

# Harmonization of Transport Related Documents for International Transport



WITH FOCUS ON SOUTH AND  
SOUTH-WEST ASIA

# Review of existing legal arrangements on transport related documentary requirements



## ◆ International/regional conventions

(e.g. Convention on Road Traffic (1968) - *registration certificate, national and international driving permit*; TIR Convention (1975) – TIR Carnet as customs transit document)

## ◆ Sub-regional arrangements

(e.g. ASEAN, GMS, EAEU, BIMSTEC, SAARC, BBIN)

## ◆ Bilateral agreements

(e.g. between BBIN countries)

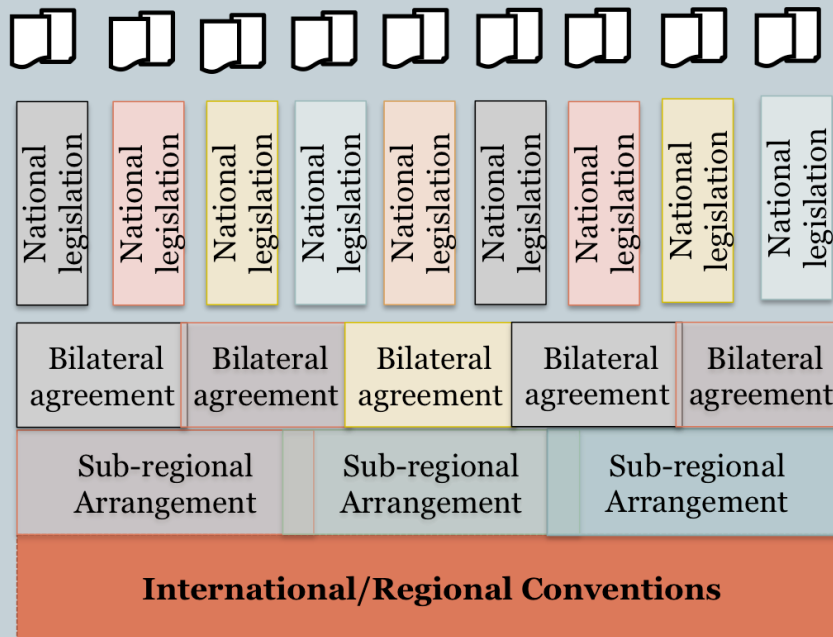
## ◆ National legislation

# SSWA status of accession to the international transport facilitation Conventions (ESCAP Resolution 48/11)

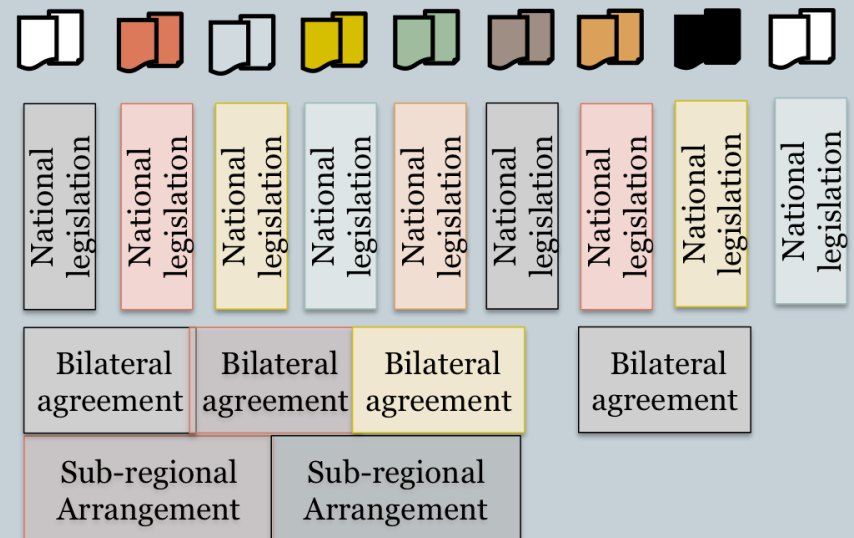
	Afghanistan	Bangladesh	Bhutan	India	Islamic Republic of Iran	Nepal	Pakistan	Turkey
Convention on Road Traffic (1968)	No	No	No	No	Yes	No	Yes	Yes
Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention) (1975)	Yes	No	No	Yes	Yes	No	Yes	Yes
Customs Convention on the Temporary Importation of Commercial Road Vehicles (1956)	Yes	No	No	No	No	No	No	Yes
Istanbul Convention on Temporary Admission (1990)	No	No	No	No	Yes	No	Yes	Yes
Customs Convention on Containers (1972)	No	No	No	No	No	No	No	Yes
Convention on the Harmonization of Frontier Control of Goods (1982)	No	No	No	No	Yes	No	No	Yes
Convention on the Contract for the International Carriage of Goods by Road (CMR) (1956)	No	No	No	No	Yes	No	No	Yes

# Review of existing legal arrangements

## Harmonized Documents



## Diverse Documents



# Review of existing legal arrangements



Diversity of transport /customs documentary requirements

- fragmentation of cross border movement
- repetition of border crossing formalities
- long time spent at borders
- higher costs of international transport

Harmonization of documentary requirements creates opportunities for streamlined international transport

Harmonization on regional/subregional level VS vs. harmonization on bilateral level

# Transport related documents in the context of BBIN MVA

## BBIN MVA permit ply in territory of other contracting parties

- **Form A:** Regular passenger transportation permit (1 year/ multi-entry)
- **Form B:** Regular cargo transportation permit (1 year/ multi-entry)
- **Form C:** Personal vehicles permit and
- **Form D:** Non-regular passenger vehicles permit (up to 30 days)

## Other BBIN MVA documentary requirements (regular cargo transport)

- Registration certificate,
- Certificate of fitness,
- Insurance policy,
- Pollution under control (PUC) certificate,
- Driving license (national or international driving permit),
- Waybill, commercial invoice and packing lists,
- List of personal goods of crew / spare parts of vehicle



## **Present arrangement for transport of goods between Bhutan and India**

Bilateral Agreement on trade, commerce and transit and the Protocol to the Agreement (last updated in 2016)

- Transshipment at border or allowed entry in Bhutan border area (7-10 km) or allowed entry in India (customary understanding)
- Consecutive national documentary requirements in Bhutan and India, partially harmonized and without EDI on cross border level
- Transit transport for third country movements from/to India based on LoG as paper-based customs transit declaration

# Road Transport Documentary Requirements between Bhutan and India



- **BBIN MVA / National legislation**  
permit; (not harmonized e.g.: road waybill, certificate of fitness, registration certificate, driving permit, insurance policy); (to be decided: PUC certificate); (not regulated by BBIN MVA: LoG, Customs transit docs); + import/export customs docs + commercial invoice and packing lists etc.
- **Bilateral transport arrangement / National legislation**  
No permit; (not harmonized / not regulated bilaterally: road waybill, certificate of fitness, registration certificate, driving permit, insurance policy, PUC certificate); + import/export customs docs + commercial invoice and packing lists etc.
- **Transit Transport arrangement/ National legislation**  
No permit; LoG, Delivery/Dispatch Challan (Bhutan); Office Order (Bhutan); (not harmonized / not regulated bilaterally: road waybill, certificate of fitness, registration certificate, driving permit, insurance policy, PUC certificate); + import/export customs docs + commercial invoice and packing lists etc. + port clearance docs





## **Present arrangement for transport of goods between Nepal and Bangladesh**

Trade and payments agreement between Nepal and Bangladesh (1976) and

Transit agreement between Nepal and Bangladesh (1976)

+

arrangements understanding between Nepal and India / Bangladesh and India

- In general transshipment at each border or transport by Nepalese vehicles
- Transit through India with appropriate Indian national customs transit formalities and India/Nepal third country formalities
- Multiple series of consecutive national documentary requirements in Nepal, Bangladesh and India, without formal harmonization and without EDI on cross border level
- Transit transport for third country movements from/to Bangladesh with paper-based transit declaration invoice (TDI) & subject to security escort of convoys (Nepalese vehicles across India)

# Road Transport Documentary Requirements between Nepal and Bangladesh



## - **BBIN MVA / National legislation**

permit; (not harmonized e.g.: road waybill, certificate of fitness, registration certificate, driving permit, insurance policy); (to be decided: PUC certificate); (not regulated by BBIN MVA: Customs transit docs); + import/export customs docs + commercial invoice and packing lists etc.

## - **Bilateral transport arrangement / National legislation**

No permit; Car Pass; national customs transit docs. (if not cleared at border); (not harmonized/not regulated bilaterally: road waybill, certificate of fitness, registration certificate, driving permit, insurance policy, PUC certificate); + import/export customs docs + commercial invoice and packing lists etc.

## - **India National Transit legislation / Bilateral Arrangements**

**Permit (Escort for Transit Transport)**; CTD; (not harmonized / not regulated bilaterally: road waybill, certificate of fitness, registration certificate, driving permit, insurance policy, PUC certificate); + commercial invoice, packing lists etc.

## - **Transit Transport arrangement/ National legislation**

TDI; (not harmonized / not regulated bilaterally: road waybill, certificate of fitness, registration certificate, driving permit, insurance policy, PUC certificate); + import/export customs docs + commercial invoice and packing lists etc. + port clearance docs

# Number of processes and documents required on selected corridors in SSWA



- ◆ Bangladesh exports to Bhutan (via India) (*melamine products*)
  - 10 transport related processes
  - 20 transport related documents / total of 63 copies required
- ◆ Bhutan exports to Bangladesh (via India) (*cardamom*)
  - 7 transport related processes
  - 16 transport related documents / total of 58 copies required
- ◆ Bhutan exports to Europe (via India) (*ferrosilicon*)
  - 6 transport related processes
  - 19 transport related documents /total of 90 copies required
- ◆ Nepal exports to Bangladesh (via India) (*lentils*)
  - 9 transport related processes
  - 18 transport related documents / total of 58 copies required


*Source: based on UN ESCAP (2017) Trade and Transport Facilitation Monitoring Studies on selected corridors SSWA*

# Transport related documents in the context of BBIN MVA



- The benefits of BBIN MVA vs. challenges regarding introduction of **new documentary requirements** (e.g. BBIN MVA permit, Certificate of fitness of transport means, PUC certificate)
- **Customs transit** is not regulated with BBIN MVA and issues with diverse / paper-based customs transit documents e.g. (LoG, CTD, TDI) remain to be addressed
- Burdensome documentary requirements and multiple requirements for submission of extensive paper-based **supporting documents** are hampering present bilateral transport arrangements and threatening successful introduction of BBIN MVA

# Review of existing standard transport related documents

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- ◆ **Single Administrative Document (SAD)**
  - ◆ **European Common Customs Transit Declaration and NCTS**
  - ◆ **ASEAN Customs Transit Declaration and ACTS**
  - ◆ **TIR Carnet**
  - ◆ **GMS-CBTA Transit & Inland Clearance Customs Clearance Doc.**
  - ◆ **WCO Goods Declaration and WCO Data Model**
  - ◆ **UNLK**
  - ◆ **CMR (including e-CMR)**
  - ◆ **Multimodal transport docs (FIATA & ESCAP initiatives)**

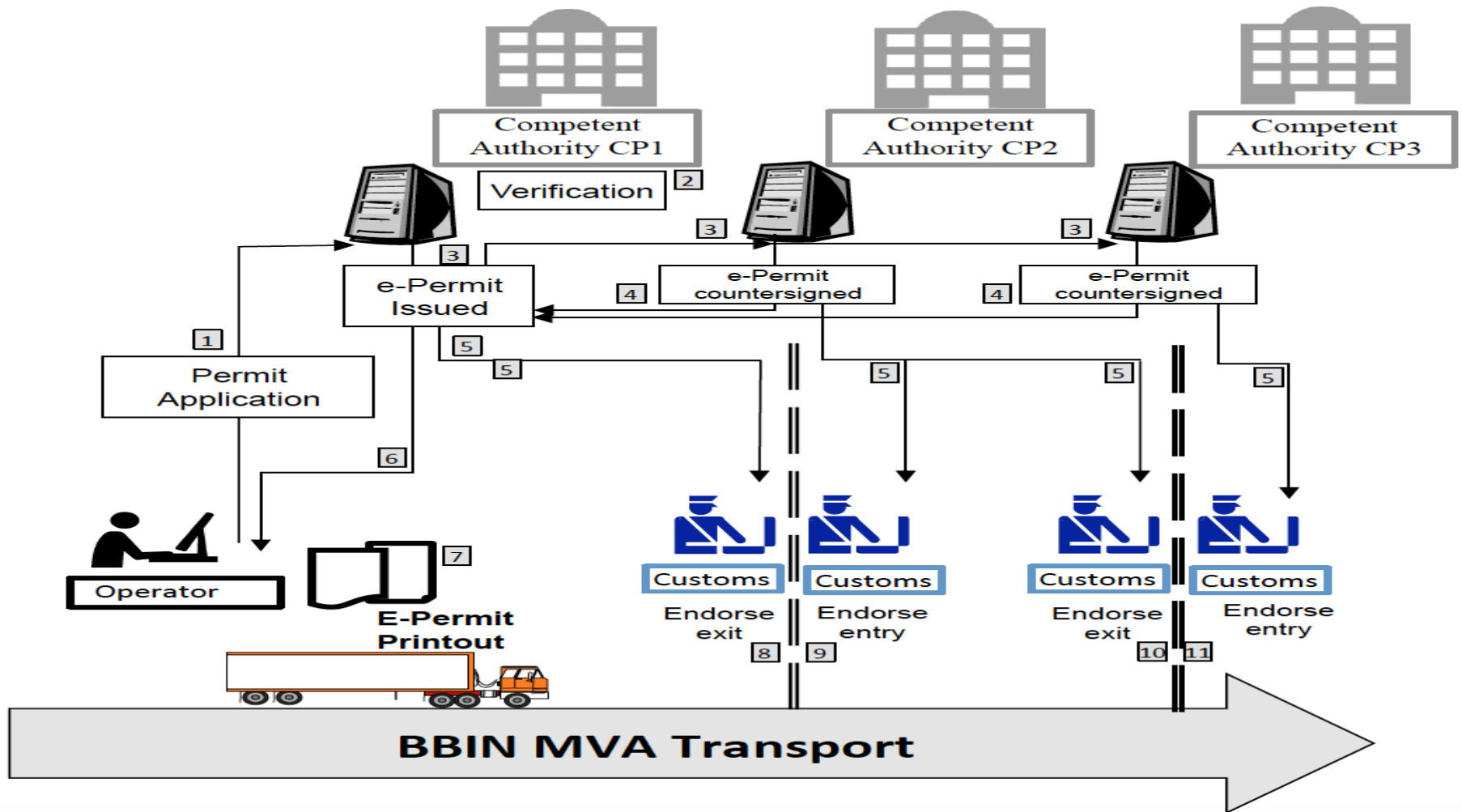
# Options for harmonization of legal requirements and transport related documentation



## **A. Traffic Rights And Road Transport Permits**

- wider application of multiple-entry and multilateral road transport permits (ESCAP RSF)
- BBIN MVA subregional system of traffic rights and permit system
- successful implementation of the permit system could be achieved if:
  - ✓ process of application, issuing and control of the permits is simple and efficient;
  - ✓ the system provides clear benefits to transport and trade community;
  - ✓ sufficient number of permits could be issued;
  - ✓ possible impediments are identified and addressed.

# Option for development a E-Permit System for BBIN MVA



# Options for harmonization of legal requirements and transport related documentation



## ◆ e-Permit system:

- electronic submission of electronically signed e-Permit application (scanned copies of the supporting docs if necessary);
- verification and issuing of e-Permit for authorized operators without paper based documents;
- electronic signing and countersigning of e-Permit;
- exchange of e-Permit electronic messages between competent authorities themselves, competent authorities and authorized operators and competent authorities and customs authorities;
- use and endorsement of e-Permit printout by customs authorities.

Facilitation of present requirements for certification that the goods are intended for transit (e.g. submission of LoG or L/C; certified CTD from representative/ consular offices)



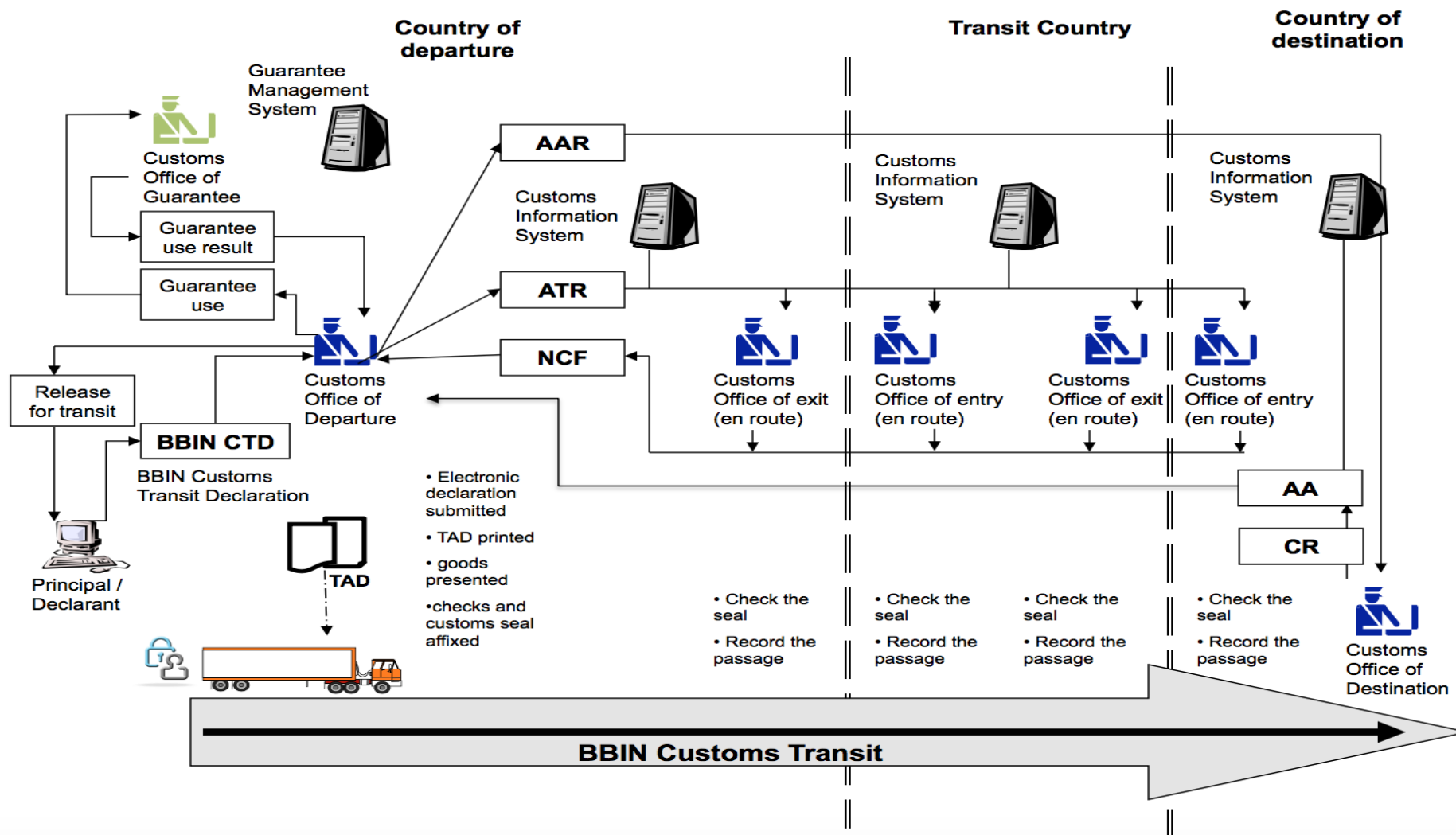
# Options for harmonization of legal requirements and transport related documentation



## **B. Customs related documentary requirements:**

- Customs transit declaration to cover both customs transit procedures:
  - ✦ transit transport and national customs transit
- Possible options to be considered:
  - ✦ national customs transit declaration (not harmonized);
  - ✦ customs transit declaration based on bilateral arrangements (status quo);
  - ✦ new harmonized paperless customs transit declaration(s)  
(without introduction of subregional customs transit system);
  - ✦ new harmonized paperless customs transit declaration(s) with introduction of new subregional customs transit system (e.g. BBIN/SAARC CTS);
  - ✦ use of TIR Carnet under TIR Convention
- Possible elements of BBIN/SAARC CTS arrangement:
  - ✦ customs transit formalities; common customs transit declaration; electronic submission of customs transit declaration; format and structure of electronic messages; infrastructure for EDI; guarantee system; customs seals; EV/CTS

# Possible flow of the electronic BBIN customs transit messages



# Options for harmonization of legal requirements and transport related documentation

## C. Other key transport documentary requirements:

- Driving license/permit & Vehicle registration documents
  - ✦ join the Convention on Road Traffic (1968);
  - ✦ agree on multilateral/bilateral level to mutually recognize national documents issued in accordance with internationally accepted the rules;
  - ✦ agree on harmonized subregional rules for recognition of national documents and/or standardized subregional documents
- Insurance documents: consider multilateral insurance arrangement
- Documents on compliance with technical standards
- Transport documents on rules of carriage:
  - ✦ join the CMR Convention;
  - ✦ agree on multilateral/bilateral level, to use internationally accepted rules of carriage by road transport (e.g. CMR Convention without joining);
  - ✦ agree on harmonized subregional rules on carriage by road transport and use standard subregional road waybill/consignment note

# Options for harmonization of legal requirements and transport related documentation



## **D. OGA documentary requirements:**

- International arrangements for mutual recognition of the certificates issued by the competent agencies of partner country

## **E. Facilitation of documentary requirements:**

- reduction of multiple submission of same documents;
- reduction of the number of supporting documents in applications for permits and transit customs clearance;
- merging documents;
- use of electronic documents and reuse of data;
- introduction of single window facility;
- single window inspection of documents;
- import/export clearance at inland customs offices (instead at BCPs);
- simplifications for AEO.

# Transit Transport Flow for Bhutan and Nepal



## **A. Present Transit Transport Flow For Bhutan**

### **1. Transit Transport across India**

- LoG (Dispatch Challan)
- Bhutan LTO office in Kolkata / RRCO in Phuentsholing (Bhutan)

## **B. Present Transit Transport Flow For Nepal**

### **1. Transit Transport across India**

- CTD India
- import license, L/C or certified CTD – Nepalese Consulate office at Kolkata

### **2. Transit Transport across Bangladesh and India**

- TDI Bangladesh + transit formalities India (including escort of convoys)

# ESCAP Secure Cross Border Transport Model

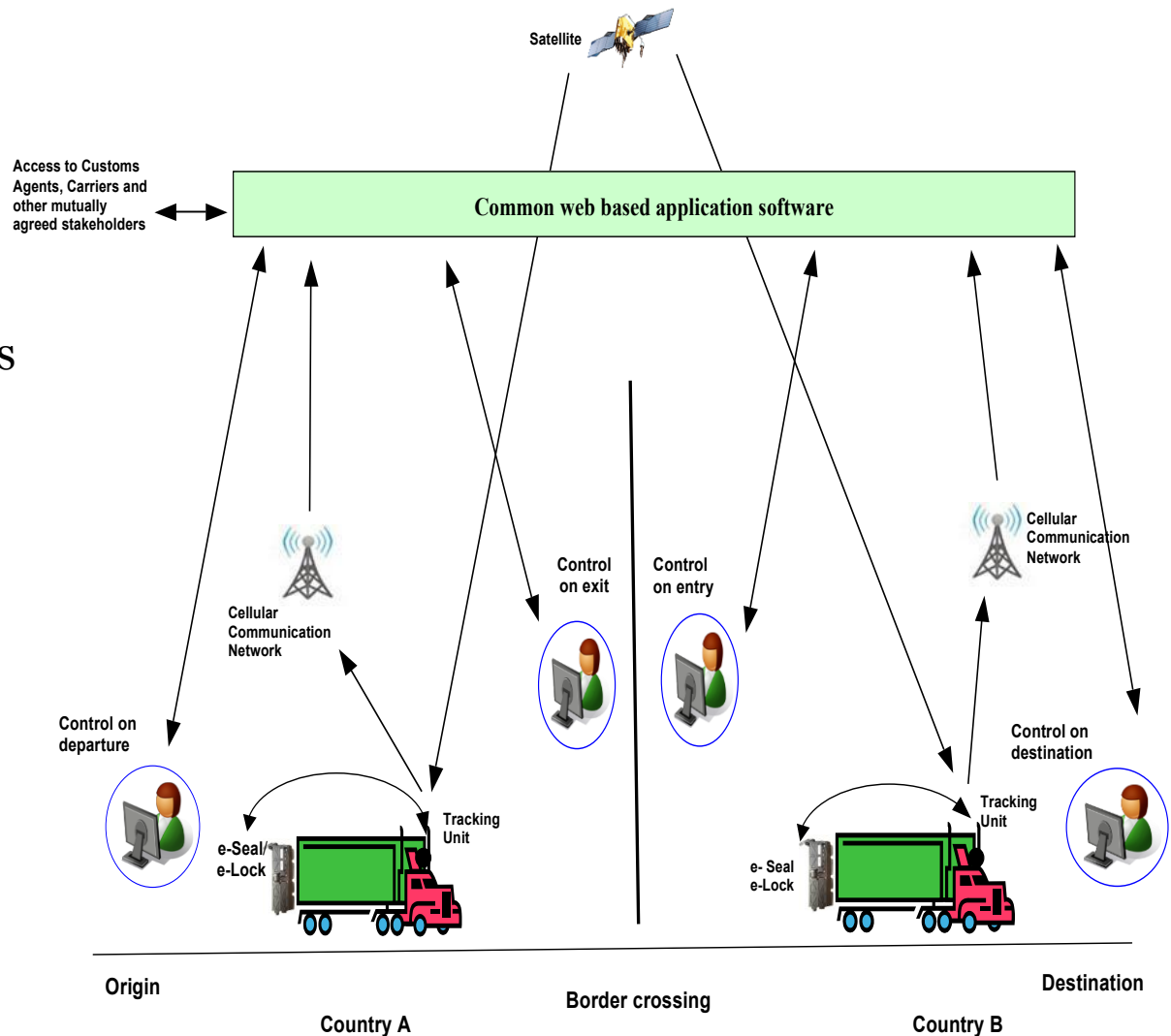
## ➤ Integration of ICT technologies

- RFID, SPS, CCS

## ➤ Standard components

- Tracking unit
- E-seal
- Monitoring platform
- Mobile/Fixed device

## ➤ Security and Facilitation



Source: Adapted from ESCAP, 2012, Secure Cross Border Transport Model

# Recommended new transit transport flow supported with electronic vehicle cargo tracking system



## ◆ **Electronic vehicle/cargo tracking system**

- based on ESCAP Secure Cross-Border Transport Model
- options for introduction to be considered:
  - ✦ individual interfaced/interoperable systems in each country or same electronic tracking system;
  - ✦ level of integration with other national systems (e.g. CTS, SW);
  - ✦ type of software system (e.g. developed/purchased as a product or web-based platform used as service);
  - ✦ operation of the system (Customs, designated operator, PPP);
  - ✦ status e-seal (as customs seal or addition to the customs seal)
  - ✦ level of access to the tracking software (for Customs and AEOs)
  - ✦ type of monitoring actions and notifications;
  - ✦ organization of response (e.g. Control center, mobile units).
- **Possible facilitation measures in parallel with the system**

# Options for introduction of new transit transport flow (e.g. between and among BBIN countries)



- I. Amended bilateral transit transport arrangements +**
- without of with transport permit (e.g. BBIN MVA permit),
  - supported by electronic vehicle/cargo tracking system based on ESCAP SCBT Model

Amendments may include following key elements:

- introduction of electronic vehicle/cargo tracking system;
- reduction of certification requirements that the goods are intended for transit transport (e.g. from representative/consular offices);
- reduction of document requirements for transit (e.g. import licenses, L/C);
- replacement of paper based transit declarations (e.g. LoG/TDI) with their electronic counterparts;
- use of electronic signature and EDI;
- replacement of manual discharge of customs transit procedure with electronic messages between customs offices.

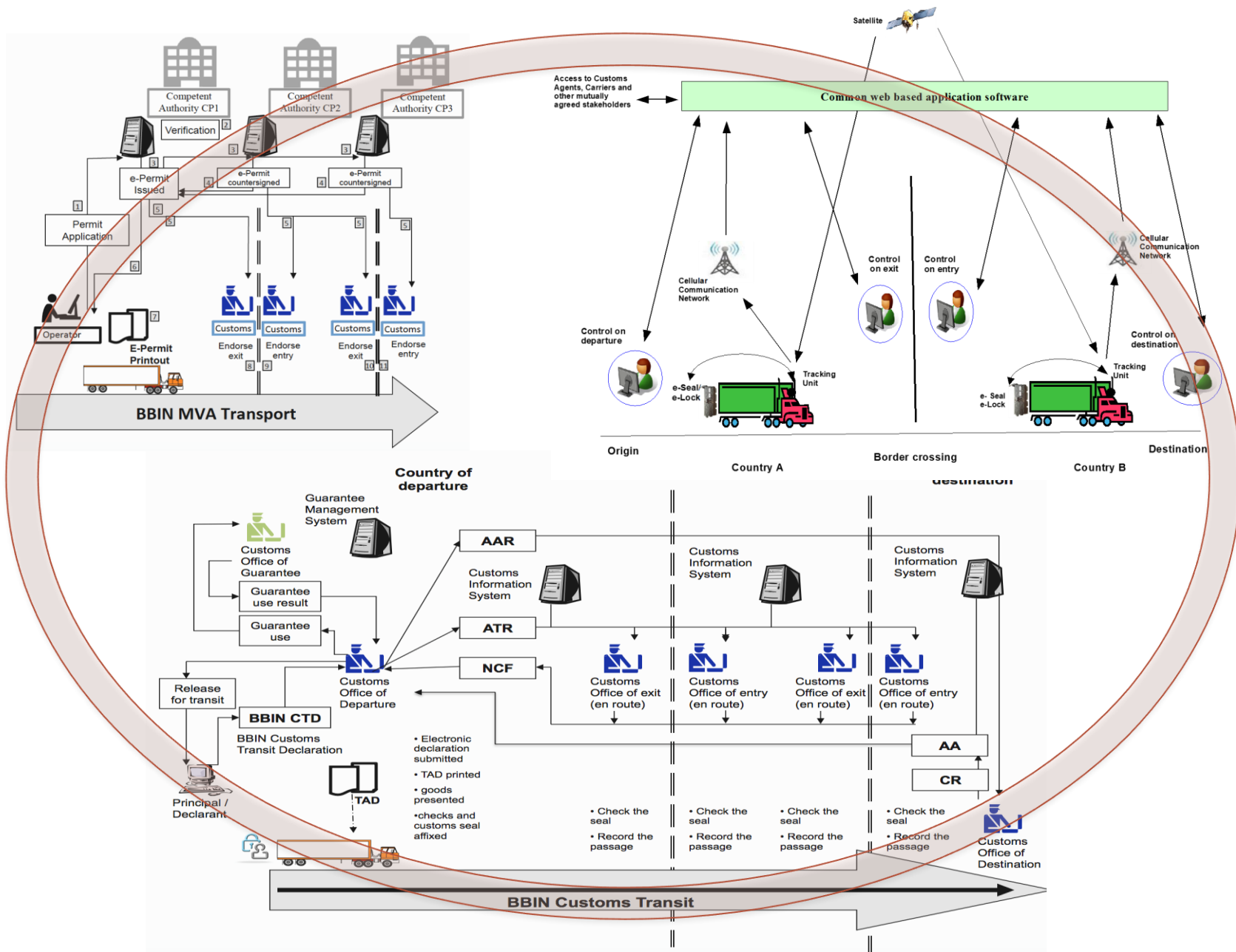


# Options for introduction of new transit transport flow (e.g. between and among BBIN countries)



## **II. New subregional customs transit arrangement**

- without of with transport permit (e.g. BBIN MVA permit),
  - supported by electronic vehicle/cargo tracking system based on ESCAP SCBT Model
- 
- ◆ Harmonization and streamlined international transport achieved by:
    - subregional paperless customs transit system;
    - electronic transport permit (e.g. BBIN MVA permit) where necessary;
    - electronic vehicle/cargo tracking system based on ECSAP SCBT Model.
  - ◆ Integrated/interfaced IT systems the three parts of this option
  - ◆ Formally harmonized and reused data elements of:
    - a. subregional paperless CTD,
    - b. e-transport permit and
    - c. cargo and transport declaration for the electronic vehicle/cargo tracking



# Possible benefits of the new transit transport flow



- ✓ increased security and predictability
- ✓ eliminated need for creation of new documents at the borders
- ✓ single data entry and reuse of data elements
- ✓ automated electronic distribution e-documents to all competent authorities
- ✓ elimination of need for certification of transit in foreign country
- ✓ significant reduction/elimination of supporting documents
- ✓ reduction of paper based transit documents required to a single TAD
- ✓ use of long-term security instruments, reduction of guarantee / guarantee waiver
- ✓ automated discharge of customs transit
- ✓ reduced time and costs for processing transit procedures

# Main recommendations, suggestions and conclusions

1. **Consider, negotiate and agree on general concept(s) for harmonization of transport related documents:**
  - E-permit; new subregional paperless customs transit system; use of EV/CTS;
2. **Initial legal framework** (MoU or Framework Agreement)
3. **Feasibility study**
4. **Institutional arrangement & preparation for implementation**
  - ESCAP publications: Guide on establishing an automated Customs Transit Transport System (2016); Study on paperless transit (2016); Guide on paperless transit (2015); Model on integrated border controls (2012); Model on Secure Cross Border Transport (2012)
5. **Alignment of the national legislation against major facilitation initiatives (WCO RKC; WTO TFA)**

# Main recommendations, suggestions and conclusions



- 6. Formal standardization and harmonization of data elements for efficient EDI and interface of the IT systems**
  - UN and WCO tools (e.g. UNLK and WCO Data Model)
- 7. Efficient coordination mechanisms**
  - national and cross border level
  - ESCAP guidelines on establishing and strengthening national coordination mechanisms for trade and transport facilitation
- 8. Capacity building and training programs**
- 9. Gradual implementation**
- 10. Regular performance monitoring**
  - ESCAP Time/Cost Distance Methodology
  - WCO Time Release Study