

CAREC Joint Customs Control

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CAREC Customs Cooperation Committee (CCC)



CCC - a regional forum to address issues of common interest that created an environment of trust and cooperation and has become a cohesive body within CAREC

Core Areas:

- simplification and harmonization of customs procedures and documentation,
- information and communication technology (ICT) and data exchange,
- risk management and post-entry audit,
- **joint customs control** and one-stop services,
- regional transit development.

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Joint Customs Control

Border cooperation and joint customs control between neighboring countries

- expedite the movement of goods across borders
- generate significant savings in financial and human resources.

Joint customs control needs

- adoption of customs policies and procedures in line with international best practices
- transparent rules and regulations
- bilateral and regional cooperation among customs authorities of neighboring countries and trading partners
- interagency coordination among customs and other border control agencies

The Revised Kyoto Convention (RKC)

RKC interpretation of JCC:

- (i) " Customs controls of the exporting administration are conducted at the same time as the customs formalities of the importing administration by officers from both customs administrations;*
- (ii) "Customs controls are conducted within a common area where customs offices of both administrations are established, whether in separate buildings or in a single facility".*

RKC - General Annex

Chapter 3

Standard

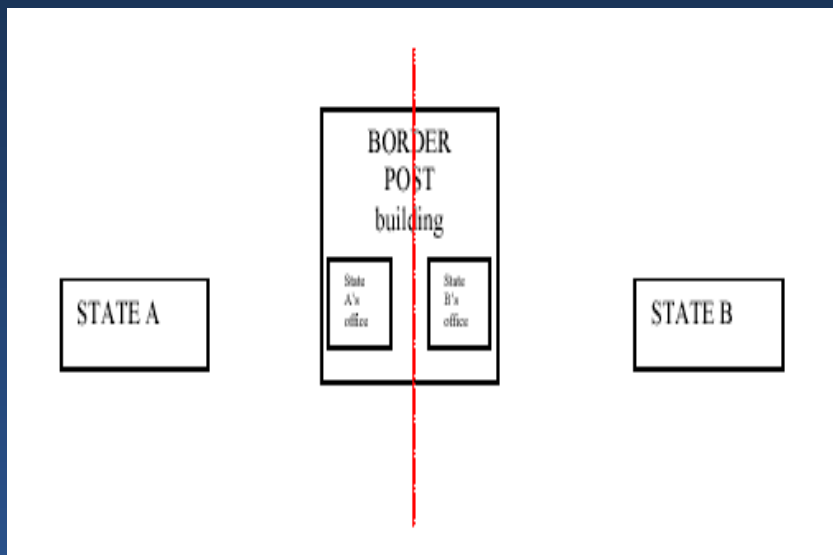
"Where Customs offices are located at a common border crossing, the Customs administrations concerned shall correlate the business hours and the competence of those offices"

Transitional Standard

*"At common border crossings, the Customs administrations concerned shall, whenever possible, operate **joint controls**"*

*"Where the Customs intend to establish a new office or to convert an existing office to a common border crossing, they shall, wherever possible, co-operate with the neighbouring Customs to establish a juxtaposed (side by side) Customs office to facilitate **joint control**"*

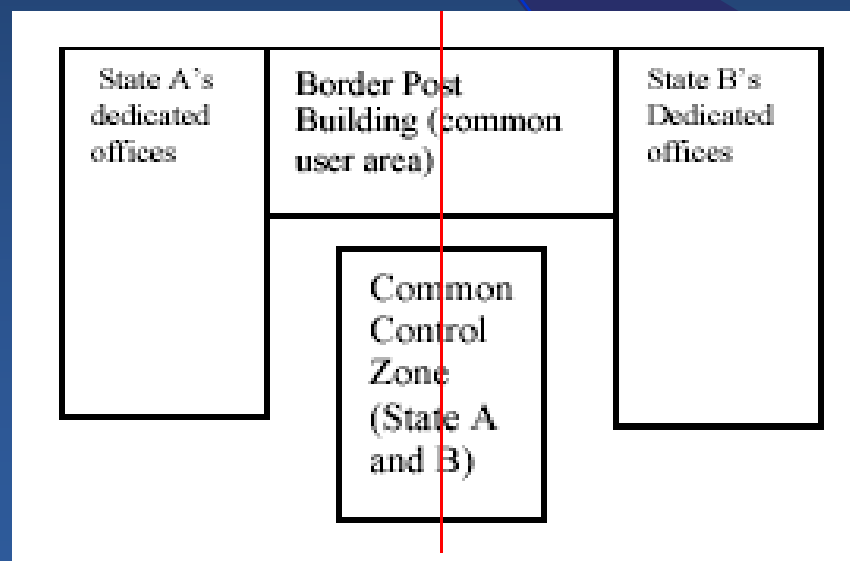
Joint Customs Control Schemes



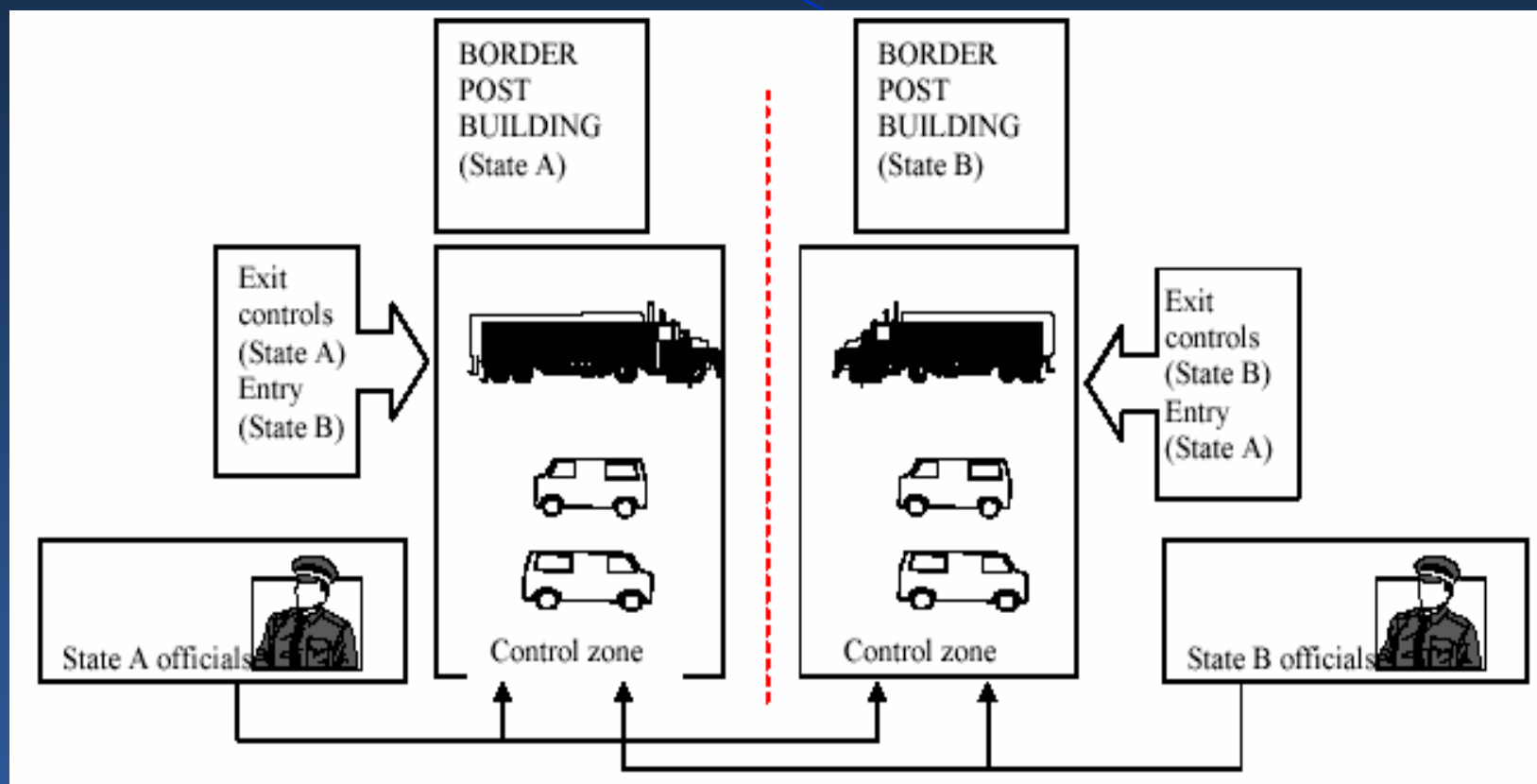
(a) Building Straddling Common Border



(b) Common Control Zone Straddling Common Border

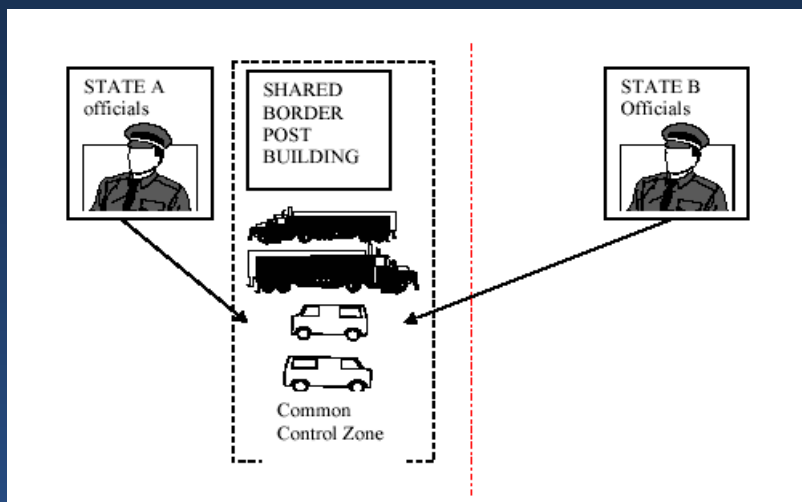


JCC Schemes



(c) Split Facilities, Exchange of Staff, Each Dedicated to Mode and Direction

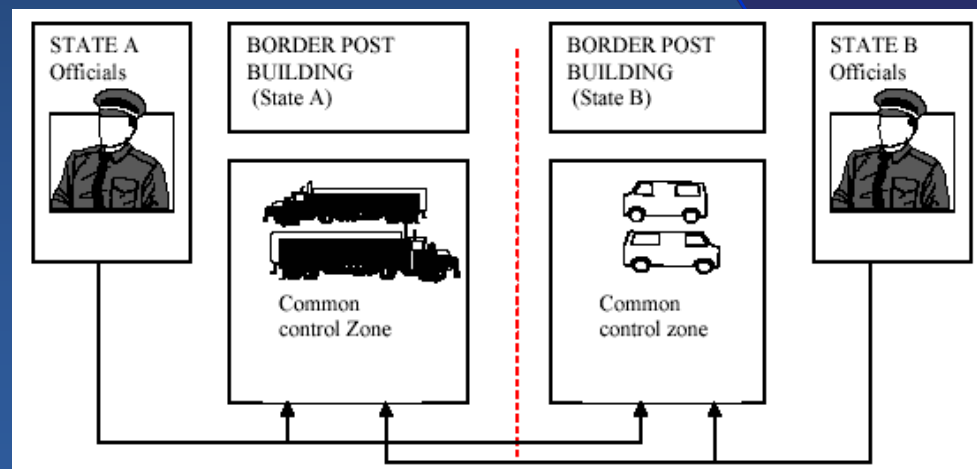
JCC Schemes



(d) Split Facilities with Exchange of Staff



(e) Split Facilities, Exchange of Staff, Each Dedicated to Mode and Direction



Nomenclature

- CAREC: Joint Customs Control (JCC)
- GMS: Single Stop Customs Inspection (SSCI)
- WCO: Cooperative Border Management (CBM)

CAREC JCC Pilots

Joint Customs Control Program between PRC and Kazakhstan

- Goal: Enhance customs clearance efficiency thru joint inspection and coordinating international documents etc.

3-Phased Implementation

- Adopt harmonized Road Loading List
- Mutually recognize customs inspection results
- Implement joint customs inspection

Pilot joint border inspection initiated in Dulata (PRC) and Kalzhat Dulaty (Kazakhstan) last December 2007.

CAREC JCC Pilots (cont.)

Joint Customs Control Program between PRC and Mongolia

- Goal: Reduce transaction and transit costs and facilitate trade between the two countries

Progress:

- Working and expert groups have been established in PRC and Mongolia for pilot joint customs control in selected crossing points
- PRC exchanged with Mongolia detailed rules and templates for implementation of first stage pilot regarding loading list of inbound/ outbound road trucks

Vietnam-Lao PDR SSCI

As part of GMS CBTA Initiative

Three steps in the **Lao Bao-Dansavanh SSCI** process:

1. Joint Customs Inspection in the Common Control Area at the country of entry.
2. Joint Customs and Quarantine inspection in the CCA, and clearance/ processing of Customs and Quarantine documents at the country of entry.
3. Joint Customs and Quarantine inspection in the CCA, and joint clearance/ processing of Customs, Quarantine and Immigration documents at country of entry.

Relevant Data

Between June 2005 and May 2007:

- 49,802 vehicles exited Vietnam/ entered Lao PDR;
- 48,414 vehicles entered Vietnam/ exited Lao PDR;
- 173,836 passengers exited Vietnam/ entered Lao PDR;
- 181,700 passengers entered Vietnam/ exited Lao PDR;
- At the Lao PDR CCA, 342 Customs consignments (value US \$5.85m) were jointly examined; and
- At the Vietnam CCA, 399 Customs consignments (value US \$28.66m) were jointly examined.

Findings

Key features underpinning success of implementation

- Stable political systems in both Vietnam and Lao PDR.
- Friendly relations between both countries, especially at the border.
- Sponsorship and support from ADB, through the Cross Border Trade Agreement.
- Common understandings on both sides of the wider benefits of facilitating more rapid movement of business and people.
- Close proximity of the respective Common Control Areas.

Benefits

- External pressure to implement joint controls/ SSI/ SW has forced both Customs administrations to review, simplify and modernise legislation and procedures.
- Clearance times have been reduced (Ave. clearance time for commercial consignment entering VIE =60 minutes; for non-commercial movements =15 minutes)
- Cargo is inspected only once.
- Cooperation between the two Customs administrations has increased and improved, particularly in respect of sharing tasks, experience, and information.
- The risk of revenue losses is therefore reduced.
- Opportunities for corruption have been greatly minimised.

Difficulties

- Differences in the respective Vietnam/ Lao PDR legal frameworks.
- The mode, extent, and rate of physical cargo inspection is still different on both sides of the border. This is principally because risk management processes are not yet applied in Lao PDR.
- The Lao PDR CCA is still temporary, in poor physical condition, and unsuitable for some examinations.
- There are large disparities in the number of border agencies involved on each side of the border (4 in Vietnam; 14 in Lao PDR).

Future Actions

- Effective cooperation at the policy level,
 - setting standards and mechanisms for border dispute resolution
 - promoting better border relations
- Track progress of pilots,
 - establish evaluation schemes to measure results
 - examine information systems, and understand institutional environments

Thank you



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