services at every important international BCP would be able to put together a risk analysis based on local knowledge and experience (with some national and perhaps international assistance). At its core, the system must have a dual purpose of securing revenue and facilitating the efficient flow of traffic through the borders. These suggestions could be implemented without changing or amending the extant law.

The weight of Customs controls should be directly proportionate to the real risk to the revenue. As a consequence “tariff free” and “proven,” repeat traffic should be fast tracked, subject of course to random checks to confirm the duty status etc. of the goods in question.

– in the long-term: With all the experience gained from the local level and using the expertise of foreign experts a national risk analysis should be established. This is not an ideal solution but one practiced also by neighbouring countries. Guideline for such a system exists.

Problem: Apart from these Customs controls there exist controls by the special services for transport, veterinary and Phytosanitary purposes, all of whom often have separate personal for such tasks stationed

Recommendation: *Under the existing conditions it would significantly facilitate importations, if some procedure would be instituted together with the other services locally or on a national level to organise the physical controls of all of those at the same time and, if they could not be done by one official as it is done in other countries, at least do them together*

Trade, Transport and Customs circles were often wondering, why on some days the clearance procedures were smoothly executed with not too many delays and that in other periods suddenly with about the same traffic volume large queues were building up. The reason for this phenomenon is known in all Customs administrations: late arrival of the new texts and not sufficient preparation of the personnel.

Problem: Duplication of control procedures.

Recommendation: *Leaving purely Revenue issues aside, there is a clear case for Customs doing "agency" work on behalf of other administrations or, in the alternative, carrying out joint examinations. Regrettably, experience shows that border agencies see themselves as competing bodies rather than performing complementary functions. Therefore, a delineation of function is required to prevent inefficient duplication of controls. In order to institute an appropriate functional dichotomy among the various border agencies a fundamental systems review is required which lies beyond the scope of the present study*

Border crossing procedures management recommendations

Problem: The organisation of work at the border is often questionable from a management point of view.

Recommendation: *Subject to supervision, the responsibility for the administration of the control in the field should be given to the head of the BCP, who is in the best position to judge the situation in the light of local circumstances. This would promote initiative among the field officers to improve the operation of systems in their area. This requires a degree of reorganisation in the Customs service but would not require amendment of the existent or proposed legislation. This transformation of the organisational structure is often opposed by other governmental agencies because of the fear of corruption. Integrity could however be preserved with the application of exact rules, possibility to give more power to command to lower level supervisors, strong supervision of personal and security of positions in the Service.*

Problem: Changes in procedures, tariff, nomenclature etc. are almost not always announced in time for an orderly implementation.

Recommendation: *Even though the goal of a change might be beneficial for the importer, it should be enough leeway between the publication of such a decision and its application. An alternative would be to apply these changes retroactively, which however would mean a heavy additional work-burden for Customs.*

Problem: The most disruptive factor mitigating against the smooth and quick clearance of commercial and private traffic through the BCPs is the fact that many legislators and Customs administrations change frequently the relevant laws, rules, tariffs, the applicable nomenclature and the administrative orders etc. These changes are often put into effect immediately without any information given to trade and Customs officials in due time. The lack of consistency of the legal support base results in inconsistent Customs service.

A recent example in one of the Regions Countries was the entering into force of a Regulation on January 1 2001, which was signed into law at the end of November 2000. This Regulation provides for the reduction of Customs duties for many goods, simplification of the tariff situation, etc. The regulation was a welcome improvement. However, the implementation of the Regulation proved extremely disruptive at the

BCP. The changes were implemented overnight resulting in significant delays at the border. Changes in the law which effect procedures, tariff, nomenclature etc. with effects at the border procedures are usually announced too late for an orderly implementation.

Recommendation: *Due regard should be had for the effects of changing an extant system. Training of Customs officials, the dissemination of internal instructions, etc should occur prior to the implementation of the Regulation. This issue should be the subject of a dedicated working party at a high level*

Problem All countries have a problem with the fight against corruption, which is now internationally recognised as a grave problem

Recommendation: *The Customs Administrations being a Member of the WCO should develop a plan immediately, how to make use of the assistance provided by the organisation in the fight for integrity.*

Problem : Higher officials seem to hold the opinion that existing law mitigates against the introduction of improved working practices. The Customs administration seems to suffer from considerable institutional inertia. This is a result of the hierarchical and martial organisational structure, which leads to a conservative attitude to change.

Recommendation: *The responsibility for the administration of procedures at the BCP should be given to the Head of the BCP. He has vital knowledge and experience of the prevailing local circumstances. This responsibility should, of course be subject to extensive guidelines via internal instructions and regional supervision.*

Problem: The rising volume of traffic and the inherent complexities of Customs law have resulted often in the employment of more Customs officials. This has resulted in increased salary costs.

Recommendation: *Increased efficiency in the use of existing personnel resources and improvements in the application of Customs procedures would significantly reduce the burdens placed on incumbent staff. In addition specialised secretarial staff should be employed to free up trained Customs officers from this time consuming activity.*

Problem: At present, in many countries of the region there is an inherent lack of movement of Customs personnel. Individual Customs officers remain in the same jobs and at levels of responsibility for inadvisably long periods.

Recommendation: *The question of the rotation of staff should be studied intensively. It is an accepted opinion that the non-rotation of staff and a lack of opportunity for advancement invites corruptive practices. Corruption is an inherent problem in border administration, particularly where you have lowly paid officials, who have to travel significant distances to work.*

Border crossing and border entities cooperation recommendations

Problem: Countries do not make use of the Models for Bilateral Cooperation

Recommendation: *Conclude legally binding treaties or at least governmental agreements with neighbouring Countries on specific Customs matters of cooperation like regular visits and meetings, opening times, common use of equipment, direct communication between Customs houses on the two sides of the border etc.*

Problem: No juxtaposed joint control offices exist in all countries with the exception of one in the Ukraine.

Recommendation: *A juxtaposed border control structure would most significantly increase the efficiency of the traffic flow in both directions at many borders of the region.*

Basic requirements:

Normally there will be two BCPs, one on each side of the border. It could however also be organised, that all formalities would be done in one BCP.

Conditions:

- *Both countries would have to agree on the same opening hours and the same competencies;*
- *This would require a formal agreement between the two governments and amendments to the law. With regard to the necessary changes to the existing Customs codes in both jurisdictions, these are not necessarily as extensive as might firstly be assumed. The law governing the Classification, Valuation and Origin of goods will require harmonisation. It would be helpful if both administrations agreed on similar documentation i.e. like the single administrative document (SAD) in the EU. In addition agreements should be reached in the area of transit;*
- *National attitudes and historic developments often have not permitted the organisation of these types of juxtaposed Customs stations. In a world of globalisation these factors should be of less consequence than previously; and*
- *Good bilateral relations for the running of such an installation are of utmost importance. Sometimes in the past however better relations have just been created after the installation of juxtaposed Customs offices at the border between countries, with no history of cooperation and good relations.*

Advantages For Customs And Trade:

- *Better cooperation between officers of the two Customs territories;*
- *Better appreciation of each other's Customs priorities;*
- *Improved exchange of information i.e. trade statistics, intelligence, etc.;*
- *When there are no export formalities the import data on the goods declaration can be accepted as the export data for the exporting country (if the rules governing classification, valuation and origin are harmonised – further facilitated if there are supporting agreements re documentation and transit);*
- *The importing country can furnish the pertinent data for statistics to the export country;*

- *More efficient control of documents, goods and means of transport. They could be done together;*
- *Reduced running and building cost;*
- *Reduction in staff, particularly where officers of one administrations are – at least for certain tasks – authorised to act on behalf of the other;*
- *only one stop necessary;*
- *reduced cost for trade; and*
- *Faster through put of border traffic.*

Preparations:

The request for the installation of such juxtaposed offices should come from the field, particularly when Trade, Transport and Industry apply pressure for speedier clearance at the border. Political solutions need to be fashioned by both governments in order to make the juxtaposed system work. A significant number of ministries on both sides have to get involved from the very beginning (Foreign Affairs, Justice, Interior, Transport, Economic Affairs, Agriculture, Plant Quarantine, Public Health).

A formal agreement or treaty has to be concluded between the two jurisdictions. Since Customs officers of one country have to act officially in another country the question of sovereignty (definition of acts, exactly described areas of government officials, where they are entitled to execute such actions etc) has to be solved this may involve constitutional issues.

One law could however be adopted, which would authorise such actions and deal with the multifactorial legal issues. Since the Ukraine is very active politically in the Customs field i.e. an active partner in the WCO and it has concluded many international agreements already.

Problem: There does not seem to be any support from the officers at the border to introduce juxta-posed schemes.

Recommendation: *In most countries of the region, it would be wise for Customs and the Border Control Services together to initiate an appropriate action within their governments for the creation of joint controls. It should however be preceded by a better harmonisation of all the controls applied by different services on its own side of the frontier*

Problem: Even though the Customs officers on the two sides of a border are on good terms, there is mostly no system at present to allow for formal structured policy, information sharing or technical meetings between the border staff of the two neighbouring countries. In addition, an international passport is required often for most of the Customs officers (with the exception of the head officer) to cross the border. Not all Customs officers are holders of current international passports.

Recommendation: *Require that all Customs officers are issued with international passports. Regular meetings should be organised between the BCP personnel. Information at the local border level should be exchanged on a mutual basis, as requested by the World Customs Organisation, of which both countries are members. As world-wide studies show, there is no need for a special legal basis, if the providing*

of such information is not especially forbidden in the municipal system. The transfer of this information is vital in the fight against fraud and the smuggling of drugs.

Problem: There exists, practically no daily cooperation initiatives with Trade, Transport and Industry, particularly with the goal to speed up the procedures at the BCP

Recommendations:

- *Customs would have to organise – also on the local level a system, whereby Trade, Transport and Industry have the possibility, more than now, to get the necessary information about Customs matters always on time. The Rule of Law requires that everyone should know the law or at least be in a position to ascertain it in advance. Accordingly, and unless countries are prepared to countenance what is tantamount to retrospective taxation, all tariffs and tariff measures have to be published in advance of their introduction so that the importer can order his affairs accordingly. The Doctrine of Legal Certainty would also embrace the notion that the relevant law should be interpreted and applied in a uniform manner by all administrations in a legal jurisdiction. As a consequence, it is imperative that clear internal staff instructions are issued as a matter of course and that there exists one central administrative body with the ultimate legal power of interpretation, with the right of appeal to the judicial system. Binding Tariff Information structures (i.e. BTI decisions), which would have to be introduced by legal action, are based on the notion of legal certainty. Accordingly, they should be an integral part of any modern Customs regime, both in terms of legal certainty and trade facilitation.*
- *In order to be able to apply modern Customs procedures to facilitate and to speed up Customs treatment it is absolutely necessary to have an intensive cooperation with Trade, Transport and Industry. They have to look as partners to each other*
- *For Border Crossing Stations it is particularly important to establish a close relationship with the agents/Customs brokers working there. Regular meetings with them should be organised. Often they are informed earlier about items important for the work at the border, because most of them are already employing IT – like in Kaliningrad - and have international connections with additional information. They should not be considered as enemies, antagonists or supporters of fraud, as in the past, but as partners. If the contrary would be established, they would lose their job as agents or brokers anyway.*
- *As said several times above already, in order to establish such a partnership it is important, that Customs has to give all information about changes in procedures, Valuation – and Tariff – developments, publications, organisational structures and control requirements. This must be done regularly, efficiently and promptly. Lack of such information is one of the main reasons of delays at the border, when in the moment of arrival at the border importers are suddenly faced with different rates and procedures.*
- *All such information has to be easily accessible and available at Customs houses, including the border.*
- *If specific information is requested concerning a particular operation and the Customs organisation it should be supplied as fast, accurately and complete as possible.*
- *Importers should be guided to ask for binding Tariff classification.*

- *Modern IT means should be used to make such information available (like the Internet or by providing email addresses).*
- *Customs should provide the circles mentioned above (and eventually other like associations of brokers etc.) the possibility to be met in consultative meetings on the local and the Headquarter level and perhaps even install consultative committees (like in Finland). All questions concerning e.g. projected control requirements, identification of difficulties experienced in the Customs clearance and arriving at mutually acceptable solutions.*
- *Local Customs offices also at the borders for the dealings with the private sector and the officers of the neighbouring countries should be informed about the existing national and international Memoranda of Understanding between Customs and national and international organisations e.g. in the fight against smuggling, drugs, dangerous species, so that they could substantiate their request of support and assistance of commercial circles. There exist also Customs-to-Company memoranda and guidelines, so that both sides would have benefits: The importer of faster clearance or less Customs intervention and the Customs having additional sources of information.*

Problem: Customs and the private Sector have not yet realised that they are dealing with a mutual common problem: safeguard the interests of internal commerce and industry while at the same time the National Budget is safeguarded in the interest of all people.

Recommendation: *As long as there is a high motivation for smuggling and fraud, in all countries – particularly those in transition - it is difficult for the State officials to explain, that their work is done in the common interest of the people. Even among officers themselves this opinion is not spread very much, because the pay for their work is comparatively too low. It is however not too early for Customs to do some PR work and explain to their clients, that Customs and the economy have to look at each other as partners in order to solve the problems together. The World Customs Organisation has issued several Recommendations, that Customs is in the best Situation to bring government and trade Circles together, so that they could solve every problem together by knowing and as far as possible respecting the interests of the other side. It is therefore recommended to conclude Memoranda of Understanding between the government agencies and the organisations of private business, as they exist on the international level already e.g. between the WCO and airlines, Forwarders, Transport associations: this has to be extended to the national level in order to facilitate the clearance operations of honest traders and transporters at the border crossings for faster movements across the border.*

Problem: There exists practically no other cooperation efforts with Trade, Transport and Industry particularly with the goal to speed up the procedures at the BCP.

Recommendations: *In order to be able to apply modern Customs procedures to facilitate and to speed up Customs treatment, it is absolutely necessary to have an intensive programme to foster cooperation between Trade, Transport and Industry. Each grouping should consider themselves as operating in partnership. In the context of the BCPs, it is particularly important to establish a close relationship with the agents/Customs brokers working there. This form of relationship exists with the terminal operators. In this regard regular meetings with them should be organised. Independent operators working in the private sphere are often informed about relevant trade issues important for the work at the border ahead of other interested parties by virtue of the fact that they have excellent access to IT and international connections with additional information resources. Operators in the private sphere should not be considered as enemies, antagonists or supporters of fraud, as in the past, but as partners in trade.*

In order to establish such a partnership it is extremely important that the Customs authorities make available all relevant information about the changes in procedures, organisational structures, publications and control requirements; in addition to any changes in the essential legislation regulating the border namely valuation, origin, classification, transit and documentation. The dissemination of relevant information must be done regularly, efficiently and promptly. Lack of such appropriate information is one of the main reasons of delays at the border, when in the moment of arrival at the border importers are suddenly faced with different rates and procedures than expected. The proper dissemination of information is vital to the promotion of confidence and legal certainty.

The Rule of Law requires that everyone should know the law or at least be in a position to ascertain it in advance. All tariffs and tariff measures have to be published in advance of their introduction so that the importer can order his affairs accordingly.

The Doctrine of Legal Certainty would also embrace the notion that the relevant law should be interpreted and applied in a uniform manner by all administrations in a legal jurisdiction. As a consequence, it is imperative that clear internal staff instructions issue as a matter of course and that there exists one central administrative body with the ultimate legal power of interpretation, with the right of appeal to the judicial system.

Binding Tariff Information structures (i.e. BTI decisions²⁷) are based on the notion of legal certainty. Accordingly, they should be an integral part of any modern Customs regime, both in terms of legal certainty and trade facilitation. Importers should be guided to ask for Binding Tariff classification. All such information has to be easily accessible and available at the offices of Customs administration.

If specific information is requested concerning a particular operation, it should be supplied as fast, accurately and completely as possible. Modern IT resources should

²⁷ Binding Tariff Information Decisions

be employed to help in making such information available (i.e. the use of information channels such as the internet and e-mail).

In addition Customs administrations should provide the opportunity for traders to meet with the authorities in consultative meetings at local and headquarter level and perhaps even install permanent consultative committees (i.e. such as those which operate in Finland) with a broad remit/terms of reference to address questions concerning extant and projected control requirements, the identification of difficulties experienced in the Customs clearance and arriving at solutions which are acceptable to both Customs and traders.

Local Customs offices at the borders which are responsible for the dealings with the private sector and the associated officers of the neighbouring countries should be informed about the existing national and international Memoranda of Understanding between Customs and national and international organisations i.e. in the fight against smuggling, drugs, importation of dangerous species, so that they can substantiate requests for support and assistance from traders. Internal instructions and public notices on all principal Customs procedures should be widely available so that both Customs and traders can benefit from the results The importer of faster clearance or less Customs intervention and the Customs having additional sources of information.

Problem: A relationship between Customs and the private Sector should be based on partnership and common interest.

Recommendation: *Smuggling and fraud is, unfortunately, not considered by the public to be injurious to the greater public interest. This situation is not helped by the comparatively poor employment remuneration package of Customs officials. Customs should see their function as including a 'Public Relations' function. Efforts should be made to promote the opinion that Customs and traders should consider themselves as operating in 'partnership' to effect the efficient and proper running of the border administration. It is recommended that memoranda of understanding are concluded between the relevant government agencies and organisations representing traders. This form of cooperation exists on the international level already i.e. between the WCO and airlines, freight forwarders, transport associations. This practice should be extended to the national level in order to facilitate the clearance operations of honest traders and transporters at the border crossings for faster movements across the border.*

APPENDIX 05

Customs Working Groups – Terms of Reference

- Draft Terms of Reference for the Customs Working Groups

DRAFT TERMS OF REFERENCE FOR BORDER CROSSINGS WORKING GROUP (CWG-ToR)

1.0 BACKGROUND

The Tacis TRACECA programme has commissioned a project entitled “Harmonisation of Border Crossing Procedures” (HBCP) that has been approved by the Member States to expedite border transits by the introduction of simplified and harmonised procedures in conformity with international agreements and best practice. To facilitate the cooperation and interaction between the TRACECA Intergovernmental Commission (IGC), National Commissions, National Secretaries and the various Border-related entities the TRACECA Members States, in their Multilateral Agreement (MLA), also included the function of Customs Working Groups (CWG’s).

The National Commissions, in several TRACECA member states, have initiated the formation of such CWG’s but have not yet integrated their country-individual work and recommendations to that of other Member States.

Note: There maybe some bias over the original title of the CWG’s as it tends to infer that that the functions at the Borders is only Customs related and does not include the total entities that are involved in Border Crossing Procedures. Therefore, although the original title of CWG’s remains official, the CWG-ToR will also use the term Border Crossings Working Group to imply a wider and total involvement of all Border Crossing entities.

2.0 OBJECTIVES

The first objective of the Border Crossings Working Group is to assist the respective Member States in evaluating the recommended harmonised procedures, modifying those recommendations as considered appropriate and then promoting the implementation of the recommended harmonised procedures to Governments of the Member States.

The second objective is to give support and to build the institutional capabilities of the IGC, National Commissions and National Secretaries in the areas of Border Procedures and how these procedures can be harmonised within the Border Crossing and between Member States.

3.0 SCOPE OF WORK

The HBCP Project’s International Consulting Team, in collaboration with the Inter Governmental Commission, will develop draft recommendations for simplified and harmonized procedures in respect of road, rail and port (ferry terminals) borders.

These will conform to the various international agreements (MLA, Revised Kyoto Convention, TIR Convention etc), bilateral agreements (Cross Border Framework Agreements etc) and international best practice (such as those used at EU borders). These draft recommendations will be presented to each of the Working Groups during September-November 2002.

The specific tasks of the Working Group will be as follows:

3.1 Assessment

The Working Group with the assistance of an international border expert of the HBCP Project will assess the recommendations and compare them to the current border procedures, as identified in the Border Audits undertaken in 2002 by the international project expert. This process is designed to scope the differences between the existing and proposed procedures and outline what changes might be needed to be made in order to implement the recommendations.

3.2 Evaluation

The Working Group will then undertake a more detailed evaluation of the proposed changes indicating all the potential constraints to their introduction. This will include legal, regulatory or procedural/operational issues. The Working Group will be required to identify the specific legislation (such a Customs Code etc) or Regulations that represents the constraint and identify whether these are compliant with international agreements signed by the Member State – i.e. is it a national or international constraint? This would include examination of the regulations/operational instructions by the various organisations on implementation of border procedures and operational practice.

3.3 Consultation

The members of the Working Group would be required to consult with their respective organisations on the recommendations and potential constraints. They would be expected to report back to their Working Group reflecting the views of their respective organisation to the draft recommendations, suggested modifications to those recommendations, details of how they might be introduced and specify the legislative/regulatory changes that would be required to introduce the recommendations.

The Working Group would work with the international specialists to agree either the draft recommendations or modification to the recommendations for presentation to the Inter Governmental Commission to transform them into finalised recommendations.

3.4 Implementation

Following a review period the finalised recommendations will be presented back to the Working Group as recommendations. The group would then be responsible for promoting the introduction of the recommended procedures to their respective Ministries or organisations.

4. MEMBERSHIP

The membership of the Border Crossing Working Group should reflect the procedures at the border crossings in that country and those organisations performing control functions at their road, rail and ferry borders. Additionally there is a need to include the private sector to enhance trade facilitation.

Membership must include the following organisations:

- Border Guards/Immigration Service – responsible for passport controls;
- State Customs - responsible for Customs control;
- Ministry of Transport – responsible for permits, transit fees, vehicle inspectorate etc.; and
- Ministry of Agriculture – responsible for veterinary and phytosanitary services.

Possible other organisations that may be required to be co-opted onto the Working Group on a part-time basis may include:

- Ministry of Environment/Ecology;
- Ministry of Health;
- Interior Ministry – Police;
- Ministry of Trade; and
- Ministry of Tourism.

It is considered vital that the Border Working Group should also include representation by User Groups of those organisations that utilise or are involved in borders transits. This would include such organisations as:

- International Transport Association;
- Freight Forwarders Association;
- Customs Brokers Association;
- State Railways;
- Ferry Operators; and
- Port Authorities

The nominated representatives should be fully conversant with the border procedures in respect of their own organisation and hold a position within their organisation whereby they can discuss the recommendations with senior Government officials within their Ministry, and influence possible implementation.

The Chairman of the Working Group will be the National Secretary of the TRACECA National Commission or an alternative nominated by the Ministry of Transport. He will be responsible for calling the periodic meetings and reviewing the progress of the work of the Group. Following the inaugural meeting with the presentation of the draft recommendations, it is expected that the Working Group would meet every two months or as required to progress the recommendations.

The Chairman shall be responsible for or nominating a responsible person for Meeting Procedures such as: Nominating time and location of the Meeting, Informing all Participants, Meeting Agenda, taking of Meeting Minutes and the subsequent distribution of completed Minutes and future Agenda.

The attendance at a particular Working Group meeting should reflect the agenda and issues to be discussed. The Chairman will circulate an agenda in advance so members are aware of particular input required from their organisation. It is important that the IGC receive copies of Meeting Agenda and Minutes.

5. LOCAL SPECIALISTS

It is recognised that the Working Group may require the assistance of local specialists to facilitate the work of the Group in respect of certain tasks. There is limited funding available for such support services from the HBCP Project. The Chairman will be responsible for presenting the case for such specialists to the HBCP Project Manager, together with an agreed Terms of Reference for that specialist identifying his specific role and projected input/output.

No local specialists can be employed, if HBCP Project funding is required, without the prior agreement of the HBCP Project Manager in writing.

6. LOGISTICS

All normal meetings of the Working Group will be in-country in the capital. The venue to be nominated by the Chairman and agreed by the members. It is not envisaged that the regular meetings, other than the inaugural meeting, would exceed a half-day. Ad-hoc meetings in relation to the consultation process in Paragraph 3.3 may require more concentrated input.

The HBCP Project experts will try to be available, as often as possible, to be involved in the National Working Groups in either National Meetings, Regional Meetings or with the Inter Governmental Commission in Baku. In such events, the attendance will depend on funding as all such out-of-country meetings include travel expenses, accommodation. No funding is available or foreseen to hold regional meetings of all countries at one venue.

Annex

Annex to CWG's TOR.

It is essential the Working Group concludes its interim findings within 3 months after having commenced the first meeting.

The first meeting is intended to be in October 2002, date to be set by the IGC National Secretary.

Budget

A nominal and limited budget for the operation of the Working Group has been made available.

Following the rules of expenditure imposed by the European Commission the budget is strictly bound to interim work results and to completion of work.

Interim Work Results shall be documented by the National Secretary and be communicated to the Regional Team Leader or the Project Manager.

Interim Work Results shall comprise a list of;

- items discussed
- the status of discussions
- participants in the meeting.

The work is considered complete upon receipt of the written information by the National Secretary on the Working Group's internal decisions. The internal decisions will cover the items mentioned in the Proposal submitted to the Working Group by the Consultant. The written version shall be translated into English and Russian at the expense of the project. The translated versions shall be signed by each Member of the Working Group.

The budget includes all costs occurred in line with the Working Group and no further or additional funds are available from the Project resources.

The IGC National Secretary will ensure a quorum reached, i.e. the recommendations made to the Working Group will be accepted based on the agreement reached by the Members representing the government services:

Customs
Border Guards
Min. of Agriculture
Min. of Transport
Private Sector

Payment

1. An initial sum of Euro 500,- is to be paid to the Working Group so to facilitate the starting of the meetings.

Further payments are made on monthly instalments based on receipt of interim and final working results, i.e.

2. Installment Euro 1000,-

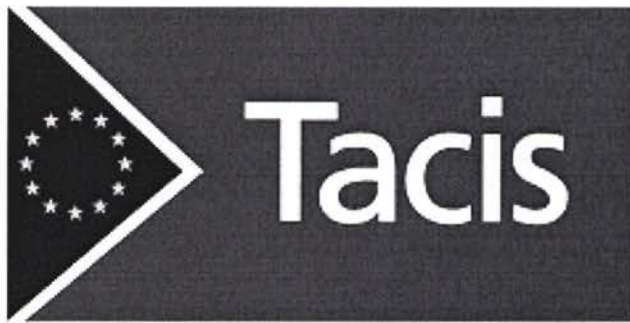
3. Final payment Euro 2000,-

Finite total of 1,2 and 3 = Euro 3,500

APPENDIX 06

Customs Working Groups Training Material Issues 1 October and 2 November 2003

- Customs Working Groups Training Material –
Issues 1 October and 2 November 2003



**TRACECA: Harmonisation of Border
Crossing Procedures**

Training for Customs

Working Groups

Modern Border Procedures

- Case Studies

- Discussion Papers

Issue 1 October 2002

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1.0 INTRODUCTION TO WORKING GROUP TRAINING MATERIAL

The function and future of the Customs Working Groups (CWG's) must be based on the concepts as detailed in the original HBCP Project Terms of Reference (TOR) as follows:

'Following the completion of the Project the CWG's should remain in place with the triple task and status of:

- Continuing input and support to the IGC and the Permanent International Secretariat*
- Constituting the CWG of the National TRACECA Commissions*
- Being officially recognized by the Customs Authorities of the individual Member States as the future Customs Consultative Committees.'*

To support the National Secretaries and the CWG's in their work the HBCP Project has prepared a series of Training Material Items. These included relevant Case Studies and Discussion Papers that will introduce aspects of Modern Border Procedures that are aligned to EU and World 'best practice'.

The material has been carefully selected and some discussions papers have been reproduced, with permission, from the British International Freight Association (BIFA) and gives examples of current European Borders situations and legislation.

The Case Studies are factual examples of European and Regional Customs and Borders situations.

It is hoped that this Training Material will broaden the knowledge of the individual participant and the CWG's as a whole.

The CWG's Training Material will be augmented throughout the Project duration.

2.0 MODERN INTERNATIONAL BORDER HARMONISATION PRACTICES

2.1. CASE STUDIES

2.1.1. Latvian Experience

The Project Experts are aware that practical relation to the procedures proposed is of high priority. Therefore, the experience gained in one of the most successful EU NAS has been looked at in more detail. Moreover, Latvia is participating in the Working Group on Border Cooperation that commenced in October 1999 by the Imatra Conference. The results of that experience generate the opinion of making available some Best Practice procedures at BCPs. This contribution is provided separate to this document.

Harmonisation is a word very widely and very frequently used in FSU countries, harmonisation of procedures, harmonisation of legislation, but why is it necessary? There are three basic reasons for harmonisation:

- Revenue control
- Trade facilitation and
- The protection of society.

Revenue control

The transition from the Soviet Union to a fully independent state has been, for Latvia, a painful process, where demands and expectations are often higher than the capacity of the country to meet them. This is usually especially applicable to the health, welfare and education sectors, where there never seems to be enough money available, but the demands are the greatest. The increase of revenue collected by means of the introduction of improved control mechanisms will at least go some way to alleviate this serious problem.

Trade facilitation

As always, there are two sides to any coin, and the protection of the revenue should not be to the detriment of free-flowing trade. There is always a clear need to find a fair balance between the necessary controls and a free flow of commercial traffic. It must be borne in mind, that the majority of entrepreneurs are honest and should not be discriminated against because of the activities of the minority. Therefore, by facilitating trade, each country gains substantially from the resulting increase in volume of trade and the financial benefits derived there from. Additionally, business becomes more competitive with outside (western and eastern) markets, and the resultant increase in business and profits manifests itself in increased collection of taxes (e.g. income tax, profit tax, value added tax), which is then eventually channelled back to society.

Protection of society

Increased efficiency in border controls will also lead to better results in the fight against the smuggling of drugs, weapons, radioactive and other hazardous materials and similar illicit cargoes. It should not be forgotten that irrespective of each country's personal interest in combating this traffic, there is also a wider responsibility to the international community to prevent the transit of such goods.

One of the acknowledged aims of the TRACECA Harmonisation of Border Crossing Procedures project is the introduction of best practice, using the experience of, and learning from the past mistakes of countries where this "best practice" is already applied. To this end, the example of the best that Europe and the rest of the world has to offer should be taken, irrespective of the length of time it has taken to implement this best practice elsewhere. FSU countries cannot afford to wait so long and indeed, it is the accepted contention that, despite a natural resistance to change, they do not want to wait. At the end of the day, established best practice remains best practice, notwithstanding the time element involved, and this is what the project should be offering to the member states. Whilst some of the recommendations may not be immediately feasible due to financial or other constraints, the options should nevertheless be made available for consideration and adaptation to each local circumstance.

Similarly to the TRACECA countries, the process of border crossing modernisation and harmonisation of procedures in Latvia was begun in 1993 with the financial assistance of the European Union PHARE programme, which is similar to TACIS. It must be stressed, that the road towards harmonisation is not a one-day or a one-year process. Much is dependent on the financial resources available, the infrastructure in place and the political will of each country's government. Harmonisation is an on-going process, even in the West, but significant strides forward can be made in a relatively short period, as the experience of Latvia and other FSU countries has shown. Before any process of harmonisation in Latvia could begin, the problems that needed to be addressed had to be identified. Also, and this is of vital importance, before procedures could be modernised and harmonised, it had to be clarified what the country's priorities are or what did the client want?

Experience in Latvia in the very early years prior to 1993 showed that very often consultants and senior officials of foreign institutions would visit and recommend this, that or the other, without asking "what are your requirements, what do you want?" In some cases, even the Latvians themselves were not sure of where their own priorities lay. Therefore, in 1993, with the commencement of the modernisation programme in Latvia, it was decided to draw up a document called a User Requirement, which clearly indicated the client's needs and priorities, and helped the client itself, the Latvian Customs Administration, focus on the problems and priorities to be addressed. Once a User Requirement document had been drawn up, it was then possible to start to identify potential solutions to the points raised therein.

Some of the main problems identified in Latvia were:

- Lack of trained Customs staff
- Out-dated legislation
- Lack of technical equipment
- Poor infrastructure
- Lack of cooperation with neighbouring countries

These are probably similar to those experienced by nearly every post Soviet Union country. Whilst it may appear that, some of these problems are not directly related to the harmonisation of border crossing procedures, nevertheless they all have a more or less significant impact on achieving the result and should be looked upon as parts of a complex solution.

Lack of trained Customs staff

Any harmonised system will only be as effective and efficient as the staff operating it. Because Latvia, as in the case of most former Soviet Union countries, was building up its Customs Service practically from zero, there were very few professional, trained Customs officers. Latvia Customs was being offered various forms of training from many different organisations, without any coordinated plan being in place, therefore the first step was to identify the specific training needs to address the various issues. Once this 'needs assessment' had been carried out, Customs were then able to prioritise these needs in order to produce a logical, systematic training programme. At this stage, Latvian Customs could turn to the various organisations offering training assistance and say: "We want this, this and this, or that isn't so vital at the moment".

In 1994, the Institute of International Economic Relations and Customs was set up in cooperation with the Riga Technical University and included professional, Bachelor and Masters faculties. Over 600 Customs staff has graduated from the Institute, about 33% of the total staff.

The critical issue of staff retention became increasingly apparent several years after the introduction of the training programme. In many cases personnel who had been extensively trained at the expense of the Government (i.e. the taxpayer), would then leave the service, lured to private enterprise by higher salaries. Such rapid turnover of staff encouraged neither Customs regulations enforcement, nor facilitation of trade.

This issue is still very problematic today, despite attempts by the Government to encourage staff retention by offering higher salaries and more job security. Nevertheless, the rate of turnover has decreased from 58% in 1994 to just 8% in 1999.

Out-dated legislation

Having regained its independence, Latvia inherited a legal system still based on Laws passed in Soviet times, including of course the Customs Code. The first step was to review the existing legislation to identify the changes required. Once that had been achieved, work began on harmonising the Latvian Customs legislation with that of the European Union and the WCO. A new Customs Law was drafted that was fully harmonised with the EU

Customs Law and secondary legislation was passed to back up the various Customs procedures referred to in the Customs Law.

One issue became apparent as experience grew and that was the requirement for legislation to be precise and unambiguous, in order to avoid misinterpretation and increasing the possibility of unfair treatment or even corruption. As an example, legislation may state that Customs clearance for Home Use at the border is limited only to humanitarian aid shipments and local residents. In this case, the term “local resident” needs to be precisely defined; otherwise, there is scope for wide interpretation, and opening the door for potential corruption.

Lack of technical equipment

With the beginning of the Introduction of Harmonised Procedures in Latvia came the need for the technical support in order to implement these procedures effectively and efficiently. Naturally, demands came in from Border Customs Posts and Headquarters divisions for a wide range of equipment and their extensive needs became, rapidly, apparent. These were computers, portable weighing equipment, x-ray equipment and Customs laboratory equipment. Due to the obvious financial constraints, these needs were prioritised based on where the highest areas of risk existed.

The problem of under declaration/smuggling, where the weight of cargoes was being under declared was tackled by the use of portable weighing equipment. Stationary X-ray equipment was purchased for the ports and airport plus a mobile x-ray unit.

With the identification of a need for a Customs laboratory came an offer from a foreign private company to carry out the required work, charging the Customs and shippers a certain amount for the service. What this would have meant was that Customs state that an official analysis is required, and the Customs and shipper are forced to pay for this service. This was clearly unacceptable within the concept of trade facilitation and in 1994 Latvia decided to set up its own Customs laboratory, staffed by its own experts, carrying out more than 1200 samplings per year and issuing the appropriate binding tariff information.

Poor infrastructure

A major problem in Latvia, as with most FSU countries was the poor infrastructure that caused serious traffic delays at the border and made many international companies look for other trading routes to avoid such bottlenecks.

Approach roads to the border were often inadequate to cope with the demands placed on them by the increased traffic, similarly the border crossing posts themselves were poorly designed, badly managed and generally ill-equipped to process the levels of traffic using them.

Funds were allocated under the PHARE programme to radically improve the roads and main border crossing points over a period of 10 years. Latvia now has approximately 9 major BCPs with adequate approach roads and sufficient space to segregate inward and outward traffic as well as designated parking areas.

Procedures can be harmonised to maximum efficiency, but if the infrastructure is incapable of coping with these procedures, then the results achieved will be of a limited nature.

Lack of cooperation with neighbouring countries

The need to coordinate activities with neighbouring countries became rapidly apparent so agreements, in the form of Memorandums of Understanding, were instigated. The first Memorandum of Understanding was signed with the Finnish Customs service in 1993. This process of concluding bilateral and multilateral treaties has continued ever since and the exchange of information on a regular basis has served to generate good results not only in the field of revenue protection, but also in facilitating trade.

As the concept of trade facilitation and harmonisation took on increasing importance, the question of joint border controls came ever more to the fore. In 1994, Latvia and Estonia signed a bilateral agreement regarding the setting up “juxtaposé” joint border posts to rationalise the border crossing procedures.

Three such BCPs now exist on the border between Latvia and Estonia and one on the Latvian-Lithuanian border. The flow of cargo is controlled by Customs in both directions (import and export), but passenger buses and private vehicles are only controlled inward. The Border Guards also only control the inward movements.

As part of the simplification and harmonisation process in Latvia, new procedures were introduced. A ‘Check-fiche’ or ‘Talon’ system was introduced at BCPs in order to give a clear indication to users of the procedures to be followed. A system of ‘one-stop’ controls has been introduced, all payments are now made through the banking system and not directly in cash to Customs or the other agencies represented on the border, convoys have been abolished, replaced by a working guarantee system. The EU Combined Nomenclature has been fully adopted and a system of post-importation controls was introduced in 1998 in an effort to combat under declarations in the value of the goods. In 1999, this system of post-importation controls raised in excess of 4.5 million USD additional revenue.

Until 1999, Latvia had a system of Customs Declarants, who acted as the intermediary between the shipper and the Customs authorities, preparing the Customs documentation for submission to Customs. However, a Customs Declarant carried almost no responsibility and no liability, therefore it was proposed to establish a Customs Broker system, under which the broker represented the interests of the holder of the goods, accepting full liability for the potential Customs debt involved.

The Latvian regulations stipulate that the Broker submits a General Guarantee of not less than 200,000 Lats (approx. 330,000 USD) to cover the potential Customs debt. By the year 2000 there were already, 58 authorised Customs Brokers operating in Latvia.

Just very recently, there has been a case in Latvia, where a Broker has delayed in meeting his liabilities and paying the Customs debt, using the excuse that Customs had not provided the necessary justification. This has raised the issue that any legislation must be very precise and require payment to Customs upon demand, without argument.

Traditionally, when considering border-crossing procedures, everyone thinks automatically of Customs or perhaps the Border Guards. However, border crossing equally affects everyone involved – the needs of the people crossing the border cannot be ignored.

At the end of the day, mutual cooperation between the official agencies present at a Border Crossing Post and those who are using it, can only be of benefit to all concerned and result in the achievement of the 3 aims that were referred to at the beginning of this document. Therefore, in order to arrive at mutual solutions to problems of mutual interest, in 1997 Latvia decided to set up a Joint Customs Consultative Committee (Customs Working Group) chaired by the Director General of the Customs Department, with representatives from the Customs Department, Border Guards, relevant ministries, the Freight Forwarding Association, Brokers Association and other similar professional organisations involved in the border crossing business. This gives input and a voice to all concerned in border crossing procedures and will help to further the cause of trade facilitation whilst protecting the revenue.

The need to introduce Risk Assessment and Selectivity (RAS) procedures in order to make examinations of cargoes more effective and less time-consuming was identified. Like many former Soviet Union countries, before the start of the harmonisation process Latvia in many cases was practising 100% examinations, often resulting in long and unacceptable delays at the border.

Due to lack of experience in the application of RAS procedures, a training programme was set up to prepare the staff that would eventually implement them. In order to be able to implement these procedures more quickly, an off-the-shelf RAS programme was purchased, which whilst not cheap, soon began to repay itself once put into operation.

Risk profiles were drawn up, enabling Customs staff to classify all freight into low, medium and high risk, and target those cargoes, that gave rise to suspicion. As a result, honest traders were able to clear their goods much more quickly and the number of seizures increased notably.

Conclusion

In Latvia, whilst still continuing along the way toward harmonisation, there is now a fully harmonised Customs Law and the necessary secondary Customs legislation, Customs procedures that are in accordance with EU procedures, juxtaposed joint Customs Border Posts with Estonia and Lithuania, a Risk Assessment and Selectivity system in place that is giving good results, a working Customs Broker system has been developed, and a Joint Customs Consultative Committee that gives representatives of all the major entities involved in border crossing an opportunity to participate and contribute in the modernisation process.

Whilst, undeniably, a lot of financial investment has been made by the EU, World Bank and similar institutions, it should nevertheless be noted that the Latvian Government has also spent a great deal of money in financing the modernisation programme. For instance, the border infrastructure improvement programme was a jointly financed venture with the EU; the off-the-shelf RAS system was purchased entirely by the Government. The point I'd like to make, is that besides the issue of the financial requirements for a

border crossing procedures harmonisation programme, many aspects can be implemented at a comparatively low cost or no cost at all – harmonisation of legislation, introduction of revised procedures, staff training.

This document may appear to be an advertisement for Latvia and Latvian Customs, but it is not meant to be that. The Latvian system is still by no means perfect. All of this has taken 9 years to achieve and the process is certainly not complete. What the document intends to demonstrate is that border crossing harmonisation procedures can be implemented effectively in FSU countries and Latvia is an example of what is realistically possible.

CASE STUDY 2

2.1.2. Croatia - Pilot Scheme

Pilot site Jankomir is the biggest inland clearance station in the Republic of Croatia and it is part of the Customs House Zagreb, placed on the west entrance to Zagreb just by the junction of the highway roads that connects different parts of the Republic of Croatia –west and east, north and south.

Almost 1-3 of all clearance procedures in the Republic of Croatia is done on the Jankomir.

Station has two Customs warehouses and a Free zone (about 170 users).

Number of trucks that entered the Jankomir terminal is approximately 540 (never under 300).

Working time is from 7:30 A.M. until 3:30 P.M.

What we had before?

- Before starting to implement new measures situation on Jankomir could be described as follows:
- Average number of the trucks with consignments of all kind parked on the terminal were 350
- 80 broker companies, with 500 employees, were working on the fulfilment and presentation of the JCD's (in the Republic of Croatia name for the single administrative document)
- On the import and export procedures there have been working 20 customs officers
- Station was organized on the way that only two examinations during the day have been done, at 10:00 A.M. and at 13:00 P.M.

During the time from 9:00 A.M. until 14:00 P.M. situation was as follows:

- 80 brokers brought to the customs officers about 300-600 declarations which declarations control officers after that divide to customs officers
- As soon as some part of the documents were divided to the customs officers, all of the brokers started searching for their

- documentation asking and disturbing customs officers where are their papers and who will make examination
- In situations in which customs officers realized that JCD was incorrectly filled the could not find in the forest of brokers an author of that declaration
- Not one of the participants (specially not customs officers) could not know where is among all those trucks, truck which has to be examined
- Although working time was from 7:00 A.M. real work started at 9:00 A.M. therefore two hours were unexplored
- Sanitary inspection was located in the other building 350 meters from the customs facilities, although they had to examine a lot of consignments and verify information written in JCD. In mentioned situation brokers have lost hours and hours walking towards the inspectors and again back to the trucks and customs officers
- The SECI/TTFSE Team has conducted TTFSE data collection exercise at Jankomir during February 2001 and at that time; average import clearance time was 300-327 minutes.

What we have done?

- Established the local project team, which consists of a presentation of each administration operation on the station- customs, police, brokers, veterinary, phyto-sanitary inspection, banks, truck forwarders
- LPT members have meetings on regular basis and during the meetings they analyse situation on station, prepare a list of the perceived problems and shortcomings that impacts station operation make recommendations for organizational and procedural changes to increase station efficiency and effectiveness
- Move the sanitary inspection inside the customs facility, therefore we save the time for clearance procedure a lot
- Establish internal discipline and start with the first examinations at 8:00 A.M. or earlier depends on the presented declarations
- Organise the examination procedure on the way that 3 customs officers could make examination at the same time
- Marked terminal with numbers and established the obligation to put the number of the parking place on JCD therefore customs officers will before going out for examination, know exactly in which part of the terminal he has to do for examination. Parking chart with the numbers is installed in customs offices and corridors
- Recognise that customs officers are constantly interrupted by the brokers and are 3 continuously delaying their activities in order to locate documents for the brokers from stacks of entries on their desks. In order to improve the situation we introduce system of secure boxes/pigeon holes 25 x6 cm, to utilized by customs and the brokers for both delivering and picking up of

entry documents on a continuous basis without disturbing a customs officers

- Station is equipped with loudspeakers so that customs officers, if necessary, could call the broker in his office (in situation of incorrect declaration, addition information regarding clearance procedures). Customs officers have microphones and all brokers could hear them
- System for informing an importer is established in regards with the time for exact time for inspection of the goods. Simple double glass wall with the place for announcement (brokers do not need to search who and when will make examination)
- Pigeonholes with keys are introduced, therefore customs officers could put inside the JCD's. Every broker has a key of his pigeon box, so in that situation he can take his documentation without entering the customs office. From the customs office customs officers could see the bookcase with 70 little walls with the numbers of the brokers on it, and from the corridor side it looks as 70 numbered post boxes. Brokers can take their documentation not entering customs office, unauthorized picking up the documentation with that measure become impossible
- Risk analysis unit is established (so called controllers).
- Risk analysis unit consists of the best specialists for different commodities.
- Unit is organised on the way that all presented JCD's come to their office.

Unit makes risk analysis on the following way:

- 1) For the low risk consignments, they finished JCD immediately, customs officer did examination, check and pull over the seal and after that release the goods
- 2) For the middle risk consignments risk analysis unit define customs officer (depends on the qualification, level of education, etc.) who will make examination. Unit also define (with the code) level of minimum control kind of goods and documents with customs officer has to do.

Local database is established as help in estimating a risk. In the last few months on the inland clearance, station Jancomir we started to make inputs regarding irregularities (oversupply of goods, broken seals, wrong tariff code, wrong origin of goods, and the names of offenders.)

Customs officers on the station make records of all:

- Consignments estimated as low risk consignments
- All high consignments that were detail examined with completely unloading of the truck, in order to make analysis, post entry controls and estimation of risk.

What we achieve?

With all the above-mentioned changes the inland clearance station Jancomir lower average import clearance time from the 300 minutes to circa 140-150 minutes.

MODERN BORDER PROCEDURES

2.2. DISCUSSION PAPERS¹

2.2.1. New Export System (NES) of UK

What is NES?

NES is a nation export system designed to facilitate electronic inland and frontier clearance for non-European Community (EC) exports. HMS's Customs Handling Import Export Freight (CHIEF) system, aimed at establishing more effective customs control over 'third country' export movements.

NES, as will become clear below, is not optional. It is at present being 'live-piloted' at the port of Dover, with the intention of being it 'rolled out' to the wider maritime environment by this autumn and the air community in the spring of 2003. NES is said to be consistent with HMC's aim of providing an electronic service by 2005.

NES is a basically a customs export processing system incorporating, as it core, the new concept of positive export clearance, based largely upon an electronic export declaration.

Why is NES being introduced?

The UK Government wishes to modernize public service provision. The NES initiative introduces an electronic exports processing system as part of HMC's long-term freight strategy, and of its commitment to the government's broader service modernization goals. It is said that NES will reduce processing times, minimize paperwork, provide for positive clearance, and thereby allow HMC to meet its legal and procedural obligations more effectively, at minimum cost to the 'public purse'.

What are the main components?

Electronic submission of the export declaration.

It is envisaged that declarations will made via port community system providers (CSp) or direct to HMC by email, via a website or by an XML protocol electronic gateway, in software supported specific format (HMC is currently committed to delivering on the last three options by October 2002).

The procedure options under NES

Standard fully entry procedure – the completion of a fully pre-entry declaration by an exporter or its representative, submitted electronically or manually at: the UK frontier, inland clearance depot (ICD), warehouse, designated, export place (DEP) or trader's premises. The goods must be presented to HMC and

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the declaration lodged prior to loading for export (for controlled goods the export declaration must be accompanied by all supporting documentation and information).

Simplified declaration procedure (SDP) – is for use only by NES authorized exporters or their representatives. It permits them to declare goods for export by submitting an electronic pre-shipment advice (PSA) declaration to HMS at the frontier, ISD, warehouse or DEP. This consists of eight elements of entry data: consignor’s TURN, unique consignment reference (UCR), destination country, customs procedure code (CPC), commodity code (or description of sufficient detail to enable CHIEF to allocate a CNN), license indicator and agent details (direct indirect etc), and agent’s reference. It is five data elements less than a full pre-entry. The consignment(s) then awaits HMC’s electronic permission to proceed. It is followed by a full electronic post shipment supplementary declaration, submitted up to 14 days after the goods have left the UK.

Local clearance procedure

(LCP) – can be used for exports from approved exporters’ or forwarders’ premises or customs warehouse. Goods ready for export are declared to HMC as per the SDP above and await HMC electronic permission to proceed and move to the frontier. As with the SDP, this is followed by an electronic post-shipment supplementary declaration, submitted up to 14 days after the goods have left the UK.

Designated Export Places

(DEP’s) – this is a new facility allowing approved forwarders, transport companies, etc, to consolidate and clear goods inland, typically close a port, at approved premises – before the goods move to the (air) port. Companies so approved will need to maintain an electronic inventory system at the DEP (which must facilitate remote interrogation by HMC) and to submit all declarations electronically to HMC.

Minimum entry data Requirements - See table.

Simplified Declaration Procedure (Pre-Shipment Advice - PSA)	Full Pre-Entry Declaration
Consignor’s TURN Unique Consignment Reference (UCR) Destination Country Customs Procedure Code (CPC) Description of Goods (CNN mode) Forwarder details (direct/indirect) Forwarder’s reference License indicator	1. Consignor’s TURN 2. Unique Consignment Reference (UCR) 3. Destination Country 4. Customs Procedure Code (CPC) 5. Description of Goods (CNN mode) 6. Forwarder details (direct/indirect) 7. Forwarder’s reference 8. License indicator 9. Good’s location 10. Declaration type 11. Packages 12. Quantity 13. Value

The Unique Consignment Reference (UCR)

The UCR is a Customs concept conceived of as providing a recognized international standard for the referencing of trade between consignor and consignee, for the purposes of improving Customs control and audit.

The UCR is an additional reference, of no more than 35 characters (alpha/numeric), unique at both the national and international level, applied to all international consignments, at consignment level, to be allocated as early possible in the supply chain. This idea has recently been provisionally adopted by the world Customs Organization (WCO), where it is up for consultation.

HMC's NES has sought to incorporate this idea and if exporters fail to generate a UCR for export control purposes, this responsibility will fall to their third-party representatives, or it can be generated automatically by HMC's CHIEF system.

The format of the UCR under NES will be at follows:

Year in which the UCR was allocated – e.g., 2

Country code- e.g., GB

Exporter/Forwarder TURN (12 digits)

A series of alpha/numeric characters unique to the trader- see box below.

3	FR	875910432710	5439802476ASG19X	835B
Yr.	Ctry.	(TURN)	(Trader's Reference)	(Check Letter)

Third Party (Agent) representation

Currently, under Article 5 of the UK Customs Code, third party or agent acting for a principal in customs matters can do so in one of the following two ways:

As a 'direct representative' - one who acts as a third party agent in making a customs declaration in its principal's name, on that principal's behalf. In this case, the responsibility for complying of all legal obligations under EU customs law rests solely with principal.

As an 'indirect representative' - one who acts as a third party agent in making a customs declaration in its own name, but on behalf of a principal. In this case, the principal and the agent are jointly responsible for complying with all the legal obligations under EU customs law. NES does nothing to change this. However, you should note that under NES it is the declarant who is the authorized party for the NES SDP. Legally, the simplified declaration and the post-shipment supplementary declaration constitute a 'single indivisible instrument'. Therefore, both declarations must name the SDP authorized party as the declarant.

A forwarder wishing to represent a principal to HMC on direct basis (to avoid legal liability), under NES, can only do so with the express permission of a principal authorized to use the NES SDP.

If this is not the case, then a forwarder operating under NES and wishing to submit customs entries to HMC on behalf of a principal, using NES SDP, can only do so by adopting the status of an indirect representative, and accepting the legal implications of such. In this case, the forwarder must be authorized to use the NES SDP.

NES will provide...

'Positive clearance '24/7' for most consignments and a more predictable clearance regime – e.g. certainty of export status;

A choice of customs declaration procedures;

Paperless trading;

A choice of electronic routes to HM Customs;

Electronic routes to other regulatory authorities e.g. DTI export licensing;

Better and more easily available evidence of export.

MODERN BORDER PROCEDURES – DISCUSSION PAPER

2.2.2. Blueprint for Europe Customs Future

Against the background of increasing globalisation, electrification and automation of processes in a 'just-in-time' world, Customs clearly appreciates the need to facilitate trade while also improving the effectiveness of Customs controls. However, neither of these requirements must weaken the effectiveness of the other.

Reducing barriers

There is a recognition that the drive is on to harmonize and simplify Customs procedures and processes and to streamline global trade. In the context of the Blueprint, there fore, we should consider the international market place rather than just the domestic UK national scene. The European Union, the World Customs Organisation (WCO), the World Trade Organisation (WTO) and the United Nation (UN), together with International the Air Transport Association (IATA), are just a few of the global players that are encouraging governments to reduce barriers to the international movement of goods. So far, so good. However, read on, because at the very start of bringing of these ideas to fruition, her majesty Customs and Excise has fallen at the first hurdle.

Potential capability

Although the New Export System (NES) has fallen far short of its potential capability and ability to serve both government and the export trade in equal portions, with the right consultation and foresight, it could and should have embraced the recommendations contained in the Blueprint. Had it done, it would have augured well for exporters, forwarders, brokers and airlines as well as Customs and other governmental departments. Regretfully though NES, as it stands now, is a mere shadow of what it might have been. In fact, it is very unlikely that NES will be able later to accommodate, without considerable (and costly) changes, the more logical guidelines proposed in the Blueprint.

Legitimate traders

On the import side, for instance, Customs Freight simplified Procedures (CFSP) paved the way for trader, not forwarder, control with minimal frontier involvement. This follows guidelines that allow for fiscal and statistical controls, and for authorized traders to become an import or export clearance post, based on risk and availability of remote access to a commercial trader's system by Customs. BIFA and its Policy Groups have long argued that while controls must be in place to try to detect fraud and smuggling, the vast

majority of consignments being imported or exported are from and to legitimate traders moving equally legitimate commodities in the international arena.

Fast track

Customs is to be encouraged to continue to distance itself from one-size-fits-all solution and the Blueprint advocates this. A menu of service options is being proposed that is designed to meet the needs of different trade sectors moving at different speeds and working under different regimes and procedures. For instance, we could all name half-a-dozen global export traders with manufacturing locations in the UK, which export and import huge quantities of product in, for example, the pharmaceutical, chemical and foodstuffs industries. There are probably hundreds more who, like the major players, capture product details from the point of manufacture to packing, through to export and distribution, with great accuracy and integrity, using their own internal software programs. These traders could soon be classified by Customs as being in the 'gold' class and their consignments could cruise, without stopping down the fast lane at ports on producing something akin to a simple authorization number.

Silver status

Forwarders and brokers have long acted on behalf of their customer base, on matters concerning revenue, taxes and the statistical requirements of Customs, though the requirement for such services is diminishing rather than growing. Forwarders, though, might attract 'silver' status by virtue of the fact that they submit export entries on behalf of some of their customer base. It is worth mentioning again at this stage that BIFA members should be very aware of the legal responsibility that they take on if they act as an 'indirect' representative of an export trader. Finally, those (smaller) traders who decide to complete entries as they go along, on ad hoc basis, would enjoy fewer benefits under the 'bronze' category.

Government Security

On the face of it, the events of September 11 would not normally get a mention in an article connected with trade facilitation. However, legislators in North America, Canada and other large trading nations are very aware of the fact that the gradual development of a harmonized simplified process, which facilitates the movement of goods internationally, could produce a very useful advance level of consignor /consignee/ consignment information. This could be readily audited by government security services here and overseas. Customs resources, on the other hand, could be freed up in the knowledge that they could virtually ignore 'authorized' trade, instead concentrate on the ongoing fight against smuggling, and tax fraud frauds that undeniably are costing the UK's economy many hundreds of millions of pounds.

Audit trail

The WCO's Unique Consignment Reference (UCR) has been the subject of much discussion – and to a certain extent recently, derision – within the NES framework. Nevertheless, this is not because of the UCR concept, which some will say has its merits. Frankly, any derision has not been without justification since although, once again, the Blueprint follows closely on the heels of the WCO's reasoning for a UCR, the same cannot be said for NES. So exactly what should and eventually, will, will the UCR achieve? Well, for example, it could couple up a standard export entry declaration to a UCR for a consignment originating from seller A in Birmingham who has sold a consignment to buyer B in Sydney. A UCR prepared by the exporter B in conjunction with the importer B creates a common reference for the shipment that can be used by all parties in the transportation chain. Customs at both ends thus have an audit trail. To be fair, in this context, the Customs Blueprint is futuristic and the WCO is some years off being hailed – otherwise – internationally as the body with the foresight to conceive the UCR in the first place.

Half baked

When the latest version of the Customs Blueprint is published in the coming weeks, you could be forgiven for wondering, as BIFA does, why Customs, rather than cobble together a half baked solution called NES, did not instead use of Blueprint to form the basis of a business model designed in conjunction with, and for the main benefit of UK exporters plc and HM Customs. It is difficult to understand how these two opposing creations have their origins in a single government department. Customs argues that EU pressure to implement positive clearance measures is core to the push to introduce NES and the Blueprint, and that the UCR represents the future of five to six years hence.

Political expedience

NES has the hallmarks of political expedience stamped all over it. The general failure of the Customs project team to head in the direction correctly taken by their departmental colleagues responsible for the Blueprint is quite amazing. Regrettably, therefore, NES will be judged to have failed to facilitate trade requirements. Unlike the position adopted in the Blueprint, NES has largely, again for reasons of expedience, turned a convenient blind eye to the logical responsibilities of the key stakeholders- the seller, the forwarder, the (air)line and the ultimate buyer. Consequently, this program will eventually be seen to have fallen far short of what it could, and should, have achieved.



**TRACECA: Harmonisation of Border
Crossing Procedures**

Training for Customs

Working Groups

Modern Border Procedures

- Case Studies**
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1.0 INTRODUCTION TO WORKING GROUP TRAINING MATERIAL

The function and future of the Customs Working Groups (CWG's) must be based on the concepts as detailed in the original HBCP Project Terms of Reference (TOR) as follows:

'Following the completion of the Project the CWG's should remain in place with the triple task and status of:

- Continuing input and support to the IGC and the Permanent International Secretariat*
- Constituting the CWG of the National TRACECA Commissions*
- Being officially recognized by the Customs Authorities of the individual Member States as the future Customs Consultative Committees.'*

To support the National Secretaries and the CWG's in their work the HBCP Project has prepared a series of Training Material Items. These included relevant Case Studies and Discussion Papers that will introduce aspects of Modern Border Procedures that are aligned to EU and World 'best practice'.

The material has been carefully selected and some has been reproduced, with permission, from the British International Freight Association (BIFA) and gives examples of current European Borders situations and legislation.

The Case Studies are factual examples of European and Regional Customs and Borders situations.

It is hoped that this Training Material will broaden the knowledge of the individual participant and the CWG's as a whole.

The CWG's Training Material will be augmented throughout the Project duration.

2.0 MODERN INTERNATIONAL BORDER HARMONISATION PRACTICES

2.3. DISCUSSION PAPERS

2.3.1. Customs IT

Introduction

The phrase *Trade Facilitation* has entered the Customs World almost as a mantra, to be repeated at regular intervals in the belief that it will therefore be happening. In practice, it is quite difficult to achieve, not least because it involves a quantum shift in the very culture that has underpinned Customs for so long.

Despite the universal understanding of the process, it is nevertheless not easy to change, on a grass roots level from a quasi-military, command-driven style to a trade partnership relationship, wherein the trader becomes a “customer” rather than a suppliant. It is perhaps hard to believe that revenue will increase as a result of the encouragement of trade rather than decrease because payments are being missed.

This document considers the IT automation in relation to Customs modernization, starting with the attitudes and commitment that must precede any automation process. It then describes the preparation for automation followed by the component systems that constitute the IT environment of a modern Customs environment.

Certain aspects have not been covered:

The document does not take into account services related to Customs, such as veterinary, phyto-sanitary, border police and immigration, it would make obvious sense to contemplate a system that has features common to them all. This may range from compatibility to complementary communications to functional integration. A study on the possibilities and potential of the role of IT in such an undertaking is long overdue.

Neither does the document deal with related equipment, such as detection machinery, video supervision systems or personal communications apparatus, even though such devices can have a computer component. Equally, this report is not the place to discuss infrastructural issues – despite their invariable inclusion among the largest cost elements – nor tax or banking improvements, all of which have to be addressed before computerization can commence.

Annex A, though, completes the document with synopses of Declaration Processing Systems currently available.

Customs IT and Modernization

Information Technology is the central plank of modernization and it is in the capabilities provided by computers that the welcome advance to modern Customs methods is to be realized. The cynical might perhaps add that the transparency and analytical power of computer systems might not be viewed with equal enthusiasm by all participants.

The Modernization Programme

Customs is one of the largest Government organizations in most countries, employing hundreds of people, controlling a great deal of land, property, fixed assets and equipment and, in developing economies, providing a major portion of revenue. Therefore, whatever the scale and schedule of modernization, it will undoubtedly involve the largest and most prestigious IT projects ever undertaken in any country.

The main components of IT requirements – the Central Headquarters System, nationwide Telecommunications and the Declaration Processing System in its integrated context –

affect all of Customs, from top to bottom, from the first to the least, and there is a cost associated with the sheer magnitude of the commitment alone that should not be underestimated. Nor should the benefits that the implementation of such systems will bring.

The IT needs of state Customs cannot be assessed in isolation. To upgrade the technical capability of any organization without reference to the environment, people and underlying system would at best lead to the more efficient operation of practices still in need of reform, at worst the under utilisation of expensive equipment.

Before any procurement process is initiated there are certain fundamentals that the Customs Service Department will need to address.

The Customs Partnership

Customs, as guardians of borders, collectors of revenues and protectors of domestic industries, have traditionally enjoyed a rather dictatorial status with regard to its modes of operation and requirements. Developments have tended towards improvement of Customs from within and the presentation of results as a *fait accompli*.

Modern Customs are recognized as a partnership between the Customs authority itself and those who are affected by it, i.e. the trade community, both national and international², since both are interdependent. Usually Customs well understand the principles of Trade Facilitation, but there can be a world of difference in providing facilitation for trade and providing facilitation *with* trade. There is a need for a permanent and formal consultative procedure and for the admittance of trade representation into the Customs improvement policy domain.

Many countries have found great benefit from establishing a Joint Customs/Industry Consultative Committee (JCCC) to advise on such matters as automated declaration procedures, information dissemination and Direct Trader Input (DTI).

Personnel

The success of any organization is invested in the people who are part of it. Customs is no different. Unless staff feel that they are an integral part of an organization with purpose and respect, then cynicism and disinterested time serving will dominate with the inevitable debilitating consequences.

Business Process Management

Business Process Management (and its corollary, Total Quality Management) is an important domain, with many highly beneficial implications for Customs operations. Certainly, the advantages are sufficient to recommend that Business Process Management be strongly considered before a comprehensive computerization programme is launched.

The Customs Process as a Whole

Customs administrations have typically been organized into compartments each one of which carries responsibility for a particular area. It is entirely possible, for individual units to achieve individual objectives without the overall objective of Customs compliance being met.

With Business Process Management, core processes, such as Inspection, Classification, Revenue Collection and Enforcement are viewed as one, whether applied to imports, exports or inbound or outbound passengers. Under the direction of a process owner the emphasis moves from the individual carrying out of functions towards the achievement of, say, cargo clearance for the “customer” – e.g. the trader or the public. They in turn will see a co-ordinated response to their requirements, rather than a fragmented approach

² C/I The New Zealand Customs model

that often leads traders to believe that they are being “given the run around” or that Customs is characterized by poor internal communications.

Typical Customs Processes

Automation will not only improve processes, it will integrate them nationally and make all stages of the integration very easily accessible. It therefore presents a very real opportunity to change management patterns towards the requirements of a trade-oriented partnership that modern Customs is becoming.

Business Process Management (and Total Quality Management) is not a quick fix, however, and it will demand a total commitment from top to bottom if it is to yield its undoubted benefits.

Training

Training to improve basic Customs skills and vocational training to upgrade professionalism and ethical standards are crucial to the proper running of a modern Customs operation.

From an IT viewpoint, it is simply not possible to implement a national automation programme without extensive training, both for the end-users – e.g. Customs Officers operating a Declaration Processing System and Headquarters and Regional Office staff handling administrative systems – and technical people – for system, database and website development and network and system administration.

A Training Centre, fully equipped with computers and associated equipment, including presentational aids, is an indispensable and very early requirement.

Staff Turnover

One of the reasons for an ongoing training programme will be the sheer scale of the undertaking and there will be a need to re-train existing staff and train newcomers for the foreseeable future.

Another reason is staff turnover, which will probably be affected in two very different ways by automation. One result should be a rise in morale and a sense that national Customs is at last being accorded the importance that is globally attributed to the service.

But in most countries the use of computers is increasing exponentially and the demand for Computer literate personnel is rising in line with it - even end-users such as Customs Officers on Declaration Processing terminals may find that they have acquired a skill that is sought after. For specialist technical aptitudes, in fields such as Oracle, the global need for expertise far outstrips the supply. Customs will undoubtedly need such expertise, but having launched the appropriate training programme, it is virtually certain that trainees will be headhunted almost as soon as they have emerged from the training room, with salaries that may be a significant multiple of the Customs wage.

Putting salary competition to one side, ways to counter this are:

To present to the trainee the magnitude of the project in front of him or her. It will be one of the largest and most prestigious undertakings in the history of the country and in many respects it will a privilege to be associated with it;

Tie in the training with contractual guarantees, though these cannot perhaps be of too prolonged a duration;

Utilize outside resources, if available and/or affordable.

Particular attention should be paid to the Officers employed in remote Posts, since their new skills may well be marketable in more auspicious surroundings.

Anti-Corruption

No other career is faced with quite so much temptation quite so often as Customs and sometimes that presents itself not by committing corrupt acts, but by simply doing nothing at all. No other sector can damage a country's economy on the scale that a corrupt Customs can. Automation can assist materially in the reduction of corruption, but will not of itself eradicate it, and unless it is checked corruption will nullify all the effects and benefits of modernization.

Prior to automation, Customs must ensure that the Arusha Declaration on Customs integrity is adopted and there should be full awareness of the practical advice given in the IMF Integrity Paper. Further to those, a Code of Conduct should be issued and a comprehensive career structuring put in place. As a vital early step it must be ensured that all Customs employees are rewarded commensurate with the dignity and importance of their office (although studies have shown that salary increases do not of themselves eliminate corruption, manifestly poor levels of pay will certainly assure it). In line with all of these procedures Customs must draft and put into effect an Integrity Programme.

It is noteworthy also that good Business Process Management, with Total Quality Management provides management and system controls as tools to detect breaches of integrity. Checks and controls must in any case be built into an automation system.

Automation will help prevent some forms of corruption at source via electronic payments, especially when these are made prior to entry of goods, but it is in the analytical capability that a powerful means of detection is provided. Analysis of data can reveal changes in payments at a particular Post or area and variations in the dealings of a particular importer or agent. It can compare the results of similar Posts. Audits of trader records provide an excellent means of identifying unauthorised payments, planning, preparation and implementation

The process should begin with a detailed Country Report that examines total requirements, rationalizes the Headquarters/Regional/Post organization, investigates feasibility and costs and prepares for technical and functional specifications. Among its preliminary requirements must be information dissemination – and consultative – provisions involving the entire Customs staff, traders and associated occupations, such as brokers, agents and financial institutions, local suppliers, linked Government Departments and the public.

The securing of financial arrangements will be followed by an intensive tendering and/or procurement stage. No matter which systems are selected, there will be three phases: preparation, implementation and post-installation support, all of which will be under the control of Project Management.

Project Organization

It can be taken that the implementation of the Headquarters system, together with Regional Office subsets, will be project managed in a similar - albeit lifecycle oriented - way to the Declaration Processing System (DPS), but some of the elements of that overall system will be supplied as part of the DPS and their implementation will be in step with that of Headquarters. Once the particular DPS has been selected and the extent of coverage is therefore known, assessment will have to be made regarding the implementation of the whole integrated system before the Declaration Processing segment is scheduled.

The Customs IT Department not only have the right to deliver it, but it is important that they do so, since there is no better way to confirm a sense of ownership and to build the necessary pool of expertise for future development and maintenance. Nevertheless, this is a large, complex integrated project and they will almost certainly need advisory experts, with specific skills, among which will be:

A Project Manager Adviser, preferably experienced in the implementation of integrated Customs IT projects, skilled with tools such as MS Project and Methodologies such as Prince 2 and with knowledge of setting up and managing a Project Office and Project Teams;

A Customs Automation Expert, with knowledge of international Customs processes and procedures as impacted by the practicalities of Customs IT;

An IT Expert with in-depth knowledge of the programming environment supported by the Declaration Processing System;

Access to Quality Control and Quality Audit personnel.

This kind of expertise tends to be relatively costly (and is to a great extent what makes free systems so expensive) and utilisation of it should be very precise.

Phasing

The first project task will be to install a master system for prototyping at Headquarters.

The next system to be installed should be especially – and permanently – for Training. This has to have all of the features of all systems to be installed and will be used for both technical and end-user training. The project should not continue without this system being installed in a Training Centre environment.

While the Headquarters master has to be the first part of the integrated system, the implementation really begins with the transfer of the prototype developed on it to Pilot installations at Posts. Pilot sites are usually selected by proximity to central implementation resource, the type and number of functions that can be field-tested and the type of Post.

Once the Pilots have been successfully accepted, then the Roll Out to other sites can be commenced.

The scheduling of Pilot and Roll Out sites can depend on many factors, including proximity to expertise, volume of traffic, ease and difficulty of installation, type of Post and the specific border. Within the need to restrict the number of Pilot sites so that Roll Out can be commenced as soon as possible, it is as well to schedule installations so as to consider key centres, a representative spread to cover different types of Post and a sample of what can be perceived as more difficult installations, both to gain early experience and to ensure that all Regions are encouraged to take ownership of the system quickly.

Preparation

Implementation will be under the overall direction of a Steering Committee responsible for the integrated Customs information system, with perhaps subsidiary Steering Committees governing key aspects of the total system. The project itself will need to be managed by an experienced Project Manager and administered by a Project Office. It should contain five teams:

Technical, to customise the Declaration Processing System, test a prototype and act throughout as a technical reference;

Infrastructure, to co-ordinate with Regions, ensure that sites are properly prepared for installation of the system, including evaluation of the workflow, and to schedule delivery, installation of the system, organize user training and sign off accepted systems;

User Requirements, to liaise with end-users and ensure that their requirements are incorporated into the system, undertake resource planning, plan training, both technical and end-user, prepare site personnel, specify and carry out acceptance testing and devise manual fall-back procedures;

System Build, to manage procurement, build systems according to the Roll Out schedule, conduct Factory Acceptance Tests and manage system warehousing and delivery.

Post-installation, to support installed sites, by replacing or repairing faulty equipment, maintaining a spares capability, managing configuration control and providing hotline and help desk facilities.

Implementation

The first task must be the creation of a database of all sites, with location, organizational structure, description of any infrastructural improvements needed, configuration of proposed equipment and a scheduler that will detail target dates of infrastructural work, training of personnel, site preparation and system roll out, which includes build of the system, delivery, installation, on-site working, acceptance testing and post-implementation release.

Training of personnel in relation to delivery should be timed so that staff are ready for the installation, but have not had too long a time interval so that aspects of the training are forgotten. Attendance at a Training Centre is recommended, rather than the tight scheduling of post-delivery on-site courses (central education has the incidental advantage of improving morale).

That schedule has to be followed during the implementation programme and it is the responsibility of the Project Manager to ensure that the timetable is honoured.

After installation and run up, every system will be taken through Acceptance Tests and will not be signed off until they have been successfully completed.

Post-Implementation

One of the often forgotten cost aspects of IT projects is in Post-Installation. After the initial teething problems, when systems are new and under warranty, it can seem as if the major costs elements are done with. But maintenance of systems and telecommunications, especially in the remote and harsh terrain to be encountered in many countries, will be a considerable factor. Apart from the spare parts management and field response, there will certainly be a need for a helpdesk and hotline facility for some time after the implementation has commenced.

There will also be a sustained programme of training for new personnel and re-training or upgrading for existing personnel. In addition, software configuration control down to Post level will have to be taken into account and even materials such as Printer paper and ink cartridges can be surprisingly high cost.

PCs usually carry a 3-year warranty and other components have one year, though whether suppliers would be prepared to guarantee countrywide on-site response for the type and extent of terrain that will be encountered is less than certain. Computer equipment nowadays is very reliable, but it is extremely important that *manual* back-up procedures be created, taught and practiced to counter the effects of component failure, especially in the more remote areas.

customs it model

Customs should be viewed as an integrated whole. Discussions of Customs IT invariably focus on Declaration Processing Systems, especially at border Posts, but there is much more to computerization than that (as there is much more to modernization than computers). The several different strands to the overall automation of Customs include:

- A central Headquarters System;
- A LAN and other equipment in Headquarters;
- Telecommunications to Regions and Posts;
- Equipment for Regions and Posts;
- A Declaration Processing System;
- A Website and set-up of web-based information systems;

Post-implementation services.

All Regional Offices and viable Posts should be computerized. This includes border Road Posts, Clearance Terminals, Airports, Rail Terminals, Sea and River Ports, Postal Terminals and even Bus Stations. It is conceded that some Posts would not, in any commercial sense, yield sufficient return on investment and on the face of it, computers installed at such Posts stand to be very under-utilised. Any border Post that is not computerized, though, risks being considered a weak link in the Customs operation by those who would seek to take advantage of such an omission, but a crucial point is that the opportunity to homogenize data collection and information dissemination, including intelligence data, will be compromised.

Much existing computer equipment in many Customs Departments is obsolescent, if not completely obsolete. A great deal of respect is owed these devices, not only by virtue of age but also because they have maintained a capability well after the period anticipated by their manufacturers, but they should be retired with dignity forthwith.

Some items of equipment, however, are still serviceable and roles may easily be perceived for such items (especially printers) but for the sake of system coherence, performance levels, training, interchangeability and maintenance it is recommended that, unless there are compelling reasons, all equipment at present in the locations affected by this report be replaced with the selected manufacturers' models.

Security is absolutely crucial in Customs IT, whether at Headquarters, Regional Office or Post level and observations on security in this document apply to all of these domains. Apart from mischievous virus attacks (which are no less damaging for being perpetrated by pre-adolescent minds), there will be a great deal of criminal interest, from perverting data to capitalising on its commercial value. Security will include firewalls, anti-virus measures, hierarchical password protection and physical access constraints. In addition, electricity supply will have to be guaranteed and this may involve Uninterrupted Power Supply units or even standby generators at some or all levels. Customs administrations invariably have departments handling security, but their skills will have to be augmented at the very least by computer security knowledge - preferably by a computer security specialist, since the field is quite extensive (and sufficiently important).

Central Headquarters System

This is invariably a complex and costly undertaking, usually requiring a large server or several linked servers equipped with high-speed modems (2Mbs). The four elements of a central system follow, with some of the contents (*not* comprehensive listings – indicative examples only):

Central Declaration Processing System, containing declaration and clearance data, transit control, intelligence data, warehouse supervision, debtor control, etc.;

Central Management System, containing management information, rules of tariff, valuation, quota, origin and exemptions, registrations of traders, brokers, etc. and trade statistics, etc.;

Administration System, with human resources management, payroll, financial accounting, stock control, site and asset management, computer systems and network administration, training, etc.;

Website with information on Customs law, procedural rules, regulations, advice and instructions and general Customs information for public and professional consumption, plus secure information.

Headquarters Equipment

Typically, the size of Customs Headquarters will require the installation of a substantial LAN with connectivity from the main server/s:

Internally, via routers and hubs as appropriate, to Departmental computers located in what will certainly be the several storeys of a Headquarters building;

Externally to Regions, Posts, a Government WAN or equivalent and the Internet.

Each Department will be equipped with the appropriate number of PCs, printers and, where justified, scanners. Laptops might be adopted, if relevant. Native language capability must be included.

The operating software may depend on that of the proprietary Declaration Processing System, but will otherwise be Windows as the most likely option, though an international effort to implement Linux would save a vast amount of money³ and really should be examined further. The most common database systems are Oracle and Informix, of which Oracle is acknowledged as having superior functionality, but pricing to match. Many Declaration Processing Systems are based on these database systems.

Applications software will reflect the programs on the central server. The distribution of functionality will depend on the distribution of expertise. If, as is likely, a thin client approach is not used (because of the dependency on the Server/s, with its concomitant lack of standalone resilience) then, most obviously, the Statistics Department will have a Statistics Package, the Accounts Department will have an Accounting Application, and so on, and each will communicate relevant data to the summary programs of the servers.

The constitution and functions of the Headquarters Departments should be subject to a Business Process Review. Most obviously, in addition to mainstream Departments there will need to be computerization of:

Training Centre For automation, it is suggested that a Server with at least 10 Clients, a Printer and a Scanner, with training software for the Declaration Processing System, and for the central system, be connected to the corporate LAN. Associated systems for applications should also be installed, if appropriate, although suppliers of certain products, such as Oracle, will often provide external courses, suitably customised, if required.

Laboratory There are suppliers of Laboratory systems who will provide a complete package for prices ranging from \$100,000 to \$2 million, but the examination of such offerings is not within the mandate of this document. A system linked to the corporate LAN will perhaps typically have a local Server with 4 to 5 Clients, a Printer and perhaps a Scanner. Consideration could be given to portable components if the nature of operations, practicality and cost warrants that. Software would need to incorporate a visual database, to access pictures of, as an example, different grades of different minerals.

Post-Release Verification Unit without which trade facilitation will not really be possible, since there will otherwise be only limited means of verifying the integrity of uninspected goods. The vast majority of Traders inspected by the Unit will be vindicated, but the task of the Unit will be to detect those who seek to gain fraudulent advantage, those who are engaged in covert criminality, those whose standards are insufficient and those who have simply made a mistake (both to recover any payment shortfall and to warn against any recurrence). A Unit would perhaps typically require a local Server with 8 to 10 Clients, two Printers and a Scanner, connected to the corporate LAN. Consideration should be given to portable components, if the practicality and cost justify it.

Websites and the Internet

³ The Chinese authorities are reportedly following this route for Government systems.

Trends in modern Customs operations, and that includes Declaration Processing Systems, are unremittingly towards the increased use of the Internet – with good reason. The Internet provides a low cost and universally available means of communicating. The two major usages are in transmitting operational data (with safeguards) and in information dissemination, where it really cannot be bettered⁴.

This means that all laws, rules and regulations, instructions on documentation, general Customs information and Customs news – such as Valuation Procedure, Rules of Origin, the Customs Code, completing a Declaration, etc. – can be published on the Customs website for ready access not only by Customs Officers, but also by the trading community, whether importers, exporters, agents, brokers, Chambers of Commerce and even banks. Changes can be communicated instantaneously and all interested parties will be informed of them right away.

One of the most frequent complaints from Officers in the field was that information was often very slow in getting to them, so that there could be confusion regarding which rules to apply, and even when information was received it often had to be communicated to traders by the field Officers, with obvious dissatisfaction resulting.

Most Customs Departments already have a website, but most are discernibly low quality. A web presence is the world's window on a country's trading credentials and should be costed and multilingually designed accordingly.

Telecommunications to Regions and Posts

In many countries the major telecomms services are not yet privatized and suffer from undercapitalization and related infrastructural deficiencies. Local users are usually well aware of conditions and capabilities and the automation process should look for the optimum source of services, whether private or state-owned. If they have not already done so, Governments should be considering an exclusive, high-speed communications backbone to support all of their Departments and wherever possible Customs should take advantage of such a provision.

Telephone systems in the majority of countries are of variable quality, with the variations not usually being to the high side of the quality spectrum. Distance and terrain also preclude the laying of landlines for the vast majority of Posts. Although it is strongly advised that connections between Headquarters and Regional Offices be via leased line – preferably fibre-optic – and high speed modems, the communications with Posts will more often than not involve radio or satellite links and, depending on cost and volume factors, can be dial-up.

The most usual method is establishing a star network, whereby Headquarters communicate to Regional Offices and they in turn communicate to the Posts in their individual regions. In some administrations, however, the communication is from Posts to Headquarters and from Headquarters to Regional Offices with no direct links from Posts to their governing Regional Office. There are indirect links of course and there are cost savings to this method, so it is an equally valid option.

Equipment at Regional Offices and Posts

It is likely that each Regional Offices will need to be equipped with a Client-Server system on a LAN, linked by a high speed Modem to Headquarters and to the Internet. A complex LAN with routers and hubs may not be necessary, but this can be established on a per case basis.

As well as local management and administrative responsibilities, many Regional Offices carry out some Declaration Processing, inspections and clearances, especially when the

⁴ See the British Customs website for an excellent example

less routine regimes are involved. Therefore, apart from subsets of the Headquarters central applications, a Declaration Processing System will probably have to be installed. Configurations will depend on many factors, including the above, but LAN connectivity makes it relatively easy to attach the requisite number of client workstations, printers and scanners.

Computers at Posts are not just for Declaration processing. In addition to that function they should also provide:

Information for Customs Officers – i.e. details on all aspects of the Customs operation, including legal requirements, Rules of Origin, valuation procedures, quotas, tariff, regimes and general Customs data;

Secure data, with multi-level access authority, to aid crime detection and enforcement for both Customs Officers and Anti-Smuggling Teams;

The means to transmit data quickly, easily accurately and securely, whereby trade statistics and revenues can be ascertained.

Information should be provided via the Internet, with appropriate security safeguards.

The configuration will depend on the traffic, purpose and manning of the Post concerned, but can vary from a single PC, with printer, modem and security provision to a LAN-based system with server, several clients and a number of printers, including on-demand devices. Configuration, layout and workflow have to be determined by an in-depth, Post-by-Post study, in which even the continued existence of each Post has to be justified. Two of the problems that will affect this process are traffic throughput and type of operations:

Traffic throughput in the region as a whole is not prospering, but to configure on this basis might lead to undercapitalization, with its confidence-sapping consequences, if and when trade improves – a process that might be accelerated by the adoption of the trade facilitation philosophy.

Type of operations involves Posts and Clearance Terminals. At present many Customs procedures involve registration of trucks or rail wagons at the border and clearance inland at specially designated Terminals or bonded warehouses. It is laudable in taking away traffic, and therefore queues, from the perimeter. For road Posts this involves labour-intensive and relatively expensive escorting by Customs Officers. The options include:

Leaving Clearance Terminals, in which case there has to be provision for additional computers and telecommunications at each Terminal and escorting will be propagated, at least for loads that are not pre-cleared.

Abolishing Clearance Terminals and clearing at Posts, which is beloved of computer systems specialists, but not by Customs pragmatists, who foresee the propagation of queues

Combining Posts with a Clearance Terminal situated to the rear of a Post, with Red/Green/Yellow routing and Post workstations and printers attached as clients to a Clearance Terminal system. This will address queuing problems, optimise computer costs and eliminate escorting, but does carry significant infrastructure costs.

This does not usually apply to Rail, where the infrastructure and routing is fixed, or Sea/River Ports and Airports, where the third option, above, is already in evidence.

Procedures at Posts and Clearance Terminals

Upon arrival at a border Post, a driver of a truck carrying imported goods will take appropriate documentation to a reception area where basic information will either be keyed into a client workstation or taken from a diskette in the driver's possession or invoked using a reference number (or even, in some systems, a barcode) if data has been pre-entered by a trader. The system will use selectivity parameters, based on risk management and profiling, to decide to which channel the truck should be routed and the

driver will be given a short printed document with basic identity data and Red, Yellow or Green channel advisement (a Blue Channel, with document checking and limited inspection could also be considered):

Red Channel - Full inspection and document check;

Yellow Channel - Document check only;

Green Channel - no checks.

Because trucks have been registered at the border, the basic information entered there will be readily available at the Clearance Terminal (and should a truck not present itself in an acceptable timeframe then an automatic warning can be issued).

Self-assessment and Direct Trader Input should allow a Single Administrative Document or its equivalent to be presented (or pre-presented) electronically to Reception, who would simply have to register it. Otherwise a Declaration will have to be completed, probably with the help of a Declarant, who should be computerized to prevent data being entered twice. In any event, the worst-case scenario would be that the SAD is keyed in by an Officer at a reception terminal. Whichever way the SAD is entered, the system can syntactically check and otherwise verify the document and report via selectivity.

Once that has been done, and the payment of duty and VAT made or proof of pre-payment accepted, then drivers in the Green Channel can be given a copy of the SAD and a receipt and sent on their way.

Drivers in the Yellow and Red channels must have their documentation thoroughly checked and approval – or otherwise - entered on the system. Yellow Channel drivers with approved documentation are then treated as per Green Channel drivers. Red Channel trucks and loads are inspected and the results – good and bad – entered on the system for future selectivity statistical purposes. Drivers with accepted loads are then treated as per Green Channel. Drivers with loads that do not pass examination are subject to the appropriate procedures, which could range from revaluation, re-assessment of the Country of Origin or quota stipulations to, if warranted, criminal apprehension and seizure of goods. In the former case the tariff, valuation rules, Country of Origin regulations and quotas can all be invoked on the system – as can Customs law and the Customs Code.

The procedure above is merely an example and a gross simplification, dealing with only one Customs regime and the most common, at that. It does not take into account any other type of Post, such as Rail, nor does it examine the full ramifications of such important aspects as Direct Trader Input, self-certification and the role of Brokers, inspections, selectivity and risk management, Post-Release Verification nor the effect of Bonded Warehouses. In addition to the obvious benefits can be added the facility for Officers to concentrate on higher risk loads and, indeed, the lesser requirement for parking and inspection space for clearances.

Trade can also be facilitated by using system features to correct documentation errors and verify facts via telecommunications, i.e. requesting corroboration via the system, receiving electronic faxes, scanned documents and e-mails, with or without digital signature, and printing documents on-site. This may require legal adjustments to effect it and risk management to operate it, but it would sometimes save delays of perhaps several days.

Periodically – perhaps at the end of a shift – Declaration, payment, documentation and inspection data will be transmitted to the Headquarters system. Data back from Headquarters will include updates on intelligence and profile files, legal and other information and details of anticipated transit traffic appertaining to that Post.

Declaration Processing Systems

Once the intention to install a Declaration Processing System is published it will attract major global players in the Customs Automation marketplace and with that comes the individual insights that accompany their responses.

Installing an automated Declaration Processing System is a formidable task and has to be planned to a very detailed level. It is not about installing a piece of software, but concerns the whole of Customs, from the entire IT Department to Customs Officers in the most remote border Posts. A complex mix of considerations, relationships and resources is involved in implementing an automated Customs Declaration System.

The options that could be put before Customs are shown in Annex A and they are varied with many pros and cons.

One of the better scenarios would be for all thirteen countries of the Traceca programme to adopt a single system - the Kazakhstan system, for example - and develop it for the region as a whole. Even though that particular system is well advanced, it is basically a development from zero, however, and will still carry formidable risk. There are other aspects, such as:

Omissions in the initial specification that would need to be addressed;

The reluctance of some participating countries to comply fully with Kyoto, which might compromise the efforts of other states;

The relationship, contractual and otherwise, with the developers, the Accept Corporation;

The question of whether Kazak Customs would cede the measure of control necessary to give ownership of the system a regional basis.

If it were to be adopted regionally, then the cost savings and the benefits from installing a homogenous system throughout would be enormous.

Examination of the systems in Annex A reveals that two of the systems described there – Tatis and Tims, from Crown Agents - are modern, trade facilitation oriented and therefore perhaps meriting further investigation. It is likely, however, that more systems, maybe in line with the WTO's e-Customs initiative, will be appearing in the not-too distant future.

TRACECA countries IT status and Recommendations

The thirteen countries of Traceca have many fundamental differences, from political to Customs IT needs, but with regard to the latter they also have many crucial similarities – enough to make the pooling of projects and resources an extremely attractive proposition.

The cost saving from a combined approach, both initially and ongoing, will be truly enormous for each participating country, but the potential for trade arising from having virtually identical Customs systems – and the implications with respect to the future formation of a true common economic area – would be so astounding, that to fail to discuss the possibilities at the highest (and also at the most pragmatic) levels, despite the well-publicized difficulties, would, to put not too fine a point on it, defy logic.

Co-operation between countries has been continuing for some time, with Customs well represented, but the issues of compatibility and co-operation specifically in IT have been addressed less frequently. Despite Traceca's efforts and many successes, it has to be stated that the record on collaboration in real and practical terms in this particular area is not too reassuring, but it is crucial to the prosperity of the region that it be relentlessly pursued and it is therefore strongly recommended that such an approach be encouraged and explored at every opportunity.

ANNEX A: DECLARATION PROCESSING SYSTEMS

There have been automated Declaration Processing Systems for many years, starting with the advent of ASYCUDA and Sofix. No single product is currently considered to be a front runner and all have their disadvantages – and whether systems have a price tag, or are offered as “free”, they all carry a cost, both monetarily and in the inordinate commitment of resources.

The systems that are available and are, or might be, applicable include the following.

A.1 Russian system

The system is offered free, and apparently works well, though Russia does not have a homogeneous system and this package is only installed in certain Oblasts (regions). Nevertheless, the historical ties with Russia, the position of that country as a major trading partner make this a favourable choice for areas influenced by the former Soviet Union.

The system is designed on a decentralized principle in both hardware and software domains. This was necessitated by the geographical remoteness of regions, resulting in local computing networks interactive between themselves through networks of Rostelekom (Russian Telecom) data communications in on-line or off-line mode – in effect a heterogeneous information system with a unified format of primary data, gathered in central database servers, i.e. centralized databases, based on decentralized sources of information and admissions (entrances) into the system.

The UAIS (Unified Automated Information System) is client-server/web-server architecture with

Information storage and archive devices (Compaq, Sun Microsystems);

PCs and peripheral equipment (Dell, Compaq, Hewlett-Packard);

Network equipment and routers (Nortel, Bay Networks, Cisco);

Operational systems Solaris, WinNT (Sun Microsystems, Microsoft);

Database management systems (Oracle, MS SQL).

A.2 The Kazakhstan UAIS

The Kazakhstan Unified Automated Information System of the Customs Committee of the Republic Of Kazakhstan places great emphasis – and goes into considerable detail - on the communications infrastructure and the security aspects, both of which are crucially important, but UAIS was scheduled for development in two phases.

The first phase contains the following functional modules:

Foreign trade statistics;

Regional foreign trade statistics;

Transit;

Directories of legal acts appertaining to Customs;

Customs registration in trade and non-trade turnover;

Customs-Banking currency control: export and import;

Control of accuracy and completeness in Customs charges;

Control of licensing and quotas, especially on export of strategic goods;

Customs control of processing outside and within Kazakhstan Customs territory;

Temporary import/export control;

Information support of tariff regulations.

The second phase is to include:

Information support against smuggling and other violations;

Control of warehouses, including temporary storage;

Control of Free Economic Zones;

Control of confiscated goods:

Information support for safety within the Customs Service:

Customs registrations in non-trade turnover;

Customs registrations of cargoes at Airports, border Posts, internal Posts, Rail Terminals, Ports, Carriers, Temporary Warehouses, Power Posts and Excise Offices;

Customs registrations of objects concerned with Intellectual Property Rights.

The system appears to be a reasonable, if incomplete, approach to applicable Customs operations and as a bespoke development it is a most ambitious undertaking. It is to be noted that the inauguration of the system was approved by a Decree of Government in March 1997 and although that is five years ago, the creation, testing and implementation of integrated software of the complexity implied by the two phases and the technical stipulations described almost certainly means that the process will be taking a much longer time than was anticipated. Indeed, there are rumours that there are serious problems at the moment.

A.3 ASYCUDA++

The system has been installed throughout the world, with varying levels of success (many of the claimed 90+ installations are virtually dormant, but its best installations – such as those in the Philippines and Romania – are highly rated). ASYCUDA is more than just a simple Declaration system, having the following modules:

MODCBB is the Customs Post module and deals mainly with the input, validation, storage, registration and assessment of Customs declarations.

MODBRK is a modified version of *MODCBB* designed for a Declarant or Customs broker and gives them a direct electronic connection (limited to only those functions relevant to their dealings) to ASYCUDA++.

MODACC covers all accounting and payment functions.

MODSEL facilitates control of the selection and flow of declarations through the system and contains controls to block assessment of selected declarations, plus a range of querying and reporting functions.

MODCAR is for the preparation and transmission of cargo reporting details, such as carrier or transport manifests, in electronic format, which can be used with other ASYCUDA++ modules for cargo controls, including clearances and cargo accounting.

TRANSMOD, which is specifically for Transit operations.

Head Office and Configuration Modules for set up of the ASYCUDA++ system to meet national requirements (e.g. forms of declaration, national tariff, tax rates) and for maintaining database reference data used by the system, such as rates of exchange, and codes including importer, Declarant, bank, warehouse, etc.

UNCTAD, the United Nations organization that supplies ASYCUDA++ free of charge (except for support and monitoring, which are by no means cheap), is currently promoting an Internet version of the system known as *AsycudaWorld*.

A.4 Sofix

Sofix, owned by Douanexport, has a similar background to ASYCUDA and is of the same vintage. Despite gaining some installations in Africa, the system is not widely installed.

A.5 Tatis

A new system from a Swiss company, Tatis, in combination with PricewaterhouseCoopers and promoted as “The unique combination of advanced digital technology with fiscal policy administration experience, international accounting and audit practices, Customs and trade expertise has created solutions that address import, export and transit issues faced by governments and fiscal policy administrations”. Tatis, in other words, is providing the trade related applications and services and PwC is providing expertise to implement them. Tatis also advertises partnerships with Hewlett-Packard and Oracle.

The system specifically addresses the interrelated issues of revenue compliance and trade facilitation, focusing on the trade transaction as a whole with the unique added value of risk assessment tools enabling proactive information management by the users.

The key elements of the system are:

Effective recording of all goods entering a Customs process;

Accurate Customs valuation using support tools;

Audit based control;

Effective management of guarantees within the applicable Customs process, which ensures payment of duties and taxes should the terms of such process be infringed;

Delivery of maximum practicable use of information technology with emphasis on the direct transfer of skills and tools to the user;

Constant revision of databases;

Risk profiling of shipments and trade participants ensuring that potentially risky shipments and trade participants can be identified by Customs officials and administered appropriately.

The system is based on three core modules common to all applications: Risk Assessment, Valuation Support and Bond/Guarantee Management.

The biggest question mark over the system is a lack of installed base, though this might be turned to advantage during initial negotiations.

A.6 Tims

TIMS stands for Trade Information Management System and is offered by Crown Agents, a UK company arising from a Customs background and with worldwide experience in that sector. Rather than describe the application as a Customs Automation System or even as a Declaration Processing System, Crown Agents refer to TIMS[®] as “a powerful investigative tool which undertakes risk analysis, price comparison and manages intelligence data” and they are also at pains to point out though it is standalone it can readily be interfaced with others systems, such as UNCTAD's ASYCUDA.

Crown Agents almost seem to devalue the system in describing it as undertaking risk analysis, price comparison and managing intelligence data, with a design that will assist in the reduction of fraud and the collection of the correct revenue. They go on to say that TIMS[®] can be adapted to meet individual requirements, used to improve frontier control and risk targeting as well as being a valuable tool for post importation audits, warehousing and transit management. All of which, although it is an impressive list, is stated in a rather low-key fashion. Its benefits are listed as:

Efficient Utilisation of Resources;

Revenue Protection;

Trade Facilitation;

Timely and reliable trade statistics;

Faster processing of declarations and therefore clearance.

Which is a good portion of what is wanted from a Declaration Processing System.

A.7 Cusmod

A package based on the Customs system in the very highly rated New Zealand Customs, Cusmod may not be appropriate for the Central Asian republics in that it focuses on sea and air traffic as befits an island environment. Its claim to excellence is based on its advanced intelligence and trade facilitation features. Owned by Andersen Consulting, but not pushed by them and barely visible in the marketplace, which is a pity. A.8 adaptations of national customs systems

Examples could include TDS from Swedish Customs, Model190 from Swiss Customs and the German Atlas system. Benefits would depend on the magnanimity of the donor country, the state of completeness of the system and the modernity of both platform and approach. Taking a system in development, one step behind, as proposed for Poland's

installation of Atlas, is not recommended (the example could be examined in relation to the Kazakhstan system).

A.9 Bespoke developments

Notwithstanding that the Kazakhstan system could become a cooperative bespoke development, this method otherwise carries exceeding high risk and potentially escalating and uncontrolled costs, but with proper management and the backing of Traceca countries, it could become an option.

MODERN BORDER PROCEDURES – DISCUSSION PAPERS

2.3.2. Trade Facilitation

Introduction

The project “Harmonisation of Border Crossing Procedures” (HBCP) that has been approved by the Member States to expedite border transits by the introduction of simplified and harmonised procedures in conformity with international agreements and best practice.

In this document the working procedure for estimating the effects of transport policy on the harmonisation of border crossing procedures is elaborated. The central question of linking transport policy to the project is to estimate the effect of different transport policies and the effect of the harmonisation on the transport flows at the border. The effects of harmonisation on transport flows will be a reduction of transport times and costs. The larger this reduction the more positive this effect will be; in general a reduction of transport costs and times will lead to a more efficient use of productive capacity and to a lowering of prices of goods. As a secondary effect it can be supportive to economic growth.

In writing this document it is intended to give a clear description of the outputs from this task in the project and to plan the activities to be carried out in order to obtain the outputs defined.

This document is drafted on the basis of discussions with the project team and the Traceca staff and the results of the workshops in Baku during the visit of the transport policy expert (from 15th till 20th of September).

The content of this document is that in the second chapter a background is given of the problems arising from imperfect working customs. The customs procedures can be seen as part of the process of transportation, delays and costs at the border add to the total transport cost and time from origin to destination.

In third chapter a description of available information is given, this information will be used for calculating the effects.

In the 4th chapter the activities to be undertaken are described. Further a methodology is given in this chapter.

Background

Trade and transport in Central Asia⁵

Transportation costs, as part of the value of commodities are rather high in Central Asia. As a result, any disruption of cross-border operations in Central Asia has an immediate impact on the economic development of the countries, and the possibility to decrease the urgent problem of poverty.

High consumer prices affect the buying power of an already financially weak society. Besides, the investment climate with disproportionate high transportation costs does not attract the necessary foreign direct investments to promote economic and social development in Central Asia.

In order to establish a competitive position on world markets the development of a regional transportation system should be a priority for the Central Asian states. They need to focus on upgrading transport networks and cross border operations to increase regional and international trade and adapt a transport network that traditionally was oriented toward Russia.

Rail and pipeline connections to the south were non-existent, as all transport links led north to Russia. This situation was only aggravated due to the fact that transport networks in Iran, Pakistan and Turkey have also been oriented towards ports on the Indian Ocean and the Mediterranean Sea, rather than towards Central Asia.

The physical constraints stand in the way of a rapid expansion of intra-regional trade and the development of new outlets for Central Asia to world markets. Non-physical barriers at the borders may be addressed immediately, resulting in less delays and costs at border points. However, also in this field result may only come within years.

Trade barriers of neighbouring countries

Each country in Central Asia strives to enter the global markets independently, pushing its neighbour's aside. One-sided and comparable economies producing similar products are one of the main causes of protective behaviour at all levels. It results in customs and transport charges, imports quotas and subsidies for certain commodities.

Long and costly customs procedures and other inspections

Overall customs procedures are complicated, vague and often changing. Besides customs rules are being interpreted in many different ways. Additional technical provisions often lead to cumbersome inspections related with the differences of permissible characteristics of vehicles (total weight, axle load and dimensions). Strict visa regimes also impede international transport. Together with an industry that often has insufficient knowledge of the customs rules and procedures, customs handling and clearance of the goods takes too much time. Besides, the industry suffers a lot of charges from the customs and other inspecting authorities that are not directly related with any service.

A major constraint is the delay in repayment of guarantees and deposits for goods in transit.

⁵ This section is based on the "Central Asia trade & transport facilitation study" carried out by NEA in 2002.

Due to unpredictable transit times companies have to increase their stocks to levels that exceed the size required for the production process.

Poor transport infrastructure and transport performance

In Central Asia the condition of both the rail and road network is poor. Due to the low traffic volumes capacity constraints in the network are rare. There is a shortage in handling and storage facilities in ports. Also international shippers are in need of high standard terminal and, also bonded, warehousing facilities. This shortage leads to delays.

Due to the mentioned lack of competition in both the transport and forwarding sector services are often below standard.

Small and medium sized enterprises in road transport have difficulties to expand their business because of the lack of international experience and professionalism, their poor financial situation, and the fact that they suffer the most of protective policies from neighbouring countries and corruption.

Forwarders lack international experience and the sector has not yet grown mature. This leads to forwarding companies that do not take their responsibility and step out as soon as cargoes are lost or damaged. This is also possible due to a poor legal framework for forwarding. International standards are not yet incorporated and the sector is hardly organised.

Costs of impediments in trade and transport

Because of a lack of transparency in prices and tariffs the costs of the above mentioned impediments are difficult to assess. Numerous interviews with the trade and transport industry in Central Asia have revealed an estimation of the related costs.

In Central Asia it is generally estimated that the costs of all kinds of delays related with the above mentioned impediments and the charges that are raised for services that are not rendered, as a percentage of the total transport costs, vary between 10 – 15% for road and 5 – 10% for rail transport.

Depending on the world market prices of the commodities, transportation costs in relation with Central Asia may amount up to 50% of the value of the goods. Especially for low value commodities, such as agriculture products, the transport to international markets becomes virtually impossible. Even, as a result, on different relations the continental transit tariffs are too high to compete with the inter-continental cargoes.

The total costs of impediments depend on the geographic position of the country, its economic power and the location in the transport chain, in which, especially in relation to Russia, Kyrgyzstan and Tajikistan often have unfavourable positions. Origin of the cargo and the flag under which the goods are transported influence the delays and charges incurred. It also depends on the value of the goods and the mode of transport, where more expensive goods and road transport is charged more than goods in bulk, transported by rail. Containerised goods perform better, both in terms of speed and additional charges.

Large international enterprises seem to be more able to manage with most of the customs problems as they often have interrelated interests. As a result, small and medium sized enterprises with little international experience suffer the most.

The reform process

The Free Trade Agreement between all CIS countries is in fact a patchwork of reciprocal bilateral agreements on tariffs and trading quotas. Because of the lack of multilateral consensus trade terms are confusing and complicated, not always leading to uniform implementation at ground level.

The Eurasian Economic Community, formerly the Customs Union, involve Russia, Kazakhstan, Byelorussia, Kyrgyzstan and Tajikistan. Among the participating countries there is free trade, but external tariffs differ substantially. The plan to establish a common external tariff by 2005 has not yet been agreed upon, especially as the intended increase of tariffs is considered to be disadvantageous for the small and liberal countries in the region. Besides it would make the ongoing diversification of export destinations more difficult.

Within the Community it has been agreed to join the Kyoto convention at the same time, which is expected to be in December 2002.

In the Central Asian Co-operation Organisation Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan apply a regional approach in economic and security issues, such as the creation of free trade zones and the improvement of transport infrastructure. So far the organisation has not set any specific goals and it lacks the means for implementation.

Within the GUUAM agreement Azerbaijan, Georgia, Moldova, Ukraine and Uzbekistan intend to promote regional security and political and economic co-operation among the members.

The establishment of a Eurasian, Trans-Caucasus Transportation Corridor (TRACECA) is funded by the EC, and links Central Asia and Europe through the Caucasus. The programme, which was launched in May 1993, includes Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan. The programme aims at establishing a route that would provide good quality infrastructure, but also facilitate trade through simplified customs procedures.

The ADB is very active on customs co-operation in Central Asia. At a meeting in the beginning of this year representatives of Kazakhstan, Kyrgyzstan, China, Tajikistan and Uzbekistan confirmed the need for improved customs co-operation and supported the establishment of a mechanism for facilitation. This could be a Customs Co-ordinating Committee at the decision-making level and working groups at the implementation level. Among the possible key initiatives identified were a Regional Seminar on the Revised Kyoto Convention, joint processing procedures at selected border crossings, regional training to develop common approaches, understand customs operations and introduce new skills and technologies and develop simplified transit systems to facilitate transit traffic.

Although countries did commit themselves to facilitate trade and transport in various bodies at different high levels, little result was reached at ground level. The main reasons for this are the lack of real political will to open up markets and the, sometimes related, poor efforts to implement and enforce agreements at ground level.

Transport information

Introduction

Notably the following projects are used for estimating the effects of transport policy and harmonisation on the traffic flows:

1. Traffic and feasibility studies TGNREG9803
2. Central Asia trade & transport facilitation study
3. Performance indicators and measurement of border and customs procedures for cargo carrier vehicles in Georgia
4. Support to the development of a transit corridor policy in the Republic of Kazakhstan SCORE/110191

The first 2 studies contains information that is directly useful for estimation of effects.

Traffic and feasibility studies TGNREG9803

In this study a scheme for collecting information at border crossings is set up (see table below). This information is collected for the majority of the bordercrossings (see annex 1 for a complete overview). Totally 115 rail bordercrossings and 164 road bordercrossings are identified in the “Traffic and feasibility studies”.

Table Scheme for Collection of Border Crossing Traffic (Vehicles)

		COUNTRY Customs Name (Node A)	
		COUNTRY Border Crossing Name (Node B)	
	OTHER SIDE OF BORDER	COUNTRY Name	
		Border Crossing Name	
		MODE	ROAD/ RAIL
ROAD	IN COUNTRY Direction	AADT Car	
		AADT Bus	
		AADT Trucks	
	OUT COUNTRY Direction	AADT Car	
		AADT Bus	
		AADT Trucks	
RAIL	IN COUNTRY Direction	Number of Passenger Trains / day	
		Number of Freight Trains / day	
	OUT COUNTRY Direction	Number of Passenger Trains / day	
		Number of Freight Trains / day	

Besides the volumes of traffic on the border crossing for 1998 and 2000, also forecasts for 2012 are produced. An additional piece of information is the value of time of freight transport.

Central Asia trade & transport facilitation study

In this study a quantification of effects will be used form this report and will be further refined during the project for the purpose of this study

Present study

In the present “Harmonisation of Border Crossing Procedure” study about 79 border crossings are covered. Notably the processing time at the border of the survey is important. The processing time gives an indication of the time gains that can be obtained by introducing harmonised procedures. In the present study surveys are carried out at both sides of the border, thus the total time to pass a border is obtained by summing up the time of the in- and the outgoing border. The maximum time gain is the difference between the current time related processing (at 2 sides of the border) and the time resulting from introducing harmonised procedures.

In the tables below one can observe the names of the border crossings and the modes of transport included. These are obtained from the database of the project (status 23rd of September).

Table Number of border crossings (retrieved from the database of the present project).

Name border crossing	Frequency
Akhzol	4
Aktau	2
Aktau Port	6
Alamedin	2
Albita	4
Astara	4
Ayrum	4
Bagratashen	4
Batumi	6
Bourgas	6
Boyuk Kasik	4
Constantsa Ferry	6
Dostuk	4
Dushanbe	2
Fatahabad	4
Gardabani	4
Gisht Kuprik	4
Giurgiu	7
Iasi - Cristesti	4
Ilyichevsk	15
Jagodin	4
Kanibadan	4
Kapikule	8
Kapitan Andreevo	4
Karamec	4
Karaso	2
Keles	2
Khutor Mikhaylovsky, Konotop, Zernovo	3
Korday	4
Krasni Most (Red Bridge)	4
Kuchurgan	8
Leushen	4
Lugovoy	2
Merke	2
Nizhny Pranj	4
Oybek	4
Palanca	4
Patar	4
Post No 1	4
Poti	8
Regar (Turzum Zade)	2
Sadakhlo	8

Samsun	6
Saragash	2
Sarpi-Batumi	4
Sarpi	4
Sculeni	4
Shengeldy	2
Shumilova	2
Siniq Korpu (Broken Birdge)	4
Siret	4
Svilengrad	4
Torugart	2
Ungheni	4
Varna East	7
Varna Ferry	8
Zhibek Zholy	4

Table Crosstabulation of border post and mode of transport (retrieved from the database of the present project).

	Ferry / Rail	Ferry / Road	Maritime	Rail	Rail / Ferry	Road	Road / Ferry	Total
Akhzol						4		4
Aktau			2					2
Aktau Port			6					6
Alamedin				2				2
Albita						4		4
Astara						4		4
Ayrum				4				4
Bagratashen						4		4
Batumi			2				4	6
Bourgas		2	2				2	6
Boyuk Kasik				4				4
Constantsa Ferry	1	1	2		1		1	6
Dostuk						4		4
Dushanbe				2				2
Fatahabad						4		4
Gardabani				4				4
Gisht Kuprik						4		4
Giurgiu				4		3		7
Iasi - Cristesti				4				4
Ilyichevsk	2	4	3		2		4	15
Jagodin						4		4
Kanibadan				4				4
Kapikule				4		4		8
Kapitan Andreevo						4		4
Karamec						4		4
Karaso				2				2
Keles				2				2
Khutor Mikhaylovsky, Konotop, Zernovo				3				3
Korday						4		4

Krasni Most (Red Bridge)						4		4
Kuchurgan				4		4		8
Leushen						4		4
Lugovoy				2				2
Merke						2		2
Nizhny Pranj							4	4
Oybek						4		4
Palanca						4		4
Patar						4		4
Post No 1						4		4
Poti		5	2				1	8
Regar (Turzum Zade)				2				2
Sadakhlo				4		4		8
Samsun		2	2				2	6
Saragash				2				2
Sarpi						4		4
Sarpi-Batumi						4		4
Sculeni						4		4
Shengeldy				2				2
Shumilova				2				2
Siniq Korpu (Broken Birdge)						4		4
Siret						4		4
Svilengrad				4				4
Torugart						2		2
Ungheni				4				4
Varna East		2	2	2			1	7
Varna Ferry	1	2	2		1		2	8
Zhibek Zholy						4		4
Total	4	18	25	67	4	111	21	250

Methodology and Workplan

Methodology

In this section the relation between transport policy, trade&transport facilitation and border crossing harmonisation procedure is explained. As explained before harmonised border procedures lead to a more efficient (and shorter) processing time at border crossings, which results in reducing transport time from origin to destination. Thus it can be stated that harmonisation procedures are part of trade&transport facilitation. Also the transport policy in general is part of the trade and transport facilitation

Trade facilitation, following from border crossing harmonisation procedures, will result in:

- increased trade (a lower fraction of transport costs leads to a higher demand)
- increased competitiveness (first efficiency of transport is increased, secondly, due to lower transport costs the “marketing area” becomes bigger)
- increased profits (increased revenues for the government)

Other elements that play a role in trade facilitation are:

Development of advanced forwarding services

Development of banking/financial facilities

Developments in the transport sector (road, rail, maritime and intermodal transport) and transport policy

In this task notably the last item is of importance (the first 2 items are covered in other tasks of this project). The development of good infrastructure and an efficient working transport sector is an important precondition for developing trade. As some of the countries in Traceca are highly dependent on international trade, an efficient transport sector and necessary infrastructure.

The central idea is that the effects of harmonisation of customs will have 2 effects: a time gain for the transport sector (due to lower processing time at a border) an increase in trade because goods become cheaper due to lower transport costs In order to quantify these effects assumptions have to be made, which will be explained below.

Time gains

With respect to the time gain for the transport sector the number of vehicles at the border crossing are available from the “Traffic and feasibility studies TGNREG9803” including a estimate for the value of time (VoT). By computing the time gains from introducing harmonisation (present processing time minus new processing time) and multiply this with the total number of vehicles, the yearly hours of saving is obtained. This yearly value is to be multiplied with the VoT, which gives a monetary value for each border crossing. This indicates the value of the first best use of the vehicle by being more efficiently used (and not waiting for borders). By doing this for all border crossings within Traceca we get a total monetary value.

Increase in trade

To estimate the increase in trade because of lower transportation costs (resulting in lower prices for the commodities, so leading to an increased demand) is much more difficult (than estimating the time gains). First of all the transport time savings (due to harmonisation) relative to the total transport time is relevant. In the second chapter of this report it was stated that, as a percentage of the total transport costs, the costs for imperfect working customs, can vary between 10 – 15% for road and 5 – 10% for rail transport. From the Worldbank report Central Asia trade & transport facilitation study some indications can be obtained on total transport times and costs on the most important corridors. Together with the results from the “Traffic and feasibility studies TGNREG9803” this result will be checked.

Workplan

In this section the details of the approach will be given. The following steps need to be undertaken (the 1st 5 steps relate to “time gains as explained in the previous section, the steps 5 to 8 deal with “Increased trade”:

Obtain from the “Traffic and feasibility studies TGNREG9803” the border crossing traffic per year for freight (rail, road, maritime)

Obtain from the survey of the current study the time to cross the border a(at both sides).

Make an expert judgement with other experts in the project what the minimum time could be under harmonised procedures, and compute the time saving per border crossing.

Make an estimate for the border crossings not included in the survey.

Compute the total time savings (vehicles) at each border crossing and use the VoT to monetarise this value. This is the outcome of this part gives the yearly benefits of introducing harmonised procedures.

To continue with the increase in trade, the total time on corridors should be related to the time savings due to harmonisation. An elasticity will be used to estimate the generation effect (from previous studies: a time saving of 1% will lead to an increase of 0.05% increase in trade).

On the basis of this the increase in traffic can be determined.

The increase in GDP in the Traceca countries will be computed on basis of the increase in trade. The increased GDP will be used as a measure of the benefits due to trade generation effects.

It is to be investigated in how far rail customs procedures are part of the scheduling of the transport services at borders, probably in most cases in fastening procedures will not increase lead times. For maritime and ferry services a similar situation could occur.

Annex 1 Overview of the border crossing stations in the Traceca study “Traffic and feasibility studies”

Table 1 Rail border links in the study “Traffic and feasibility studies”

A Node	B Node	A Node Name	B Node Name
8045005	8045000	Border Ukraine/Poland-A Yagodin	Yagodin (b. of Poland)
8045055	8045050	Border Ukraine/Poland-A Mostyska	Mostyska (b of Poland)
8045065	8045060	Border Ukraine/Hungary-A Chop	Chop (b of Hungary)
8045095	8045090	Border Ukraine/Moldova-A Rozdilna South	Rozdilna South (b. of Moldova)
8045155	8045150	Border Ukraine/Belarus-A Gornestaivka	Gornestaivka (b. of Belorussia)
8045165	8045160	Border Ukraine/Russia-A Ch. Michailivsky	Ch. Michailivsky (b. Russia)
8045185	8045180	Border Ukraine/Russia-A Doneck	Doneck (b. Russia)
8045195	8045190	Border Ukraine/Moldova-A Marn.	Mamaliga (b. of Moldova)
8045245	8045240	Border Ukraine/Moldova-A Slob.	Slobidka (border Moldova)
8045255	8045250	Border Ukraine/Moldova-A M-P	Mohiviv-Podilsky (border Moldova)
4985025	4985020	Border Moldova/Romania-A Ungheni	Ungheni (border Romania)
4985005	4985000	Border Moldova/Ukraine-A Movilau	Molivau (border Ukraine)
4985045	4985040	Border Moldova/Ukraine-A Larga	Larga (border Ukraine)
4985055	4985050	Border Moldova/Ukraine-A Cobasna	Cobasna (border Ukraine)
4985095	4985090	Border Moldova/Ukraine-A Cuciurgan	Cuciurgan (border Ukraine)
4985115	4985110	Border Moldova/Romania-A Giurgiulesti	Giurgiulesti (border Romania)
2685005	2685001	Border Georgia/Russia-A Gagra	Gagra North (b. of Russia)
2685335	2685332	Border Georgia/Azerbaijan -A Gardabani	Gardabani (b. of Azerbaijan)
2685355	2685351	Border Georgia/Armenia -A Sadakhlo	Sadakhlo (b. of Armenia)
9515015	9515010	Border Armenia/Georgia-A Bagratasen	Bagratasen (b. of Georgia)
9515115	9515110	Border Armenia/Azerbaijan-A Idzhevan	Idzhevan (border Azerbaijan)
9515125	9515121	Border Armenia/Azerbaijan-A Ararat South	Ararat South, Yeraskh (b. of Azerbaijan)
9515185	9515180	Border Armenia/Azerbaijan-A Megri West	Megri West Agarak (b. Azerbaijan)
9515195	9515190	Border Armenia/Azerbaijan-A Megri East	Megri East (b. Azerbaijan)
9515205	9515200	Border Armenia/Iran Megri South	Megri South (b. of Iran)
9515515	9515510	Border Armenia/Turkey-A Voskeask	Voskeask (b. of Turkey)
9315045	9315040	Border Azerbaijan/Armenia -A Gazach	Gazach (border Armenia)
9315375	9315370	Border Azerbaijan/Iran -A Astar	Astara (b. of Iran)
9315475	9315470	Border Azerbaijan/Armenia -A Minjevan	Minjevan (b. of Armenia)
9315635	9315630	Border Azer-Nahi/Armenia -A Dulfa East	Dulfa East (b. of Armenia)
9315645	9315640	Border Azer-Nahi/Iran -A Dulfa	Dulfa South (b. of Iran)

		South	
9315815	9315810	Border Azerbaijan/Georgia -A Bouk Kasek	Bouk Kasek (b. of Georgia)
9315835	9315830	Border Azerbaijan/Russia -A Yalama	Yalama (b. of Russia))
9315875	9315870	Border Azer-Nahi/Armenia -A Sadarak	Sadarak (border Armenia)
9515115	9315045	Border Armenia/Azerbaijan-A Idzhevan	Border Azerbaijan/Armenia -A Gazach
9515125	9315875	Border Armenia/Azerbaijan-A Ararat South	Border Azer-Nahi/Armenia -A Sadarak
9515185	9315635	Border Armenia/Azerbaijan-A Megri West	Border Azer-Nahi/Armenia -A Dulfa East
9515195	9315475	Border Armenia/Azerbaijan-A Megri East	Border Azerbaijan/Armenia -A Minjevan
4985005	8045255	Border Moldova/Ukraine-A Movilau	Border Ukraine/Moldova-A M-P
4985045	8045195	Border Moldova/Ukraine-A Larga	Border Ukraine/Moldova-A Marn.
4985055	8045245	Border Moldova/Ukraine-A Cobasna	Border Ukraine/Moldova-A Slob.
4985095	8045095	Border Moldova/Ukraine-A Cuciurgan	Border Ukraine/Moldova-A Rozdilna South
9515015	2685355	Border Armenia/Georgia-A Bagratasen	Border Georgia/Armenia -A Sadakhlo
9315815	2685335	Border Azerbaijan/Georgia -A Bouk Kasek	Border Georgia/Azerbaijan -A Gardabani
3985045	3985040	Border Kazakstan/Uzbekistan Beineu South	Beineu South (b. of Uzbekistan)
3985115	3985110	Border Kazakstan/Russia Ozinki	Ozinki (b. of Russia)
3985155	3985150	Border Kazakstan/Russia Alimbet.	Alimbetouska (b. of Russia)
3985175	3985170	Border Kazakstan/Russia Tobol	Tobol West (b. of Russia)
3985195	3985190	Border Kazakstan/Russia Rtroebratskli	Troebratskii (b. of Russia)
3985255	3985250	Border Kazakstan/Russia Pavlodar	Pavlodar East (b. of Russia)
3985315	3985310	Border Kazakstan/Russia Perropav. West	Petropavlovsl West (b. of Russia)
3985325	3985320	Border Kazakstan/Russia Petropav. East	Petropavlovsl East (b. of Russia)
3985375	3985370	Border Kazakstan/Russia Ust-K.	Ust-Kamenogorsk North (b. of Russia)
3985405	3985782	Border Kazakstan/China Druzhba Rail ro Road	Druzhba Rail (b. of China)
3985435	3985430	Border Kazakstan/Khyrgyzstan) Lugovaya	Lugovaya East (b. of Kyrghyzstan)
3985565	3985560	Border Kazakstan/Russia Peskov. North	Peskovoka North (b. of Russia)
3985575	3985570	Border Kazakstan/Russia Talshik	Talshik (b. of Russia)
3985695	3985690	Border Kazakstan/Russia Semipal.	Semipalatinsk North (b. of Russia)
3985835	3985830	Border Kazakstan/Uzbekistan Detsaoy East	Detsaoy East (b. of Uzbekistan)
3985845	3985840	Border Kazakstan/Uzbekistan Detsaoy West	Detsaoy West (b. of Uzbekistan)
3985865	3985860	Border Kazakstan/Russia Yaisan	Yaisan (b. of Russia)
3985905	3985900	Border Kazakstan/Russia Razyezd	Razyezd (b. of Russia)
3985935	3985930	Border Kazakstan/Uzbekistan Sary-Agach	Sary-Agach East (b. of Uzbekistan)
3985945	3985940	Border Kazakstan/Russia Valeek West	Valeekhanava West (b.of Russia)

3985955	3985950	Border Kazakstan/Russia Valeek. East	Valeekhanava East (b.of Russia)
7955195	7955190	Border Turkmenistan/Afganistan-Kushka	Kushka-Rail Terminus
7955035	7955030	Border Turkmenistan/Iran-A Serahs	Serahs (b. of Iran)
7955235	7955231	Border Turkmenistan/Uzbekistan-A Farab	Farab (border of Uzbekistan)
7955295	7955290	Border Turkmenistan/Uzbekistan-A Gazachak	Gaz-Achak
7955535	7955530	Border Turkmenistan/Uzbekistan-A Dash	Dashovuz East (b. of Uzbekistan)
7955545	7955546	Border Turkmenistan/Uzbekistan-A Kerki East	Kerki East (b. of Uzbekistan)
7955555	7955550	Border Turkmenistan/Uzbekistan-A Kerki North	Kerki North, Talimardzan (b. of Uzbekistan)
7955565	7955560	Border Turkmenistan/Uzbekistan-A Boldumsaz	Boldumsaz (b. of Uzbekistan)
8605025	8605020	Border Uzbekistan/Kazakstan Tashkent	Tashkent North (b. of Kazakhstan)
8605075	8605070	Border Uzbekistan/Tadjikistan Kokand West	Kokand West (b. of Tadjikistan)
8605115	8605110	Border Uzbekistan/Turmenistan Termez	Termez West (b. of Turkmenistan)
8605125	8605120	Border Uzbekistan/Tadjikistan Denay	Denay (b. of Tadjikistan)
8605135	8605130	Border Uzbekistan/Tadjikistan Boldyr	Boldyr (b. of Tadjikistan)
8605215	8605210	Border Uzbekistan/Tadjikistan Bekabad	Bekabad (b. of Tadjikistan)
8605245	8605240	Border Uzbekistan/Kazakstan Sydarinskaya	Syrdarinskaya West (b. of Kazakhstan)
8605255	8605250	Border Uzbekistan/Kazakstan Dzhizak	Dzhizak North (b. of Kazakhstan)
8605315	8605312	Border Uzbekistan/Turmenistan Bukhara	Bukhara South (b. of Turkmenistan)
8605325	8605320	Border Uzbekistan/Kazakstan Kungirod	Kungirod North (b. of Kazakhstan)
8605345	8605340	Border Uzbekistan/Kyrghyzstan Uchkurgan	Uchkurgan (b. of Kyrghyzstan)
8605355	8605350	Border Uzbekistan/Kyrghyzstan Karasu	Karasu (Uzb.) (b. of Kyrghyzstan)
8605375	8605372	Border Uzbekistan/Turmenistan Karsi South	Karsi South (b. of Turkmenistan)
8605395	8605390	Border Uzbekistan/Turmenistan Hazorasp	Hazorasp (b. of Turkmenistan)
8605405	8605400	Border Uzbekistan/Turmenistan Savot	Savot (b. of Turkmenistan)
8605415	8605410	Border Uzbekistan/Turmenistan Tohiatos	Tohiatos (b. of Turkmenistan)
7625095	7625090	Border Tadjikistan/Uzbekistan Ayvadz West	Ayvadz West (b. of Uzbekistan)
7625115	7625110	Border Tadjikistan/Uzbekistan Kanibadam	Kanibadam (b. of Uzbekistan)
7625135	7625130	Border Tadjikistan/Uzbekistan Chudjand	Chudjand (b. of Uzbekistan)
7625145	7625140	Border Tadjikistan/Uzbekistan Dusanbe West	Dusanbe West (b. of Uzbekistan)

4175025	4175020	Border Kyrghyzstan/Kazakstan Kara Balta	Kara Balta (b. of Kazakhstan)
4175105	4175100	Border Kyrghyzstan/Uzbekistan Djelai-Abad West	Djelai-Abad West (b. of Uzbekistan)
4175125	4175120	Border Kyrghyzstan/Uzbekistan Osh North	Osh North (b. of Uzbekistan)
4175505	4175500	Border Kyrghyzstan/Uzbekistan Shamald.	Shamaldysai (b. of Uzbekistan)
3985435	4175025	Border Kazakstan/Khyrgyzstan) Lugovaya	Border Kyrghyzstan/Kazakstan Kara Balta
3985935	8605025	Border Kazakstan/Uzbekistan Sary-Agach	Border Uzbekistan/Kazakstan Tashkent
3985045	8605325	Border Kazakstan/Uzbekistan Beineu South	Border Uzbekistan/Kazakstan Kungirod
3985835	8605245	Border Kazakstan/Uzbekistan Detsaoy East	Border Uzbekistan/Kazakstan Sydarinskaya
3985845	8605255	Border Kazakstan/Uzbekistan Detsaoy West	Border Uzbekistan/Kazakstan Dzhizak
4175125	8605355	Border Kyrghyzstan/Uzbekistan Osh North	Border Uzbekistan/Kyrghyzstan Karasu
4175505	8605345	Border Kyrghyzstan/Uzbekistan Shamald.	Border Uzbekistan/Kyrghyzstan Uchkurgan
7625095	8605135	Border Tadjikistan/Uzbekistan Ayvadz West	Border Uzbekistan/Tadjikistan Boldyr
7625115	8605075	Border Tadjikistan/Uzbekistan Kanibadam	Border Uzbekistan/Tadjikistan Kokand West
7625135	8605215	Border Tadjikistan/Uzbekistan Chudjand	Border Uzbekistan/Tadjikistan Bekabad
7625145	8605125	Border Tadjikistan/Uzbekistan Dusanbe West	Border Uzbekistan/Tadjikistan Denay
7955235	8605315	Border Turkmenistan/Uzbekistan-A Farab	Border Uzbekistan/Turmenistan Bukhara
7955295	8605395	Border Turkmenistan/Uzbekistan-A Gazachak	Border Uzbekistan/Turmenistan Hazorasp
7955535	8605405	Border Turkmenistan/Uzbekistan-A Dash	Border Uzbekistan/Turmenistan Savot
7955545	8605115	Border Turkmenistan/Uzbekistan-A Kerki East	Border Uzbekistan/Turmenistan Termez
7955555	8605375	Border Turkmenistan/Uzbekistan-A Kerki North	Border Uzbekistan/Turmenistan Karsi South
7955565	8605415	Border Turkmenistan/Uzbekistan-A Boldumsaz	Border Uzbekistan/Turmenistan Tohianos

Table 2 Road border links in the study "Traffic and feasibility studies"

A Node	B Node	A Node Name	B Node Name
8041025	8041020	Border Ukraine/Poland-A Yagodin	Yagodin (border with Poland)
8041035	8041032	Border Ukraine/Slovakia-A Uzghord	b. of Slovakia
8041055	8041050	Border Ukraine/Poland-A Krakovecs	Krakovecs (border with Poland)
8041065	8041060	Border Ukraine/Hungary-A Chop	Chop (border with Hungary)
8041095	8041090	Border Ukraine/Moldova-A Novoselycja	Novoselycja (border with Moldova)
8041125	8041120	Border Ukraine/Romania-A Porubne	Porubne (border with Romania)
8041165	8041160	Border Ukraine/Moldova-A Mohykiv Pobilsky	Border with Moldova - Mohykiv Podil'sky
8041185	8041180	Border Ukraine/Moldova-A Platonove	Platonove (border with Moldova)

8041205	8041200	Border Ukraine/Moldova-A Kuchurhan	Kuchurhan (border with Moldova)
8041245	8041240	Border Ukraine/Belarus-A Gorn.	Chernigov (border with Belarus)
8041255	8041250	Border Ukraine/Russia-A Hloukhiv	Hloukhiv (border with Russia)
8041275	8041270	Border Ukraine/Russia-A Lopan	Lopan (border with Russia)
8041305	8041300	Border Ukraine/Russia-A Kras.	Krasnodon (border with Russia)
8041315	8041310	Border Ukraine/Russia-A M19/E40	M19/E40 (border with Russia)
4981025	4981020	Border Moldova/Ukraine-A Mohyliv Podil'sky	Border with Ukraine - Mohyliv Podil'sky
4981035	4981030	Border Moldova/Ukraine-A Tiraspol	Border with Ukraine - Tiraspol
4981045	4981040	Border Moldova/Ukraine-A Dubasari	Border with Ukraine - Dubasari
4981055	4981050	Border Moldova/Romania-A Leuseni	Border with Romania - Leuseni
4981075	4981070	Border Moldova/Ukraine-A Lipcani	Border with Ukraine - Lipcani
2681005	2681001	Border Georgia/Russia-A Gagra West	Gagra West (b. of Russia)
2681135	2681131	Border Georgia/Turkey-A Sarpi	Sarpi (B. of Turkey)
2681185	2681184	Border Georgia/Russia-A Roki	Roki (border to Russia-secondary)
2681255	2681251	Border Georgia/Armenia-A Nico.	Ninocminda South (b. of Armenia)
2681265	2681260	Border Georgia/Turkey-A Ahalcihe	Ahalcihe South, Ochoshani (b. of Turkey)
2681325	2681321	Border Georgia/Russia-A Pasa.	Pasanauri North (b. of Russia)
2681335	2681332	Border Georgia/Azerbaijan-A Kras.	Rustavi South, Kransni Most (b. of Azerbaijan)
2681355	2681350	Border Georgia/Armenia-A Sada.	Sadakhlo (b. of Armenia)
2681375	2681371	Border Georgia/Azerbaijan-A Lago.	Cnori East, Lagodekhi (b. of Azerbaijan)
2681385	2681380	Border Georgia/Armenia-A Boln.	Bolnisi South, Guguti (b. of Armenia)
9511005	9511002	Border Armenia/Georgia-A Bavra	Bavra (b. of Georgia)
9511025	9511021	Border Armenia/Turkey-A Voskeask	Voskeask (b. of Turkey)
9511075	9511070	Border Armenia/Azerbaijan-A Ararat South	Ararat South, Yeraskh (b. of Azerbaijan)
9511095	9511091	Border Armenia/Azerbaijan-A Ijevan	Ijevan North (b. of Azerbaijan)
9511105	9511100	Border Armenia/Iran-A Megri South	Megri South (b. of Iran)
9511125	9511120	Border Armenia/Azer-Nahi-A Megri West	Megri West (b. of Azerbaijan)
9511135	9511133	Border Armenia/Georgia-A Tasir	Tasir-Gogovan (b. of Georgia)
9511165	9511160	Border Armenia/Georgia-A Bagratashen	Bagratashen (b. of Georgia)
9511175	9511172	Border Armenia/Azer-A Megri East	Megri East (b. of Azerbaijan)
9511205	9511201	Border Armenia/Azerbaijan-A Goris East	Goris East (b. of Azerbaijan)
9511225	9511221	Border Armenia/Azerbaijan-A pass. Bich	pass. Bichanevski South (b. of Azerbaijan)
9311025	9311021	Border Azerbaijan/Georgia-A Kazah West	Kazah West, Qirmizi Korpu (border of Georgia)
9311035	9311030	Border Azerbaijan/Armenia-A Kazah	Kazah (b. of Armenia)
9311195	9311191	Border Azerbaijan/Georgia-A Seki West	Seki West (b. of Georgia-Lagodeki)
9311295	9311291	Border Azerbaijan/Russia-A Samur	Samur (b. of Russia)
9311335	9311330	Border Azerbaijan/Iran Bilyasuvar South	Bilyasuvar
9311375	9311370	Border Azerbaijan/Iran-A Astara	Astara (b. of Iran)
9311475	9311471	Border Azerbaijan/Armenia-A Minjivan	Minjivan South (b. of Armenia)

9311545	9311541	Border Azerbaijan/Armenia-A Lanchin	Lanchin West (b. of Armenia)
9311605	9311601	Border Azer-Nahi/Armenia-A Shahbuz East	Shahbuz East (b. of Armenia)
9311615	9311616	Border Azer-Nahi/Armenia-A Sadarak	Sadarak North (b. of Armenia)
9311617	9311614	Border Azer-Nahi/Turkey A Sadarak West	Sadarak West (b. of Turkey)
9311625	9311621	Border Azer-Nahi/Iran-A Dulfa	Dulfa West (b. of Iran)
9311635	9311631	Border Azer-Nahi/Armenia-A Megri	Ordubad East (b. of Armenia)
9511005	2681255	Border Armenia/Georgia-A Bavra	Border Georgia/Armenia-A Nico.
9511075	9311615	Border Armenia/Azerbaijan-A Ararat South	Border Azer-Nahi/Armenia-A Sadarak
9511095	9311035	Border Armenia/Azerbaijan-A Ijevan	Border Azerbaijan/Armenia-A Kazah
9511125	9311635	Border Armenia/Azer-Nahi-A Megri West	Border Azer-Nahi/Armenia-A Megri
9511135	2681385	Border Armenia/Georgia-A Tasir	Border Georgia/Armenia-A Boln.
9511165	2681355	Border Armenia/Georgia-A Bagratashen	Border Georgia/Armenia-A Sada.
9511175	9311475	Border Armenia/Azer-A Megri East	Border Azerbaijan/Armenia-A Minjivan
9511205	9311545	Border Armenia/Azerbaijan-A Goris East	Border Azerbaijan/Armenia-A Lanchin
9511225	9311605	Border Armenia/Azerbaijan-A pass. Bich	Border Azer-Nahi/Armenia-A Shahbuz East
9311025	2681335	Border Azerbaijan/Georgia-A Kazah West	Border Georgia/Azerbaijan-A Kras.
9311195	2681375	Border Azerbaijan/Georgia-A Seki West	Border Georgia/Azerbaijan-A Lago.
4981025	8041165	Border Moldova/Ukraine-A Mohyliv Podil'sky	Border Ukraine/Moldova-A Mohyiv Pobil'sky
4981035	8041205	Border Moldova/Ukraine-A Tiraspol	Border Ukraine/Moldova-A Kuchurhan
4981045	8041185	Border Moldova/Ukraine-A Dubasari	Border Ukraine/Moldova-A Platonove
4981075	8041095	Border Moldova/Ukraine-A Lipcani	Border Ukraine/Moldova-A Novoselycja
8041250	3981108	Hloukhiv (border with Russia)	Pogodaevo (b. of Russia)
8041250	3981216	Hloukhiv (border with Russia)	Komsomolec North (b of Russia)
8041300	9311291	Krasnodon (b.of Russia)	Samur (b.of Russia)
3981005	3981116	Border Kazakstan/Russia Liek	Liek (b. of Russia)
3981015	3981376	Border Kazakstan/Russia Bulaevo	Bulaevo (b. of Russia)
3981017	3981016	Border Kazakstan/Turkmenistan Fetivo	Fetisovo South (b. with Turkmenistan)
3981025	3981304	Border Kazakstan/Russia Sherbats	Sherbats (b. of Russia)
3981055	3981056	Border Kazakstan/Russia Kotaevka	Kotaevka (b. of Russia)
3981115	3981112	Border Kazakstan/Russia Ozinki	Ozinki (b. of Russia)
3981125	3981128	Border Kazakstan/Russia Zhirenkopa	Zhirenkopa (b. of Russia)
3981135	3981108	Border Kazakstan/Russia Pogodaevo	Pogodaevo (b. of Russia)
3981145	3981136	Border Kazakstan/Uzbekistan M34 East	M34 pass North (b. of Uzbekistan)
3981147	3981140	Border Kazakstan/Uzbekistan M34 West	M34 pass South (b. of Uzbekistan)
3981175	3981172	Border Kazakstan/Russia Alibelasha	Alibelasha (b. of Russia)

3981215	3981216	Border Kazakstan/Russia Komsomolec	Komsomolec North (b. of Russia)
3981295	3981296	Border Kazakstan/Russia Lozovoe	Lozovoe (b. of Russia)
3981305	3981308	Border Kazakstan/Russia Zelenirskaya	Zelenirska (b. of Russia)
3981375	3981372	Border Kazakstan/Russia Mamisutra	Mamisutra (b. of Russia)
3981385	3981388	Border Kazakstan/Russia Veselayarsk	Veselayarsk South (b. of Russia)
3981415	3981412	Border Kazakstan/China Bahty	Bahty (b. of China)
3981435	3981432	Border Kazakstan/China Maikapchigai	Maikapchigai (b. of China)
3981445	3981448	Border Kazakstan/Russia Karagan	Karagan (b. of Russia)
3981455	3981452	Border Kazakstan/Russia Shemonaiha	Shemonaiha (b. of Russia)
3981485	3981480	Border Kazakstan/Kyrgyzstan Georgievka	Georgievka (b. of Kyrgyzstan)
3981505	3981504	Border Kazakstan/Kyrgyzstan Kegen South	Kegen South, Kazak (B. of Kyrgyzstan)
3981525	3981520	Border Kazakstan/China Horgos	Horgos (b. of China)
3981555	3981556	Border Kazakstan/Kyrgyzstan Merke East	Merke East (b. of Kyrgyzstan)
3981565	3981568	Border Kazakstan/Kyrgyzstan Taraz South	Taraz South (b. of Kyrgyzstan)
3981575	3981576	Border Kazakstan/Uzbekistan Shymkent	Shymkent South (b. of Uzbekistan)
7951015	7951012	Border Turkmenistan/Kazakstan Bekdash North	Bekdash North (b. of Kazakhstan)
7951075	7951073	Border Turkmenistan/Iran Gidriolum	Gidriolum (b. of Iran)
7951105	7951101	Border Turkmenistan/Iran Ashgabat- Gaudan	Gaudan (b. of Iran)
7951135	7951132	Border Turkmenistan/Iran Serahs	Serahs West (b. of Iran)
7951195	7955191	Border Turkmenistan/Afganistan Kushka	Kushka South (b. of Afganistan)
7951215	7951212	Border Turkmenistan/Uzbekistan Kerki North	Kerki North, Talimardzan (b. of Uzbekistan)
7951225	7951220	Border Turkmenistan/Uzbekistan Kerki East	Kerki East (b. of Uzbekistan)
7951235	7951231	Border Turkmenistan/Uzbekistan Charzew-Farab	Farab (b. of Uzbekistan)
7951295	7951290	Border Turkmenistan/Uzbekistan Gaz-Achak	Gaz-Achak (b. of Uzbekistan)
7951315	7951310	Border Turkmenistan/Uzbekistan Tashauz	Tashauz (b. of Uzbekistan)
7951335	7951330	Border Turkmenistan/Uzbekistan Kunya	Kunya-Urgench (b. of Uzbekistan)
8601015	8601011	Border Uzbekistan/Kazakstan Tashkent North	Tashkent North (b. of Kazakhstan)
8601065	8601061	Border Uzbekistan/Tadjikistan Kokand West	Kokand West (b. of Tadjikistan)
8601115	8601111	Border Uzbekistan/Kyrgyzstan Savay	Savay (b. of Kyrgyzstan)
8601225	8601222	Border Uzbekistan/Tadjikistan Bekabad	Bekabad (b. of Tadjikistan)
8601235	8601232	Border Uzbekistan/Kazakstan Sidar'y West	Sirdar'y West (b. of Kazakhstan)
8601245	8601244	Border Uzbekistan/Kazakstan Djizak	Djizak North (b. of Kazakhstan)
8601265	8601261	Border Uzbekistan/Tadjikistan	Havast (b. of Tadjikistan))

		Havast	
8601325	8601324	Border Uzbekistan/Turkmenistan Karsi South	Karsi South. Talimardizan (b. of Turkmenistan)
8601365	8601361	Border Uzbekistan/Turkmenistan Termez West	Termez West (b. of Turkmenistan)
8601385	8601380	Border Uzbekistan/Afganistan Termez South	Termez South (b. of Afganistan)
8601415	8601411	Border Uzbekistan/Tadjikistan Sanasi	Sanasi (b. of Tadjikistan)
8601645	8601640	Border Uzbekistan/Turkmenistan Alat	Alat (b. of Turkmenistan)
8601695	8601691	Border Uzbekistan/Turkmenistan Hodjeili	Hodjeili South (b. of Turkmenistan)
8601715	8601710	Border Uzbekistan/Turkmenistan Hazorasp	Hazorasp (b. of Turkmenistan)
8601735	8601730	Border Uzbekistan/Turkmenistan Tashauz	TO Tashauz in Turkmenistan
8601745	8601740	Border Uzbekistan/Turkmenistan Mangit South	Mangit South (b. of Turkmenistan)
7621025	7621026	Border Tadjikistan/Uzbekistan Kurkak	Kurkak North (b. of Uzbekistan)
7621236	7621234	Border Tadjikistan/China Kulma Pass	Murgab-Kulma Pass (b. of China)
7621035	7621030	Border Tadjikistan/Uzbekistan Kaibadam East	Kanibadam East (b. of Uzbekistan)
7621055	7621050	Border Tadjikistan/Uzbekistan Ura Tube	Ura-Tube North (b. of Uzbekistan)
7621065	7621068	Border Tadjikistan/Afganistan Aivadj	Aivadj (b. of Afganistan)
7621075	7621071	Border Tadjikistan/Uzbekistan Tusa Daye	Tusa Daye (b. of Uzbekistan)
7621155	7621150	Border Tadjikistan/Kyrgyzstan Dzirgatal	Dzirgatal East (b. of Kyrgyzstan)
7621235	7621231	Border Tadjikistan/Kyrgyzstan Murgab	Murgab North, Kyzyl Art (b. of Kyrgyzstan)
4171015	4171011	Border Kyrgyzstan/Kazakstan Bishkek	Bishkek North (b. of Kazakhstan)
4171025	4171023	Border Kyrgyzstan/Kazakstan Chaldovar	Chaldovar (b. of Kazakhstan)
4171035	4171030	Border Kyrgyzstan/Kazakstan pass. Teo-Ashuu	pass. Teo-Ashuu
4171115	4171110	Border Kyrgyzstan/Uzbekistan Osh North	Osh North (b. of Uzbekistan)
4171145	4171141	Border Kyrgyzstan/China Irkeshtam	Irkeshtam (b. of China)
4171155	4171150	Border Kyrgyzstan/Tadjikistan Sari-Tash West Karamk	Sari-Tash West, Karamyk (b. of Tadjikistan)
4171165	4171160	Border Kyrgyzstan/Tadjikistan Bordebe	Bordebe South (B. of Tadjikistan)
4171275	4171271	Border Kyrgyzstan/Kazakstan Ken-Suu East	Ken-Suu East (b. of Kazakhstan)
4171305	4171300	Border Kyrgyzstan/China Torugart	Torugart (b. of China)
3981017	7951015	Border Kazakstan/Turkmenistan Fetivo	Border Turkmenistan/Kazakstan Bekdash North
3981145	8601235	Border Kazakstan/Uzbekistan M34 East	Border Uzbekistan/Kazakstan Sidar'y West
3981147	8601245	Border Kazakstan/Uzbekistan M34 West	Border Uzbekistan/Kazakstan Djizak
3981485	4171015	Border Kazakstan/Kyrgyzstan Georgievka	Border Kyrgyzstan/Kazakstan Bishkek

3981505	4171275	Border Kazakstan/Kyrgyzstan Kegen South	Border Kyrgyzstan/Kazakstan Ken-Suu East
3981555	4171025	Border Kazakstan/Kyrgyzstan Merke East	Border Kyrgyzstan/Kazakstan Chaldovar
3981565	4171035	Border Kazakstan/Kyrgyzstan Taraz South	Border Kyrgyzstan/Kazakstan pass. Teo-Ashuu
3981575	8601015	Border Kazakstan/Uzbekistan Shymkent	Border Uzbekistan/Kazakstan Tashkent North
4171115	8601115	Border Kyrgyzstan/Uzbekistan Osh North	Border Uzbekistan/Kyrgyzstan Savay
4171155	7621155	Border Kyrgyzstan/Tadjikistan Sari-Tash West Karamk	Border Tadjikistan/Kyrgyzstan Dzirgatal
4171165	7621235	Border Kyrgyzstan/Tadjikistan Bordebe	Border Tadjikistan/Kyrgyzstan Murgab
7621025	8601225	Border Tadjikistan/Uzbekistan Kurkak	Border Uzbekistan/Tadjikistan Bekabad
7621035	8601065	Border Tadjikistan/Uzbekistan Kaibadam East	Border Uzbekistan/Tadjikistan Kokand West
7621055	8601265	Border Tadjikistan/Uzbekistan Ura Tube	Border Uzbekistan/Tadjikistan Havast
7621075	8601415	Border Tadjikistan/Uzbekistan Tusa Daye	Border Uzbekistan/Tadjikistan Sanasi
7951215	8601325	Border Turkmenistan/Uzbekistan Kerki North	Border Uzbekistan/Turkmenistan Karsi South
7951225	8601365	Border Turkmenistan/Uzbekistan Kerki East	Border Uzbekistan/Turkmenistan Termez West
7951235	8601645	Border Turkmenistan/Uzbekistan Charzew-Farab	Border Uzbekistan/Turkmenistan Alat
7951295	8601715	Border Turkmenistan/Uzbekistan Gaz-Achak	Border Uzbekistan/Turkmenistan Hazorasp
7951315	8601735	Border Turkmenistan/Uzbekistan Tashauz	Border Uzbekistan/Turkmenistan Tashauz
7951315	8601745	Border Turkmenistan/Uzbekistan Tashauz	Border Uzbekistan/Turkmenistan Mangit South
7951335	8601695	Border Turkmenistan/Uzbekistan Kunya	Border Uzbekistan/Turkmenistan Hodjeili

MODERN BORDER PROCEDURES – DISCUSSION PAPERS

International conventions

This document will present and discuss a number of the most relevant international agreements related to border crossing. The past TRACECA-projects have already made a lot of efforts to stress the importance of adherence to international conventions by the TRACECA-countries. Many times this task was very successfully accomplished. The best illustration of this is the TIR Convention 1975, of which agreement now all TRACECA-countries are contracting parties. Sometimes countries were maybe even too fast with the accession to a convention. This is for instance the case with the AETR Agreement, which stipulates a lot of practical issues regarding road transport that are not very easy to implement.

As a starting point for introduction to international conventions with transport and trade facilitating effects, former TRACECA-projects rightly laid the emphasis on conventions from one particular source: the United Nations Economic Commission (UN/ECE). However, and especially regarding border crossing this approach is too limited and should include and prioritise conventions from another source: the World Customs Organisation (WCO). Additionally, this chapter will pay attention to a convention from the International Maritime Organisation (IMO) and one of the United Nations (UN).

Because the majority of Conventions have their parentage in Europe, the view has sometimes been expressed that the conventions are too complex or their requirements are too stringent for application in non-European countries. On closer inspection and reading of many of the agreements will demonstrate, however, that this is not the case. For some of the conventions, the countries of Asia already have domestic legal provisions, which are close to those of the conventions. For example, two of the early agreements in Europe were the Convention on Road Traffic, 1949 and Protocol on Road Signs and Signals, 1949. Many countries in Asia, under former regimes, acceded to these agreements or have established domestic rules and regulations, which are very similar to those, provided for in the agreements. Consequently, there are relatively small changes required in domestic legislation to meet the requirements of acceding to the 1968 revisions of these agreements.

The “complexity” of some of the Conventions, which address similar issues, is in fact considerably reduced because the principles upon which they are based are similar. This applies for example to the Customs Convention on the Temporary Importation of Commercial Road Vehicles, 1956, the Customs Convention on Containers, 1972, and the TIR Convention, 1975. The “Green Card” system for the insurance of road vehicles also has similarities to the TIR Convention.

For some other agreements, the content matter is in the form of a statement or commitment of political intent of governments to take joint action on particular issues. For example, the International Convention on the Harmonisation of Frontier Control of Goods, 1982 uses such wordings as “The Contracting Parties shall undertake, to the extent possible, to organise in a harmonised manner” or “the Contracting Parties shall see to it that, as far as possible, and within the framework of national law”. In these cases the general policy direction is stated, with the details being left to be agreed on a bilateral or multilateral basis.

For some conventions this flexibility is not present, the reason being that there are legitimate interests, with little, if any, scope for compromise, that need to be clearly protected. The TIR Convention, 1975, which provides for unhindered transit of vehicles and containers without routine inspection of goods carried, is one such example. Inter alia, Customs are charged with the responsibility of ensuring that goods that enter the country in transit also leave the country. If the goods do not leave, then Customs are further charged with collecting the relevant duties.

Another concern with respect to international conventions is that it would be expensive to implement their provisions. For example, accession to the Convention on Road Signs and Signals, 1968 will require that signs with different meanings from that assigned to them in the Convention are replaced not later than four years, and signs which do not conform to the system prescribed in the Convention are replaced within fifteen years from the date of entry into force of the Convention. Consequently, there is considerable latitude in the time horizon over which costs are spread to comply with the provisions of the Convention.

A further concern that is sometimes expressed is that the country will suddenly be flooded with fleets of foreign trucks the moment the Conventions are acceded to. This is not the case. All that the Conventions do is to establish the environment for the efficient movement of vehicles, crews and goods in international transport. Each country maintains the sovereign right to determine the terms and conditions under which foreign vehicles enter the country.

In spite of the above-mentioned inherent advantages of accession to international conventions, there still remains, in some quarters, a view that the subject matter of the conventions can be dealt with in bilateral agreements or multilateral agreements (which include more than two countries but are not international).

As indicated above, there are some areas where the Conventions describe general principles and leave the details to be worked-out between countries on a bilateral or multilateral basis. There are also a number of issues, which are not addressed in international conventions because they are issues concerning the sovereign rights of countries or international agreement has been difficult to achieve, for example, road traffic rights, harmonisation of road traffic permits, and weights and dimensions of vehicles as well as the issuance of visas to drivers and crews.

In the case where countries are considering the bilateral or sub regional path to reaching agreements it must be remembered that the same issues need to be addressed. Consequently, the tendency is to reproduce large excerpts of texts from the international conventions. Apart from the unnecessary duplication of these existing legal instruments, the practice can act as a source of legal and technical confusion between countries where only parts of conventions are incorporated in these agreements or where the conventions from which they were derived are amended. In the case of customs matters however, bilateral agreements are common and regarded as useful.

In some cases, the development of bilateral or multilateral agreements is viewed as the first step in a process of eventual accession to international conventions. The fact that countries are thinking along these lines is particularly encouraging. However, similar considerations to those mentioned above must be borne in mind. That is, changes in rules and regulations impose costs on countries in terms of retraining personnel, both government officials and the private sector.

Apart from issues relating to financial constraints, it is important to recognise that the implementation of international conventions cannot be achieved in the absence of effective institutional and managerial support systems at both the public and private sector levels. Government responsibility is critical in three main areas:

- ensuring that the legislative action needed to translate the various conventions and agreements into domestic law, if required, is secured;
- that the judicial system has adequate capacity to administer the laws of the land, including those introduced through international conventions, and regional and bilateral agreements; and
- public control agents, such as customs, border control police and the various licensing authorities, are well trained.

The complexity and multilateral nature of international transport services also demand an effective private sector. The complexity and multilateral nature of transit operations require a new breed of transit transport operators vested with adequate financial and managerial capacity. Individual transport companies require support, not only from their national associations, but also from associated professional bodies, notably banking, insurance, freight forwarder and customs broker services. Such professional bodies and associations, where established, must be strengthened since efficient international services would not be possible without them.

International Conventions Introduction and Explanation

This section will introduce and explain 21 conventions related to border crossing. The respective numbers and abbreviations correspond with the status table at the end of this section.

1. Convention on the Harmonised Commodity Description and Coding System, entered into force 1 January 1988 (Harmonised System)
2. Customs Convention on the ATA carnet for the temporary admission of, entered in to force 30 July 1963 goods (ATA Convention)
3. Customs Convention on the temporary importation of professional equipment, entered into force 1 July 1962 (PROF.EQUIP)
4. Customs Convention concerning facilities for the importation of goods for display or use at exhibitions, fairs, meetings or similar events, entered into force 13 July 1962 (EXHIB.FAIRS)
5. Customs Convention on the temporary importation of scientific equipment - entered into force 5 September 1969 (SCIENT.EQUIP.)
6. Customs Convention on the temporary importation of pedagogic material, entered into force 10 September 1971 (PEDAG.MAT.)
7. Customs Convention concerning welfare material for seafarers - entered into force 11 December 1965 (SEAFARERS)
8. International Convention on the simplification and harmonisation of Customs procedures (Kyoto Convention), entered into force 25 September 1974 (KYOTO)
9. International Convention on the simplification and harmonisation of Customs procedures (Kyoto Convention, as amended) (KYOTO AMENDED)
10. International Convention on mutual administrative assistance for the prevention, investigation and repression of Customs offences (Nairobi Convention), entered into force 21 May 1980 (NAIROBI)

11. Convention on Temporary Admission (Istanbul Convention), entered into force 27 November 1993 (ISTANBUL)
12. UN/ECE Convention on Road Traffic 1968
13. UN/ECE Convention on Road Signs and Signals 1968
14. UN/ECE Convention on the Contract for the International Carriage of Goods by Road (CMR) 1956
15. UN/ECE Customs Convention on the International Transport of Goods under Cover of TIR Carnets 1975
16. UN/ECE Customs Convention on the temporary Importation of Commercial Road Vehicles, 1956
17. UN/ECE Customs Convention on Containers, 1972
18. UN/ECE Convention on Customs Treatment of Pool Containers Used in International Transport 1994
19. UN/ECE Convention on the Harmonisation of Frontier Control of Goods, 1982
20. United Nations Convention on the Law of the Sea (UNCLOS)
21. IMO Facilitation Convention 1965

1. Convention on the Harmonised Commodity Description and Coding System, entered into force 1 January 1988 (Harmonised System)

The Harmonised System's main application is for the classification of goods for Customs tariffs and for the collection of trade statistics. It is also widely used for the rules of origin and for all kinds of transactions in international trade (transport, insurance, trade monitoring of controlled goods, etc.). The WTO schedules of almost all Members are based on the Harmonised System, which means that more than 95% of world trade is covered by the Harmonised System. The Harmonised System groups product items in 96 Chapters, 1,241 headings and more than 5000 subheadings. It provides a legal and logical structure, supported by well-defined rules, to secure uniform classification. In order to keep the Harmonised System up to date and to take into account changes in technology and the development of new products, the Convention provides for periodic amendments.

2. Customs Convention on the ATA carnet for the temporary admission of, entered in to force 30 July 1963 goods (ATA Convention)

This is a convention, which is of almost the same importance as the TIR Convention. That is already introduced in all TRACECA countries. Since this is not well known, some more detailed information than for the other conventions are given here:

The ATA procedures mean to facilitate the procedures at the border for a specific reason, insofar different from the TIR procedure and its goals. The ATA is a system, which allows the free movement of goods across frontiers and their temporary admission into a Customs territory with relief from duties and taxes. The permits for all goods are covered by subject to other temporary admission conventions (scientific equipment, pedagogic material, professional equipment, packing, goods for display at exhibitions, samples), under cover of a single document known as the ATA carnet that is secured by an international guarantee system.

The term "ATA" is a combination of the initial letters of the French words "Admission temporaire" and the English words "Temporary Admission".

Thanks to this system, the international business community enjoys considerable simplification of Customs formalities, particularly regarding the security to be furnished for the temporary admission of goods. In this case, no import duties or taxes is are collected

for the temporary importation of goods covered by the system since , given that internationally valid security has been constituted established by the national associations issuing the ATA carnets. These national associations are so approved by Customs and are affiliated to an international guaranteeing chain administered by the International Bureau of Chambers of Commerce (IBCC).

The ATA carnet is now the document most widely used by the business community for international operations involving temporary admission of goods.

Required measures

Formal letter of accession to the WCO

Establishing of a system of guarantees, becoming a part of the international guaranty chain of the IBCC

The ATA carnet system (ATA Convention and Istanbul Convention) is beneficial to all parties, traders and travellers as well as namely business and industrial circles, natural or legal persons and the Customs.

It is worth highlighting the following main benefits of the system for the business community:

The ATA carnet replaces national Customs formalities for temporary admission or transit, thus saving costs in; the latter increases the cost of clearing goods at each frontier.

Any duties and taxes that may come due are guaranteed merely by the presentation of the carnet and its acceptance taking into charge by Customs offices. There is therefore no need to furnish a cash deposit or other forms of security.

The ATA carnet covers the transport of goods in Customs transit while en route to or returning from a country of temporary importation and, where applicable, within that country.

For the period of validity of the ATA carnet (normally one year), the goods can be temporarily imported under cover of the same carnet in the Customs territories of as many Contracting Parties, and as often, as the carnet holder wishes.

The seals affixed or the identification of the goods by a Customs office of a Contracting Party can be recognised by the Customs offices of other Contracting Parties where through which the goods subsequently pass. This facilitates Customs controls and saves the carnet holder time when the goods cross borders.

The practical advantages of this system are reflected in the increasing number of Contracting Parties.

3. Customs Convention on the temporary importation of professional equipment, entered into force 1 July 1962 (PROF.EQUIP)

4. Customs Convention concerning facilities for the importation of goods for display or use at exhibitions, fairs, meetings or similar events, entered into force 13 July 1962 (EXHIB.FAIRS)

5. Customs Convention on the temporary importation of scientific equipment - entered into force 5 September 1969 (SCIENT.EQUIP.)

6. Customs Convention on the temporary importation of pedagogic material, entered into force 10 September 1971 (PEDAG.MAT.)

These four Conventions complement the ATA Convention and should be accepted at the time; if the material mentioned herein is imported. The conditions would be identical as for the ATA Convention.

7. Customs Convention concerning welfare material for seafarers - entered into force 11 December 1965 (SEAFARERS)

This Convention applies to the importation into the territory of a Contracting Party of welfare material for the use of seafarers on foreign ships engaged in international maritime traffic. The term "welfare material" means material for the pursuit of cultural, educational, recreational, religious or sporting activities by seafarers and shall include reading material, audio-visual material, sports gear, hobby material and equipment for religious activities (including vestments), as set out in the list, which is not exhaustive, in the Annex to the present Convention.

8. International Convention on the simplification and harmonisation of Customs procedures (Kyoto Convention), entered into force 25 September 1974 (KYOTO);

9. International Convention on the simplification and harmonisation of Customs procedures (Kyoto Convention, as amended) (KYOTO AMENDED)

These two Conventions have the same goals:

They constitute a model for Administrations according to which they should aim and if they are applied demonstrate, that this administration has done everything necessary to serve its country, its people and international commerce in achieving the tasks of a modern customs Administration.

The two conventions contain all modern Customs procedures, not all of which are applied by every Customs Administration. Before the Convention of 1974 these procedures were found in separate Recommendations on many subject matters. In order to create some kind of codex on the international level they were then put into one legal instrument, which has now 61 contracting parties world-wide. Since it was the first time that this was done on the international level some of the instruments were vague and not according to the latest technical standards even at the time of its creation.

When many Administrations had reached that level, it was decided to create an updated instrument in the form of a protocol of amendment, which would replace the existing convention, when it enters into force, and then present the most modern and innovative procedures. This is now realised in the Revised Version, which has seven signatories for the time being.

A country can become a contracting party by accepting the body and at least one of its annexes.

As far as the convention of 1974 allow to file reservations, when acceding to the convention, if not all items in one annex had yet been fully realised within one administration, this possibility does not exist any more for the Revised Version. The new version also requests, that all secondary and administrative acts are in full accordance with the standards, as far as the 1974 version had left open t this question.

The Text of the 1974 convention consists of a body and several annexes for the different procedures. The protocol comprises a Body, a General Annex and Specific annexes (with standards and Recommended Practices), which could be accepted separately, and guidelines, which are not binding and explain, how to apply the annexes in detail.

The 1974 convention is still open for accession as long as the new version has not entered into force.

Required measures

Taking into consideration the existing legal situation on the international level (the convention of 1974 is still in force and the new version with the amendment to it - being therefore a new Convention - is not yet in force), it is recommended that TRACECA countries immediately:

become a contracting parties to the 1974 Convention and its Annex on Transit.

10. International Convention on mutual administrative assistance for the prevention, investigation and repression of Customs offences (Nairobi Convention), entered into force 21 May 1980 (NAIROBI)

This Convention serves as the legal basis for exchanging information, visits and experiences and has several annexes, which deal with different matters of customs work. These annexes can be separately accepted. The most commonly accepted up till now is Annex X, which deals with the fight against drugs and psychotropic substances. To become a contracting party to this convention would also apart from the internal consequences, mean to show the world, that K. is actively involved in combating the illicit traffic of drugs. As a transit country is in the particular danger, that it would help the international transit of drugs, when it facilitates the crossing of its borders.

Since facilitation and compliance, that is the enforcement of the laws, are always two sides of the same medal, compliance will never be forgotten by Customs, when facilitation is employed.

11. Convention on Temporary Admission (Istanbul Convention), entered into force 27 November 1993 (ISTANBUL)

This Convention replaces the Temporary conventions mentioned above, so that only one instrument of accession is needed. It contains all possible kinds of temporary admission in separate annexes for a better organisation of the tasks and has already many Contracting Parties, among them Russia and Tajikistan.

To sum up the situation between 1950 and 1970, the WCO Customs Cooperation Council noted a proliferation in the number of international Conventions, Recommendations, Agreements and other instruments on temporary admission, creating confusion posing problems for the international business community and complicating the work of Customs. In the 1980's the WCO, decided to take action to improve the situation. This was the impetus for the drafting of a world-wide Convention on temporary admission to combine, into a single international instrument, 13 all existing temporary admission facilities agreements.

The Customs Cooperation Council therefore drafted the Convention on Temporary Admission, which was adopted in Istanbul in 1990; and thus became known as the "Istanbul Convention".

The objectives and principles of this Convention are to devise a single instrument for the simplification and harmonisation of temporary admission formalities, replacing all the existing Conventions or Recommendations dealing solely or principally with temporary admission. The subjects covered by the former Conventions are now covered by the Annexes to the Istanbul Convention. Economic prohibitions or restrictions at importation do not apply given that they generally only relate to goods cleared for home use, serving as a protection measure.

Each Annex authorises the temporary admission of goods imported for a specific purpose, e.g. Annex B.1. covers goods for display or use at fairs or exhibitions.

Goods imported duty-free cannot remain indefinitely in the country of temporary importation. The period fixed for re-exportation is laid down in each Annex.

The goods must be re-exported in the same state. They must not undergo any change during their stay in the country of temporary importation, except normal depreciation due to the use made of them.

Economic prohibitions or restrictions at importation are not applied since they generally relate to goods cleared for home use, thus serving as a national protection measure.

This Convention is in two parts : a Body containing the basic principles of the Convention and a set of Annexes (currently 13), each providing temporary admission facilities for a specified category of goods.

Required measures

The accession would be done in a letter to the WCO/CCC by choosing the different annexes to adhere to.

Final Comments on ATA, Temporary and Istanbul Conventions

For a country that is already a Contracting party to the TIR Convention it is relatively easy to become a Contracting party to the ATA, the Pedagogic Material and the fairs convention, which could be immediately used and would be of immediate benefit to the trade of the country. It might be a little more complicated and take longer to become a Contracting party to the Istanbul Convention, which is more ambitious and contains the procedures for all possibilities of temporary admission formerly organised in the mentioned different Conventions. Thus, it is therefor recommended to become a Contracting Party of the Istanbul Convention, and no more to the ATA, the Pedagogic Material Conventions etc. This approach is in agreement with the official opinion of the WCO.

12. UN/ECE Convention on Road Traffic 1968

The objective of this Convention is to facilitate international road traffic and to increase road safety through the adoption of uniform traffic rules. The Convention sets out international standards concerning vehicles and vehicle use. It provides for reciprocity of treatment of vehicles entering the territories of contracting parties. As such it greatly facilitates the movement of vehicles internationally

Responsibility of the Government

acceptance of the Convention in accordance with national legal procedures and modification of national laws, regulations and administrative instructions in line with the provisions of the Convention

deposit of an instrument of accession at the Legal Office of the United Nations

ensure that the national rules of the road conform in substances to the provisions of chapter II of the Convention

ensure that technical requirements of motor vehicles and trailers conform to the provisions of Annex 5 of the Convention

provide for the admission into its country in international traffic motor vehicles and trailers which fulfil the conditions stipulated in chapter III of the Convention

provide for the admission into its country in international traffic drivers which fulfil the conditions provided for in chapter IV of the Convention

13. UN/ECE Convention on Road Signs and Signals 1968

The objective of this Convention is to facilitate international road traffic and to increase road safety by keeping uniformity of road signs, signals and symbols and of road markings.

Responsibility of the Government:

acceptance of the Convention in accordance with national legal procedures and modification of national laws, regulations and administrative instructions in line with the provisions of the Convention

deposit of an instrument of accession at the Legal Office of the United Nations

undertake to adopt the system of road signs, signals and symbols and road markings described in the Convention, subject to the time limits specified (4 or 15 years)

14. UN/ECE Convention on the Contract for the International Carriage of Goods by Road (CMR) 1956

The objective of this convention is to establish standardisation of the conditions governing the contract for the international carriage of goods by road, particularly with respect to the documents used for such carriage and to the carrier's liability.

Responsibility of the Government

acceptance of the Convention in accordance with national legal procedures and modification of national laws, regulations and administrative instructions in line with the provisions of the Convention

deposit of an instrument of accession at the Legal Office of the United Nations

Responsibility of the transport operator

The road carrier is responsible between the time when he takes over the goods and the time of delivery. The carrier is liable for loss of damage and delay unless he proves that exemption can be applied or that the loss arose through circumstances, which the carrier could not avoid and the consequences of which he was unable to prevent.

Compensation payable for loss or damage is limited to 8.33 SDR (special drawing rights) per kilo, and for delay it is limited to the amount of the carriage charges.

The road carrier remains responsible even if part of the transport has been subcontracted to another road carrier and CMR continues to apply if a road vehicle is carried for part of the transit by railways or ship, making it particularly appropriate for the TRACECA corridor.

15. UN/ECE Customs Convention on the International Transport of Goods under Cover of TIR Carnets 1975

The good news about this convention is that all TRACECA countries are now contracting parties to it.

The main purpose of this convention is to facilitate the international carriage of goods by road vehicles with the minimum of interference by Customs en route by simplifying and harmonising administrative formalities in the field of international transport. It provides that goods shall be carried in containers or in vehicles whose load compartment is thus constructed that there shall be no access to the interior when secured by the customs seal.

16. UN/ECE Customs Convention on the temporary Importation of Commercial Road Vehicles, 1956

This convention introduces the carnet de passage, which allows vehicles and trailers to be temporarily imported without paying customs duties when engaged in international transport operations. The Convention does not have much meaning anymore in Europe, but can still have a facilitating effect in much of the TRACECA-countries, especially in Central Asia.

Responsibility of the Government

acceptance of the Convention according to national legal procedures and modification of national legislation in line with provisions of the Convention
deposit of an instrument of accession at the Legal Office of the United Nations in New York. (depository, article 33 of the Convention)
authorisation of a national guaranteeing association (article 7 of the Contract) and conclusion of a contract (agreement) of commitment between the Customs authorities and the association(s).
training of customs officials in the operation of the temporary importation procedures.

Responsibility of the Operator Association

establishment of a national guaranteeing association
conclusion of contract with the carrier(s)
conclusion of a contract of commitment with the International Touring Alliance (AIT) and/or the International Automobile Federation (FIA), which are managing the only existing international guarantee chain
distribution of carnets de passage to approved transport operators.

Responsibility of the transport operator (holder of the carnet de passage)

appropriate use of the duly filled in and stamped carnet de passage in line with the provisions of the Convention
compliance with the time frame provided for in the temporary importation papers
upon re-exportation of the vehicle, obtain the necessary exit (visa) stamp from the authorised Customs office of departure at the border:

17. UN/ECE Customs Convention on Containers, 1972

This Convention facilitates the international transport of containers. If the rules are respected, no Customs documents and no security or guarantee is necessary. The most important rules concern the complete record of container movements, indication of an individual, unique number on the container and its sealing.

The temporary importation facilities for containers allow the importation of containers into a country without payment or the deposit of duties and taxes and, in principle, without the production of customs documents. The convention also provides for the possibility to use temporarily imported containers at least once for internal traffic before re-exportation. Thus, container transport operators not only can avoid the deposit of large sums of security upon importation and avoid delays in border crossing procedures, but can also react in a flexible manner to emerging transport needs.

Customs authorities can avoid the organisation of national documentary systems, if they so wish, and the administration of national guarantee systems. However, Customs authorities retain the right, under certain circumstances, to require the furnishing of a form of security and/or the production of Customs documents. In case control measures are to be carried out, customs authorities can request to check the records kept by container operators or their representatives in the country as regards all container movements. Thus, the convention provides customs authorities with a flexible instrument to reduce administrative work while at the same time, safeguarding customs control.

Requirements and obligations under the convention

The convention requires that containers admitted temporarily into the territory of one of the contracting parties must be re-exported within 3 months – this period can be extended - and in an unaltered state and cannot be substituted by another or similar container.

The convention also imposes restrictions as to the use of temporarily imported containers in internal traffic. It is required that the journey in a country of temporary importation shall bring the container by a reasonable direct route to, or nearer to, the place where export cargo is to be loaded or from where the container is to be exported empty. It is also required that the container is used only once in internal traffic before being re-exported.

Responsibility of the Government

acceptance of the Convention according to national legal procedures and modification of national legislation in line with provisions of the Convention
deposit of an instrument of accession at the Legal Office of the United Nations in New York (depository) as per Article 18 of the Convention
training of customs officials in the operation of the temporary importation procedures

Responsibility of the transport operator

containers need to be marked in line with Annex 1 of the Convention
compliance with the time frame for temporary importation, as per Article 4 of the Convention
compliance with imposed restrictions as to use in internal traffic, as per Article 9 and Annex 3 of the convention
keeping detailed records, if requested, of the movements of each individual container in the country of temporary importation and establishing a national representative, as per Article 7 and Annex 2 of the Convention.

18. UN/ECE Convention on Customs Treatment of Pool Containers Used in International Transport 1994

The objective of this convention is the further facilitation of the use of containers in international trade and transport. Its main goal is to prevent that not the same containers, which have been previously imported or exported, have to be exported or imported again. This can only be possible on the condition that these containers are of the same type and if they belong to a pool. Particularly the international movement of empty containers is then reduced, since others than those, who have imported or exported them, also can use them.

The Convention applies to an exchange between Contracting Parties of containers for use as part of a Pool whose members are established in the territory of those Contracting Parties. "Pool member" means the operator of containers who is a party to the agreement setting up the Pool;

Responsibility of the Government

acceptance of the Convention according to national legal procedures and modification of national legislation in line with provisions of the Convention
deposit of an instrument of accession at the Legal Office of the United Nations in New York (article 14)
grant admission to containers as mentioned above, without payment of import duties and taxes, free of import prohibitions or restrictions of an economic character, without limitations as to use in internal traffic and without requiring, on their importation and exportation, Customs documents and security, provided that the following conditions are complied with:

- containers have been previously exported or will be subsequently re-exported, or that an equal number of containers of the same type have been previously exported or will subsequently be re-exported;
- under the agreement setting up the Pool, the Pool members:
 - exchange among themselves containers in the course of international transport of goods;
 - keep records, for each type of container, showing the movement of containers so exchanged;
 - undertake to deliver to one another the number of containers of each type necessary to offset, over periods of 12 months, the outstanding balances of the accounts so kept, so as to ensure a balance for each Pool member between the number of containers of each type which he has placed at the disposal of the Pool and the number of Pool containers of these same types at his disposal in the territory of the Contracting Party in which he is established. The competent Customs authorities of that Contracting Party may extend the period of 12 months.
 - communicate to other Contracting Parties, on demand and in so far as their laws permit, the information required to implement the provisions of this Convention.
 - decide whether containers placed at the disposal of the Pool by any Pool member established in its territory shall meet the conditions contained in its legislation concerning admission and unrestricted use in internal traffic on its territory.

With this Convention, containers are no longer more considered being merchandises in international trade, a further step after those taken by the Container Convention of 1972. In former times it was considered to be dangerous, that foreign containers, not produced within the country, would replace internal production. Nowadays it seems more important and better for the internal economy, to make best use of the existing number of containers as means of transport

19. UN/ECE Convention on the Harmonisation of Frontier Control of Goods, 1982

The purpose of this Convention is to facilitate the international movement of goods by reducing the requirements for completing formalities as well as reducing the number and duration of controls, in particular through national and international co-ordination of control procedures and of their methods of application.

Responsibility of the Government

acceptance of the Convention according to national legal procedures and modification of national legislation in line with provisions of the Convention

deposit of an instrument of accession at the Legal Office of the United Nations in New York (depository) as per Article 16 of the Convention

- training of officials at border stations to streamline import, export and transit procedures
- establishment of co-ordinated procedures, at the national and international level, covering all relevant border control authorities (Customs, veterinary, Phytosanitary, etc controls) (articles 4,6 and 7 of Convention)
- provision of adequate recourses at border stations (article 5 of Convention), which means that they have to be they are provided with:
 - qualified personnel in sufficient numbers consistent with traffic requirements;
 - equipment and facilities suitable for inspection, taking into account the mode of transport, the goods to be checked and traffic requirements;
 - official instructions to officers for acting in accordance with international agreements and arrangements and with current national provisions.

- provision of relevant information to other Contracting Parties necessary for the application of the Conventions under the conditions specified in the annexes (article 8 of Convention)
- provision of simple and speedy treatment of goods in transit, especially when carried in containers
- cooperation with adjacent countries to facilitate the passage of the goods, and in particular:
 - endeavour to arrange for the joint control of goods and documents, through the provision of shared facilities;
 - endeavour to ensure that the following correspond:
 - opening hours of frontier posts,
 - the control services operating there,
 - the categories of goods,
 - the modes of transport, and
 - the international Customs transit procedures accepted or in use there.

20. United Nations Convention on the Law of the Sea (UNCLOS)

This is the largest existing convention (without annexes). Its objective is to settle the core of maritime issues and introduced the concept of the Exclusive Economic Zone (EEZ). On the first look, this Convention seems not very interesting to all member states of TRACECA, as the United Nations regards some of them as Landlocked Countries. Part X of this Convention however, stipulates similar rules as the New York Convention on the right of access of landlocked states to and from the sea and freedom of transit. This means for instance that free zones or other customs facilities may be provided at the ports of entry and exit in the transit states (by agreement). Compared to the New York Convention the Law on the Sea Convention has the advantage that it has far more Party States, of which one is China.

Responsibility of government:

deposit of an instrument of accession at the Treaty Section of the United Nations in New York, the Secretary General being depositary

21. IMO Facilitation Convention

The Facilitation Convention was originally developed to meet growing international concern about excessive documents required for merchant shipping. Traditionally, large numbers of documents are required by customs, immigration, health and other public authorities pertaining to the ship, its crew and passengers, baggage, cargo and mail. Unnecessary paperwork is a problem in most industries, but the potential for red tape is probably greater in shipping than in other industries, because of its international nature and the traditional acceptance of formalities and procedures.

The Convention emphasises the importance of facilitating maritime traffic and demonstrates why authorities and operators concerned with documents should adopt the standardised documentation system developed by IMO and recommended by its Assembly for worldwide use.

There are a number of advantages coming from adopting this convention.

In general:

A standardised rapid system of clearing ships inwards and outwards with easy completion of clearance documents in advance of the arrival of the ship eliminates delay and contributes to a quick turnaround.

Minimisation of passenger clearance requirements reduces dockside congestion and eliminates the need for correspondingly larger facilities.

Easy reproduction on small inexpensive machines by shipboard or shore-based personnel of the simplified standardised documents reduces filing and storage space requirements.

The uniform layout makes the use of Automatic Data Processing (ADP) techniques possible.

To governments

Reduction of the administrative burden and better utilisation of personnel in customs and other public authorities is achieved by eliminating non-essential documents and information.

Formalities are no more onerous than those of competing ports.

Governments have the benefit of forms designed by international experts. Simple, well-designed forms make for more efficient and less-expensive administration and help increase port throughput by preventing unnecessary delay to ships, passengers and cargoes.

National forms which follow an international model are more readily understood by ships' masters and, therefore, more likely to be correctly completed. Language difficulties are minimised.

The uniform position of similar items of information on each form makes it easier to check the documents and extract the required information.

To ship-owners

General benefits derive from the acceptance of the principle that formalities and procedures in respect of maritime traffic should be no more onerous than those for other modes of transport.

Fewer and simpler forms need to be completed. Less information is required and less work is therefore involved.

If no changes are foreseen with regard to crews, ship stores or passengers during the voyage or any part of it, identical forms for several ports can be completed at the same time. In such circumstances the same forms can be submitted both on arrival and on departure.

The ship's manifest and cargo declaration can be completed in one run, thus keeping down costs and reducing the possibility of errors.

The uniform position of information makes typing easier and contributes to quicker familiarisation of new personnel with document processing. It also facilitates the use of ADP.

To shippers

The enhanced efficiency of clearing ships and cargo saves time and expense.

The use of standardised commercial documents, e.g. bills of lading, simplifies the production of documents.

Cargoes awaiting shipment or collection are exposed for a shorter time to the risk of damage or pilfering within port facilities.

The utilisation of containers and pallets is improved.

It becomes possible to utilise documents produced by ADP techniques.

Requirements for authentication of documents are simplified.

Time-savings reduce the charges for services rendered by public authorities outside regular working hours.

Port State Control

An opposite development towards facilitation in ports is Port State Control.

Port State Control (PSC) is a method of checking the successful enforcement of the provisions of various international conventions covering safety, working conditions and pollution prevention on merchant ships. Under international law the ship-owner has prime responsibility for ensuring compliance, with much of the work involved being carried out by the state whose flag the ship flies. However, not all flag states are able to check their ships on a continuous basis when they are away from their own ports, so PSC provides a back-up for monitoring the implementation of international and domestic shipping regulations. Whilst Port State Control as a concept is not new, the increasing number of inspections and the co-ordination and exchange of data generated from them is a significant development, as is the stated intention of governments and maritime authorities who see it as an effective means of monitoring and implementing international conventions.

As can be clearly seen in the table at the end, the number of TRACECA-countries that are Contracting Parties to WCO Conventions is very limited. Some of the TRACECA-countries are still extremely reluctant to sign any convention at all. The TIR Convention is the only convention that has been ratified by all 12 TRACECA-countries.

Conclusions and Recommendations

Until now, most attention in TRACECA projects and emphasis has been focused on the UN/ECE Conventions. Therefore, not many TRACECA-countries have signed any of the WCO Conventions.

In order to improve trade and transport between the TRACECA-countries, it is however very important to stress the necessity to become a contracting party to all these conventions.

In case of the WCO temporary importation conventions, it is recommended to become a contracting party to the **Istanbul Convention** instead of all the separate temporary importation conventions.

A clear “BUT” has to be emphasised before countries access to one of the 21 Conventions. Before doing this, they should properly investigate the necessary actions for implementing the conventions. This can prevent difficulties at a later stage, as, for example, some countries now undergo with the implementation of the AETR Agreement.

Status of Conventions September 2002

UNITED NATIONS ECONOMIC
COMMISSION FOR EUROPE
TRANSPORT DIVISION

AGREEMENTS AND CONVENTIONS RELATED TO BORDER CROSSING/TRANSIT Status in October 2002

	HARMONISED SYSTEM	ATA Convention	PROF EQUIP	EOH/FARS	SCENT/EQUIP.	PEDAG/MAT.	SEAFARERS	KYOTO	KYOTO AMENDED	NAROI	ISTANBUL	Road Traffic 1968	Road Signs and Signals 1968	Contract Road Goods Transport (CMR), 1956	TR Convention, 1975	Temp. Import. Comm. Vehicles, 1956	Customs Container Convention, 1972	UNECE Convention on Customs Treatment of Pool Containers Use/In	Harmoniz. Frontier Controls Goods, 1982	UNCLOS	MIO Facilitation Convention
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Armenia															X				X		
Azerbaijan	X											X			X				X		
Bulgaria	X	X	X	X			X					X	X	X	X		X		X	X	X
Georgia												X	X	X	X		X		X	X	
Kazakhstan												X	X	X	X						
Kyrgyzstan														X	X				X		
Romania	X	X	X	X	X		X					X	X	X	X		X		X	X	X
Tajikistan										X	X	X	X	X	X						
Turkey	X	X	X	X	X	X	X	X		X				X	X		X				
Turkmenistan												X	X	X	X						
Ukraine										X		X	X		X		X			X	X
Uzbekistan	X											X	X	X	X		X	X	X		

Legend: X = Contracting Party

APPENDIX 07

Customs Brokers Associations Documents

- Customs Brokers Associations Documents

ESTABLISHMENT OF AN INSTITUTE (ASSOCIATION) OF CUSTOMS BROKERS

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ESTABLISHMENT OF AN INSTITUTE (ASSOCIATION) OF CUSTOMS BROKERS

Introduction

The TRACECA Multi-Lateral Agreement and the Terms of Reference for the Harmonisation of Border Crossing Procedures Project calls for the development of Institutions (Associations) of Customs Brokers within the TRACECA region. It is further envisaged that the newly formed Institutions would link closely with the Freight Forwarding Associations. This Project Activity is defined in Task 10 and covered under sub-tasks 10.1 to 10.3.

Initially, it is necessary to define the term “Customs Broker” in order to avoid conflicts on terminology and the exact role of the Customs Broker. The term is used in a very wide context in the TRACECA region, e.g. the Customs Code of the Republic of Armenia refers to “Customs Agent (Broker)”, other countries use the term “Declarant”, Kazakhstan, Ukraine and Turkey are already members of an International Association of Customs Brokers. It is therefore unclear, from the limited amount of legislation that has been reviewed so far, whether there is a unity of understanding in the differences between a straightforward “Declarant” or “Customs Agent” and a Customs Broker. Therefore, the following broad definitions are proposed:

Declarant/Customs Agent – an officially approved (by Customs) body that acts as the intermediary between the client and Customs. In other words, the declarant/customs agent completes all the necessary documentation (SAD, etc.) for submission to Customs.

He bears no liability for any potential Customs debt.

Customs Broker – an officially approved (by Customs) body that represents the interests of the holder of the goods to all authorities connected to the movement of the goods across the customs border and **accepting full liability for the potential Customs debt on behalf of the holder of the goods (client)**. The Customs Broker will hold a General Guarantee as security (collateral) for any Customs charges payable.

The very basic but crucial difference is in the acceptance of the liability, and it is important that all parties concerned in the proposed establishment of a Customs Broker Institute (Association) should be unified in their understanding and terminology. Henceforth all references in this document to ‘Brokers’ shall be deemed to include the broad variety of entities referred to above.

Recommendation:

As identified above in the introduction, throughout the TRACECA region there exists a broad application of the term “Customs Broker”, and a wide variety of customs brokerage systems – declarants, independent broker firms, state-3

controlled brokers, individual brokers (as opposed to companies). These are all regulated by each individual country's legislation.

It is recommended that, in evaluating the establishment of Institutions (Associations) of Customs Brokers, allowance should be made to include both actual Customs Brokers and Declarants/Customs Agents as potential members of such an institution.

It is noted that the EU does not have a common policy on the subject of Customs Brokers, with some countries allowing for such an institution, whilst others have abolished them. This variation is reflected in EU legislation, which allows for both possibilities to exist.

It is further noted that the February 1997 Trade Facilitation Institutions report within the framework of the TRACECA: Trade Facilitation, Customs Procedures and Freight Forwarding project recommended against the setting up of a separate Customs Agents organisation on the grounds that it would promote "non-integrated development", proposing instead that the Freight Forwarding Association could take on the representative role for the Customs Brokers. This stance appears to have changed due to concerns about the possibility of promoting a monopolistic situation.

Institution Establishment - Approach Logic

- Review legal situation regarding the formation of Customs Brokers Institutions (Associations)
- Identify potential interested parties
- Identify potential benefits to be derived from an Institution (Association) of Customs Brokers
- Interview representatives of the potential interested parties
- Formulate basis for formation of Customs Brokers Institutions (Associations) e.g. Articles of Association, By Laws etc.
- Examine possibilities of links between Customs Brokers, Institutions (Associations) and Freight Forwarding Associations
- Formulate recommendations for submission to, and consideration by the National Commissions and the IGC

Legal situation

In view of the constraints to visiting all 13 TRACECA states and reviewing with each country's legislation regarding Customs Brokers, there is a prepared a questionnaire (see Appendix 4) that is to be utilized by the National Commissions of the TRACECA states, which will then clarify the current status and legal position in each country. Therefore, the recommendations given will be of a general nature and must be considered by each country separately within the framework of that country's legislation.

Recommendation:

Pursuant to the Harmonisation of Border Crossing Procedures, it is recommended that the legislation in the TRACECA states be reviewed to examine the possibility of harmonisation of the regulations covering the

activities of Customs Brokers and where such entities do not exist to provide for their establishment.

Potential interested parties

- National Customs services
- Brokers
- Banks
- Clients

Potential benefits

During recent evaluations it has been noted that there is a distinct lack of mutual consultation between Customs Authorities and commercial bodies. The recommendations for the Harmonisation of Border Crossing Procedures, that will be put forward to the Customs Working Groups (CWGs), will include the implementation and enhancement of trade facilitation measures that envisage the carrying out of such consultations. If these recommendations are accepted, then clearly the setting up of a Customs Brokers Institution (Association) may be of significant benefit to the Customs services, enabling them to discuss issues of mutual interest with a central body, rather than each individual entity. A Customs Brokers Institution (Association) would clearly serve as such a central organization for professional dialogue.

Another recommendation to the CWGs will be the setting up of a joint consultative body with the participation of representatives from all the Border Crossing Point users - Customs Department, Border Guards, relevant ministries, the Freight Forwarding Association, Brokers Association and other similar professional organisations involved in the border crossing business. It is therefore in the interests of the brokers themselves to come together under an umbrella organisation, in order to give them a more powerful voice and have the capacity to exert some influence on the trade facilitation process and promote changes to be considered.

Bank Guarantee Aspects

The setting up of an Association would benefit banks in that membership of such an Association would at least be an indication of credibility, stability, reliability and professionalism. In the case of Customs Brokers, in the true understanding of the role, banks are underwriting guarantees for large sums of money and therefore clearly have a vested interest in being certain that the broking firm is of a reliable nature. The membership rules for such an Association should reflect this need for certain standards.

Similarly, the potential clients of a broker would benefit from a Customs Brokers Institution (Association), membership of which would be a clear indication of the professionalism and trustworthiness of the broker firm.

Country Example – Azerbaijan - Customs

Broker aspect discussions with representatives of the Azeri State Customs Committee were undertaken on 2. October, 2002. Meetings were held with

Colonel Fazzaliyev Dilavar, Chief of the External Relations Department of the State Customs Committee of the Republic of Azerbaijan and Ibrahimov Mahiz, Chief Inspector of the Customs Control Department of the State Customs Committee. The purpose of the meeting was in order to gain factual background information on the status of Customs Brokers in Azerbaijan.

The Customs Broker system in Azerbaijan was established in Law in March, 1998. The Customs Code of Azerbaijan legislates for both the existence of Customs Brokers in the true definition of the term and also for Declarants. Until recently, both Customs Brokers and Declarants were licensed by the State Customs Committee, but a Presidential edict has now cancelled that requirement in order to facilitate and simplify business development. Clearance Specialists, who are 'natural person' entities, represent the Customs Brokers, as a legal entity. The Clearance Specialists require a Certificate of Competency that is issued by the State Customs Committee and are trained and examined at the Customs Training Centre, which was specifically established for that purpose. Currently, 200 clearance specialists from 35 to 40 companies have completed the training course and the final results of the examination should be known shortly.

There are no legislative restrictions, in Azerbaijan, against Freight Forwarders becoming Customs Brokers, indeed, a large number of them already offer full customs clearance and brokerage services.

Whilst agreeing with the idea in principle, Colonel Dilavar expressed some doubts as to the necessity of a Customs Broker Association in Azerbaijan. He felt that rather than simplify matters, such an institution might complicate them, and that Azerbaijan is not so large that the State Customs Committee cannot talk to all the entities it deals with. Whilst currently there is no formal Joint Customs Consultative Committee, Colonel Dilavar gave the impression that consultations do take place on an informal basis and stressed the emphasis that Azeri Customs are placing on the simplification of procedures and trade facilitation.

Country Example – Azerbaijan – Private Sector

Meetings with companies that provide Customs Broker services.

On the 3rd of October, 2002 a meeting was held with the Operations Manager of Bertling Caspian Ltd., Mr Eichin Kalantarli. Bertling Caspian Ltd. are a subsidiary of the world-wide Bertling group and have been established in Baku since September, 1995, offering full customs clearance services to their clients. The company specialises in oil-well equipment and its main client is BP Oil Ltd. Bertling Caspian sent 6 of its employees to the Customs Training Centre to undergo training and examination as Clearance Specialists and the final examination results will be announced soon. It is understood, that currently, the State Customs Committee does not consult with representatives of commercial companies prior to the implementation of any changes in regulations or procedures. It was expressed that there would be unequivocal support for the idea of an Association of Customs Brokers in order to act as a representative body in any future joint consultative forum.

Also on the 3rd October 2002 There was a meeting with the Branch Manager of Panalpina Gulf LLC, Mr. Murad Housseinov. Similar to Bertling Caspian Ltd., Panalpina Gulf LLC are also a subsidiary of a well-known world-wide freight forwarding organisation and have been working in Azerbaijan since the beginning of 1996. They offer a full door-to-door service to their clients and 6 of their employees attended the Customs Broker training course to become accredited Clearance Specialists. Mr. Husseinov confirmed that, currently, no prior consultations take place between Customs and commercial entities and also expressed full support for the establishment of a Customs Brokers Association.

Note: Both companies have good working relations with the Customs and expressed their appreciation for the recent improvements carried out by the them.

Basis for formation of Customs Brokers Institutions (Associations)

The basis for setting up Customs Brokers Institutions (Associations) is laid out in Annexes 1, 2 and 3.

Annex 1 defines the Statement of Purposes for such an Institution;

Annex 2 presents Model Articles of Association and

Annex 3 contains the Model Bye-Laws for such an Institution (Association).

These documents may be used, amended as appropriate to take into account the diverse legislation of each TRACECA member state, as the basis for the establishment of such Institutions (Associations).

Establishment of informal links between Customs Brokers Institutions and Freight Forwarding Associations

By the very nature of their business, it is a logical progression that the newly formed Customs Brokers Institutions (Associations) should have close links to the Freight Forwarding Associations, where such exist. This is especially important in those TRACECA states where in accordance with the monopoly laws, legislation does not permit Freight Forwarders to become Customs Brokers. In such cases, where the freight forwarder is not able to offer a fully integrated door-to-door service to his clients, a close working partnership with Customs Brokers would go some way to alleviate this problem and bridge the potential gap for clients. In addition, such close links would give the trade added weight in their consultations with the official authorities.

Nevertheless, to further the interests of trade facilitation, the possibility for freight forwarders to become Customs Brokers should be considered very seriously. This would reduce cargo delays due to high documentation error rates, improve clearance procedures and allow for a more comprehensive service to be provided for clients.

Recommendation:

Legislation should be reviewed and where necessary amended in order to allow for freight forwarders to be able to provide comprehensive door-to-door customs brokerage services to their clients, taking into account the monopoly laws, and subject to the customs broker licensing regulations applicable in each TRACECA country.

Conclusion

As stated in the introduction, the TOR for this project envisage the setting up of Customs Brokers Institution (Associations) within the TRACECA region. The constraints to fulfilling this task have already been mentioned in this report, viz. the widely differing legislation in the 13 member states. Also, as I have mentioned, Kazakhstan, Ukraine and Turkey have already established such an Association, which is a member of the International Federation of Customs Brokers Associations (IFCBA).

The key to determining the feasibility and interest in establishing a National Customs Brokers Institution (Association) lies with the National Commissions for each TRACECA country, for they have the access to both the legislation and the interested parties.

Recommendation:

As identified above, Azerbaijan is clearly already in a position to act as a pilot study for the setting up of a Customs Brokers Institution (Association). Azeri legislation provides for the existence of Customs Broker entities and there is also a clear expressed interest among the Broker companies themselves for the formation of such a representative body. Therefore, it is recommend that the TRACECA National Commission, as part of their CWG's role, call together representatives from the major Customs Broker entities in Azerbaijan with a view to establishing the Customs Brokers Institution (Association) of Azerbaijan.

Recommendation:

Each National Commission should be approached and requested to establish the legal situation regarding Customs Brokers and the establishment of an Association (the questionnaire at Annex 4 will serve as the basis for such a survey). Furthermore, each National Commission through the National Secretary should be requested to establish whether an interest exists amongst the major companies involved in the customs clearance of cargo for the setting up of such an Institution (Association). Based on the results of such a survey, a political decision should be taken by each member state as to whether such an Institution (Association) is desirable and useful.

Annex 1

Statement of purposes of the *Customs Brokers Institute (Association) of*

1. To promote trade and commerce between and all other countries of the world by assisting and advising manufacturers, producers, industrial groups and persons engaged or involved in international trade and commerce.
2. To facilitate the speedy and efficient movement of cargo through the sea and air ports of
3. To advise on legislation, regulations and procedures and any changes therein in the interests of manufacturers, producers, exporters, importers, industrial groups and persons engaged or involved in international trade and commerce.
4. To originate, facilitate, promote and improve documentation, administration and procedures for the import and export of goods and commodities.
5. To improve and elevate the general knowledge of and to collect, analyse and disseminate to persons, companies and organisations, whether or not engaged in or representing manufacturers, primary and other producers, agents and shippers, information of or relating to or concerning international trade and commerce, and of or relating to all matters and requirements affecting relevant Government departments and any other appropriate Agencies and Authorities in regard to trade and commerce.
6. To assist and to send delegates to and be represented on any committee, commission or other body established for the purposes of expanding, stimulating simplifying or otherwise facilitating trade and commerce.
7. To establish relationships and make representations to domestic and international government bodies, agencies and statutory authorities and relevant industry bodies both domestic and international for the benefit of the customs brokerage, international freight forwarding or similar industry related services ("the industry") their clients and trade and industry generally.
8. To act as the national representative body on behalf of members in all matters affecting the interests of individuals, firms and corporations engaged in the industry (and related industries and professions).
9. To maintain and promote a federally structured organisation dedicated to the public recognition of the industry through the establishment of a code of ethics governing the integrity of individuals, firms and corporations and the promotion of national educational standards.
10. To liaise with bodies in and in the rest of the world having similar objects to those of the Association.
11. (a) To hold periodical meetings and conferences of members;
(b) To promote interest in and the progress of all matters which will improve the technical and general knowledge and improve the efficiency of the industry;
(c) To originate uniform standards for the education, status, elevation, conduct and guidance of the industry;

- (d) To publish and disseminate papers, documents, journals and studies relating to trade, commerce and the carriage of goods.
12. To encourage and provide for the betterment of the professional knowledge, proficiency and education of its members including:
- (a) establishing, maintaining and improving libraries containing such material and literature as the Association may consider to be of interest or use to its members;
 - (b) providing facilities for the purposes of meetings, discussions, seminars and lectures between and for members and for clients of members and other members of the public involved in trade and commerce;
 - (c) promoting, arranging and holding lectures, seminars, and discussion groups on matters pertaining to the industry and as such to increase the technical and general knowledge of its members in all areas pertaining to their work.
13. To liaise, consult and make representation with Government and regulatory authorities on all matters affecting its members and their clients relating to matters of import and export procedures and requirements, electronic fund transfers, electronic documents exchanges and any other developments that may arise in future affecting the conduct of members' businesses.
14. To seek out, investigate, trial, recommend and where appropriate purchase for the benefit of members, such equipment as from time to time becomes relevant and required in the running of the businesses of the members.
15. To actively promote and seek the recognition of members as professionals and to own, use, license and promote the use and recognition of trademarks and indicia to promote the public recognition of the industry.
16. To provide for, supervise and regulate the training and education of members and those seeking membership, and to set examinations in the theory and practice of the industry and allied commercial and legal work for the industry and those seeking to become Customs Brokers or international freight forwarders, and to approve the issuing of certificates of classification.
17. To adopt and promote rules of conduct for the guidance of members of the Association as to the proper professional conduct of the industry.
18. To engage professional assistance of any kind and to remunerate any person(s) for services rendered concerning the formation and promotion of the Association or the conduct of its affairs.
19. To purchase, take on lease or hire any real and personal property necessary for the purposes of the Association.
20. Such other objects as the Association may from time to time and at any time determine.

Annex 2

CUSTOMS BROKER INSTITUTION (ASSOCIATION) MODEL ARTICLES OF ASSOCIATION

NAME

1. The name of the institution (association) is the Customs Brokers Institution (Association) of (henceforth "the Association").

INTERPRETATION

2. (i) In these Articles of Association, unless the contrary intention appears:

"Board" means the Board of Management of the Association.

"Code of Professional Conduct" means the code as referenced in the Bye-Laws.

"Financial year" means the year ending on (*insert end of financial year as appropriate*).

"General Meeting" means a general meeting of members convened in accordance with Article 10.

"The Act" means the (*insert relevant Companies legislation*).

"The Regulations" means regulations under the Act.

"Special Resolution" means a special resolution as defined in the Act.

Words importing one gender shall mean and include each other gender.

"Secretary" shall mean-

a) The person holding office under these Articles as Secretary of the Association; or

(b) Where no such person holds that office the Public Officer of the Association.

(ii) In these Articles:

(a) A reference to a function includes a reference to a power, authority and duty.

(b) A reference to the exercise of a function includes, where the function is a duty, a reference to the performance of the duty.

MEMBERSHIP

3. (1) There shall be two (2) categories of members of the Association:

1. Business members

2. Individual members

(2) A Business member shall:

(a) be a sole proprietor, a partnership or corporation which (principally) engages in the business of customs brokerage, international freight forwarding or similar industry related services;

(b) comply with these Articles and such conditions as the Board may from time to time prescribe; and

(c) through an appointed representative be entitled to vote at meetings of members, shall be entitled to membership of the Board and shall be entitled to nominate any person for membership of the Board.

(3) An individual member shall be a natural person:

- (a) who is an individual employed in a business which engages in customs brokerage, international freight forwarding or similar industry related services;
- (b) who complies with these Articles and such conditions as the Board may from time to time prescribe; and
- (c) who shall be entitled to vote at meetings of members, shall be entitled to membership of the Board and shall be entitled to nominate any person for membership of the Board.
- (4) The Association may prescribe through By-Laws different status of individual members to give recognition to individual members for matters such as their qualifications or training undertaken and experience in their field of operation. Every applicant for a particular status for advancement from one status to another, shall apply to the Association in such form and manner and comply with such conditions as may from time to time be prescribed by the Association.
- (5) The Board may by resolution by way of three-quarters (3/4) majority of those present at a properly constituted meeting of the Board dispense with all or any of the requirements for admission to a particular status for such reasons as the Board shall deem sufficient.
- (6)(a) The Association shall issue certificates and documents of membership in a form approved by the Association which shall remain the property of the Association.
- (b) The Association shall permit business members to have exclusive use of any acronym, trademark, logo or any other exclusive identifying title that the Association prescribes. Such permission shall constitute a non-exclusive and revocable license to use the aforementioned intellectual property and this license shall terminate when the membership of a Business member for whatever reason ceases.
- (7) A Business member must at all times hold Professional Indemnity or any other appropriate insurance of a kind approved by the Board and determined according to service provision capacity.
- (8) An Individual member must at all times maintain the necessary level of professional development and/or training as the Board may from time to time prescribe.
- (9) Each Business member shall appoint a single person, to represent the Business member at meetings of the Association and to vote on its behalf on any matters pursuant to the Articles.
- (10) A Business or Individual member who applies for and is approved for membership as provided in these Articles is eligible to be a member of the Association on payment of the entrance fee and annual subscription payable under these Articles.
- (11) An application for business or individual membership of the Association:
- (a) shall be made in writing on the form or forms prescribed by the Association; and
- (b) shall be lodged with the Secretary of the Association and be accompanied by the appropriate entrance fee and annual subscription fee.
- (12) As soon as is practicable after the receipt of an application, the Secretary shall refer an application to the Board.

- (13) Upon an application being referenced to the Board, the Board shall determine whether to approve or to reject the application.
- (14) Upon an application being approved by the Board, the Secretary shall, with as little delay as possible, notify the applicant in writing that the application for membership of the Association has been accepted.
- (15) The Secretary shall enter the name of the applicant in the register of members and, upon the name being so entered and subject to Article 3 (10) and 3 (13), the applicant becomes a member of the Association.
- (16) A right, privilege, or obligation of membership of the Association –
- (a) is not capable of being transferred or transmitted to another person or corporation except where there is a legal change of name of a Business member; and
 - (b) terminates upon the cessation of membership whether by death or resignation or otherwise.
- (17) Individual members shall be entitled to receive such services and information as the Association is able to provide with regard to matters concerning legislation, education, qualification for membership and similar matters. Business members shall be entitled to receive the same services and information and such further services and information as the Association is able to provide with regard to matters concerning employers' obligations and other matters concerning/affecting Business members.
- (18) The Board may recommend to the Annual General Meeting the granting of Honorary and Life Membership to those persons who have given outstanding service to the Association, as to trade and commerce and to the industry described herein.

ENTRANCE FEE AND ANNUAL SUBSCRIPTION

4. (1) There shall be a separate entrance fee for:
- (a) Business members
 - (b) Individual members
- (2) There shall be a separate annual subscription for each of:
- (a) Business members
 - (b) Individual members
- (3) The entrance fee and annual subscription fee shall be as set by the Board from time to time and shall be payable in advance on or before the date as set by the Board.
- (4) The amounts specified above shall be reviewed and determined from time to time by the Association.
- (5) All income and property of the Association whence soever derived shall be applied solely towards the promotion of the objects of the Association as set forth in these Articles and no portion thereof shall be paid or transferred directly or indirectly by way of dividend bonus or otherwise as a distribution of profits to the members of the Association or to any of them or to any person claiming through any of them, except as provided for under Article 34.

REGISTER OF MEMBERS

5. The Secretary shall keep and maintain a register of members in which shall be entered the full name, address and date of admittance of each member and the register shall be available for inspection by members at the address of the Association. In addition the Secretary shall also keep and maintain such further information as the Association determines as being appropriate for members to supply.

RESIGNATION OF MEMBER

6. (1) A member of the Association who has paid all monies due and payable to the Association may resign from the Association by first giving one (1) months notice in writing to the Secretary of an intention to resign and upon the expiration of that period of notice, the member shall cease to be a member.

(2) Upon the expiration of a notice given under sub-clause (1), the Secretary shall make in the register of members an entry recording the date on which the member by whom the notice was given, ceased to be a member.

CODE OF PROFESSIONAL CONDUCT – DISCIPLINE AND EXPULSION OF MEMBER

7. (1) Subject to these Articles, the Board may by resolution:

- (a) expel a member from the Association;
- (b) suspend a member from membership of the Association for a specified period; or
- (c) demote an Individual member's status, as specified in the By-Laws, to another class of membership;

if the Board is of the opinion that the member:

- (i) has refused or neglected to comply with these Articles;
- (ii) has been guilty of conduct unbecoming a member or prejudicial to the interests of the Association; or
- (iii) acted in a manner contrary to the provisions of the Code of Professional Conduct of the Association as established by By-Law.

(2) A resolution of the Board under sub-clause (1):

- (a) does not take effect unless the Board, at a meeting held not earlier than fourteen (14) and not later than twenty-eight (28) days after the service on the member of a notice under sub-clause (3) confirms the resolution in accordance with this sub-clause; and
- (b) where the member exercises a right of appeal to the Association under this clause, the resolution does not take effect unless the Association confirms the resolution in accordance with this clause.

(3) Where the Board passes a resolution under sub-clause (1); the Secretary shall, as soon as practicable, cause to be served on the member a notice in writing:

- (a) setting out the resolution of the Board and the grounds on which it is based;
- (b) stating that the member may address the Board at a meeting to be held not earlier than fourteen (14) and not later than twenty-eight (28) days after service of the notice;
- (c) stating the date, place and time of that meeting;

- (d) informing the member that the member may do one or more of the following:
- (i) attend that meeting;
 - (ii) give to the Board before the date of that meeting a written statement seeking the revocation of the resolution;
 - (iii) not later than twenty-four (24) hours before the date of the meeting, lodge with the Secretary a notice to the effect that the member wishes to appeal to the Association in general meeting against the resolution.
- (4) At a meeting of the Board held in accordance with sub-clause (2), the Board:
- (a) shall give to the member an opportunity to be heard;
 - (b) shall give due consideration to any written statement submitted by the member; and
 - (c) shall by resolution determine whether to confirm or to revoke the resolution.
- (5) Where the Secretary receives a notice under sub-clause (3), he shall notify the Board and the Board shall convene a general meeting of the Association to be held within twenty-one (21) days after the date on which the Secretary received the notice.
- (6) At a general meeting of the Association convened under sub-clause (5):
- (a) no business other than the question of the appeal shall be transacted;
 - (b) the Board may place before the meeting details of the grounds for the resolution and the reason for the passing of the resolution;
 - (c) the member shall be given an opportunity to be heard; and
 - (d) the members present shall vote by secret ballot on the question whether the resolution should be confirmed or revoked.
- (7) If at the general meeting:
- (a) two-thirds (2/3) of the members vote in person or by proxy in favour of the confirmation of the resolution, the resolution is confirmed and an appropriate entry is made in the Register of Members; and
 - (b) in any other case, the resolution is revoked.
- (8) Where a resolution under sub-clause (1) is confirmed pursuant to this clause, the Board shall cause the minutes of that resolution to be published in the journal or any periodic publication of the Association.

DISPUTES AND MEDIATION

7.A (1) The grievance procedure set out in this Article applies to disputes under these Articles between:

- (a) a member and another member; or
 - (b) a member and the Association
- (2) The parties to the dispute must meet and discuss the matter in dispute, and, if possible, resolve the dispute within 14 days after the dispute comes to the attention of all of the parties.
- (3) If the parties are unable to resolve the dispute at the meeting, or if a party fails to attend that meeting, then the parties must, within 10 days, hold a meeting in the presence of a mediator.
- (4) The mediator must be:
- (a) a person chosen by agreement between the parties; or
 - (b) in the absence of agreement:

- (i) in the case of a dispute between a member and another member, a person appointed by the committee of the Association; or
 - (ii) in the case of a dispute between a member and the Association, a person who is a mediator appointed or employed by the Dispute Settlement Centre or Victoria (Department of Justice)
- (5) A member of the Association can be a mediator.
 - (6) The mediator cannot be a member who is a party to the dispute.
 - (7) The parties to the dispute must, in good faith, attempt to settle the dispute by mediation.
 - (8) The mediator, in conducting the mediation, must:
 - (a) give the parties to the mediation process every opportunity to be heard; and
 - (b) allow due consideration by all parties of any written statement submitted by any party; and
 - (c) ensure that natural justice is accorded to the parties to the dispute throughout the mediation process.
 - (9) The mediator must not determine the dispute.
 - (10) If the mediation process does not result in the dispute being resolved, the parties may seek to resolve the dispute in accordance with the Act otherwise at law.

ANNUAL GENERAL MEETING

- 8. (1) The Association shall in each calendar year convene an Annual General Meeting of its members.
- (2) The Annual General Meeting shall be held on such day as the Board determines.
- (3) The Annual General Meeting shall be specified as such in the notice convening it.
- (4) The ordinary business of the Annual General Meeting shall be:
 - (a) to confirm the minutes of the last preceding Annual General Meeting and of any general meeting held since that meeting;
 - (b) to receive from the Board reports upon the transactions of the Association during the last preceding financial year;
 - (c) to elect officers of the Association; and
 - (d) to receive and consider the statement submitted by the Association in accordance with section 30(3) of the Act.
- (5) The Annual General Meeting may transact special business of which notice is given in accordance with these Articles.
- (6) The Annual General Meeting shall be in addition to any other general meetings that may be held in the same year.

SPECIAL GENERAL MEETINGS

9. All general meetings other than the Annual General Meeting shall be called Special General meetings.

(1) The Board may, whenever it thinks fit, convene a Special General Meeting of the Association.

(2) The Board shall, on the requisition in writing of members representing not less than twenty per cent (20%) of the total number of members, convene a Special General Meeting of the Association.

(3) The requisition for a Special General Meeting shall state the objects of the meeting and shall be signed by the members making the requisition and be sent to the address of the Secretary and may consist of several documents in a like form, each signed by one or more of the members making the requisition.

(4) If the Board does not cause a Special General Meeting to be held within one (1) month after the date on which the requisition is sent to the address of the Secretary, the members making the requisition, or any of them, may convene a Special General Meeting to be held not later than three (3) months after that date.

(5) A Special General Meeting convened by members in pursuance of these Articles shall be convened in the same manner as nearly as possible as that in which those meetings are convened by the Board and all reasonable expenses incurred in convening the meeting shall be refunded by the Association to the persons incurring the expenses.

(6) A Special General Meeting may also be convened in accordance with Article 7(5).

NOTICE OF MEETING

10. (1) The Secretary of the Association shall, at least twenty-one (21) days before the date fixed for holding a general meeting of the Association, cause to be sent to each member of the Association at his address appearing in the register of members, a notice by pre-paid post stating the place, date and time of the meeting and the nature of the business to be transacted at the meeting.

(2) No business other than that set out in the notice convening the meeting shall be transacted at the meeting unless same is approved by the Chairman of the meeting whose decision will be final.

(3) A member desiring to bring any business before a meeting may give notice of that business in writing to the Secretary, who shall include that business in the notice calling the next general meeting after the receipt of the notice.

PROCEEDINGS AT MEETINGS

11. (1) All business that is transacted at a Special General Meeting and all business that is transacted at the Annual General Meeting with the exception of that specially referred to in these Articles as being the ordinary business of the Annual General Meeting shall be deemed to be special business.

- (2) No item of business shall be transacted at a general meeting unless a quorum of members entitled under these Articles to vote is present during the time when the meeting is considering that item.
- (3) Ten (10) members personally present (being members entitled under these Articles to vote at a general meeting) constitute a quorum for the transaction of the business of a general meeting.
- (4) If within half an hour after the appointed time for the commencement of a general meeting, a quorum is not present, the meeting if convened upon the requisition of members shall be dissolved and in any other case shall stand adjourned to the same day in the next week at the same time and (unless another place is specified by the Chairman at the time of the adjournment or by written notice to members given before the day to which the meeting is adjourned) at the same place and if at the adjourned meeting the quorum is not present within half an hour after the time appointed for the commencement of the meeting, the members present (being not less than nine (9)) shall be a quorum.

PRESIDING MEMBER

12. (1) The Chairman, or in his absence, the Vice-Chairman, shall preside as Chairman at each general meeting of the Association.
- (2) If the Chairman and Vice-Chairman are absent from a general meeting, the members present shall elect one of their number to preside as Chairman at the meeting.

ADJOURNMENT

13. (1) The Chairman of a general meeting at which a quorum is present may, with the consent of the meeting, adjourn the meeting from time to time and place to place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting at which the adjournment took place.
- (2) Where a meeting is adjourned for fourteen (14) days or more, a like notice of the adjourned meeting shall be given as in the case of the general meeting.
- (3) Except as provided in sub-clauses (1) and (2), it is not necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.

DECISION-MAKING

14. A question arising at a general meeting of the Association shall be determined on a show of hands and unless a poll is demanded, in accordance with Article 16, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously or carried by a particular majority or lost, and an entry to that effect in the Minute Book of the Association is evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

VOTING AT GENERAL MEETINGS

15. (1) Upon a question arising at a general meeting of the Association, every member entitled to vote in accordance with Article 3, has one (1) vote only, except for the Chairman of the meeting who shall not be entitled to vote except as provided for in Clause 15(4).
- (2) A member is not entitled to vote at any general meeting unless all monies due and payable by the member to the Association have been paid, including the amount of the annual subscription payable in respect of the current financial year.
- (3) All votes shall be given personally or by proxy but no member may hold more than five (5) proxies save for the Secretary, who may hold more than five (5) proxies.
- (4) In the case of an equality of voting on a question, the Chairman of the meeting is entitled to exercise a casting vote.

POLLS

16. (1) If at a general meeting of members a poll on any question is demanded by not less than three (3) members, it shall be taken at that meeting in such manner as the Chairman may direct and the resolution of the poll shall be deemed to be a resolution of the meeting on that question.
- (2) A poll that is demanded on the election of a Chairman or on a question of an adjournment shall be taken forthwith and a poll that is demanded on any other question shall be taken at such time before the close of the meeting as the Chairman may direct.

APPOINTMENT OF PROXIES

17. Each member shall be entitled to appoint another member as the member's proxy by notice given to the Secretary no later than twenty-four (24) hours before the time of the meeting in respect of which the proxy is appointed. The notice appointing the proxy shall be in the form as prescribed by the Board.

BOARD STRUCTURE

18. (1) The affairs of the Association shall be managed by the Board constituted as provided in this Article.
- (2) The Board:
- (a) shall control and manage the business and affairs of the Association;
 - (b) may, subject to these Articles, the Regulations, and the Act, exercise all such powers and functions as may be exercised by the Association other than those powers and functions that are required by these Articles to be exercised by general meetings of the members of the Association; and
 - (c) subject to these Articles, the regulations and the Act, has power to perform all such acts and things as appear to the Board to be essential for the proper management of the business and affairs of the Association.

- (3) The officers of the Association shall be:
- (a) Chairman
 - (b) Vice-Chairman
 - (c) Secretary/Treasurer
 - (d) Director, Business & Freight Operations (*if considered appropriate*)
 - (e) Director, Professional Development & Training (*if considered appropriate*)

being elected by postal ballot by members eligible to vote prior to the Annual General Meeting.

(4) The officers of the Association shall be known as the Board of the Association and the provision of the Articles, so far as they are applicable and with the necessary modifications, shall apply to and in relation to the election of persons to any of the offices mentioned in sub-clause (3).

(5) Each officer of the Association shall hold office until the Annual General Meeting next after the date of his election but is eligible for re-election.

(6) In the event of a casual vacancy in any office referred to in sub-clause (3), the Board may appoint one (1) of its members to the vacant office and the member so appointed may continue in office up to and including the conclusion of the annual general meeting next following the date of appointment.

(7) The Board shall appoint such staff and Committee of members of the Association as it may deem necessary to assist in their management of the affairs of the Association including the Chief Executive Officer who shall be an ex-officio member of the Board.

ELECTION OF OFFICERS AND VACANCY ELECTIONS

19. (1) Nominations of candidates for election of Officers of the Association, other than Regional representatives:

(a) shall be made in writing, signed by two (2) members, eligible to nominate and second for those particular positions, of the Association and accompanied by the written consent of the candidate (which may be endorsed on the form of nomination); and

(b) shall be delivered to the secretary of the Association not less than forty-five (45) days before the date fixed for the holding of the Annual General Meeting.

(2) If insufficient nominations are received to fill these vacancies on the Board, the candidates nominated shall be deemed to be elected and further nomination(s) shall be received at the Annual General Meeting.

(3) If the number of nominations received is equal to the number of vacancies to be filled, the persons nominated shall be deemed to be elected.

(4) If the number of nominations exceeds the number of vacancies to be filled, a postal ballot shall be held.

- (5) The ballot for the election of officers of the Board shall be conducted prior to the Annual General Meeting by using the following method:
- (a) each member entitled to vote shall be eligible to vote for one candidate for each of the positions listed in Clauses 18(3)(a) – (e); and
 - (b) the successful candidates for the election to each of the positions listed in Clauses 18(3)(a) – (e) shall be the candidates receiving the most number of votes
- (6) A candidate for election under this clause may nominate for another office for election at the same election but may only be elected to one (1) position.
- (7) The following restrictions apply to nominations for election:
- (a) Only individual members shall have the right to nominate and second in respect to the position of Director, Professional Development and Training of the Association.
 - (b) Only business members shall have the right to nominate and second in respect to the position of Director Business & Freight Operations of the Association.

REGIONAL REPRESENTATION

20. Nomination of candidates for election as a Regional Representative of the Association:

- (a) shall be made in writing, signed by two (2) members, eligible to nominate for that particular position, of the Association from the respective Region and accompanied by the written consent of the candidate (which may be endorsed on the form of nomination); and
- (b) shall be delivered to the Secretary of the Association not less than forty-five (45) days before the date fixed for the holding of the annual general meeting.

VACANCIES

21. For the purposes of these Articles, the office of an officer of the Association becomes vacant if the officer or member:

- (a) ceases to be a member of the Association or the business member he represents ceases to be a member of the Association;
- (b) becomes an insolvent under administration within the meaning of the Corporations Law; or
- (c) resigns his office by notice in writing given to the Secretary.

PROCEEDINGS OF BOARD

22. (1) The Board shall meet at least four (4) times per year at such place and such times as the Board may determine.

(2) Special meetings of the Board may be convened by the Chairman or by any six (6) members of the Board.

(3) Notice shall be given to members of the Board of any special meeting specifying the general nature of the business to be transacted and no other business shall be transacted at such a meeting except business which the members of the Board present at the meeting unanimously agree to treat as urgent business.

(4) Any six (6) members of the Board constitute a quorum for the transaction of the business of a meeting of the Board.

(5) No business shall be transacted unless a quorum is present and if within half an hour of the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to the same place and at the same hour of the same day in the following week unless the meeting was a special meeting in which case it lapses.

(6) At meetings of the Board:

(a) the Chairman or in his absence the Vice-Chairman shall preside; or

(b) if the Chairman and the Vice-Chairman are absent, such one (1) of the remaining members of the Board as may be chosen by the members present shall preside.

(7) Questions arising at a meeting of the Board or of any sub-committee appointed by the Board shall be determined on a show of hands or, if demanded by a member, by a poll taken in such manner as the person presiding at the meeting may determine.

(8) Each member present at a meeting of the Board or of any sub-committee appointed by the Board (including the person presiding at the meeting) is entitled to one (1) vote and, in the event of an equality of votes on any question, the person presiding may exercise a second or casting vote.

(9) Written notice of each Board meeting shall be served on each member of the Board by delivering it to him at a reasonable time before the meeting or by sending it by pre-paid post, facsimile or email addressed to him at his usual or last known place of business at least fourteen (14) business days before the date of the meeting but the giving of a lesser period of notice shall not invalidate the proceedings where the Board resolves at such meeting that the urgency of the business of the meeting necessitated such lesser period.

(10) Subject to sub-clause (4) the Board may act notwithstanding any vacancy on the Board.

(11) The members of the Board may regulate their meetings as they think fit and in particular may confer by radio, telephone, closed circuit television or other electronic means of audio or audio visual communication and a resolution passed by such a conference shall, notwithstanding the members of the Board are not present together in one place at the time of the conference, be deemed to have been passed at a meeting of the Board held on the day on which and at the time at which the conference was held.

A resolution in writing, signed by a majority of the members of the Board for the time being entitled to receive notice of a meeting of the members of the Board shall be as valid and effectual so if it had been passed at a meeting of the members of the Board duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more member(s) of the Board.

(12) Any act or thing done or suffered, or purporting to have been done or suffered, by the Board or by a Committee, is valid and effectual notwithstanding any defect that may afterwards be discovered in the appointment or qualification of any member of the Board or Committee.

DELEGATION BY BOARD TO COMMITTEE

23. (1) The Board may, by instrument in writing, delegate to one or more Committees as the Board thinks fit, the exercise of such of the functions of the Board as are specified in the instrument, other than –
- (a) this power of delegation; and
 - (b) a function which is a duty imposed on the Board by the Act or by any other law.
- (2) A function, the exercise of which has been delegated to a Committee under this Article, may, whilst the delegation remains unrevoked, be exercised from time to time by the Committee in accordance with the terms of the delegation.
- (3) A delegation under this Article may be made subject to such conditions or limitations as to the exercise of any function the subject thereof, or as to time or circumstances, as may be specified in the instrument or delegation.
- (4) Notwithstanding any delegation under this Article, the Board may continue to exercise any function delegated.
- (5) Any act or thing done or suffered by a Committee acting in the exercise of a delegation under this Article, has the same force and effect as it would have if it had been done or suffered by the Board.
- (6) The Board may, by instrument in writing, revoke wholly or in part any delegation under this Article.
- (7) A Committee may meet and adjourn as it thinks proper.

SECRETARY

24. The Secretary of the Association shall keep minutes of the resolutions and proceedings of each general meeting and each Board meeting in books provided for that purpose together with a record of the names of persons present at Board meetings. All such minutes shall be forwarded to the Board within twenty-eight (28) days of the particular meeting.

TREASURER

25. (1) The Treasurer of the Association:
- (a) shall collect and receive all monies due to the Association and make all payments authorised by the Association; and
 - (b) shall keep correct accounts and books showing the financial affairs of the Association with full details of all receipts and expenditure connected with the activities of the Association.
- (2) The accounts and books referred to in sub-clause (1) shall be audited annually by a certified auditor and shall thereafter be tabled for adoption at the next AGM.
- (3) The accounts and books referenced in sub clause (1) shall be available for inspection by members.

REMOVAL OF MEMBER OF BOARD

26. (1) The Association in general meeting may by resolution remove any member of the Board before the expiration of his term of office and appoint another member in his stead to hold office until the expiration of the term of the first-mentioned member.

(2) Where the member to whom a proposed resolution referred to in sub-clause (1), makes representations in writing to the Secretary or Chairman of the Association and requests that they be notified to the members of the Association, the Secretary or the Chairman may send a copy of the representations to each member of the Association or, if they are not so sent, the member may require that they be read out at the meeting.

FUNDS MANAGEMENT

27. All cheques, drafts, bills of exchange, promissory notes and other negotiable instruments shall be signed by any two (2) persons being a member of the Board and/or the Chief Executive Officer appointed by the Board.

COMMON SEAL

28. (1) The Common Seal of the Association shall be kept in the custody of the Secretary.

(2) The Common Seal shall not be affixed to any instrument except by the authority of the Board and the affixing of the Common Seal shall be attested by the signatures either of two (2) members of the Board or of one (1) member of the Board and Chief Executive Officer of the Association.

REGIONAL BRANCHES

29. (1) The Board may establish in each Region a branch which consists of all members of the Association in that particular Region.

(2) The Board may by three-quarters 3/4 majority at any time withdraw recognition of any Regional branch which in the opinion of Board has ceased to function effectively.

(3) Regional branches shall operate in accordance with these Articles (with the necessary changes being made to make them applicable) and any By-Laws laid down and as amended from time to time by the Board however, such Regional branches shall not in any instance have their own legal identity.

(4) In addition to their rights and privileges as members of the Association, all members shall have rights and privileges to which they shall, for the time being, be entitled, as members of their respective Region.

(5) Upon the establishment of a Region, the Board shall nominate the first Regional committee from members qualified to be members of the Board which committee shall hold office until the first annual meeting of that Region.

ALTERATION OF ARTICLES

30. The Articles and Statement of Purposes of the Association shall not be altered except in accordance with these Articles and the Act.

NOTICES

31. (1) A notice may be served by or on behalf of the Association upon any member either personally or by sending it by post to the member at the member's address shown in the Register of Members.
- (2) Where a document is properly addressed pre-paid and posted to a person as a letter, the document shall, unless the contrary is proved, be deemed to have been given to the person at the time at which the letter would have been delivered in the ordinary course of post.
- (3) Where a document is sent to a person by properly addressing and sending the document by facsimile or email, to that address as held in the Registry of members (if such an address is held), and this manner is used in lieu of pre paid post, the document shall, unless the contrary is proved, be deemed for the purpose of these Articles to have been served on the person on the business day first following the day on which the document was sent by facsimile or email.

WINDING UP OR CANCELLATION

32. If, upon the winding up or dissolution of the Association, there remains any Association assets whatsoever, after satisfaction of all its debts and liabilities and property whatsoever, the same shall not be paid to or distributed among the members of the Association but shall be given or transferred to some other Association or institution having objects similar to the objects contained in the Statement of Purposes and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Association under or by virtue of the Statement of Purposes hereof such Association or institution to be determined by the members of the Association at or before the time of dissolution and in default thereof by such Judge of the Supreme Court as may have or acquire jurisdiction in the matter and if and so far as effect cannot be given to the aforesaid provision then to some charitable object.

CUSTODY OF RECORDS

33. Except as otherwise provided in these Articles, the Secretary shall keep in his/her custody or under his/her control all books, documents and securities of the Association.

REMUNERATION OF MEMBERS

34. (a) No remuneration shall be paid to any member of the Association by way of payment for services provided as a member save that:
- (i) members may be entitled to reimbursement for out-of-pocket expenses; and
 - (ii) the Association shall be entitled to engage the professional services of members as consultants and the like in matters outside of the ambit of the members actual service to the Association, provided that nothing herein contained shall prevent the payment in good faith remuneration to any²⁵

officer or servant of the Association or to any member of the Association or other person in return for any services actually rendered to the Association nor prevent the payment of interest at a rate not exceeding current bank overdraft rates for money lent or reasonable and proper rent for premises demised or let by any member to the Association.

(b) No member of the Board or Regional Committee may be appointed to any salaried office of the Association or any office of the Association paid by fees and that no remuneration or other benefit whether in money or money's worth shall be given by the Association to any member of the Board or Regional Committee except repayment of out-of-pocket expenses and interest at the rate aforesaid on money lent or reasonable and proper rent for premises demised or let to the Association.

INSURANCE

35. The Association shall effect and maintain insurance required by law and in addition may effect and maintain other insurance.

BY-LAWS

36. (1) The Board may from time to time in the manner set out hereunder make, repeal and amend such by-laws not inconsistent with these Articles as it may deem desirable for carrying out the objects of the Association and for the regulation of its affairs and the management, control and discipline of the members, officers and servants of the Association. Notwithstanding the provisions of Article 22, such by-laws may be made, repealed or amended by resolution of the Board duly passed by at least two-thirds (2/3) of those present at a meeting thereof provided that for the purpose of this Article a resolution shall be deemed to have been duly passed as aforesaid if:

(a) A written copy of the proposed resolution has been sent to each member of the Board by posting the same in a prepaid letter addressed to such member at his address as entered in the register or at his last known place or abode or by facsimile.

(b) Approval in writing of such proposed resolution has been returned to the Secretary by at least two-thirds (2/3) of the members of the Board within two months after the date of such posting or facsimile.

(2) Notwithstanding the foregoing any such by-laws may be amended or repealed by resolution of a General Meeting of the Association.

(3) Any member shall be entitled upon request to obtain a copy of all by-laws then in force without payment of any fee.

Annex 3

CUSTOMS BROKERS INSTITUTION (ASSOCIATION) MODEL BYE-LAWS

BYE-LAW 1

ARTICLE 3

CONDITIONS OF MEMBERSHIP

Each Individual member must satisfy the undermentioned criteria:

Customs Brokerage Sector

- ☐ be a natural person licensed under (*insert reference to relevant legislation*)
- ☐ be nominated and seconded by an individual member(s) of the association
- ☐ pay the necessary application fee (if applicable) and annual membership fee at the time of application
- ☐ be of good character and a person of integrity, and
- ☐ any other criteria that the Board deems necessary.

International Freight Forwarding Sector

- ☐ be nominated and seconded by an individual member(s) of the association
- ☐ pay the necessary application fee (if applicable) and annual membership fee at the time of application
- ☐ be of good character and a person of integrity
- ☐ hold a current International Air Transport Association (IATA) accredited Dangerous Goods Certificate and, if applicable, Department of Transport and Regional Communications, Aviation Security Accreditation, (*as appropriate for each country's legislation*) or
- ☐ any other criteria that the Board deems appropriate.

BYE-LAW 2

ARTICLE 3 (8)

CERTIFICATES

Certificates of membership for both Business and Individual Members shall be issued by the Association according to the status of a member. Existing certificates issued by the Association shall be recognised by the Association and will remain in force while the respective member remains a financial member of the Association. Upon resignation or the member becoming unfinancial any certificate issued will be returned to the Association forthwith.

TRADEMARK

Business members are entitled to exclusive use of the Association trademark in relation to business letterhead, cards and signage. Use of the trademark must be professional, in good taste and appropriate to the practice.

The use of the trademark may prescribe a requisite fee.

BYE-LAW 3

ARTICLE 3 (9)

PROFESSIONAL INDEMNITY AND OTHER APPROPRIATE INSURANCE

In terms of Professional Indemnity and other insurance approved by the Board and determined according to the service provision capacity of business members, as a practical matter, minimal levels of insurance should be based upon the professional advice from insurance brokers or other advisers so as to ensure adequacy in the type and level of cover for each business circumstance. In terms of Professional Indemnity Insurance the following applies:

1. (a) Parties to be insured include:
 - (i) each principal, partner, director or employee of the insured;
 - (ii) any person who is, or becomes, or ceases to be, during the period of insurance, a principle or employee of the entity;
 - (iii) any person who has ever been a principal or employee of the entity;
 - (iv) in the event of the death or incapacity of any person in the above paragraphs, the legal representatives of that person;
 - (v) any corporate entity involved in the activities of the industry.
- (b) The insurer must be:
 - (i) authorised to carry on the insurance business under the (*insert relevant legislation*);
 - (ii) represented by a registered foreign agent under the (*insert relevant legislation*);
 - (iii) represented by a registered broker under a binder under the (*insert relevant legislation*); or
 - (iv) authorised or licensed to carry on business in a foreign country.
- (c) The insured business:
 - (i) the insurance must cover all services for which any of the insured's referred to in paragraph (a) carries on a business;
 - (ii) the expression the "Insured's Profession" shall mean the practice of Customs Brokers, forwarding agents, carriers and/or portage contractors, and/or allied and/or ancillary services and insurance agents and includes advice given and services performed of whatever nature by the insured whether or not fees accrue for the performance of such work.
- (d) The period of insurance - the insurance must be for a period of not less than one year and must include the full year of membership of the Association.
- (e) The limits of indemnity and cover:
 - (i) the sum insured must give effect to the level of business activity and liability. A base of \$250,000 (*amend as required*) is recommended;
 - (ii) the sums referred to above must be for each and every claim;
 - (iii) the policy must provide for at least one reinstatement of the sum insured following a claim;
 - (iv) there must be indemnity for the costs and expenses, including legal costs and expenses of investigating, defending and settling claims against the insured. The excess applicable must be exclusive of these costs and expenses;

- (v) if the policy covers retroactive claims then that retroactivity must be for a period of not less than seven (7) years;
 - (vi) the insurance shall provide indemnity for any negligent act, error or omission in relation to the services provided by the business;
 - (vii) the insurance shall provide indemnity for any fraudulent, malicious or illegal acts or omissions of the insured in the conduct of the business;
 - (viii) the policy must not be cancellable by the insured during the validity of the policy;
 - (ix) run-off - the member must ensure that the insurance is maintained, through a period of not less than seven (7) years after ceasing a business.
2. (a) The member must provide to the Association any such information or documents about, or in evidence of, the member's Professional Indemnity or other specified Insurance that it requests.
- (b) The member must inform the Association in writing seven (7) days of becoming aware that his Professional Indemnity or other specified Insurance has expired or been cancelled unless within that period:
- (i) it has been renewed; or
 - (ii) he has concluded a valid and binding contract of insurance complying with these articles.
- (c) If, for a period of thirty (30) days, the member does not have insurance as required by these articles then his membership will be automatically suspended until he arranges new insurance complying with these articles.
3. The Board shall have discretion, under special circumstances, to accept an application for membership or to retain a member's status even if the applicant's or member's insurance does not comply with these articles.

OTHER INSURANCE

The above principles in relation to Professional Indemnity Insurance as they relate to parties to be insured, apply in relation to other appropriate insurance deemed by the Board as acceptable in relation to other business member service provisions capacity.

BYE-LAW 4

ARTICLE 3 (10)

PROFESSIONAL DEVELOPMENT

In order to maintain membership each individual member is required to undertake a minimum of 30 hours of professional development training within each 24 month period. Failure to comply with the minimum number of training hours may render the individual member subject to suspension after notice has been provided to the member as to failure to achieve the minimum hours of professional training. Such suspension shall be on the basis of reports received by the Board from the National Training Manager and the individual members' written response as to failure to achieve the minimum hours of professional development training.

**BYE-LAW 5
ARTICLE 7 (1)(iii)
CODE OF PROFESSIONAL CONDUCT**

SECTION A

- A.1 Introduction**
- A.2 Compliance**
- A.3 Format of the Code of Professional Conduct**
- A.4 Assistance to Members**

SECTION B

FUNDAMENTAL PRINCIPLES OF PROFESSIONAL CONDUCT APPLICABLE TO ALL MEMBERS

- B.1 The Public Interest**
- B.2 Integrity**
- B.3 Objectivity and Independence**
- B.4 Competence and Due Care**
- B.5 Confidentiality**
- B.6 The Image of the Industry and the Association**

SECTION C

MATTERS APPLICABLE TO MEMBERS PROVIDING SERVICES

- C.1 Fees**
- C.2 Advisory Services - Fees and Commissions**
- C.3 Practice Names and Descriptions**
- C.4 Advertising and Publicity**
- C.5 Solicitation**
- C.6 Incompatible Business**
- C.7 Attention to Correspondence and Enquiries**
- C.8 Stationery and Signboards**

SECTION D

- D.1 Service Fees**
- D.2 Clients' Money**

SECTION A

A.1 INTRODUCTION

One of the hallmarks of a profession is the commitment by its members to high standards of professional conduct. Members of the Customs Brokers Institution (Association) of ("the Association") should also, at all times, maintain professional standards. By doing so, they will enhance their personal stature and help maintain the prestige of the the customs brokerage and international freight forwarding industry. They will secure the continuing acknowledgment of their professional merits by the community as a whole.

The Code of Professional Conduct ("the Code") is designed to provide members with authoritative guidance on acceptable standards of professional conduct. The Code focuses on essential matters and is not intended to include a multitude of articles of Observance on minor issues. The Code should not, however, be narrowly interpreted. While it contains specific articles, it is equally important that the spirit of the articles should govern members' conduct.

The Code sets out minimum appropriate requirements. It is expected, however, that members will achieve a level of professionalism in excess of such minimum requirements.

A.2 COMPLIANCE

Compliance with the Code is *mandatory for all members*. Non-compliance can lead to disciplinary proceedings as provided in the Institute's (Association's) Articles of Association.

A.3 FORMAT OF THE CODE OF PROFESSIONAL CONDUCT

The Code of Professional Conduct is presented in Sections as follows:

Section A - Introduction

Section B - Fundamental Principles of Professional Conduct applicable to all members

Section C - Matters applicable mainly to members providing services

Section D - Professional Statements

A.4 ASSISTANCE TO MEMBERS

Members should, when in doubt as to the propriety of any course of action and if the doubt cannot be resolved by reference to the Code of Professional Conduct, seek the guidance of the Board or of the Executive Director. This is especially necessary if circumstances arise, for whatever reason, in which difficulties occur in complying with requirements or taking a professionally correct course of action.

SECTION B

FUNDAMENTAL PRINCIPLES OF PROFESSIONAL CONDUCT APPLICABLE TO ALL MEMBERS

B.1 THE PUBLIC INTEREST

Members must at all times safeguard the interests of their clients and employers provided that they do not conflict with the duties owed to the community, laws, social and political institutions.

B.2 INTEGRITY

Members must not breach public trust in the profession or the specific trust of their clients and employers. Observance of accepted norms of honesty and integrity must underlie all professional decisions and actions.

B.3 OBJECTIVITY AND INDEPENDENCE

Members must be objective, impartial and free of conflicts of interest in the performance of their duties. They must be independent and be seen to be independent when providing auditing and other reporting or attestation services.

B.4 COMPETENCE AND DUE CARE

Members must strive continually to improve their technical services and to keep their knowledge up-to-date. They must bring due care and diligence to bear upon the discharge of their duties to clients and employers.

Members must not undertake work which they are not competent to perform and, when in doubt, must obtain such advice and assistance as will enable them to carry out the work competently.

B.5 CONFIDENTIALITY

Members must not disclose information acquired in the course of their work except where consent has been obtained or where there is a legal or professional duty to disclose. Members must not use such information for their personal advantage or that of a third party.

B.6 THE IMAGE OF THE INDUSTRY AND THE ASSOCIATION

Members must refrain from any conduct or action in their professional role which may tarnish the image of the industry or unjustifiably detract from the good name of the Institution (Association).

SECTION C

MATTERS APPLICABLE MAINLY TO MEMBERS PROVIDING SERVICES

C.1 FEES

Service fees must reflect fairly and equitably the value of work performed for the client. Members are referred to Professional Statement D.1 in Section D of this Code for the approved principles relating to the charging of fees.

C.2 ADVISORY SERVICES - FEES AND COMMISSIONS

Members may charge a client a fee for advisory services and/or may receive commissions from third parties in respect of advisory services provided to a client.

Where an agency, commission or other form of arrangement has been entered into with a third party, the member shall inform the client of the existence of such arrangement, the identity of the other party or parties and the method of calculation of the agency fee, commission or other benefit accruing directly or indirectly to the member. The onus of proof that disclosure has been made is on the member.

Members are referred to in Section D of this Code for the approved principles relating to the charging of fees.

C.3 PRACTICE NAMES AND DESCRIPTIONS

Members are prohibited from using a practice name which is false, misleading or deceptive. Practice names and descriptions must be in good taste and must not reflect adversely on the industry.

C.4 ADVERTISING AND PUBLICITY

Members are permitted to advertise or obtain publicity for their services provided that the content or nature of such advertising or publicity is not false, misleading or deceptive or in any other way reflects adversely on the industry. Advertising and publicity must be in good taste, informative and objective and consistent with the dignity of the industry.

C.5 SOLICITATION

The direct uninvited solicitation of a specific potential client for engagement from a client of another member providing similar services is prohibited.

C.6 INCOMPATIBLE BUSINESS

Members engaged in the provision of services must not at the same time engage in any business or occupation which may create a conflict of interest in rendering such services or which is detrimental to the public good or the dignity of the industry.

C.7 ATTENTION TO CORRESPONDENCE AND ENQUIRIES

Members must reply to professional correspondence and enquiries expeditiously.

C.8 STATIONERY AND SIGNBOARDS

Members' stationery and signboards must be professional, in good taste and appropriate to the industry.

SECTION D

D.1 SERVICE FEES

Principles of Charging

1. Service fees must be a fair reflection of the value of the work performed for the client, taking into account:

- (a) the skill and knowledge required for the type of work involved;
- (b) the level of training and experience of the persons engaged on the work;
- (c) the time necessarily occupied by each person engaged on the work; and
- (d) the degree of responsibility that the work entails.

2. Service fees may be computed on the basis of appropriate rates per hour or per day for the time of each person engaged on the work. These rates should be based on the fundamental premise that the organisation and conduct of the member's office and client work are well planned, controlled and managed. They should take into account the factors set out in paragraph 1.

3. (a) A member should not make a representation that specific services in current or future periods will be performed for either a stated fee, estimated fee, or fee range if it is likely at the time of the representation that such fees will be substantially increased and the prospective client is not advised on that likelihood.

(b) Before undertaking an assignment, a member must:

- (i) advise the client of the basis on which fees will be computed; and
- (ii) clearly define the billing arrangements.

The client must also be advised without delay of any changes to the fee structure or billing arrangements which may become necessary during the course of an assignment or between assignments.

4. When undertaking work for a client it may be necessary or expedient to charge a pre-arranged fee, in which event the member should estimate a fee taking into account the matters referred to in paragraphs 1 to 3 above.

5. It is not important for a member to charge a lower fee than has been charged by another service provider for similar work, provided the fee has been calculated in accordance with the factors referred to in paragraphs 1 to 3 above.

6. Members should supply clients with accounts which are sufficiently detailed to enable them to verify their accuracy. Members must supply full details if requested.

7. The foregoing paragraphs relate to service fees as distinct from reimbursement of expenses. Out-of-pocket expenses, in particular travelling expenses, attributable directly to the work done for a particular client would normally be charged to that client in addition to the service fees.

D.2 CLIENTS' MONEYS

1. In this Statement the following expressions have the meaning assigned to them in this paragraph:

"Clients' Moneys" means any moneys - including documents of title to money, eg: tax refund cheques, bills of exchange, promissory notes; and documents of title which can be converted into money, eg: bearer bonds - received by a member providing public accounting services to be held or paid out by the member on the instruction of the person from whom or on whose behalf they are received.

Principles

2. When a member is entrusted with moneys belonging to others the member should:

- (a) use such moneys only for the purpose for which they are entrusted to him or her; and
- (b) at all times, be ready to account for those moneys to any persons entitled to such accounting.

3. A member should maintain one or more bank accounts for clients' moneys. Such bank accounts may include a general client account into which the moneys of a number of clients may be paid.

4. If in the form of moneys, including documents of title to money, clients' moneys received by a member should be deposited without delay to the credit of a client account.

5. If in the form of documents of title which can be converted into money, clients' moneys should be safeguarded against unauthorised use.

6. A member must keep such records as will enable the member at any time to establish clearly, dealings with clients' moneys in general and the moneys of each individual client in particular.

Annex 4

Customs Broker Questionnaire

For the purposes of clarity, the terms Customs Broker and Declarant/Customs Agent referred to in this questionnaire are defined as follows:

Customs Broker – an officially approved (by Customs) body that represents the interests of the holder of the goods at all authorities connected to the movement of the goods across the customs border, accepting full liability for the potential Customs debt on behalf of the holder of the goods (client). The Customs Broker will hold a General Guarantee as security (collateral) for any Customs charges payable.

Declarant/Customs Agent – an officially approved (by Customs) body that acts as the intermediary between the client and Customs. In other words, the declarant/customs agent completes all the necessary documentation (SAD, etc.) for submission to Customs. He bears no liability for any potential Customs debt.

Country:.....

1. Please indicate which of these entities are involved in the customs clearance of cargo in your country (X):

- a. Customs Brokers
- b. Declarants/Customs Agents
- c. Other

2. If Customs Brokers, please give a brief description of the type below (e.g. independent company, state-controlled monopoly, individuals as opposed to companies)

3. If Other, please give a brief description below

4. Are Customs Brokers licenced by the Customs Department?

a. Yes

b. No

5. If Yes, please give a brief description of the criteria for issuing a licence

6. How many Customs Brokers are currently operating in your country?

7. Are Declarants/Customs Agents licenced by the Customs Department?

a. Yes

b. No

8. If Yes, please give a brief description of the criteria for issuing a licence

9. How many Declarants/Customs Agents are currently operating?

10. Who is responsible for training Customs Brokers?

a. Customs Department

b. Other

11. If the answer is Other, please give a brief description below

12. Who is responsible for training Declarants/Customs Agents?

a. Customs Department

b. Other

13. If the answer is Other, please give a brief description below

14. Is there a Customs Broker Association in your country?

a. Yes

b. No

15. Is there a Freight Forwarders Association in your country?

a. Yes

b. No

16. Is there any legal prohibition for a Freight Forwarder to act as a Customs Broker?

a. Yes

b. No

17. If the answer is Yes, please clarify below

18. Is there any legal prohibition to setting up a Customs Broker Association?

a. Yes

b. No

19. If the answer is Yes, please clarify below

20. Is there any official organisation for consultations between the Customs Department and Declarants/Customs Agents and/or Customs Brokers?

a. Yes

b. No

21. If the answer is Yes, please give a brief description below

22. Is there any official organisation for consultations between the Customs Department and Freight Forwarders?

a. Yes

b. No

23. If the answer is Yes, please give a brief description below

Thank you for your cooperation.

Peter Ranger

**Project Manager
Harmonisation of Border Crossing Procedures Project
IGC TRACECA
Baku, Azerbaijan**

Appendix 08

Приложение 08

- **Introductory Presentation during
Border Harmonisation Evaluation Workshop**
**Презентация, проведенная на выставке и конференции TransCaspian
2002**
- **Harmonisation of Border Crossing Procedures Proposals Presentation**
**Презентация Предложений по Гармонизации Процедур Пересечения
Границ**

Harmonisation of Border Crossing Procedures
Border Harmonisation Evaluation Workshop
Гармонизация Процедур Пересечения Границ
Семинар по Оценке Гармонизации Границ

WEST
ЗАПАД

TRACESA
TRANSPORT CORRIDOR
ТРАНСПОРТНЫЙ КОРИДОР

EAST
ВОСТОК

9-23 September 2002
9-23 сентября 2002 года

ROMANIA
BULGARIA
MOLDOVA
UKRAINE
TURKEY
GEORGIA
ARMENIA
AZERBAIJAN
KAZAKHSTAN
TURKMENISTAN
UZBEKISTAN
TAJIKISTAN
KYRGYZSTAN

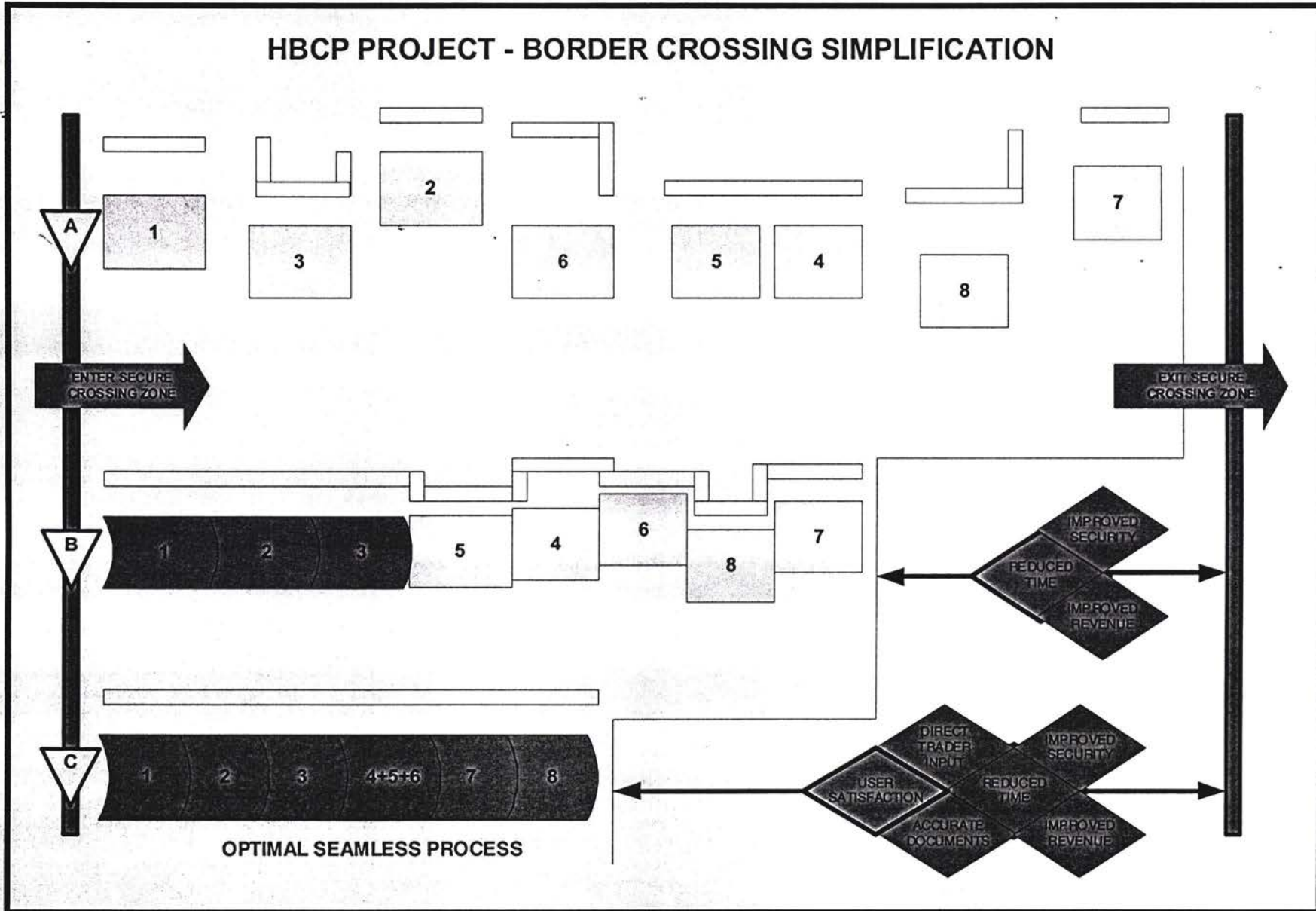
KYRGYZSTAN
TAJIKISTAN
UZBEKISTAN
TURKMENISTAN
KAZAKHSTAN
AZERBAIJAN
ARMENIA
GEORGIA
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UKRAINE
MOLDOVA
BULGARIA
ROMANIA



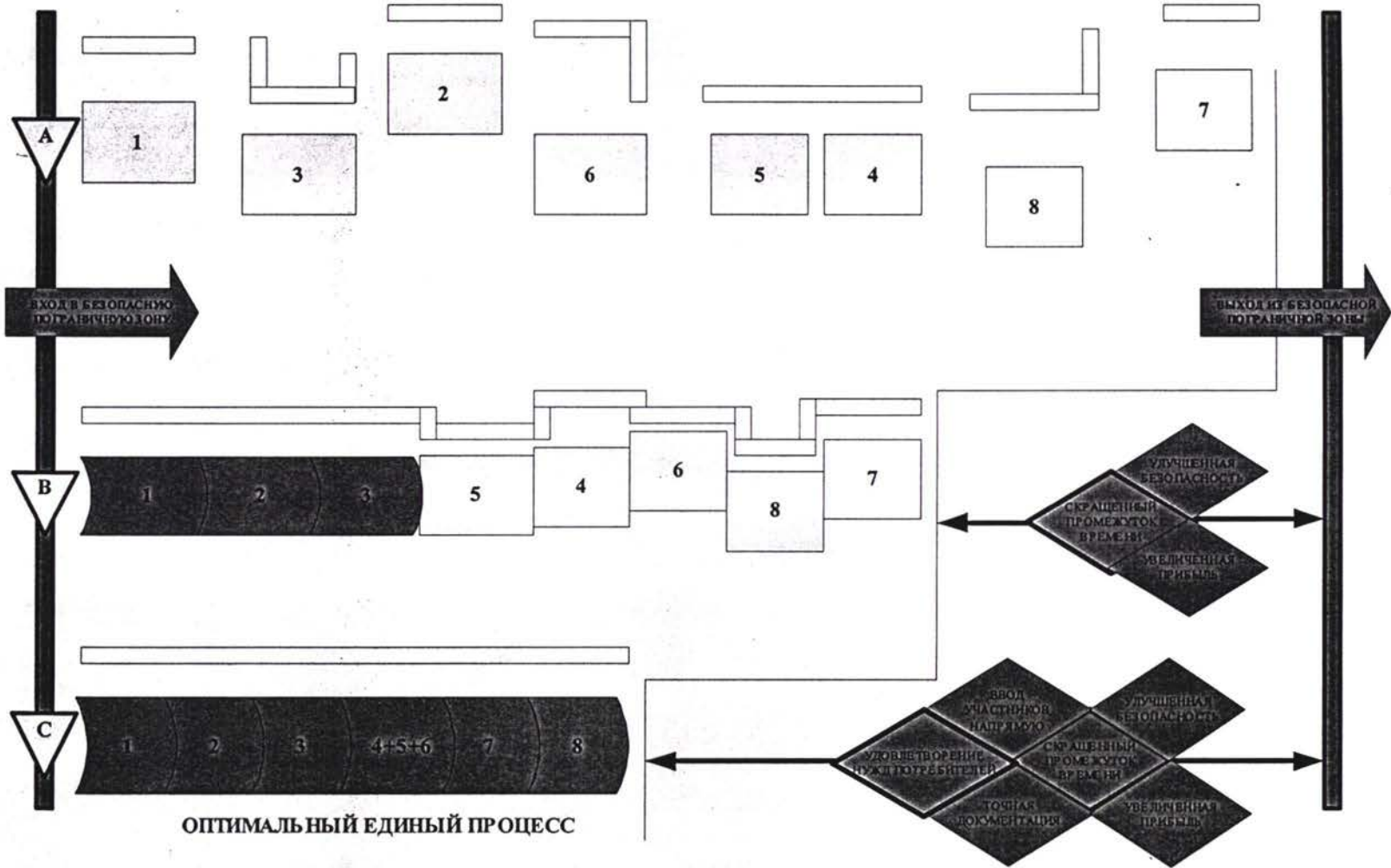
НВСП ВНЕУ – General Format: Общий формат СОГГ ГППГ

- theoretical and primarily practical aspects of Border Harmonisation Procedures
теоретические и, в основном, практические аспекты Процедур Гармонизации Границ
- the initial 'simplification' of those procedures
предварительное «упрощение» данных процедур
- draft proposals or recommendations for Border Harmonisation at and between borders of TRACECA Member States
предварительные предложения и рекомендации по Гармонизации Границ между границами стран-членов TRACECA
- attraction of local experts and expertise, involving specialists from TRACECA IGC, National Secretariat, Customs and Freight Entities
привлечение местных экспертов и опыта, путем вовлечения специалистов из МПК TRACECA, Национального Секретариата, Таможенных и Транспортных организаций

HBCP PROJECT - BORDER CROSSING SIMPLIFICATION

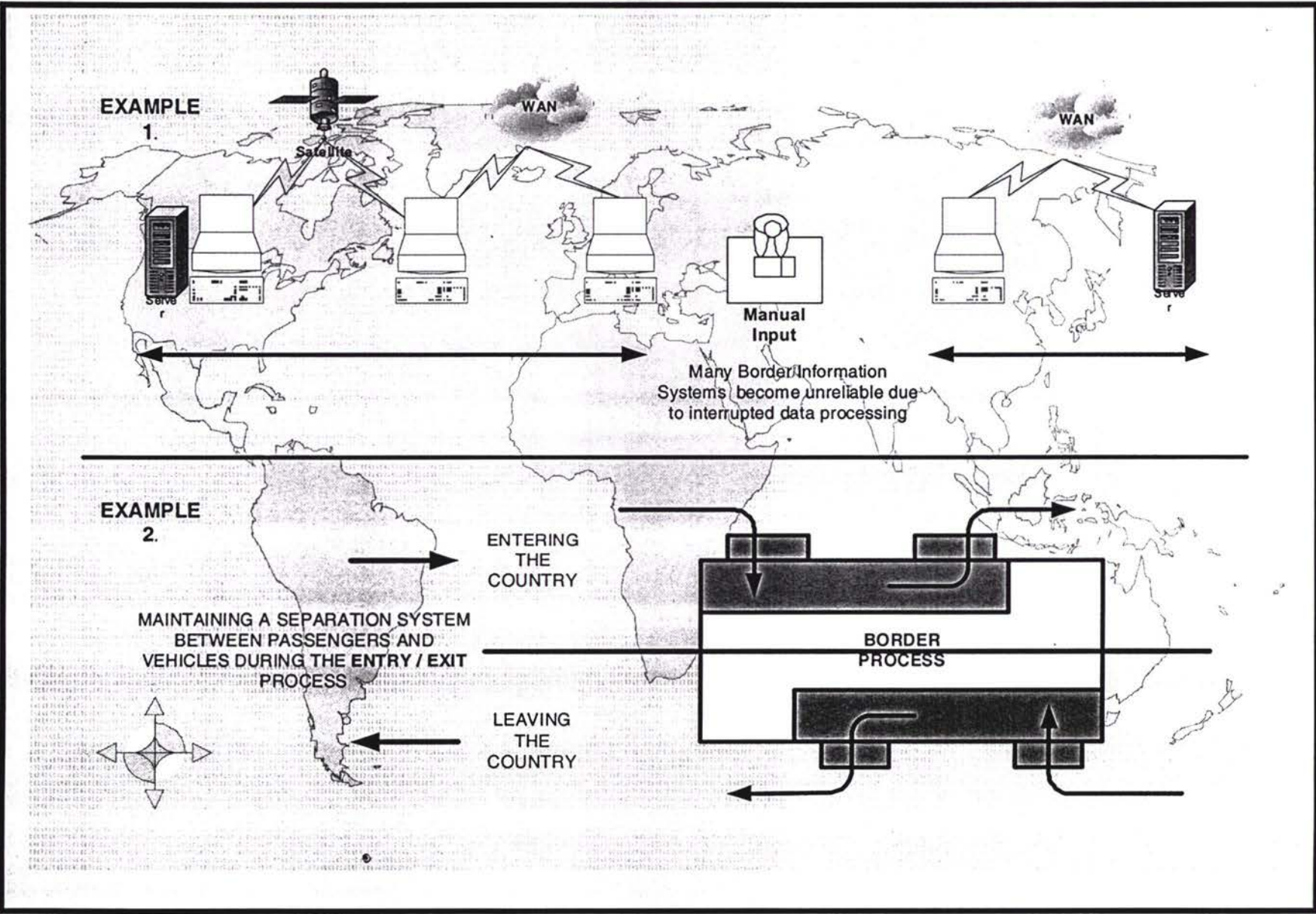


ПРОЕКТ ГППГ - УПРОЩЕНИЕ ПЕРЕСЕЧЕНИЯ ГРАНИЦ



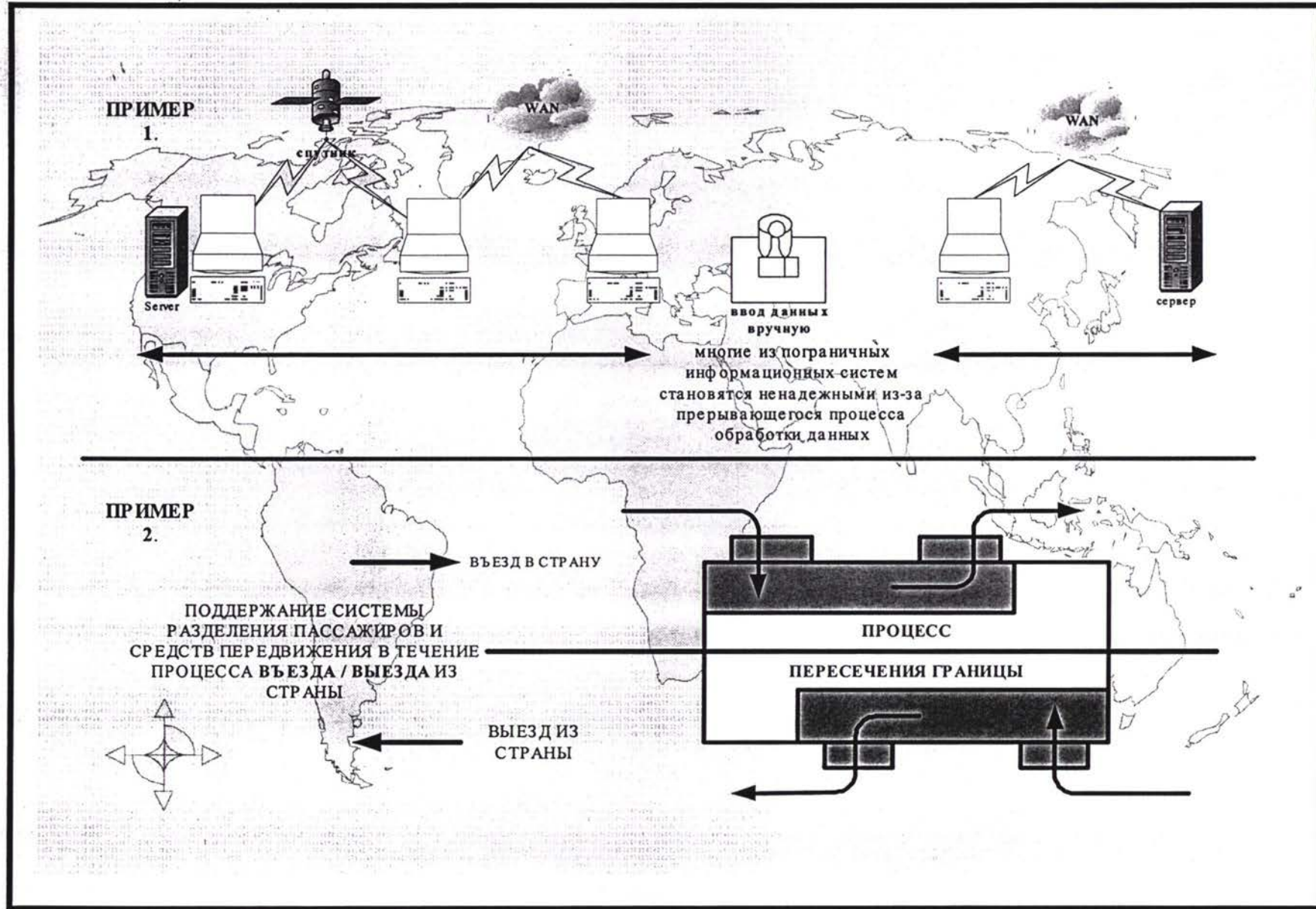
Harmonisation of Border Crossing Procedures

Border Harmonisation Evaluation Workshop



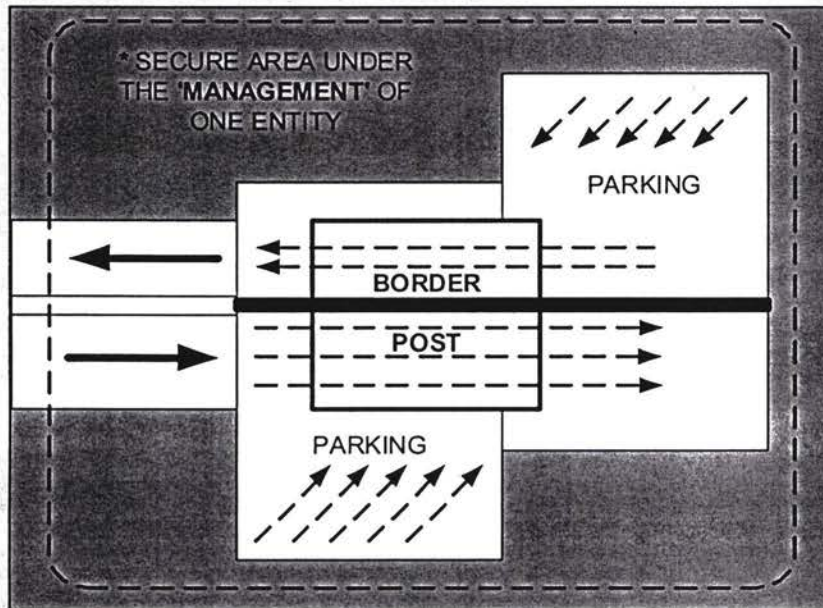
Harmonisation of Border Crossing Procedures

Border Harmonisation Evaluation Workshop



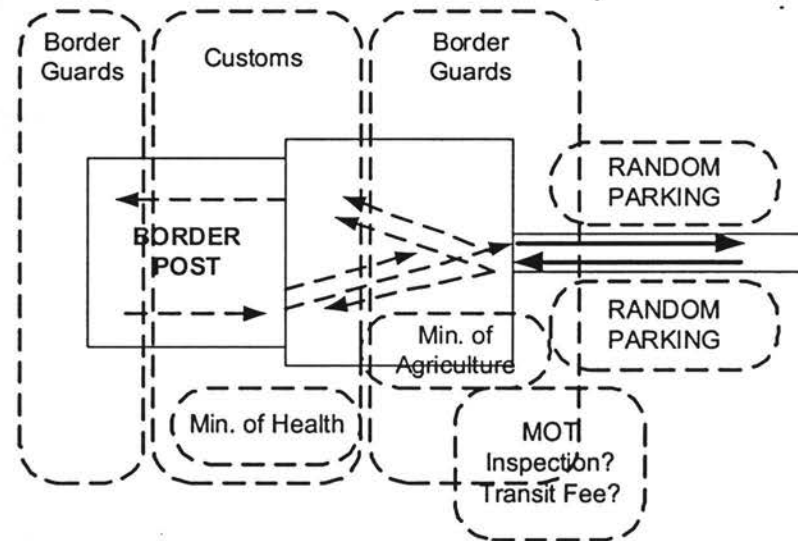
HBCP PROJECT - BORDERS PHYSICAL CONSIDERATIONS

EXAMPLE - A



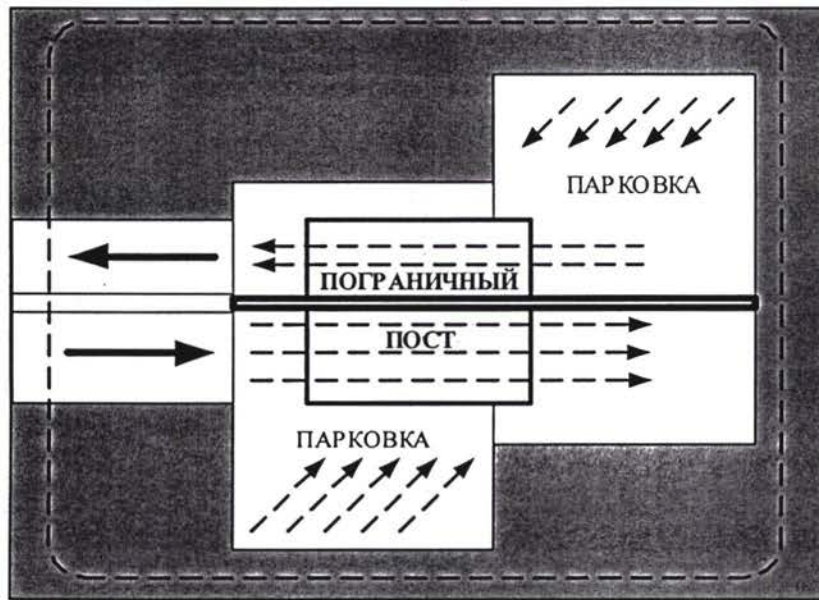
* The Border Post area should come under one Management entity. This can be a form of collaborative committee to ensure that the overall Border Post organisation and functioning are efficient and serve the users (Integrated Border Management)

EXAMPLE - B

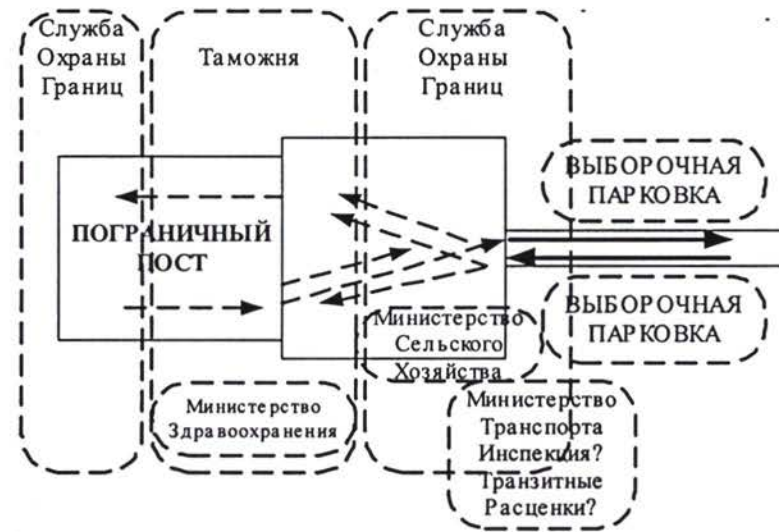


ПРОЕКТ ППГ - ФИЗИЧЕСКИЕ АСПЕКТЫ ПЕРЕСЕЧЕНИЯ ГРАНИЦ

ПРИМЕР - А



ПРИМЕР - В



*Территория Пограничного Поста должна находиться под руководством единой организации. Это может быть в виде совместного комитета для обеспечения эффективных организации и функционирования Пограничного Поста в целом для удовлетворения нужд потребителей (Интегрированное Управление Пограничным Постом).





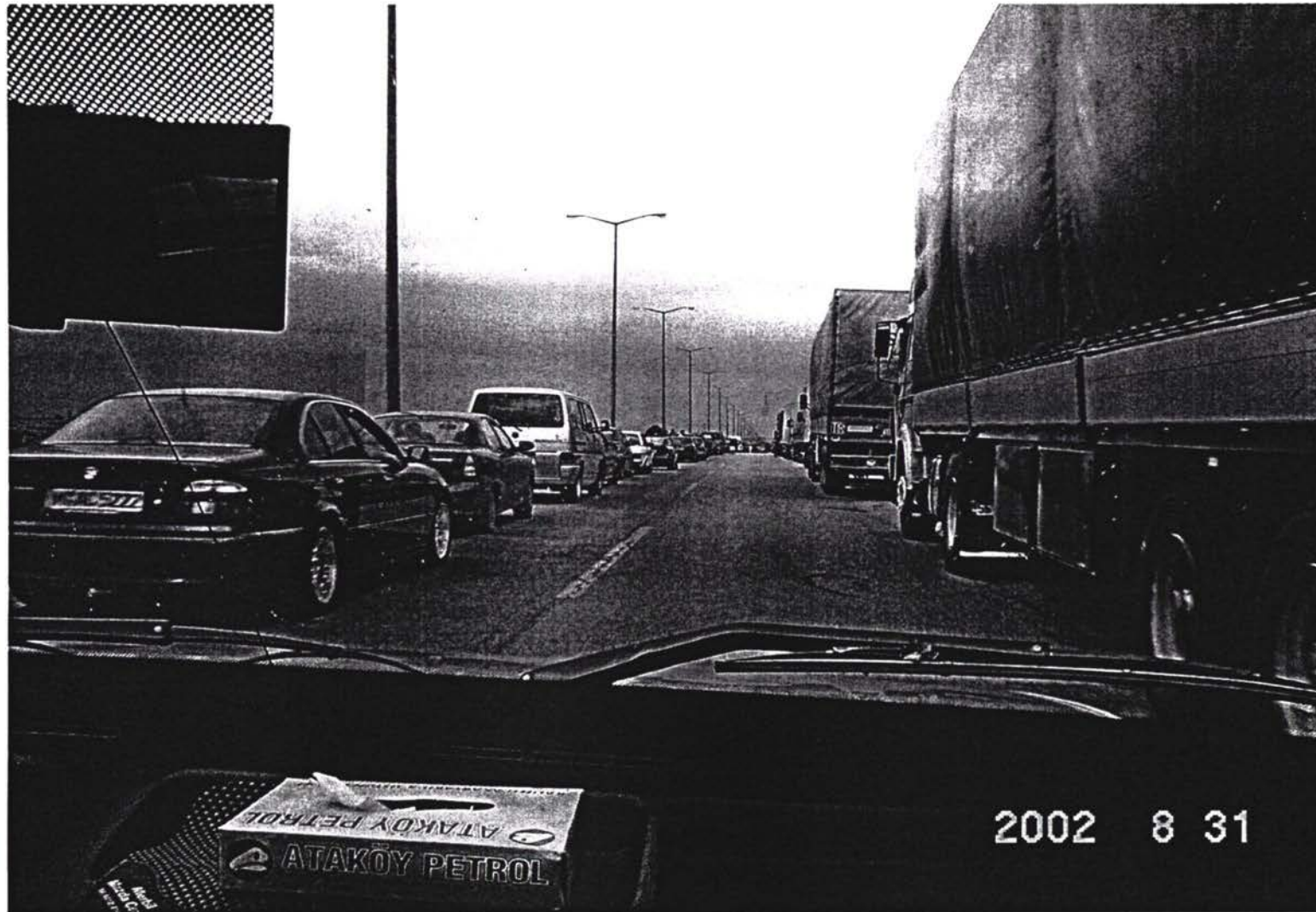
Harmonisation of Border Crossing Procedures

Гармонизация Процедур Пересечения Границ

Proposals Предложения

Harmonisation of Border Crossing Procedures Border Harmonisation Evaluation Workshop





What to do? Что делать?

- Search for (interim) results available to the subject
Искать (временных) результатов по вопросу
- Avoid re-inventing the wheel
Избегать «изобретения велосипеда» заново
- Discuss and agree with parties concerned in the countries
Обсуждать и согласовывать с вовлеченными в странах сторонами
- Ensure findings acceptable by the agencies, the WCO and by the EU Commission
Убедиться в том, что результаты удовлетворительны для организаций, ВТО и Европейской Комиссии

Contents Содержание

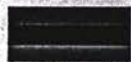
- Objectives of our work
Цели работы
- Approach identified
Предусмотренный подход
- Actions proposed
Предлагаемые действия



Objectives

Цели

- Improvement in organisation and management of border crossing posts to ensure effective and efficient controls through an integrated system of procedures.
Совершенствование организации и управления Постов Пересечения Границ путем интегрированной системы процедур
- Support of trade facilitation
Поддержка содействия торговле



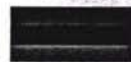
Objectives

Цели

- Elimination of bottlenecks
Упразднение недостатков
- Harmonisation of legislation and regulations in accordance with international standards
Гармонизация законодательства и регулирования в соответствии с международными стандартами
- Promotion of harmonised and simplified procedures
Пропаганда гармонизированных и упрощенных процедур

Objectives Цели

- Fight against fraud
Борьба с мошенничеством
- Promotion of close partnership between agencies acting at the border
Промогаанда близкого партнерства между агентствами,
функционирующими на границе
- Development of network for exchange of information
Разработка сети обмена информацией



Approach Подход

- Basic model describing an "ideal situation" (Best Practices) at border crossing posts
Базовая модель, описывающая «идеальную ситуацию» (Лучший Опыт) на постах пересечения границ
- One Stop Controls
Контроль на одной остановке
- Procedures to be agreed by
Согласование процедур по
 - Internal / external communications among agencies concerned
Внутренняя / внешняя связь между вовлеченными агентствами
 - Bi-lateral agreements
Двусторонние соглашения
 - Multilateral agreements and/or treaties
Международные соглашения и / или договора
 - Signing international conventions
Подписание международных конвенций

Approach Подход

- Actions proposed here are based on
Предложенные действия основаны на
 - WCO proposals
предложениях Всемирной Таможенной Организации
 - Kyoto Convention (Revised)
Конвенция Киото (пересмотренная)
 - EU-Working Group results
Результаты Рабочей Группы ЕС
 - Experience gained in the NAS, viz. Latvia
Опыт Недавно Вступивших Стран, например, Латвии

Actions Действия

- Inform users
Проинформировать пользователей
- Use standardised Check Fiche (Laufzettel)
Использовать стандартизированный Талон
- Execute one stop control
Применение контроля при одной остановке
- Provide traffic separation
Обеспечить разделение движения
- Improve communications
Усовершенствовать коммуникацию
- Practice pre-arrival processing
Применять обработку до прибытия
- Intensify Risk Analysis
Углубить Анализ Риска
- Simplify procedures at the borders
Упростить процедуры на границах

Inform users

Проинформировать пользователей

- Give clear information to users of all procedures
Предоставить четкую информацию пользователям касательно всех процедур
 - before arrival at the BCP
до прибытия на ППГ
 - at the BCP
на ППГ
- Public notices
Публичные объявления
 - Website
Веб сайт
 - Broadcast
Вещание

Check Fiche (Laufzettel) Талон

- Submit Check Fiche (Laufzettel) to the driver at the first stop
Предоставить Талон водителю на первой остановке
- to be re-collected at the last stop
для того, чтобы изъять на последней остановке



One stop controls Контроль при одной остановке

- For all governmental agencies including Police, Customs, Agriculture Environment, Health etc.
Для всех государственных организаций, включая Полицию, Таможенную Службу, Сельскохозяйственные Органы, Органы Охраны Окружающей Среды, Здравоохранение, и т.д.
- All cargo/goods document control to be done by Customs
Весь контроль над документацией по грузам / товарам, должен осуществляться Таможенной Службой
- Control of persons, goods and related actions remain with original authorities (e.g. passports, inoculations, samples)
Контроль людей, товаров, и соответствующих действий должен осуществляться изначально предусмотренными органами



One stop controls

Контроль при одной остановке

- Agreement with other agencies of your country
Согласование с другими Службами Вашей Страны
- Advantage
Преимущество
 - Speeds up procedures at the border
ускоряет процедуры на границе



Traffic separation

Разделение движения

- Wherever possible provide traffic separation for
Где это возможно, обеспечьте разделение движения для
 - buses, private cars
автобусов и частных автомобилей
 - TIR
TIR
 - Non TIR
не-TIR
 - Empty trucks
Порожних грузовиков

Improve communications and agreements Усовершенствование коммуникации и соглашений

- Discuss and conclude agreement on opening times with neighbouring country
Обсудить и заключить соглашения относительно часов работы соседней страной
- Practice direct communication with the neighbour office and regular exchange of information on every day issues
Применять прямую коммуникацию по повседневным вопросам
- Support formulation of a Memorandum of Understanding and / or a formal treaty
Поддержать составление Меморандума о Взаимопонимании и / или формального Соглашения



Practice pre-arrival processing Использовать обработку до прибытия

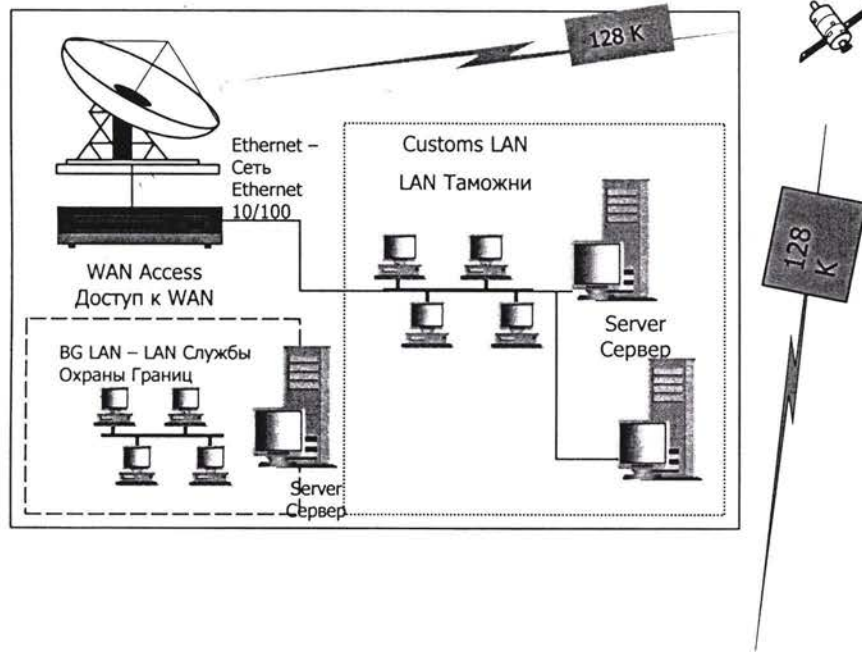
- Freight information to be forwarded to the BCP to permit pre-arrival processing
Информация о грузе должна быть отправлена на ППГ для возможности осуществления обработки до прибытия



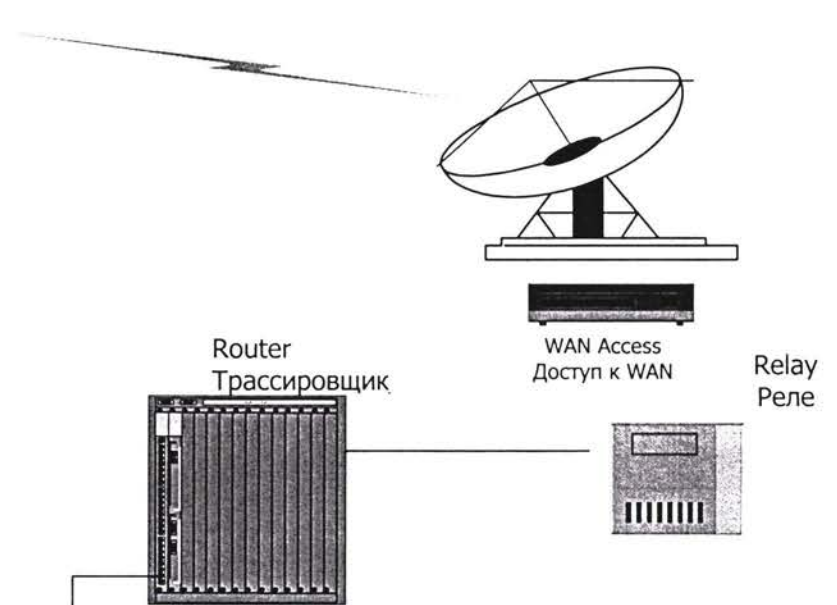
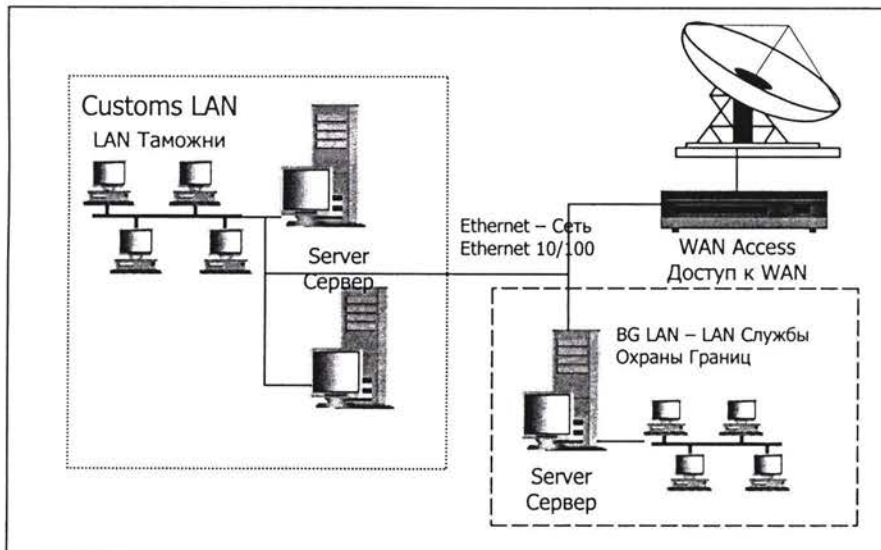
LAN / WAN designed
Модель LAN / WAN



Border Crossing No. 1 – ППГ № 1

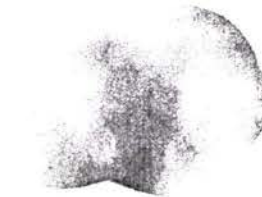


Border Crossing No. 2 - ППГ № 2

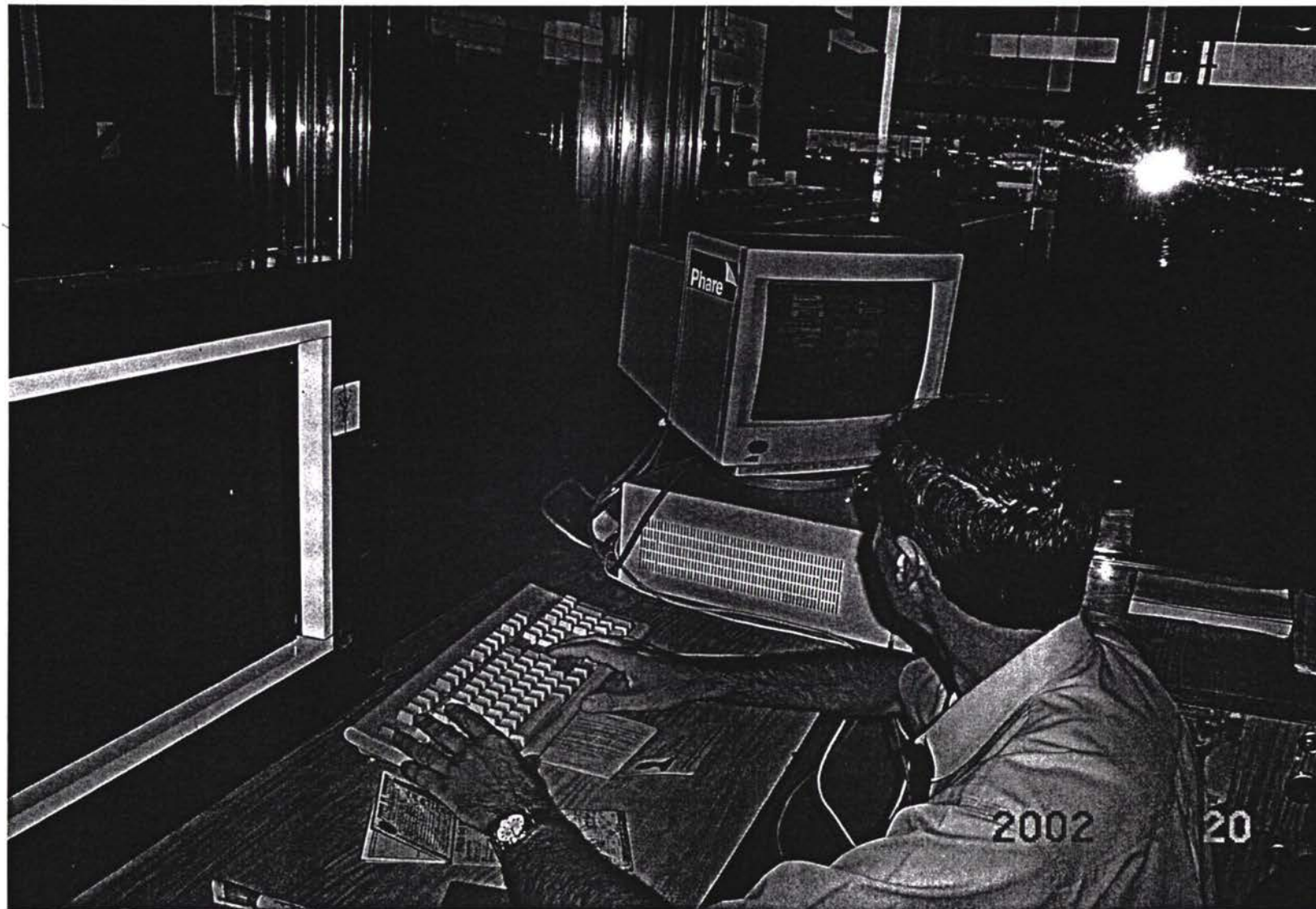


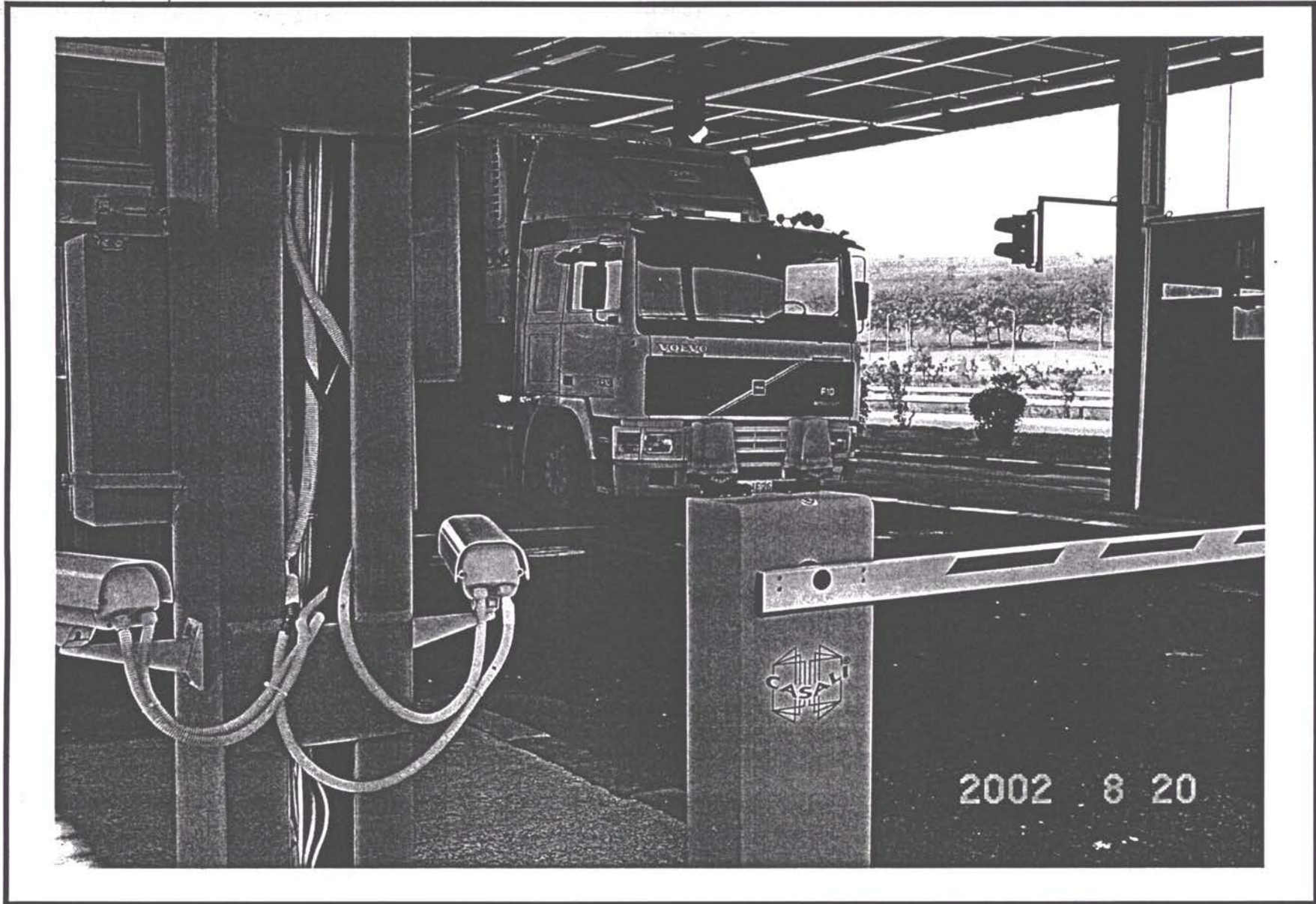
The Central Data Base of the State
Customs & Border Guards Service

Ethernet - Сеть
Ethernet -100 Mb

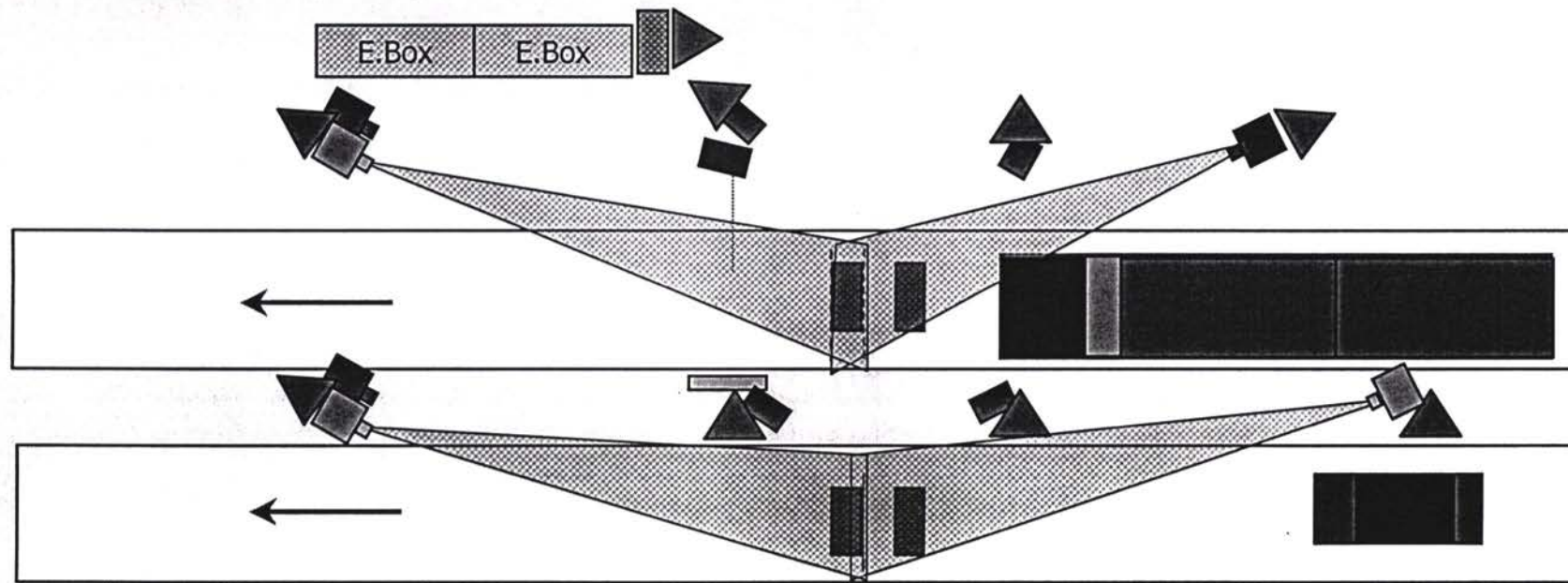


Example
Пример

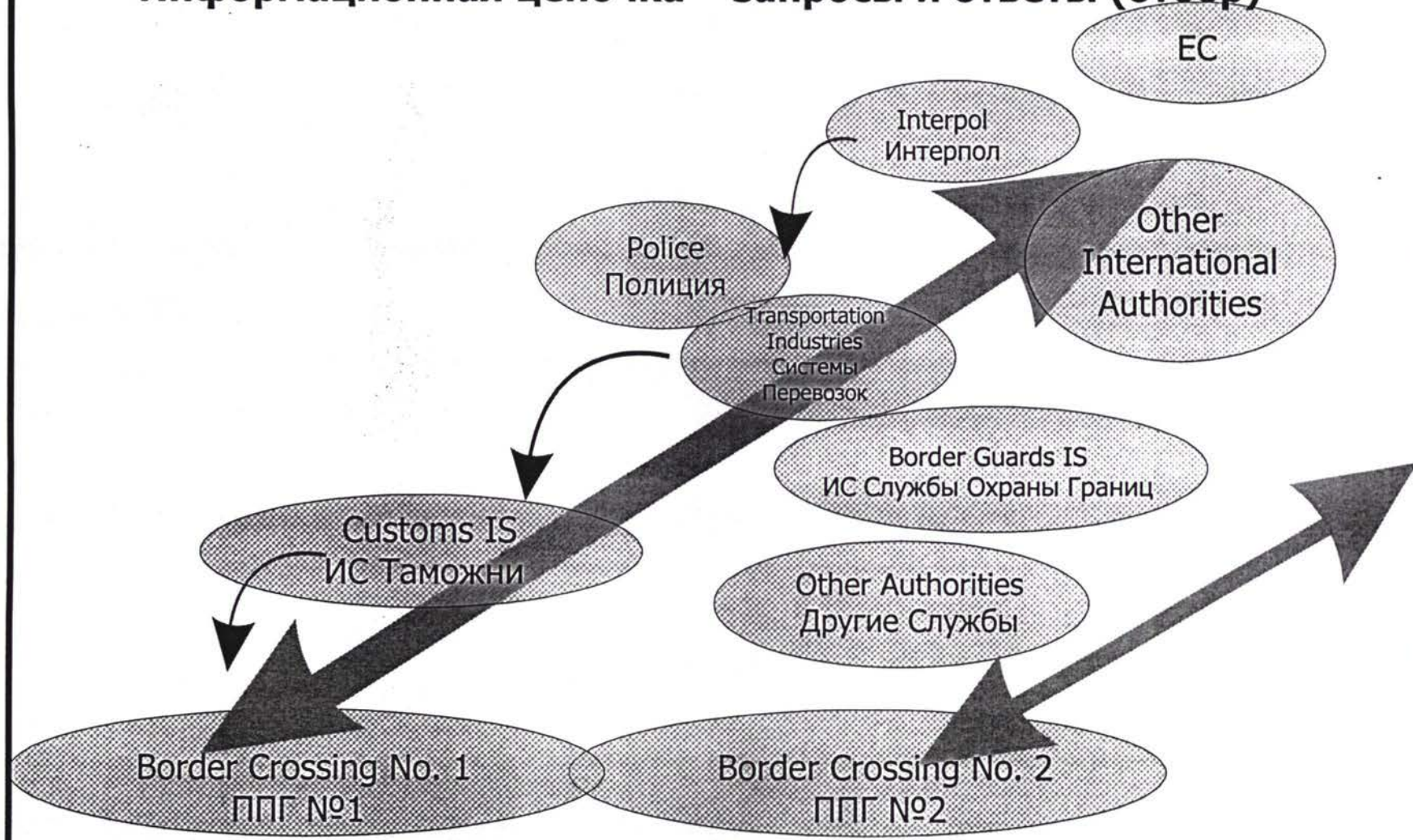




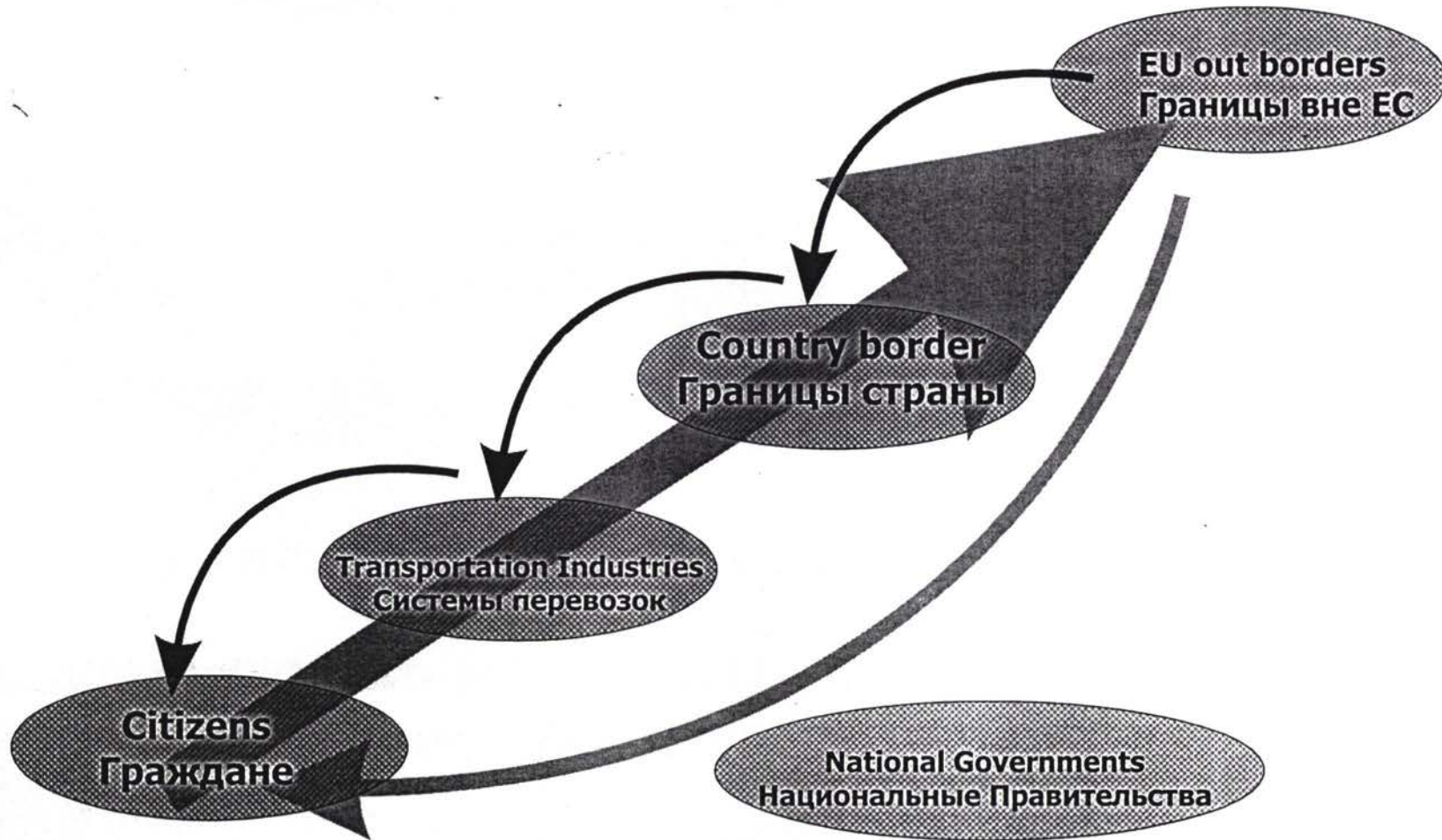
Check Point Traffic Monitoring - Two Lanes:
Cargo and Person Traffic
License Plates and Container Recognition
Организация движения на Пункте Контроля – Две полосы:
движение грузов и физических лиц
распознавание номеров и контейнеров



INFORMATION CHAIN – Requests and Answers (selection) Информационная цепочка – запросы и ответы (отбор)

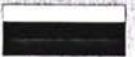


INFORMATION CHAIN – Requests and Answers (selection)
Информационная цепочка – запросы и ответы (отбор)



Intensify Risk Analysis RAS Углубить Анализ Риска

- Principles
Основы
- Training
Тренинг
- Local Start
Начало на местном уровне
- Central office working method
Метод работы центрального офиса
- Communication
Связь
- Feedback
Обратная связь



Principles of Risk Analysis Основы Анализа Риска

- Impossibility to control every consignment in modern trade
Невозможность контроля каждого коносамента в условиях современной торговли
- Computer based random selection
Компьютерная выборка
- Existing capacities of control to be used for goods and persons, where
Существующие возможности контроля для использования для товаров и физических лиц, где
 - probability of irregularities and
возможности отклонений
 - risk of fraud are relatively high
риск и мошенничество относительно высоки
- Dual purpose: secure revenue **and** facilitation
Двойная цель: безопасная выручка **и** ускорение
- Start locally – continue with Central office (areas and mechanisms)
Начало на местном уровне – продолжение работы Центрального Офиса (области и механизмы)

Principles of Risk Analysis Основы Анализа Риска

- **Training
Тренинг**

- Training in RAS methods is considered essential for modern BCP management
Тренинг по методам RAS считается основополагающим для управления ППГ
- Trained staff need to be deployed at the relevant BCPs in order to practice and gain experience
Обученный штат должен быть распределен по соответствующим ППГ для практики и приобретения опыта
- Fluctuation of trained staff to be avoided
Следует избегать утечки обученного штата



Principles of Risk Analysis

Основы Анализа Риска

Local Start

Начало на местном уровне

- Use of existing legislation
Использование существующего законодательства
- Change of attitude of superiors and officers
Изменение отношения вышестоящих и служащих
- Not every importer is a smuggler
Не каждый импортер мошенник
- Creation of working unit at BCPs (all services)
Создание рабочего пункта на ППГ (всех видов сервиса)
- First establish customs data base at BCPs
Создание, для начала, базы данных Таможни на ППГ
- Priorities fixed on local knowledge
Приоритеты, основанные на знаниях на местном уровне
- Weight of control proportionate to real risk to revenue ("tariff free" "proven repeat traffic")
Степень контроля пропорциональна реальному риску прибыли («освобождение от тарифов» «проверенное повторное движение»)

Principles of Risk Analysis Основы Анализа Риска

Central office working method

Метод работы центрального офиса

- Use of local experience
Использование местного опыта
- Collection of data nation-wide
Сбор данных по стране
- Evaluation of data
Оценка данных
- Decision if to use data
Решение об использовании данных
- Elaboration of data
Совершенствование данных
- Creation of risk profiles
Создание профилей риска
- Contacts to trade, transport and industry
Контакты с представителями торговли, транспорта и промышленности
- Contact to international Organisations (WCO,WTO,UN, EU)
Контакты с международными Организациями (ВТО, ВТО, ООН, ЕС)

Principles of Risk Analysis Основы Анализа Риска

Communication

Связь

- Of results as profiles with concrete risks
Результатов как совокупность параметров с конкретными рисками
- Of concrete measures
Конкретных мер
- Control units at BCPs and inland
Контрольных пунктов с внутренней частью страны
- Use RAS according to local situation and possibilities
Использование RAS в соответствии с местной ситуацией и возможностями

Principles of Risk Analysis Основы Анализа Риска

- TIR
 - Separate lane and
Отдельная линия
 - Separate counter for immediate clearance
Отдельная стойка для немедленного оформления
 - Assistance to create a National Association guaranteeing low fees and easy to get membership
Помощь в создании Национальной Ассоциации, гарантирующей низкие ставки и легкое членство
 - Internationally linked computers (e.g. Safe TIR) for faster control
Компьютеры, соединенные на международном уровне (н/р Safe TIR) для ускорения контроля

Procedures at the border

Процедуры на границе

- TIR Checking (no other documents required)
Проверка TIR (не требуется других документов)
 - Goods Manifest of the TIR Carnet
Грузовой Манифест TIR Карнета
 - Guarantee (amount)
Гарантия (количество)
 - Means of transportation (truck)
Средство транспортировки (грузовик)
 - Cargo documents (e.g. CMR)
Документы груза (н-р CMR)
 - Place of origin, departure , place of loading
Место происхождения, отбытия, место погрузки
 - Intended office of transit , (entry or exit)
Намечаемый пункт транзита, (въезд или выезд)
 - Final destination, place of unloading
Место назначения, место отгрузки



Procedures at the border

Процедуры на границе

- National Transit - it means authorised transportation from BCP to inland Customs office and reverse
Национальный транзит, означает разрешенную перевозку с пункта назначения на Таможенные пункты внутри страны и наоборот
 - Imply affordable guarantees/securities by co-operation with national banks
 - означает доступные гарантии / безопасность при сотрудничестве с национальными банками

Procedures at the border

Процедуры на границе

- National Transit
Национальный транзит
- Note: No full documentation at the border required
Примечание: На границе не требуется полного комплекта документации
 - except SAD for transit
за исключением SAD для транзита
 - plus accompanying documents:
плюс сопроводительные документы
 - o Commercial invoice (note: Customs value declaration not needed)
Коммерческий инвойс (примечание: не требуется Декларации Таможенной Стоимости)
 - o Cargo document (e.g. CMR)
Документация груза (н-р CMR)
 - o Certificates of origin
Сертификаты происхождения
 - o Stamps
Печати

Procedures at the border Процедуры на границе

- Not to do:

Чего не следует делать:

- **No** written temporary admissions for private cars
Не требовать временных пропусков для частных машин
- **No** Customs clearance for home use (exception for local residents, humanitarian aid, travellers.)
Не требовать таможенной очистки для внутреннего пользования (исключить местных жителей, гуманитарную помощь, путешественников)
- **No** extended physical controls without suspicion
Не производить длительного физического осмотра без наличия подозрений
- **No** frequent changes of laws and tariffs affecting the BCP procedures
Не допускать частых изменений в законах и тарифах, влияющих на процедуры ППГ
- **No** convoying
Не присутствие конвоя
 - o see below
смотрите ниже

Other controls

Другие виды контроля

- Each authority to mention the need of specific controls on the « Check Fiche»
Каждая из организаций должна указать специфические виды контроля на талоне
- Transport (related to legal requirements), security issues and licences
Транспортный (относящийся к требованиям по законодательству), вопросы безопасности и лицензии
- Veterinary
Ветеринарный контроль
- Phytosanitary
Фитосанитарный контроль
- Control of hazardous goods
Контроль над опасным грузом

Juxtapose joint controls Совместный контроль

- One single and combined BCP
Единый объединенный контроль
- Located at one side or both sides of the border
Расположенный на одной из или по обе стороны границы
- All officials of each country work side by side
Все служащие каждой из стран должны работать вместе
- Only one stop for both sides of frontier
Только одна остановка для обеих сторон границы

Juxtapose joint controls Совместный контроль

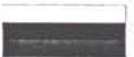
- Delegation of sovereignty /powers to foreign officials on inland national territory
Передача полномочий управления / власти иностранным официальным лицам внутри национальной территории
- Working group with all agencies involved
Рабочие группы при вовлечении всех агентств
- Diplomatic consultations with neighbours
Дипломатические консультации с соседями
- Consult the model of WCO
Согласование модели со ВТО

Payment Оплата

- One single designated place for payment of all duties, taxes and fees
Единое пространство для произведения оплаты всех пошлин, налогов и взносов
- Payments effected through bank wherever possible
Где это возможно, оплата должна производиться через банк

Convoy Конвой

- No convoys (**Recommendation of WCO**)
Отсутствие конвоя (**рекомендации ВТО**)
- Additional risk of corruption and misuse observed
Наблюдается дополнительный риск коррупции и злоупотребления



Facilitation (general) Содействие (общая информация)

- For trustworthy firms apply
Для надежных компаний применяйте:
 - No further frontier-procedures after the trade document accepted
неосуществление процедур на границе после получения торгового документа
 - Monthly customs declarations
Таможенные декларации на месяц
 - Clearance at site (place of destination / company's premises)
Очистку на месте (месте назначения / помещениях компании)
 - The following payment conditions may be applied
Следующие условия оплаты:
 - o regular fixed
регулярная фиксированная
 - o periodic
периодичная
 - o deferred
рассрочка



Tariffs Тарифы

- Use of WCO Harmonised System
Использование Гармонизированной системы ВТО
- Avoid frequent changes of tariffs
Избежание частой изменений в тарифах
- Allow a sufficient time between publication and application of new tariffs
Предоставление промежутка времени, достаточного для применения новых тарифов
- Provide Binding Tariff information
Предоставление информации, касающейся Обязательного Тарифа

APPENDIX 09

The TRACECA E-Net

- The TRACECA E-Net

The TRACECA E-net

The rapid development and spreading of IT systems covering both the EU member states and the NAS can be readily observed. It is accepted that Harmonised procedures at BCPs shall contribute to faster and more reliable services at the single BCPs along the Transport Corridor. In relation to border procedures the existence and operation of IT nets gains increasing importance. The Consultant's view is therefore to support the growing of a TRACECA Information Net permitting cross border data exchange among all main players. The functioning of the TRACECA Information Net would certainly be a catalyst to the development of TRACECA in general and efficiency at borders in particular. Growing of the TRACECA Net may be envisaged gradually in steps:

Step 1 TRACECA Website links

The existing website to be linked to

Customs Information Systems in TRACECA countries providing information on

TRACECA BCPs

Traffic situation (Web camera covering an angle of approximately 180 degrees)

Facilities

Opening times/services

Requirements/documents

News

Border Guards/Immigration Information Systems in TRACECA countries providing information on

TRACECA BCPs

Facilities

Opening times/services

Requirements/documents

News

Port Information Systems in TRACECA ports providing information on

Ships arrival/departure

Ships characteristics

Nautical information

Cargo handled

News

Requirements for transport industries

Services provided

Phytosanitary Information Systems of Member States providing information on

- News
- Requirements and documents

Veterinary Information Systems of Member States providing information on

- News
- Requirements and documents

Customs Brokers in TRACECA countries

- Services
- News

Forwarding Agents in TRACECA countries

- Services
- News

Shipping Lines and Shipping Agents in TRACECA countries

- Services
- News

Trade/Transport Associations, Chambers of Commerce, further Government agencies etc.

Frequently asked questions

- Standard answers to be prepared and up-dated

Hot line

- Users may put their queries and recommendations

Forum

- Everybody may put queries and recommendations and discuss it

Step 2 Trade Documents and Forms

The full set of documents of all TRACECA countries should be available on the net for downloading for all.

Step 3 On Line operations

The full set of documents of all TRACECA countries should be available for on-line operations, i.e. filling in forms on the screen and mail it to the relevant service.

APPENDIX 10

TransCaspian 2002 Exhibition Brochure

- TransCaspian 2002 Exhibition Brochure

DESCRIPTION OF TRACECA

The European Commission TACIS-TRACECA Programme was launched at a conference in Brussels in May 1993 which brought together trade and transport ministers from Armenia, Azerbaijan Republic, Georgia, Kazakhstan, Kirgizstan, Tajikistan, Turkmenistan and Uzbekistan. During the conference it was agreed to implement a programme of European Union (EU) funded technical assistance (TA) to develop a transport corridor on a West-East axis from Europe, across the Black Sea, through the Caucasus and the Caspian Sea to Central Asia.

Later from 1996 till 1998 Mongolia, Ukraine and Moldova joined the programme. In March, 2000 at the first meeting of the Intergovernmental Commission in Tbilisi which was held within the framework of the "Basic Multilateral Agreement on International Transport for the Development of the Corridor Europe-Caucasus-Asia" Bulgaria, Rumania and Turkey used the occasion to officially apply to the European Union about their intention to join the TRACECA Programme.

The European Union offers this Programme as an additional route that would complement other alternative traditional routes. The project corresponds to the global EU strategy towards the above-mentioned countries and pursues the following objectives:

- To support the political and economic independence of the republics by enhancing their capacity to access European and World markets through alternative transport routes.
- To encourage further regional cooperation among the states-participants of the TACIS-TRACECA Programme.
- To increasingly use TACIS-TRACECA Programme as a catalyst to attract the support of International Financial Institutions (IFIs) and private investors.
- To link the TRACECA route with the Trans-European Networks (TENs).

To date the TACIS-TRACECA Programme has financed 39 Technical Assistance projects (58.9 million EUR) and 14 Investment Projects for the rehabilitation of infrastructure (52.7 million EUR).

Программа Европейской Комиссии ТАСИС-ТРАСЕКА была инициирована на конференции, которая прошла в Брюсселе в мае 1993 г. в которой приняли участие министры торговли и транспорта из Армении, Азербайджанской Республики, Грузии, Казахстана, Кыргызстана, Таджикистана, Туркменистана и Узбекистана. На конференции было принято соглашение внедрить программу Технического Сопровождения, финансируемую Европейским Союзом для развития транспортного коридора по направлению Запад-Восток из Европы, с последованием Черного моря, через Кавказ и Каспийское море с выходом на страны Центральной Азии.

Далее, с 1996 по 1998 гг., к программе присоединились Монголия, Украина и Молдавия, а в марте 2000 г. на заседании первой Межправительственной Комиссии в Тбилиси, которое проходило в рамках «Основного Многостороннего Соглашения о международном транспорте по развитию коридора Европа-Кавказ-Азия», Болгария, Румыния и Турция официально обратились в Европейскую Комиссию по поводу присоединения к программе ТРАСЕКА.

Европейский Союз предлагает данную программу в качестве дополнительного маршрута, который должен стать дополнением ко всем традиционным альтернативным маршрутам.

Данный проект соответствует глобальной стратегии Европейского Союза относительно вышеуказанных стран и преследует следующие цели:

- Оказывать поддержку политической и экономической независимости республик путем расширения их возможностей выхода на Европейский и Мировой рынки через альтернативные транспортные коридоры.
- Способствовать дальнейшему региональному сотрудничеству между государствами - участниками программы ТРАСЕКА.
- Ускривлять использование программы ТАСИС - ТРАСЕКА в качестве катализатора для привлечения Международных Финансовых Институтов (МФИ) и частных инвесторов.
- Связать маршрут ТРАСЕКА с Транс-Европейскими Сетями (ТЕНs).

На сегодняшний день программа ТАСИС - ТРАСЕКА профинансировала 39 проектов Технического Сопровождения (на сумму 58,9 млн. ЕВРО) и 14 инвестиционных проектов по реабилитации инфраструктуры (на сумму 52,7 млн. ЕВРО).

TRACECA CONTACTS

TRACECA Permanent Secretariat

8/2 General Aliyarbekov Street
AZ-370000, Baku, Azerbaijan
Tel / Fax: (99412) 98-27-18
(99412) 93-37-16

Visit TRACECA Web-Site on
www.traceca.org



NEW SILK ROUTE FOR THE XXI CENTURY



НОВЫЙ ШЕЛКОВЫЙ ПУТЬ XXI ВЕКА

Постоянный Секретариат TRACECA

ул. Генерала Алиярбекова 8/2
AZ-370000, Баку, Азербайджан
Тел / Факс: (99412) 98-27-18
(99412) 93-37-16

Посетите веб-страницу TRACECA по адресу: www.traceca.org



TRACECA VISA "SERVICE TO TRANSPORTERS"

WHY CHOOSE TRACECA? ПОЧЕМУ TRACECA?

- **Fast transit route to / from Black Sea and Caucasus**
Быстрый транзитный маршрут к / от Черного моря и на / из Кавказа
- **Fast transit route to / from Asia**
Быстрый транзитный маршрут в / из Азии
- **Fast return route for empty wagons / containers**
Быстрый путь обратно для порожних вагонов / контейнеров



THE WAY FORWARD

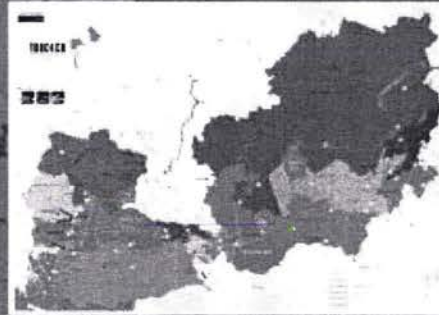
ПУТЬ К ДОСТИЖЕНИЮ



TRACECA MAP

PROJECTS UNDER WAY

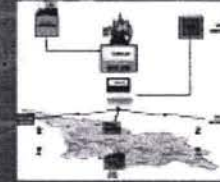
- Supply of an optical cable for communication and signaling to the railways of Azerbaijan, Georgia and Armenia
- Feasibility Study for rehabilitation and the reconstruction of the road link between Baku, Tbilisi and Erevan
- Customs Facilities at Central Asian road border crossings
- TRACECA Coordination Team
- Harmonisation of Border-Crossing Procedures
- Unified Policy on Transit Fees and Tariffs
- Feasibility Study of a new Railway Link between Bishkek, Osh / Jalal-Abad and Kashgar (China)
- Central Asia Railways Telecommunications
- Supply of Navigational Aid Equipment



ПРОЕКТЫ

- Поставка оптического кабеля для сигнальных и коммуникационных систем на железные дороги Азербайджана, Грузии и Армении
- ТЭО по реабилитации и реконструкции автомобильного сообщения между Баку, Тбилиси и Ереваном
- Оборудование для таможенных пунктов на автомобильных погранпереходах Центральной Азии
- Координационное Бюро TRACECA
- Гармонизация Процедур Пересечения Границ
- Единая Политика по Транзитным Расценкам и Тарифам
- ТЭО Новой линии железнодорожного сообщения между Бишкеком, Ошем / Джалал-Абадом и Кашгаром (Китай)
- Железнодорожные Телекоммуникации в Центральной Азии
- Поставка Навигационного оборудования

TRACECA HOTLINE "SERVICE TO TRANSPORTERS"



TRACECA INITIATIVES

WEBSITE & HOTLINE

Overview and Justification

- Aim to facilitate Border Crossing Procedures and ensure that other vital information is readily available to Shippers, Cargo Owners, Freight Forwarders and Border entities
- TRACECA Website will be further refined to include a centre for Frequently Asked Questions (FAQs)
- TRACECA Website will be further enhanced by the links to the information and recommendations of the two current TRACECA Projects on Harmonisation of Border Crossing Procedures and Unified Policy on Transit Fees and Tariffs
- TRACECA Hotline will be progressively developed and offer a "Border Post" speedy solutions to most crossing procedure problems and will be directly connected to information centers that will be available 24 hours a day and seven days a week
- The combination of the TRACECA Website and the Hotline will give the TRACECA Transport Corridor an added competitive advantage and harmonise the Border Crossing Procedures

Welcome to the TRACECA Website



Инициативы TRACECA

ВЕБ-СТРАНИЦА И ГОРЯЧАЯ ЛИНИЯ

Обзор и обоснование

- Нацелена на содействие Процедур Пересечения Границ и обеспечение доступности необходимой информации Грузополучателям, Пересечением и Пограничным Службам
- Веб-страница TRACECA будет в дальнейшем включать в себя центр Часто Задаваемых Вопросов (ЧЗВ)
- Веб-страница TRACECA будет в дальнейшем расширяться дополнительными линиями информации и рекомендациями двух текущих проектов Гармонизации Процедур Пересечения Границ и Единой Политикой по Транзитным Расценкам и Тарифам
- Горячая Линия TRACECA будет в дальнейшем развиваться и будет предлагать быстрое решение для любого поста пересечения границ и будет напрямую соединена с информационными центрами, которые будут функционировать 24 часа в день семь дней в неделю
- Сочетание Веб-страницы и горячей линии TRACECA обеспечит дополнительное преимущество конкурентоспособности и будет способствовать гармонизации Процедур Пересечения Границ

Appendix 11
Приложение 11

- **TransCaspian 2002 Exhibition and Conference Presentation**
Презентация, проведенная на выставке и конференции
TransCaspian 2002
- **НВСР / UPTFT Web-Site Presentation**
Презентация веб-сайта проектов ГППГ и ЕППТ

TRANS Caspian 2002

22 – 24 May

**1-ci Azərbaycan
Nəqliyyat və Loqistika Sərgisi**

**1 st Azerbaijan International
Transport & Logistics Exhibition**

**1-ая Международная Выставка
Транспорта и Логистики
в Азербайджане**



TRACESA - HUMANITARIAN AID

TRACESA - ГУМАНИТАРНАЯ ПОМОЩЬ

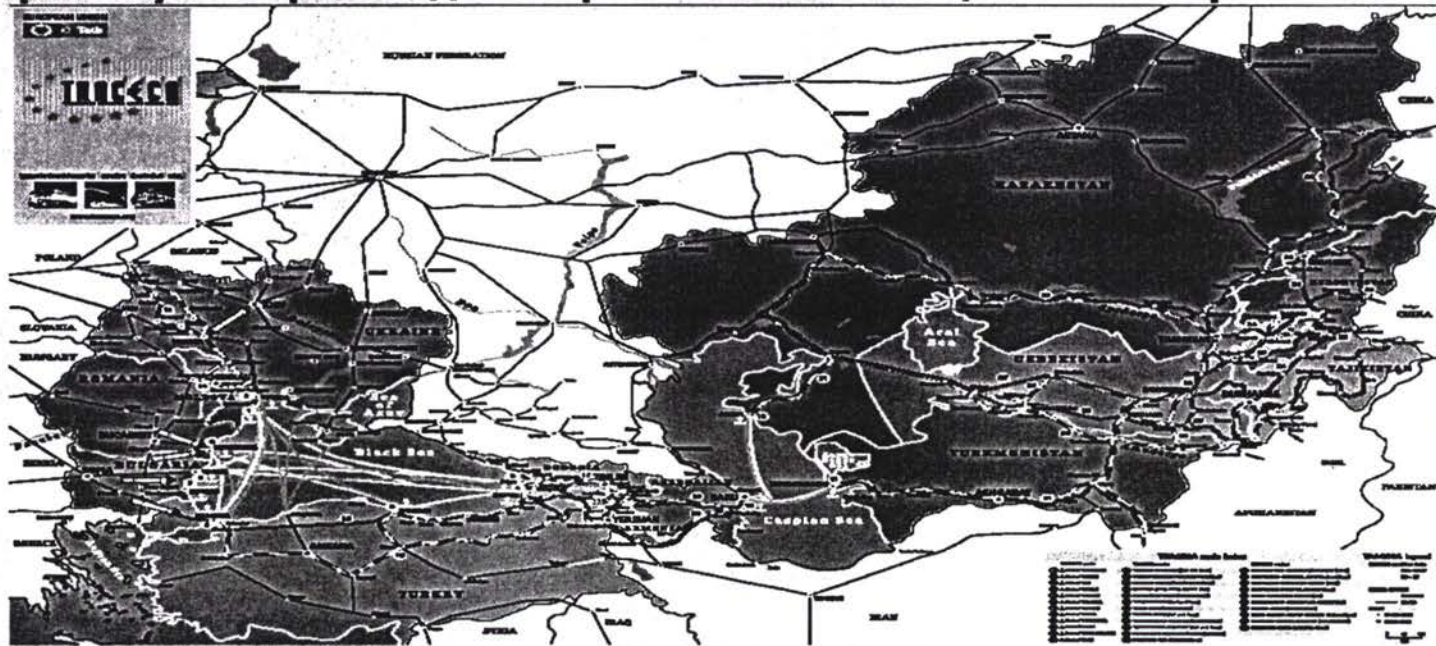


TRACESA route labels		TRACESA legend	
1. International road	2. International air route	1. International road	2. International air route
3. National road	4. National air route	3. National road	4. National air route
5. Railway	6. Pipeline	5. Railway	6. Pipeline
7. Waterway	8. Border crossing	7. Waterway	8. Border crossing
9. Port	10. Airport	9. Port	10. Airport
11. City	12. Capital	11. City	12. Capital
13. State boundary	14. National boundary	13. State boundary	14. National boundary
15. International boundary	16. National boundary	15. International boundary	16. National boundary
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91. National boundary	92. National boundary	91. National boundary	92. National boundary
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95. National boundary	96. National boundary	95. National boundary	96. National boundary
97. National boundary	98. National boundary	97. National boundary	98. National boundary
99. National boundary	100. National boundary	99. National boundary	100. National boundary



WHY CHOOSE TRACECA? ПОЧЕМУ TRACECA?

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Быстрый транзитный маршрут к / от Черного моря и на / из Кавказа
- **Fast transit route to / from Asia**
Быстрый транзитный маршрут в / из Азии
- **Fast return route for empty wagons / containers**
Быстрый путь обратно для порожних вагонов / контейнеров



**TRACECA TRANSIT VISA
PHASED APPROACH**

**ТРАНЗИТНАЯ ВИЗА TRACECA
ФАЗИРОВАННЫЙ ПОДХОД**

- **Provisional Phase – for Humanitarian Aid (Pilot Scheme)**
Предварительная фаза – для грузов гуманитарной помощи (опытная модель)
- **Next Alternative Phase – for Specialised Cargoes (Containers)**
Следующая альтернативная фаза – для специализированных грузов (контейнеров)
- **Legislation Review – Harmonisation of Visa Procedures**
Пересмотр законодательства – Гармонизация Процедур Визы



THE WAY FORWARD ПУТЬ К ДОСТИЖЕНИЮ

- CONSENSUS ON PRINCIPLE
КОНСЕНСУС В ОСНОВНОМ

- Provisional Phase – Humanitarian Aid

Предварительная фаза – гуманитарная помощь

THE WAY FORWARD ПУТЬ К ДОСТИЖЕНИЮ

- CONSENSUS ON PRINCIPLE
КОНСЕНСУС В ОСНОВНОМ

- Free of charge issue and in the simplified mode the visa sanctions accompanying of humanitarian goods

Выдача бесплатно и в упрощенном режиме визовых разрешений сопровождающим гуманитарных грузов

THE WAY FORWARD ПУТЬ К ДОСТИЖЕНИЮ

- CONSENSUS ON PRINCIPLE
КОНСЕНСУС В ОСНОВНОМ

- Free transit traffic of humanitarian goods and construction materials to Afghanistan from all fees, dues, and any other payments, except transport service and transport infrastructure fees

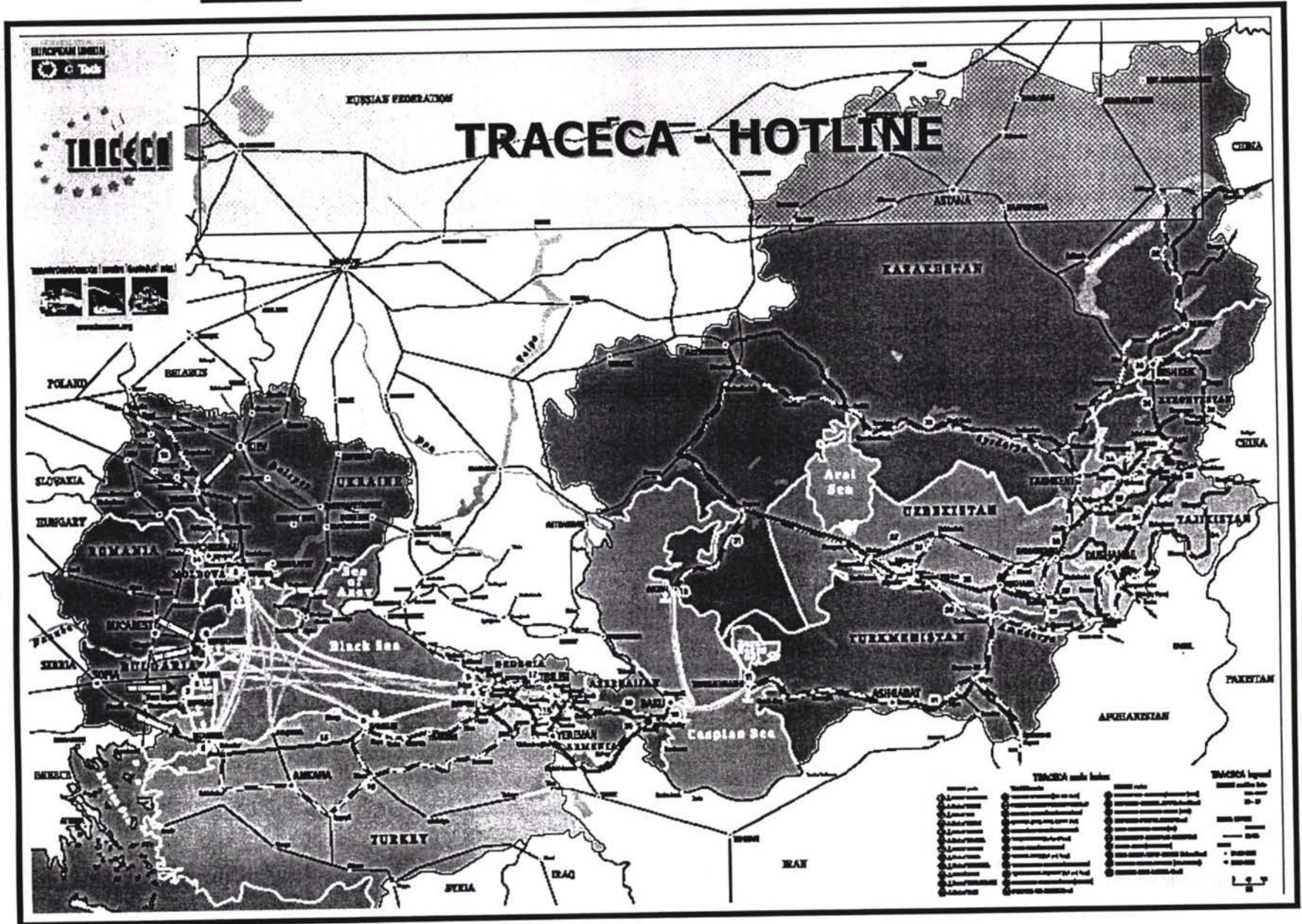
Освобождение от всех налогов, сборов и платежей транзитных перевозок гуманитарных грузов и строительных материалов в Афганистан, за исключением плат за транспортировку и транспортные средства

THE WAY FORWARD ПУТЬ К ДОСТИЖЕНИЮ

- **CONSENSUS ON PRINCIPLE**
КОНСЕНСУС В ОСНОВНОМ

- Definition of responsible entity for safety and security of humanitarian goods

Определение лица, ответственного за безопасность и сохранность гуманитарных грузов



TRACECA



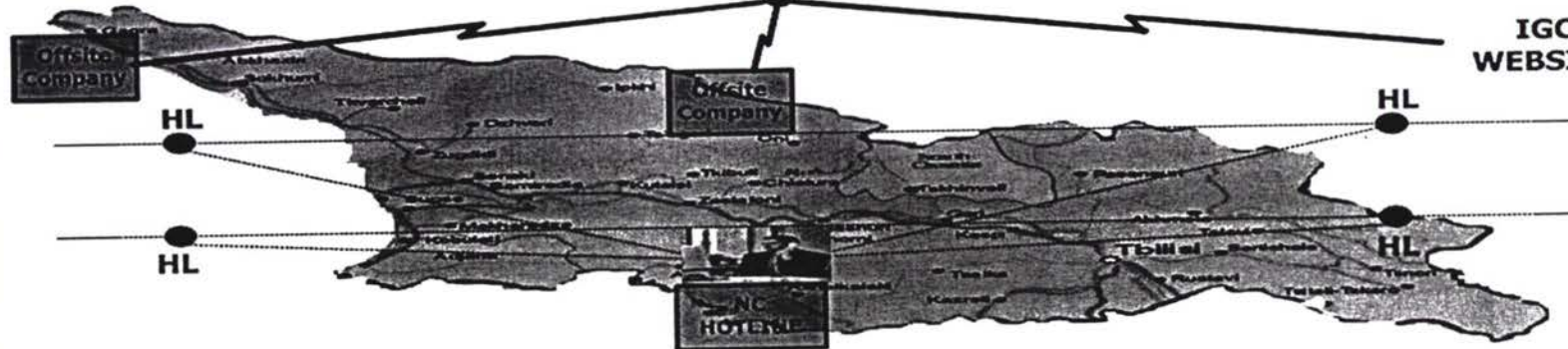
TRACECA HOTLINE



NATIONAL
COMMISSIONS



IGC
WEBSITE



IGC
WEBSITE

24 HRS
PER DAY
24 / 365



TRACESA HOTLINE

Инициативы TRACESA

ВЕБ-СТРАНИЦА И ГОРЯЧАЯ ЛИНИЯ

Обзор и Подтверждения

Чтобы содействовать Процедурам Пересечения Границ и удостовериться, что иная важная информация легко доступна Грузоотправителям, Перевозчикам и Пограничным службам разрабатывается **Веб –страница и Горячая Линия TRACESA**.

В настоящее время создание Веб –страницы TRACESA завершена и действует, а также содержит большое количество информации по делам и проектам TRACESA.

Эта Веб-страница будет усовершенствована включением центра для **Часто Задаваемых Вопросы (ЧЗВ)**. Этот сервис ЧЗВ на Веб- странице будет устанавливать связь по запросам и информации о регулярных трудностях, испытываемых пользователями Коридора TRACESA. Будет внедрено средство обслуживания, позволяющее всем пользователям иметь доступ к информации на ЧЗВ и излагать их собственные вопросы.

На новые запросы будут предоставлены ответы и затем добавлены к списку ЧЗВ с соответствующими ответами.

Веб-страница будет улучшена добавлением ссылок на информацию и рекомендации по двум текущим проектам TRACESA по **Гармонизации Процедур Пересечения Границ и Единой Политике по Транзитным Расценкам и Тарифам**.

Последнее нововведение **Горячей Линии TRACESA** будет прогрессивно разработано и для скоростного разрешения большинства проблем, возникающих при пересечении границ будет предложен «Пограничный Пост». Эта предложенная Горячая Линия будет напрямую соединена с информационными центрами, которые будут доступны 24 часа в день и семь дней в неделю.

Так как подобный логистик предложенной Горячей Линии является достаточно сложным, то реалистично предпринять ее поэтапное внедрение. Проект потребует быструю эволюцию и достаточное финансирование, а также развитие в параллельной очередности. Первоначальным этапом будет Экспериментальный Проект и использование обычной телефонной сети обозначенной страны.

Команде Информационного Центра TRACESA потребуется кадровое обеспечение на 7 суток. Экспериментальный Проект будет готовиться совместно и параллельно развитию Пан TRACESA.

Следует также выяснить смогут ли Государственные Железные Дороги каждой страны открыть доступ к их «фибер-оптической» сети для использования Горячей Линии TRACESA. Если нет в настоящее время, то это можно рассматривать, как будущую стадию, когда этот доступ будет доступен.

Финансирование Горячей Линии TRACESA, в материальных и кадровых вопросах, должно быть легко рассчитано, так как технология является базисной и оплата рабочего труда известна. Это должно быть скоординировано со стороны МПК совместно с Национальной Комиссией.

Комбинация Веб –страницы и Горячей Линии TRACESA предоставит Транзитному Коридору TRACESA дополнительную выгоду перед конкурентами и гармонизацию Процедур Пересечения Границ.

TRACECA HOTLINE

TRACECA INITIATIVES

WEBSITE & HOTLINE

Overview and Justification

To facilitate Border Crossing Procedures and ensure that other vital information is readily available to Shippers, Cargo Owners, Freight Forwarders and Border entities the **TRACECA Website and Hotline** are being developed.

Currently the TRACECA Website is up and running and contains extensive information on TRACECA affairs and projects. This Website will be further refined to include a centre for **Frequently Asked Questions (FAQ's)**. This FAQ service within the Website will correlate queries and information on the regular difficulties experienced by the TRACECA Corridor users. A facility will be incorporated to permit all users to access the information on FAQ's and to pose their own questions. The new queries will be answered and then added to the list of FAQ's with the respective answers.

The Website will be further enhanced by links to the information and recommendations of the two current TRACECA **Projects on Harmonisation of Border Crossing Procedures and Unified Policy on Transit Fees and Tariffs**.

The later innovation of the **TRACECA Hotline** will be progressively developed and offer a 'Border Post' speedy solution to most crossing procedure problems. This proposed Hotline will be directly connected to information centres that will be available 24 hours a day and seven days a week.

As the initial logistics of the proposed Hotline are quite complex, it is seen as realistic to undertake a phased implantation process. The project will require fast evaluation and sufficient funding and possibly develop in a parallel sequence. The initial phase will be a Pilot Project and will utilise the normal telephone network of the designated country. The manning of the TRACECA Information Centres will require staffing for 24 hour 7 day coverage. The Pilot Project will run in conjunction and parallel with the pan-TRACECA development.

It should also be ascertained if the National Railways of each country could dedicate access to their 'Fibre Optic' networks for the use of the TRACECA Hotline. If not currently, then at a future stage when access is available.

The funding of the TRACECA Hotline, in material and manning terms, should be easily calculated as the technology is basic and labour costs are known. It should be coordinated by the IGC in conjunction with the National Commission.

The combination of the TRACECA Website and the Hotline will give the TRACECA Transport Corridor an added competitive advantage and harmonise the Border Crossing Procedures.



Tacis **TRACECA**

HARMONISATION OF BORDER CROSSING PROCEDURES
UNIFIED POLICY ON TRANSIT FEES AND TARIFFS

HARMONISATION OF BORDER CROSSING PROCEDURES
ГАРМОНИЗАЦИЯ ПРОЦЕДУР ПЕРЕСЕЧЕНИЯ ГРАНИЦ

UNIFIED POLICY ON TRANSIT FEES AND TARIFFS
ЕДИНАЯ ПОЛИТИКА ПО ТРАНЗИТНЫМ РАСЦЕНКАМ И ТАРИФАМ

PROJECTS WEB SITE
ВЕБ-САЙТ ПРОЕКТОВ

PROJECTS INFORMATION
WB TRADE F...
TRACECA
CONSULTANTS BACKGROUND

Click the country on the map to commence your search along the transit corridor.

Contact: ИВЕР Contact: ИВЕР





PROJECTS WEB SITE - ВЕБ-САЙТ ПРОЕКТОВ

**BRIEF DESCRIPTION OF OBJECTIVES
КРАТКОЕ ОПИСАНИЕ ЦЕЛЕЙ**

Necessity for the up-to-date, reliable, and accurate information available online on the Projects of Harmonisation of Border Crossing Procedures and Unified Policy on Transit Fees and Tariffs.

Необходимость в своевременной, надежной и точной информации доступной в режиме он-лайн по проектам Гармонизации Процедур Пересечения границ и Единой Политики по Транзитным Расценкам и Тарифам

PROJECTS WEB SITE - ВЕБ-САЙТ ПРОЕКТОВ

TRAGET AUDIENCE ЦЕЛЕВАЯ ГРУППА

- **Government Entities Concerned:** Ministry of Transport, Ministry of Economy, National Customs, Border Guards and other Border Crossing Entities

Соответствующие Государственные Организации: Министерство Транспорта, Министерство Экономики, Местные Органы Таможенной Службы, Службы Охраны Границ и другие Службы, вовлеченные в процесс пересечения границ

- **Private Sector:** Transport Operators, Freight Forwarders, Shippers, Customs Brokers

Частный сектор: Транспортные Компании, Экспедиторы, Грузоотправители, Таможенные Брокеры

- **Rail, Road, Maritime Entities**

Организации железнодорожного, автомобильного и морского транспорта

SPLASH PAGE

HOMEPAGE (ENGLISH)

HOMEPAGE (RUSSIAN)

PROJECT INFO (ENGLISH)

WB TRADE FACIL-N WEBSITE

TRACECA

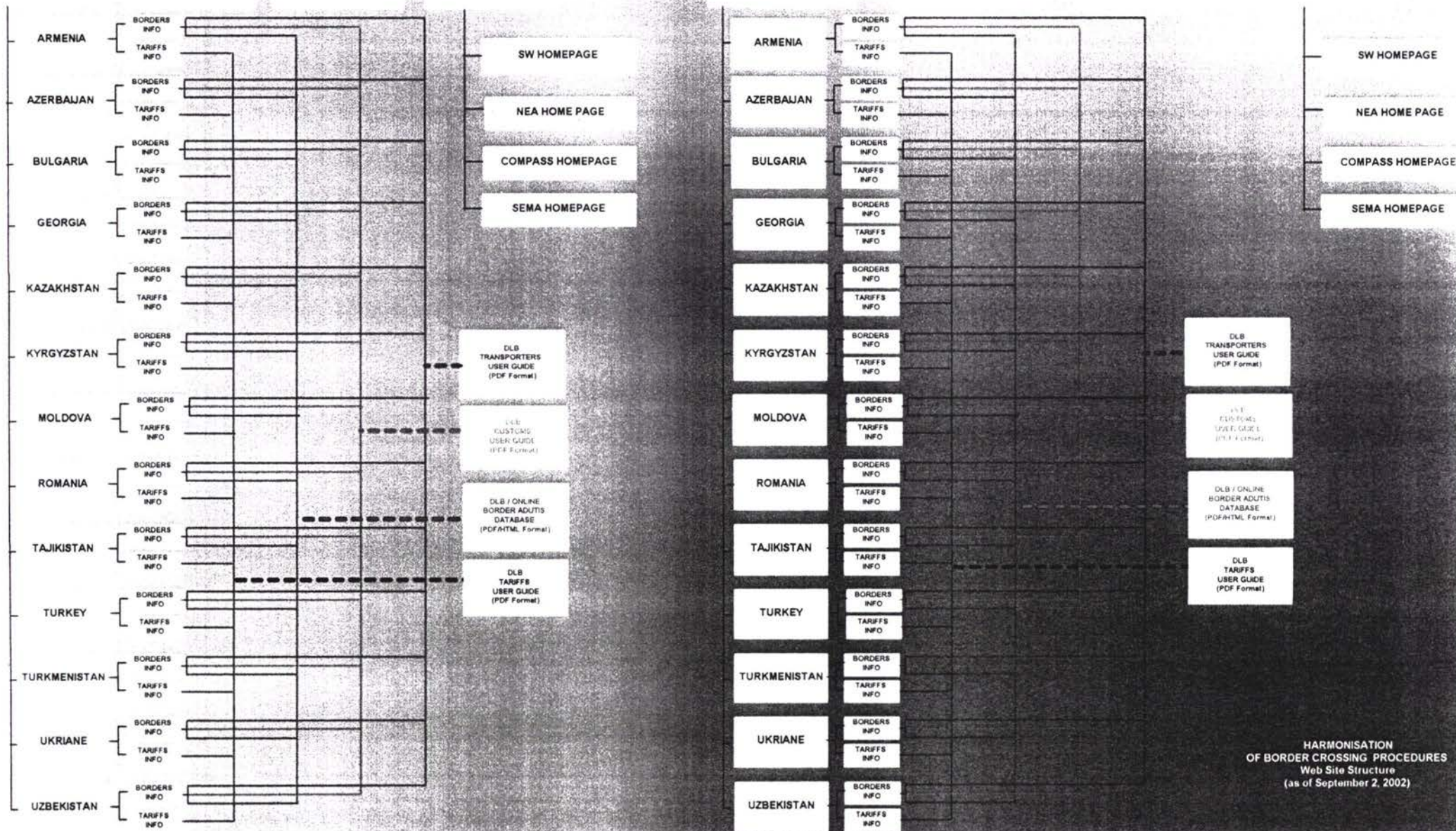
CONSULTANTS BACKGRND

PROJECT INFO (RUSSIAN)

WB TRADE FACIL-N WEBSITE

TRACECA

CONSULTANTS BACKGRND



Homepage (English) – Домашняя страница (на английском языке)



Refresh



HARMONISATION OF BORDER CROSSING PROCEDURES
UNIFIED POLICY ON TRANSIT FEES AND TARIFFS

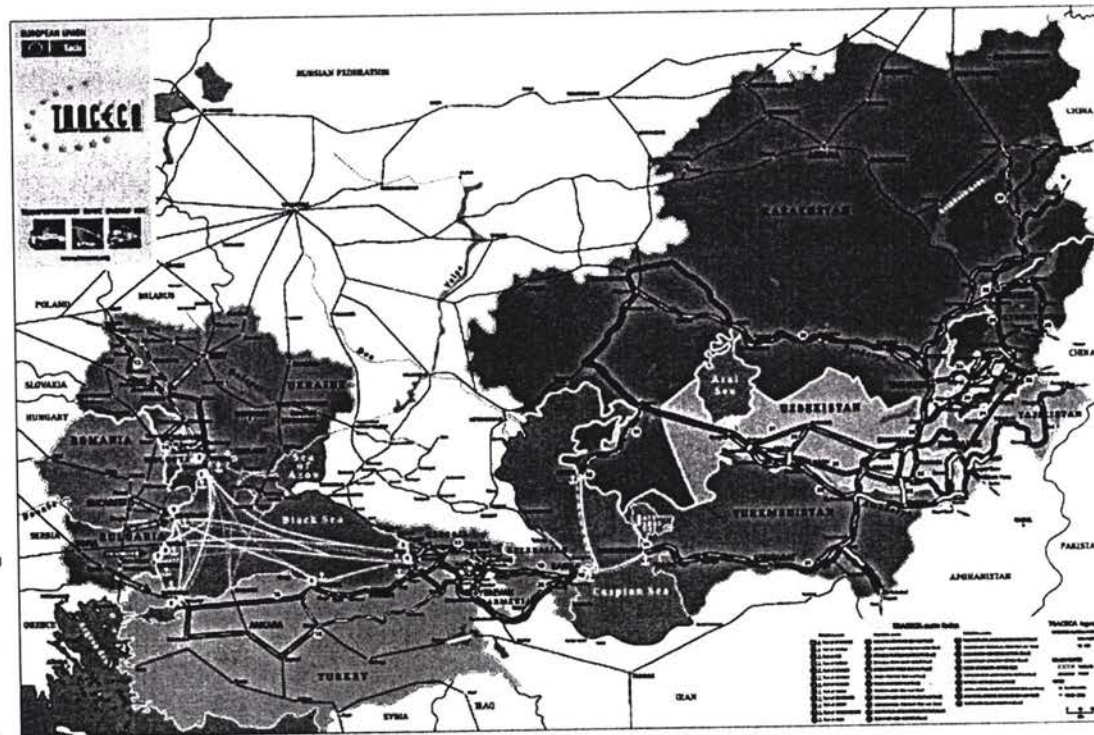


- PROJECTS INFORMATION
- WB TRADE FACILITATION PROJECT
- TRACECA
- CONSULTANTS BACKGROUND

Click the country on the map to commence your search along the Transport Corridor

Contact HBCP

Contact UPTET



PROJECTS WEB SITE - ВЕБ-САЙТ ПРОЕКТОВ

НВСР BORDER AUDIT DATABASE БАЗА ДАННЫХ АУДИТА ПУНКТОВ ПЕРЕСЕЧЕНИЯ ГРАНИЦ

- Comprises a versatile information tool with in excess of 5,000 entries and includes the information collected on 70 Border Crossing Points of the 13 TRACECA Countries

Включает в себя разностороннюю информацию, в более чем 5.000 записей, собранную с 70-и Пунктов Пересечения Границ 13 Стран TRACECA

- Data formatted to allow the analysis of the information for each of the two interfacing borders

Обработка данных позволяет осуществлять анализ информации по каждой из двух смежных границ

- Data formatted to allow the analysis of the information by means of filtering the information by the defined attributes

Обработка данных позволяет осуществлять анализ информации при помощи фильтрации информации по установленным атрибутам

PROJECTS WEB SITE - ВЕБ-САЙТ ПРОЕКТОВ

НВСП BORDER AUDIT DATABASE

БАЗА ДАННЫХ АУДИТА ПУНКТОВ ПЕРЕСЕЧЕНИЯ ГРАНИЦ

- Specific outputs available separately by such criteria as Country, Border Entity, etc.

Возможен вывод информации отдельно по таким критериям, как Страна, Организация на Границе и т.д.

- Current defined attributes are: Определенными на данный момент являются следующие атрибуты информации:

- | | |
|---------------------------------------|--|
| - Name of Border Post | - Название ППГ |
| - Country | - Страна |
| - Interfacing Border Post | - Смежный ППГ |
| - Name of Interfacing Border Post | - Название Смежного ППГ |
| - Mode | - Вид транспорта |
| - Working Hours | - Рабочие часы |
| - Activity | - Действие |
| - Process Sequence | - Последовательность Процесса |
| - Process Subsequence | - Подпоследовательность Процесса |
| - Border Entity | - Организация на ППГ |
| - Details | - Детали |
| - Documentation Required | - Требуемая документация |
| - Use of Computers | - Использование компьютерного оборудования |
| - Estimated Processing Time | - Приблизительное затрачиваемое время |
| - Constraints Identified and Comments | - Выявленные недостатки и Коментарии |

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URTFT USER GUIDE – СПРАВОЧНИК ЕПРТ

Wider objectives:

Общие цели:

- To increase the competitiveness of the TRACECA corridor for transit traffic
Увеличение конкурентоспособности коридора TRACECA для транзитного движения

Specific Project Objectives:

Цели Проекта:

- To achieve a more transparent tariffs and transit fees structure and the removal of illegal, non-physical barriers to effective international trade and transport services within TRACECA region

Достижение более «прозрачных тарифов» и транзитных расценок и упразднение нелегальных, нефизических барьеров эффективной международной торговле и транспортным услугам внутри региона TRACECA

PROJECTS WEB SITE - ВЕБ-САЙТ ПРОЕКТОВ

URTFT USER GUIDE – СПРАВОЧНИК ЕППТ

User Guide Objectives:

Цели Пособия:

The objectives stated below result from the interpretation of the ToR and IR:

Цели, изложенные ниже, являются результатом интерпретации Технического Задания и Начального Отчета:

- to provide information on tariffs and transit fees within the TRACECA routes
предоставление информации о тарифах и транзитных расценках внутри региона TRACECA
- to encourage greater transparency and consistency between state transport authorities and service providers (all modes – though ToR only refers to road and rail network)
поддержание большей «прозрачности» и соответствия между государственными транспортными структурами и поставщиками услуг (всех видов, несмотря на то, что ТЗ предусматриваются только автомобильный и железнодорожный виды транспорта)

PROJECTS WEB SITE - ВЕБ-САЙТ ПРОЕКТОВ

URTFT USER GUIDE – СПРАВОЧНИК ЕПРТ

User Guide Objectives:

Цели Пособия:

- to spot and minimise illegal practices
выявление и минимизация незаконных действий
- to promote the use of the TRACECA corridor network of Road, Rail, Ports and Shipping
поддержание использования автомобильной, железнодорожной, портовой и судоходной сети коридора TRACECA



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