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INLAND TRANSPORT COMMITTEE

<u>Working Party on Customs Questions
affecting Transport</u>

<u>Informal Ad Hoc Expert Group on the
Computerization of the TIR Procedure</u>
(First session, 19 February 2001,
agenda item 4 (d))

TECHNOLOGICAL APPROACHES AND SOLUTIONS

<u>ASYCUDA</u>

<u>Transmitted by UNCTAD</u>

Attached you will find an informal document, submitted by UNCTAD on the ASYCUDA system.

CUSTOMS TRANSIT

This paper is an introduction to the computerized processing of the customs transit procedures using the ASYCUDA system.

The **A**utomated **SY**stem for **CU**stoms **DA**ta   (ASYCUDA) is a software that was developed and implemented by UNCTAD with the aim of facilitating the international trade and has done so for almost 20 years.

This system provides the Customs Administrations of more than seventy Countries with a set of functional modules handling all of the different aspects of the Customs procedures. These modules along with other Customs clearance functions cover the management of declaration processing, manifest and cargo control, automated selectivity, cash accounting and Customs transit.

ASYCUDA + + managing Customs transit procedures

The module for the management of transit procedures in   ASYCUDA+ + , the latest version of the system, is called MODTRS and is fully operational since the 1.15 release of the software that was already delivered to all user countries in 1999.

This module handles three transit documents, namely the **TIR carnet, the T1 form based on the Single Administrative Document (SAD)** (this T1 could have multiple items for different categories of goods)   and the **First Identification Procedure** which is an authorized pre clearance procedure.

The module is usable for all the types of transit as they are defined in the Kyoto convention and covers the movements of import transit, through transit, export transit and internal transit.

The **TIR carnet** option deals with the national (¹) segment of the **international transit transaction**. It handles all of the operations allowed by the **TIR convention** between a border entry office, an inland office and a border exit office such as through transit, import transit, transit to export including partial and final loading/unloading operations.

The **T1 procedure** allows for similar functions for all types of **national** transit from a border office of entry to the border office of exit (through transit), a border office of entry to inland office, an inland office to a border office of exit or to another inland office.

Each document presents specific features but in the system,   the management of the three

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documents is based on the same principle.

In its current status of development and implementation the ASYCUDA computerized transit system aims to support a paper-based procedure. This feature is a mandatory condition to be actually operational as there is presently no legal framework allowing a complete paperless system in any user country. The update of the Customs regulation is necessary to put it at the level of the already existing technological possibilities.

The information is processed in the office of departure. Upon validation of the transaction, a message containing the electronic copy of the documents is generated and automatically transmitted to the office of destination prior to the arrival of the goods.
At the office of destination, the document is retrieved and processed when the cargo arrives. Upon validation of the transaction, an electronic message that acknowledges the processing of the documents is generated and automatically returned to the office of departure where the transit operation is closed.

The system allows for data capture by the traders (brokers or carriers) using a specific module for DTI (Direct trader Input), or by the Customs officers. After the cargo is presented to Customs and if necessary controlled by Customs, the document is validated in the computerized system. Upon validation of the document by Customs a message is automatically transmitted to the office of destination where the goods should arrive and would be presented again to Customs. This is done by the appropriate ASYCUDA software, **A++ GATE**, (ASYCUDA Global Access to Trade Efficiency), through the national telecommunication network. This message informs the office of destination that a cargo should arrive in a given time delay. When the cargo arrives at destination the transit message is retrieved from the paper document presented by the driver and the Customs control is performed. If this control is correct then the transaction is closed and a release message automatically broadcasted to the office of departure via the same media. The reception of the message at the issuing office allows this one to write off the transit document and to release the guarantee as the trader has fulfilled his obligations.

This functionality gives to Customs the complete and timely information on all of the operations. The office of destination is informed in advance of the arrival of cargo and if the time delay is expired, it is possible for Customs to immediately undertake the appropriate measures to retrieve the ›missing or late‹ cargo.

The module works satisfactorily on a nationwide scale environment and it has been recently enhanced by the development of new functions such as the re-routing (change of the office of destination). As Customs receive in advance complete and timely information on all the operations and there is no need for re keying data at the office of destination the processing delays are tremendously reduced at the border, thus facilitating trade.
The system is technically designed for allowing future extension to cover the international transit operations (data exchange of messages between countries).

Annex 1 - *Summary of the system functions*

OFFICE OF DEPARTURE

The office of departure can be either a border office of entry where the mean of transport arrives for through or inland transit or an inland Customs office where the goods are cleared for export or for a transfer to another office.
The document is captured and checked by the declarant using the appropriate module MODBRK. It is then validated by Customs using the MODTRS module.

Trader Functions

In MODBRK the user is able to perform all actions for the processing of the documents (capture, view, local store, store, retrieve, print, amend, delete and list).
After data captures the trader request the registration from the Customs office server. At registration a Customs registration number is assigned.

Customs Functions

In MODTRS the user is able to: view, retrieve, amend, store, validate, print, transmit and list the transit documents.

On presentation of the paper document Customs retrieve the document, check it, take the necessary security measures (i.e. sealing), record the result of control and validate the document. The validation process assigns the date of validation, and begins the time delay for transit. The message containing the document data is generated and automatically sent to the office of destination through A++ Gate.

OFFICE OF DESTINATION

Trader/carrier Functions

There is no trader function at destination only to retrieve the document and prepare the SAD once the transit operation is completed

Customs Functions

In MODTRS the user is able to view, retrieve, validate, print, transmit and list the transit documents.

CLOSING THE TRANSIT TRANSACTION

At **the Office of destination** upon presentation of the paper document by the declarant and/or the truck driver, the Customs officer retrieves the document from the server database. He then records the data related to the arrival of the mean of transport, values, quantities, attached documents, sealing …

On validation a message containing the transit discharge is generated and **automatically sent** to the issuing office through A+ + Gate.

At ***the Office of departure (issuing office)*** upon reception of the validation message containing the discharge of the transit by the office of destination, the electronic document is updated and gets the status A***Cleared***@ and the date of closure.
The completion of those documents that are not automatically closed is done manually by an authorized officer by entering the reference of the disputed claim or of the manual discharge.

REPORTS AND PRINTOUTS

A full set of lists/reports is available at both points (issuing and destination offices) for each type of transit document (T1, TIR). There are, for example, the list of outstanding, expired and cleared documents**.**

PLACEMENT OF GOODS UNDER CUSTOMS CONTROL

When the goods arrive at the inland office of destination where they are intended to be cleared, they could be placed under Customs control, awaiting for the ultimate Customs clearance through the Customs declaration(s). In ASYCUDA this placement under Customs control will be done automatically by requesting the creation of manifest and bills of lading records in the MODCAR manifest database.