

**Report**  
**6<sup>th</sup> Meeting of the Customs Transit Committee of TTCC**  
(Islamabad, 14<sup>th</sup> February 2018)

The 6<sup>th</sup> Meeting of the Customs Transit Committee of TTCC was held on 14<sup>th</sup> February 2018 in Islamabad, Islamic Republic of Pakistan. The meeting was attended by representatives of ECO Member States namely Islamic Republic of Afghanistan, Republic of Azerbaijan, Islamic Republic of Iran, Republic of Kazakhstan, Kyrgyz Republic, Islamic Republic of Pakistan, Republic of Tajikistan and Republic of Turkey. Representative of IRU and delegation from ECO Secretariat also attended the Meeting. List of participants is attached at **Annex-I**.

**Agenda Item No.1**

**Inauguration of the Meeting**

2. Mr. Muhammad Javed Ghani, Director General (Transit Trade), Pakistan Customs, Islamic Republic of Pakistan, inaugurated the Event. At the outset Mr. Muhammad Javed Ghani welcomed the honorable participants to Islamabad. He wished fruitful discussion and pleasant stay for the participants in Islamabad.

**Agenda Item No. 2**

**Election of the Chairman**

3. The Meeting elected Mr. Muhammad Javed Ghani, Director General (Transit Trade), Pakistan Customs, Islamic Republic of Pakistan as its Chairman.

**Agenda Item No. 3**

**Adoption of the Agenda**

4. The Meeting adopted its Agenda as proposed by the ECO Secretariat. A copy of the Agenda is attached at **Annex-II**.

**Agenda Item No. 4**

**Appointment of the Drafting Committee**

5. An open-ended Drafting Committee was established to draft the report of the Meeting. The representatives of the Islamic Republic of Iran and the Islamic Republic of Pakistan volunteered to be a part of the drafting committee.

**Agenda Item No. 5**

**Statements/Presentations of the International Organizations**

6. The representative of IRU delivered a presentation entitled “TIR System Last Developments,” updating the forum about mechanism of IRU, covering IRU main goals, its 6 important pillars, history, activities and various aspects of TIR i.e. latest status of TIR implementation in ECO region during 2005-2017; data regarding TIR carnets issued in ECO region; TIR system in Afghanistan; latest status of TIR implementation in Pakistan and major steps towards efficient and effective regional and international transport. The presentation also contained information about newly acceded countries to TIR Convention namely India, Qatar and Palestine. The representative of IRU encouraged Islamic Republic of Afghanistan and Islamic Republic of Pakistan to join CMR and e-CMR simultaneously. A copy of the

presentation is attached at **Annex-III**.

7. The representative of the Islamic Republic of Afghanistan inquired about the country issuing maximum number of TIR carnets.

8. The representative of IRU updated that Turkey and Russia are among the leading TIR carnet issuing countries. The Islamic Republic of Iran is among top five countries issuing TIR carnet. In addition, countries in Eastern Europe are among major TIR carnet issuing countries.

9. The representative of the Islamic Republic of Afghanistan asked about the reasons for decrease in issuance of TIR carnets by Republic of Turkey.

10. The representative of IRU responded that Turkey is using two systems for customs transit. New Computerized Transit System (NCTS) is being used by Turkey for trade with the European countries since 2012, whereas TIR is being used for trade with Iran and Central Asian countries.

11. The representative of the Islamic Republic of Afghanistan asked whether it is obligatory for Iranian transporters to use TIR.

12. The representative of Islamic Republic of Iran informed the Meeting that TIR system is optional. However, he emphasized that TIR provides more facilitation as it is well organized and secure and customs departments also prefer TIR.

13. He further stated that ports of Chabahar, Bandar Lengeh, Dayyer and Mirjaveh and Milak customs have been authorized for TIR procedures.

14. The IRU representative also responded that TIR system is optional. A country can use its national transit system for national transport and TIR for international transport.

#### **Agenda Item No.6**

#### **Review of the Implementation of Customs related provisions of the TTFA**

##### *i. Simplification and harmonization of customs procedures and documents*

15. The representative of Republic of Azerbaijan informed the Meeting about projects implemented in the Customs Service of Azerbaijan. The Customs Service is using green corridor to provide opportunity for reliable freight forwarders to move smoothly through border crossing points. Azerbaijan has signed a number of bilateral and multilateral agreements with Republic of Turkey, Islamic Republic of Iran, Republic of Kazakhstan etc. in terms of exchanging of preliminary information. This information helps international and regional trade. He further informed that Azerbaijan will be using TIR-EPD in near future. He also informed the meeting that all customs declarations are issued electronically.

16. The representative of the Islamic Republic of Pakistan informed the Meeting that in order to simplify and harmonize the customs procedures and to facilitate trade, Pakistan Customs has introduced a Web-base One Customs (WeBOC) system with the following salient features: indigenously developed system; paperless system; encompasses all types of customs business process i.e. import, export and transit; covers all modes of cargo shipment i.e. sea, air and land; provides end-to-end system based solutions; fully integrated with stakeholders i.e. traders, terminal operators, freight forwarders, bank, clearing agents, Federal/Provincial Governments; annual processing of import, export and transit transactions is around two million; the inbuilt Risk Management System has reduced examination of imports/exports consignment to only 35% and presently only 5% transit consignments are being examined through Selectivity Criterion.

Pakistan is embarking on a comprehensive National Single Window project headed by Pakistan Customs. Pakistan is also going to introduce electronic payment for traders.

17. The representative of the Republic of Turkey informed the Meeting that second phase of e-TIR ended in February 2017 and the report was published. He informed that Pakistan Customs and Transportation Ministry will visit Turkey by the end of February.

18. The representative of Republic of Tajikistan delivered a presentation on the activities being carried out by the Customs Services of the Republic of Tajikistan. In the presentation the information regarding customs border crossing points on road, rail and airports an internal customs posts was provided. The meeting was also informed that the government of Republic of Tajikistan has adopted the concept of “Single Window” for export, import and transit goods in 2010. A copy of the presentation is attached at **Annex-IV**.

19. The Meeting appreciated the informative update provided by the delegates of Member States.

*ii. Enhancing the implementation of the Customs Convention on the International Transportation of Goods under cover of the TIR Carnets among the Contracting Parties to TTFA.*

20. The representative of the Islamic Republic of Iran informed the Meeting that Iran is ready to share its experiences with ECO Member States as regards e-TIR. He further informed that Iran is planning to implement i-Carnet and it is under consideration. The case is under consideration and soon update will be shared with the ECO Secretariat. He informed the Meeting about successful implementation of first and second phase of e-TIR with Turkey. He further informed that with collaboration and cooperation of Iranian Chamber of Commerce certain training courses were organized for the Iranian international road transport companies on TIR carnets. The Meeting was also informed that Iran is the first country who with the cooperation of enroute countries implemented TIR system in a multimodal route from Slovenia to Iran. The ports of Chabahar, Bandar Linge, Dayyer also Mirjaveh and Milak customs have been authorized for TIR procedures, as a result of this development the carriage of goods to some Member States especially Turkish goods to Qatar have been facilitated.

21. The representative of Kyrgyz Republic informed the Meeting that Kyrgyz Republic has implemented Real-Time Safe TIR and TIR-EPD in 2013 and 2014. Both systems were suspended when Kyrgyz Republic joined Eurasian Economic Union. Safe TIR was reactivated in 2016 while TIR-EPD is being considered for reactivation in near future. He also informed the meeting that a new customs code of the Eurasian Economic Union started operation in the territory of Kyrgyz Republic since January 2018.

22. The representative of the Republic of Tajikistan informed that Tajikistan joined TIR convention in 1996 and in 1997 TIR convention was recognized by the international transport operators. He further informed the Meeting that TIR convention was fully implemented in 2003 across the territory of Tajikistan. The Meeting was also briefed that Tajikistan has fully implemented TIR and TIR+ and is underway to implement e-TIR as well.

23. The representative of the Union of Chambers and Commodity Exchanges of Turkey (TOBB), Republic of Turkey proposed that all ECO Member States should initiate a pilot project on e-TIR as it could also provide flexibility in guarantee mechanism in the future.

24. The representative of the Islamic Republic of Pakistan informed the Meeting that Pakistan

has issued the Customs Rules for TIR Convention which provides detailed information as to how to bring transit cargo under TIR. These rules are available on the website of FBR. He further informed that a National Authorization Committee has also been constituted comprising of Director Customs, Transit Trade being its head and representatives from the Ministries of Communications, Commerce, Interior and Pakistan National Committee of International Chamber of Commerce (PNCICC) as its member. He stated that Pakistan has also issued the list of six Border customs stations and eleven Inland Customs Stations to handle TIR Operations. Working hours of these stations will be shared soon. He also informed the Meeting that Pakistan hopes to conduct pilot TIR operations in Pakistan in coordination with IRU and PNC-ICC.

25. The representative of the Republic of Turkey proposed that test run between ITI enroute countries may be initiated by mid 2018 as per the decision of the 4<sup>th</sup> HLWG meeting of ITI Road Corridor.

26. The representative of the Republic of Kazakhstan asked about any ECO project on Digitalization in customs and anticorruption. The query was responded to by the Secretariat satisfactorily.

27. The Meeting called on all Member States to move towards TIR digitalization among them in cooperation with IRU.

28. The Meeting underlined the TIR Intermodal Project between Iran and EU Member States and encouraged all Member States to provide further facilitation for implementation of TIR intermodal transport in their countries.

*iii. Implementation of recommendations of the ECO/IDB Feasibility Study on Customs related Provisions of the TTFA and modernization of border crossing points in the ECO Region and Plan of Action*

29. The representative of ECO Secretariat informed the Meeting that with the cooperation of national consultants of the ECO Member States and the able guidance of the International Consultant the Study was conducted in 2016. During the Study a number of border crossing points were visited by the consultancy team, first hand information was collected. The final report was circulated among Member States. The main portion of the Study was recommendation and 5 year action plan which anticipated number of activities to be implemented by the Member States. The ECO representative thanked Turkey for providing update on implementation of action plan of the Study and requested the other Member States to share updates regularly.

30. The Meeting was provided details on the developments in the Member States, notably with the focus on three major steps: upgrading/modernization of border crossing points services; improvement of customs-related infrastructure and institutional and legal strengthening.

31. The representative of the Islamic Republic of Afghanistan informed the Meeting that Afghanistan authorities have recently started modernizing dry ports Aqina bordering with Turkmenistan and Zaranj with Iran. He further informed that Zaranj is important for Afghanistan to get maximum benefits from Chabahar. He further informed that the project of modernizing ports are expected to be completed within next three years.

32. The representative of the Islamic Republic of Iran informed the Meeting about development on border crossing points i.e. installation of 15 X-ray machines; future plan to install 20 more X-ray machine within next two years; utilization of electronic manifest; designing intelligence system for TIR carnets; designing paperless system for all customs

formalities; utilization of GPS system for trucks carrying transit goods through Iranian territory and setting up customs single window in order to receive electronic permissions from other concerned Iranian organizations.

#### **Agenda Item No.7**

#### **Review of the latest developments of the ECO Member States on accession/implementation of the following International conventions on:**

*i. Simplification and Harmonization of Customs Procedures (Revised Kyoto Convention, RKC)*

33. The representative of the Islamic Republic of Iran delivered a presentation entitled “Digital Customs Iran Single Window.” The presentation focused on the mechanism of Single Window and a comparison with previously used Asycuda system. A copy of the presentation is attached at **Annex-V.**

34. The meeting appreciated the presentation and the progress made by Iran in customs procedures.

35. The representative of Republic of Tajikistan sought clarification regarding import time under new arrangements.

36. The representative of the Islamic Republic of Iran responded that the import time depends upon the risk assessment of the goods being imported. For the Green line it takes only about 5 hours, for yellow it takes one (1) day and for red line almost three (3) days.

37. The representative of the Kyrgyz Republic sought clarification regarding cost of the GPS in the territory of Iran for foreign transport operators.

38. The representative of the Islamic Republic of Iran informed that this issue will be discussed in detail with Kyrgyz Republic during the Joint Economic Commission Meeting scheduled to be held in Tehran in near future.

39. The representative of the Ministry of Commerce and Industries of Islamic Republic of Afghanistan requested the Iranian side to share expertise in using the new national application namely SEPAHTAN.

40. The representative of the Islamic Republic of Iran responded that Iranian Customs and Road and Urban Development Ministry are still working on this project which would be helpful in controlling the speed of trucks, route issues and etc.

41. The representative of the Republic of Azerbaijan informed the Meeting that Azerbaijan is also using similar system. Azerbaijan Customs Service has target center and mobile units in customs administration for this purpose. The purpose of the system to track deviation from the routes during transit. This system is working 24/7.

42. The representative of the Islamic Republic of Pakistan informed that Pakistan is also using GPS and satellite hybrid system and with the help of this system the custom authorities track transit cargo at Karachi Port Qasim. Pakistan customs is also using satellite services wherever this system is not functioning. This system provides route deviation alerts. A company has been licensed for this purpose.

*ii. Harmonization of Frontier Controls of Goods, 1982 (“Harmonization of Frontier”)*

43. The representative of Islamic Republic of Pakistan informed that Pakistan has discussed the issue of accession to the above convention in various meetings and a consensus was developed in this regard in the meeting held in the Ministry of Commerce. However, Ministry of Foreign Affairs and FBR require further in house consultation. He expressed hope that this consultation will be expedite.

44. The representative of the Islamic Republic of Afghanistan informed the Meeting that Afghanistan is in the process of accession to the above mentioned convention.

45. The representative of the Islamic Republic of Iran proposed that ECO Member States may design and implement an electronic corridor in order to share data in terms of customs.

46. The representative of Republic of Turkey informed the meeting about approval of Annex-IX of Harmonization convention as regards the railway transportation. He further informed that Annex-IX was approved in the Parliament and will be ratified by the Ministers of Cabinet in near future.

47. The meeting appreciated Iran's proposal and requested Iran to share detailed information regarding this proposal with ECO Secretariat through diplomatic channels for sharing the same with ECO Member States for seeking their views.

**Agenda Item No. 8:**

**Any other business**

48. No issue was discussed under this agenda item.

**Agenda Item No. 9:**

**Date and venue of the Next Meeting**

49. The representative of the Ministry of Commerce and Industries of Islamic Republic of Afghanistan offered to host the 7<sup>th</sup> Meeting of the Customs Transit Committee of the TTCC in 2019. The date of the meeting will be communicated through official channels. The Meeting appreciated the Offer.

**Agenda Item No. 10:**

**Adoption of the Report**

50. The Meeting adopted the report drafted by the drafting committee.

**Agenda Item No. 11:**

**Vote of thanks and closing of the Meeting**

51. The participating delegations offered a vote of thanks to the Chairman and admired the excellent arrangements made by the Government of the Islamic Republic of Pakistan for hosting the event. The delegates also appreciated efforts of the ECO Secretariat for holding the Meeting.

52. The Chairman of the Meeting announced the closing of the Meeting.

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