USAID Trade Project

Transit Trade through Pakistan to Afghanistan – A Process Overview

USAID Trade Project
USAID/Pakistan
Office of Economic Growth & Agriculture
Contract Number: EEM-I-03-07-00005

February 2013

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### Abbreviations

<table>
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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACD</td>
<td>Afghan Customs Department</td>
</tr>
<tr>
<td>APTTA</td>
<td>Afghanistan Pakistan Transit Trade Agreement</td>
</tr>
<tr>
<td>APTTCA</td>
<td>Afghanistan Pakistan Transit Trade Coordination Authority</td>
</tr>
<tr>
<td>CBC</td>
<td>Cross Border Certificate</td>
</tr>
<tr>
<td>CLBC</td>
<td>Customs Licenced Bonded Carriers</td>
</tr>
<tr>
<td>EDI</td>
<td>Electronic Data Interchange</td>
</tr>
<tr>
<td>FBR (Customs)</td>
<td>Federal Board of Revenue</td>
</tr>
<tr>
<td>GD</td>
<td>Goods Declaration</td>
</tr>
<tr>
<td>IGM</td>
<td>Import General Manifest</td>
</tr>
<tr>
<td>JTWG</td>
<td>Joint Technical Working Group</td>
</tr>
<tr>
<td>PRAL</td>
<td>Pakistan Revenue Automation Limited</td>
</tr>
<tr>
<td>T1</td>
<td>Transit 1 (Afghan Customs Asycuda transit declaration)</td>
</tr>
<tr>
<td>WeBOC</td>
<td>Web Based One Customs</td>
</tr>
</tbody>
</table>
1 Introduction
This document describes the processes associated with the payment and release of financial guarantees (i.e., “insurance guarantees”) in Pakistan as they pertain to Pakistan-Afghanistan transit trade under the Afghanistan Pakistan Transit Trade Agreement (APTTA) 2010. Additionally, it provides an overview of the planned Electronic Data Interchange (EDI) process between the customs administrations of the two countries and how it may contribute to the release of insurance guarantees in Pakistan.

2 APTTA 2010 and Insurance Guarantees
Two of the core objectives of the APTTA 2010 are to facilitate the passage of Afghan transit goods through Pakistani territory, and to address the issue of informal trade resulting from this movement. Informal trade has impacted legitimate Pakistani local trade and is causing serious loss to government revenue. The following provisions of APTTA 2010 were included to deter informal trade:

(i) Transporters are required to provide Pakistan Customs with financial guarantees equivalent to the applicable amount of duties and taxes that would be paid should transit trade to Afghanistan be diverted to Pakistan. The Government of Pakistan / FBR (Customs) have accepted the use of insurance guarantees, rather than the more expensive bank guarantees, as the approved form of financial guarantees for transit goods to Afghanistan. The insurance guarantees are refunded once the goods exit Pakistan provided certain conditions have been met. The requirement for a transit procedure that includes a financial guarantee coverage component is detailed in APTTA Section VIII, Article 28 2(f), which reads:

“to establish a Customs Transit System, including a Customs Guarantee Coverage, for the cargo as mutually agreed;”

(ii) Installation of electronic tracking devices on transport units are required as per Protocol I, Section I, “Technical Requirements for the Admittance of Road Vehicles”, Article 13, which reads:

“The Contracting Parties shall allow only those vehicles which carry a tracking system. Movement of vehicles shall be tracked by the Contracting Parties in their respective countries”

(iii) Customs to customs information sharing (Electronic Data Interchange) per Protocol III, Section 4, “Mutual Administrative Assistance”, Article 20 (2). Paragraph (3) of this article calls for better communication between the two customs departments through
the establishment of “hot lines” at the points of entry (presently Torkham and Chaman). The text of paragraphs (2) and (3) read as follows:

“2. The customs administrations of Contracting Parties shall ensure customs to customs cooperation by information sharing through setting up the facility of electronic interface.”

“3. The customs administrations of the both Contracting Parties at the point of entry shall make arrangements of communication through hotline.”

In July 2011, insurance companies with “A” ratings began issuing guarantees to the Government of Pakistan's Federal Board of Revenue (FBR (Customs)) to guarantee the payment of duties and taxes associated with goods transiting through Pakistan to Afghanistan. Since that time, none of the guarantees have been discharged / released. The FBR (Customs) has taken the position that the release of insurance guarantees will only be authorized once Afghan Customs Department (ACD) provides documented confirmation that the duties and taxes associated with the entry of the transit goods into Afghanistan have been paid. In the absence of this confirmation, FBR (Customs) have now asked the insurance companies who provided the guarantees to pay the duties and taxes associated with those consignments for which the insurance guarantees have aged to a point where the expiry date is approaching or has been exceeded. Insurance guarantees are valid only for a period of 12 months, after which time the insurance companies are required to pay the duties and taxes. As of January 2013, the FBR (Customs) has not released any of the guarantees received from insurance companies, and the cumulative claim against them is estimated at approximately US$ 500 million.

As long as the issue of the release of insurance guarantees remains unresolved, the claim amounts will continue to rise as additional guarantees approach or exceed their expiry dates. In certain cases where insurance firms have reached their authorized exposure ceiling, FBR (Customs) has stopped accepting further guarantees. As a consequence, all insurance companies have been affected. As of mid-January 2013, only three companies, namely Alpha Insurance, Askari Insurance & United Insurance are permitted to issue insurance guarantees.

This situation has arisen for the following reasons:

(i) ACD have been unwilling to share the corresponding official ASYCUDA Goods Declaration (GD) from the office of destination with FBR (Customs) as required by

---

1 A telephone hotline link exists between Pakistan and Indian Customs at Wagah border station. It is anticipated that a similar arrangement would be replicated with ACD at Torkham and Chaman.
APTTA 2010, Protocol 3, Section 3 Article 18 ("Formalities to be Completed at Offices En-Route and at Office at Destination"). This document is issued by ACD and should correspond in detail to the FBR (Customs) GD issued in Karachi and which accompanies transit cargo along with other transit documents (see the process flowchart at Annex A). The Pakistani GD provides comprehensive information about each consignment, including the description and value of the goods. Until the APTTCA meeting of October 2012, ACD had considered that their Asycuda issued “T1” transit document should suffice as a Cross Border Certificate (CBC), providing evidence of goods arrival inside Afghan territory, in lieu of the Afghan GD. The T1 document is issued for a single container at the ACD border post as a transit document allowing the transport vehicle to move under customs-bond to its destination, where customs clearance formalities are completed.

(ii) Until recently, FBR (Customs) had maintained that the provision of the T1 document alone did not conform to the procedures laid down in APTTA, according to which ACD were to confirm that they had collected the duties and taxes associated with transit goods through the provision of a copy of their Asycuda issued GD. Furthermore, FBR (Customs) had maintained that provision of the T1 document alone would require that they undertake the additional task of reconciling T1s against the relevant Pakistani GD’s, a burden which they were unwilling to accept due to the sheer volume of transit shipments. The reconciliation process can be complicated as in certain cases consignments of multiple containers may be covered by a single GD, and be carried on multiple vehicles or, alternatively, a single vehicle may carry multiple consignments inside a single container.

This issue remained unresolved until the 2nd Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) meeting held in Islamabad on October 11-12, 2012, when it was agreed that the following documents in hard-copy would have to be submitted to FBR (Customs) directly by ACD before the FBR (Customs) would release an insurance guarantee:

(i) The T1 document is to be issued by ACD at the border post for each container at the time of its entry in Afghanistan. This is a transit document allowing the vehicle to proceed to its final destination, where clearance formalities are undertaken by the Afghan trader or his customs broker, and where duties and taxes are paid. A cross reference of the relevant Pakistan GD number is to appear on the T1 document. (Refer Annex K showing T1 in Dari). A Cross Border Certificate is issued by ACD at a roadside stall inside the ACD Territory, but located prior to full Asycuda
clearance at Jalalabad, Kandahar or Kabul. This document contains the cross reference of the Pakistan GD number, stating that the consignment has crossed the ACD check-post at Samarkhel (for Torkham / Jalalabad movement) and Spin Boldak (for Chaman / Khandar traffic), and also provides the container number.

ACD have recently begun providing an English version of the CBC to FBR (Customs). An example of a CBC is shown at Annex M.

(ii) The Duplicate copy of the Pakistani Goods Declaration duly endorsed by ACD is to accompany the T1 and the CBC described above.

These documents are to be delivered to the respective FBR (Customs) border post office at Torkham and Chaman for onward dispatch to the respective office of goods initial departure (i.e. Custom House in Karachi / Port Qasim). After reviewing this documentation, if all is in order, the insurance guarantee associated with the consignment will be released.

The official amendment to the FBR (Customs) rules on Afghan transit trade which reflect his process notified on Friday, January 18, 2013 (see Annex L).

3 The EDI Process

Overview of EDI

To address issues related to the implementation of an EDI system between Pakistan and Afghanistan, the customs administrations of the two countries have participated in meetings of the Joint Technical Working Group (JTWG) on Customs Data Exchange, which have been held under the auspices of the Afghanistan Pakistan Cooperative Process (APCP) that were organized by the Canadian Government. During these meetings, the two customs administrations agreed to the exchange of the following 18 data fields:

<table>
<thead>
<tr>
<th>Agreed Data Elements</th>
<th>WCO ID² / Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Importer Name</td>
<td>R014</td>
</tr>
<tr>
<td>2. Taxpayer Identification Number or (Jawaznama No.)</td>
<td>R015</td>
</tr>
<tr>
<td>3. Point of Entry in transit country</td>
<td>L009</td>
</tr>
<tr>
<td>4. Point of Exit from transit country</td>
<td>G005</td>
</tr>
<tr>
<td>5. Country of Origin / Export of goods</td>
<td>062</td>
</tr>
<tr>
<td>6. Country of Destination of goods</td>
<td>L008</td>
</tr>
<tr>
<td>7. Description of goods</td>
<td>138</td>
</tr>
<tr>
<td>8. Harmonized System Code - 8 digit</td>
<td>337</td>
</tr>
<tr>
<td>10. Quantity of goods as based on tariff of Country of Transit</td>
<td>144 &amp; 141</td>
</tr>
<tr>
<td>11. Vehicle license plate and country of registration</td>
<td>T015</td>
</tr>
<tr>
<td>12. Type of Cargo -Containerized or Non-Containerized</td>
<td>096</td>
</tr>
</tbody>
</table>

² UN/EDIFACT universal data field reference number
An implementation plan for introducing a pilot project with timelines was agreed during the third meeting of JTWG on EDI under the APCP, held in Islamabad on July 15, 2012. The implementation of the pilot project is to be undertaken in the following six steps:

(i) Develop and publish a schema that both sides agree to (July 16 to August 7, 2012);
(ii) Pakistan to develop Afghan translation layer and encryption (August 7 to 29, 2012);
(iii) Develop and share test scenarios (August 7 to September 12, concurrent to Step 2, 2012);
(iv) Test (September 13 to October 3, 2012);
(v) "Debugging" (post-testing development, October 4 to 17, 2013); and,
(vi) Production (following the approval of the Standard Operating Procedures, October 25 to December 1).

This schedule has slipped, and FBR (Customs) now anticipate that the implementation of the EDI Pilot will be completed during the month of March 2013.

The following four trade routes covering movements in both directions will be included in the pilot project:

(i) Karachi Port to Torkham
(ii) Port Qasim to Torkham
(iii) Heiratan to Torkham, and
(iv) Shirkhan Bandar to Torkham

Subsequent to the third meeting of the JTWG on July 15, 2012, FBR (Customs) indicated that to improve the effectiveness of the data exchange, the EDI messages may need to be augmented to include additional data elements. These would need to be agreed with ACD. The FBR (Customs)/PRAL has not yet informed the Trade Project which data elements they would like to add to the EDI messages.

Once the EDI pilot project covering the indicated corridors is implemented and found to be satisfactory, the exchange of EDI messages will be rolled out to the following routes:
(i) Karachi Port to Chaman
(ii) Port Qasim to Chaman
(iii) Heiratan to Chaman, and
(iv) Shirkhan Bandar to Chaman

4. Transit Trade Documentation – Manual Process Description

The manual process that is currently in place for managing Afghanistan imports moving as transit cargo from Pakistani sea ports to land border crossings at Torkham and Chaman is briefly explained below:

a) The shipping lines agent electronically files the Import General Manifest (IGM) with FBR (Customs) at the time of the vessel's arrival at Karachi or port Qasim.

b) The customs agent thereafter files the GD electronically with FBR (Customs) (the actual date of filing the GD by the custom agent may not necessarily be immediately after the vessel's arrival in port) and submits the following hard copies at the Customs House at Karachi or Port Qasim:

   (i) Six (6) copies of GD duly signed and stamped
   (ii) Original or copy of Jawaznama
   (iii) Copy of shipping lines Bill of Lading
   (iv) Suppliers (shippers) Invoice
   (v) Suppliers (shippers) Packing list
   (vi) Insurance Guarantee equivalent to taxes and duties applicable in Pakistan
   (vii) Other documents i.e. phyto-sanitary, hazardous cargo certificates etc. as applicable

c) These documents are processed manually through the Afghanistan Transit Group at Karachi or Port Qasim Customs House. In event discrepancies (spelling errors, variance in description of goods, different figures in weight, quantity, final destination, name or address of the consignee etc.) are found in the shipping documents, these are amended / rectified either through the shipping lines, the place of origin, or the Afghan Import Permit issued by Ministry of Commerce, Kabul. Pakistan Customs require viewing the original document when the first consignment arrives under the relevant Jawaznama, which is verified by Pakistan Customs and an attested copy is duly filed in the relevant Customs House. The original Jawaznama is returned to the Afghan trader. For subsequent consignments a photo copy of the Jawaznama is required.
authority with the approval of FBR (Customs). The time taken in rectifying the inconsistency observed is dependent on the nature of the discrepancy and can vary from a few days to several weeks. At the time the manual process is in progress, the relevant entries are also made in Pakistan’s “One Customs”, the automated system presently being used for Afghanistan transit trade. In due course this system will be replaced by an updated version of Web Based One Customs (WeBOC) system. After the formalities are completed, an “Out Of Charge” stamp is endorsed on the GD by the authorised Customs Officer signifying that the consignment may be removed from the port premises. In event a consignment is marked for physical examination the “Out of Charge” is endorsed after a clean inspection report is received from the appraising officer.

**d)** On the basis of the “Out of Charge” endorsed on the GD, the Customs Agent requests the Customs Licensed Bonded Carrier (CLBC) to place the required vehicle(s) for loading the goods/container. The availability of the vehicles(s) will depend on the supply and demand conditions prevailing at that time. The possibility of a few days’ delay cannot be ruled out.

**e)** The vehicle which will carry the cargo is required to pass over the weighbridge at the port prior to and after loading the cargo. Once the goods/container are loaded on the vehicle, Customs affix their seal and prepare Form A (see Annex I). At this point, the vehicle is allowed “Out of Gate.”

**f)** A complete set of shipping documents including the Duplicate copy of GD and Form A is couriered by the Customs from Karachi Customs House or Port Qasim Customs House to the relevant customs border crossing (Torkham or Chaman). A set of duly completed documents are also given to the CLBC who courier these to their branch office or associated custom agent at the relevant border crossing. An additional set of all these documents are given by the customs agent to the driver to accompany the vehicle.

**g)** Depending upon the place of exit (Torkham / Chaman) as declared in the GD, the driver of the vehicle has to report at the customs check post at Khairabad (near Attock) en-route to Torkham and Balali (near Quetta) for Chaman. The average transit time from the sea port to the custom check posts ranges from 3 to 4 days.

**h)** Depending upon the time of the vehicle’s departure from the check post, it may take several hours to arrive at the relevant border post. It should be noted that movement
through the Khyber Pass (en-route to Torkham) and Kojak Pass (en-route to Chaman) is undertaken during daylight hours only. On the vehicle’s arrival at the relevant border crossing the driver contacts the customs agent who compiles all the documents for processing at the Customs office.

i) Normally, a visual inspection of the vehicle and seals is carried out but a thorough examination of the goods may takes place only if the seal(s) has / have been tampered with or if there is a confidential report of irregularities en-route.

j) After the formalities are completed the vehicle is permitted to cross over the zero line into Afghanistan. The set of documents, including the Quadruplicate GD, is collected by the ACD agent on the other side of the border for submission and processing by ACD. The logistics process on the Afghan side of the border is not currently known in full detail.

k) After the necessary formalities are completed, ACD issue a T1 document, which allows the transport to transit to the custom station where final clearance formalities are undertaken and relevant duties / taxes are paid by the Afghan trader / or their customs broker.

l) Under the new FBR (Customs) transit rule, the insurance guarantees will be released by FBR (Customs) to the Afghan traders custom broker at Karachi / Port Qasim against the submission of the following hard copy documents:

   (i) T1 transit document(s) issued by ACD at the border post where the vehicle entered Afghan territory. This document is issued for each c and must have cross reference to the relevant Pakistani GD Number.

   (ii) CBC issued by ACD at Kabul stating that the consignment (with cross reference to the relevant Pakistani GD has crossed the check-post at Samarkhel (Jalalabad) and Spin Boldak (Chaman).

   (iii) The Duplicate Pakistani GD duly endorsed and stamped by the Afghanistan Customs at the destination station.

A set of these three documents relating to each consignment will be returned by the ACD office at the relevant border station to their Pakistani counterpart. The same set of documents is then couriered by FBR (Customs) to the Customs House from where the consignment was originally dispatched (Karachi or Port Qasim).
5 Development and Use of EDI Messaging for Afghan Transit Trade

The following is an outline of the Trade Project’s view of how EDI messaging will be incorporated into Afghan Transit customs processes.

1) The EDI pilot between Pakistan and Afghanistan Custom Departments will be implemented along the Karachi – Torkham transit route.

2) The pilot will, after testing, subsequently be replicated along the Karachi – Chaman transit route.

3) Over a period of time, when both customs administrations are satisfied that the EDI system is functioning reliably, FBR (Customs) may agree to ACD’s proposal that insurance guarantees be required only for “sensitive” goods, a list of which has yet to be determined and mutually agreed. It should be noted that Trade Project holds reservations about the soundness of this request from ACD – it is probable that such a concession by Pakistan will result in increased mis-description of goods to fit a “sensitive list” and thus avoid the need for obtaining an insurance guarantee.

4) There is a remote possibility that insurance guarantees may be done away with after a few years. The likelihood of whether FBR (Customs) will consider this option will depend upon how efficiently and effectively EDI works, and the extent to which the tracking system controls pilferage and diversion of goods en-route to Afghanistan. As the use of financial guarantees for transit goods is an international norm as described in the WCO Revised Kyoto Convention, it will be interesting to see FBR (Customs)’s take on future abolition of the insurance guarantee requirement. The Trade Project is of the view that a more likely scenario would be the introduction of Risk Management criteria to identify compliant traders and transporters, whose shipments in turn could be facilitated.

6 Transit Trade Documentation and EDI Flow Chart

A flowchart covering the movement of Afghanistan transit imports from the Pakistani sea ports of Karachi and Port Qasim is detailed at Annex A. It should be noted that insurance guarantees are provided to FBR (Customs) for Afghanistan transit imports covering sea borne trade only, while Afghan exports are exempt from submitting an insurance guarantee.
The EDI messages described below are to be exchanged between the respective customs main servers located at Karachi Customs House and the Headquarters of the ACD at Kabul. The exact data fields to be exchanged in each EDI message are not yet known, but FBR (Customs) have indicated that certain additional information will have to be included to make the process more efficient for both custom departments. It is expected that these details will be discussed with ACD during the forthcoming meeting of the Afghanistan Pakistan Cooperation Process (APCP) on February 13, 2013 in Kabul.

A summary of EDI messages for Afghanistan Transit Trade passing through Pakistani Territory is described below:

**EDI Messages from Karachi**

- Message No 1: Is sent at the time when the consignment exits the Pakistani ports (Karachi / Port Qasim)
- Message No 2: Is sent when the consignment exits the Pakistani border post (Torkham / Chaman)

**EDI Message from Kabul**

- Message No 3: Is sent when the transit goods cross into Afghanistan and a T1 transit document is issued by ACD at the border.

A summary of EDI Messaging for Pakistan Transit Trade passing through Afghan Territory is provided below:

**EDI Messages from Karachi**

- Message No 1: Is sent at the time when Pakistani export shipment to Tajikistan / Uzbekistan arrives the Pakistani border post (Torkham / Chaman)

**EDI Message from Kabul**

- Message No 2: Is sent when the transit goods cross into Afghanistan and a transit document is issued by ACD at the border (Torkham / Spin Baldak).
- Message No 3: Is sent when Pakistan export shipments transiting Afghanistan to Tajikistan and to Uzbekistan crosses over at Shir Khan Bandar and Hairatan, respectively
7 Transhipment: Issues and Suggested Solutions

Unresolved Issues Related to Transit Shipments

At the present time the following issues remain unresolved:

1) ACD will have to expedite the issuance of the T1 document and the CBC for all the consignments that have crossed the border since June 2011 before the backlog of insurance guarantees can be released.

2) ACD transit rules are yet to be notified. There is as yet no mechanism established under the APTTA 2010 for handling Pakistani exports to Tajikistan and Uzbekistan. As Afghanistan exports passing through Pakistan are exempt from providing an insurance guarantee, it is assumed that the reciprocal arrangement will be accorded to Pakistani exports transiting Afghan territory en-route to Tajikistan and Uzbekistan. Currently, Pakistani exports transiting through Afghanistan to Central Asia are required to deposit a refundable security. There is current confusion regarding this security that that Trade Project is attempting to clarify. Such a security should be equivalent to 110% of the assessed duties and taxes, however the Trade Project continues to hear that Afghanistan charges 110% of the value of the goods. Once the goods exit Afghan territory, only 100% of the security is refunded while, 10% is retained. These refunds are made only after many months of interaction between the shipper, his agent in Afghanistan and the headquarters of customs in Kabul. As a result of this ongoing process there are negligible exports to Central Asia from Pakistan.

Possible Solutions for Addressing Unresolved Issues

1. In order to expedite the processing and discharge of the large backlog of insurance guarantees that have accumulated since July 2011, it is necessary that ACD provide to the FBR (Customs) in English the T1 documents relating to movements through Torkham and Chaman. Additionally, it is necessary that ACD provide to the FBR(Customs) in English the CBC indicating that the goods have crossed the Afghan check-post at Samarkhel (Jalalabad) and Spin Boldak (Kandahar). FBR/Customs will cross reference these documents with the corresponding Pakistani GD reference number. If all is in order, the FBR(Customs) will issue instructions for the release of the associated insurance guarantees.

As of February 7, 2013, FBR(Customs) indicated that they had received in excess of 5,000 sets of T1 and Cross Border Certificates (CBC). These are being processed by the Transit Section before passing those document sets that have been cleared to the section that holds all insurance guarantees on behalf of all Customs departments. Insurance guarantees are released once the latter department receives the processed documents, which is expected to
commence next week. A special cell comprising three customs officers and support staff has been established to expedite the process. The officer-in-charge of Karachi’s Customs Transit Section expects that the release of insurance guarantees for the initial 5,000 consignments will be completed in five to six weeks, on or around March 22, 2013.

2. The notification of Afghan transit trade rules is still pending. It is desirable to have these issued as soon as possible.
Annex A – Flow Chart of EDI Procedures between Pakistan Customs and Afghanistan Customs for Afghan Transit Trade and Releases of Insurance Guarantees
### Electronic Data Interchange (EDI) Procedures between Pakistan Customs & Afghanistan Customs for Afghan Transit Trade & release of Insurance Guarantee (Page 2)

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Customs Bonded Carrier</td>
<td>From Page 1</td>
</tr>
<tr>
<td>2. Pakistan Customs (Check Post)</td>
<td>Physical inspection of Seal, Vehicle details recorded &amp; relayed to Customs (Sea Port) &amp; Border Post (Chaman / Torkham)</td>
</tr>
<tr>
<td>3. Customs Agent (Pakistan Border Post)</td>
<td>Electronic Message sent through Pakistan Customs Intranet Network</td>
</tr>
<tr>
<td>4. Pakistan Customs (Sea Port)</td>
<td>From Page 1</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Pakistan Customs (Sea Port)</td>
<td>Electronic Message received through Pakistan Customs Intranet Network</td>
</tr>
<tr>
<td>6. Afghan Customs (Kabul)</td>
<td>1st EDI Message Received at Kabul</td>
</tr>
<tr>
<td></td>
<td><strong>Note</strong></td>
</tr>
</tbody>
</table>

**DATA FIELDS** (WeBDC Module):
- Check Post
- Vehicle Number
- Customs Seal No
- SD Number
*To be confirmed*
Electronic Data Interchange (EDI) Procedures between Pakistan Customs & Afghanistan Customs for Afghan Transit Trade & release of Insurance Guarantee (Page 4)

1. **3rd EDI Message**
   - Confirms transit goods have crossed into Afghanistan and a T1 transit document has been issued by Afghan Customs at the border.
   - Office of Destination issues Cross Border Certificate, Endorses Duplicate Pakistani Goods Declaration, and sends them to the Afghan border post of entry.

2. **Receive documents**
   - Cross Border Certificate
   - Pakistani Duplicate Goods Declaration

3. **Send T1**
   - Cross Border Certificate
   - Duplicate Pakistani Goods Declaration

4. **Receive T1**
   - Afghan Transit document
   - Cross Border Certificate
   - Goods Declaration (Pakistani Duplicate)

**NOTE**
1. Insurance guarantees can only be released by Pakistan Customs (Sea Port) on receipt of hard copies of (1) Cross Border Certificate, (2) Duplicate Pakistani Goods Declaration, and (3) T1 transit document(s).
2. It is assumed that in this case the office of destination is Kabul, Afghanistan.

**DATA FIELDS for 3rd EDI Message**
For Data Fields to be shared between the Customs Administrations of Afghanistan and Pakistan please see Annex A.

**END**

4 Days
**LEGEND**

- ATT: Afghan Transit Trade
- CBC: Customs Bonded Carrier
- EDI: Electronic Data Interchange
- GD: Goods Declaration
- HS: Harmonized System
- IG: Insurance Guarantee
- IGM: Import General Manifest
- T1: Afghan Customs Transit Document
- WeBOC: Web Based One Customs
- Jawaznama: Afghanistan government’s import permit

**Diagram**

- **Transmit Data**
  - [Diagram showing data transmission]

- **Receive Data**
  - [Diagram showing data reception]

**EDI data originating office**

- [Diagram showing EDI data originating office in Pakistan and Afghanistan]

**EDI data receiving office**

- [Diagram showing EDI data receiving office in Pakistan and Afghanistan]

**Internal Electronic Message**

- [Diagram showing internal electronic message in Pakistan and Afghanistan]
Annex B – Pakistan Exports to Tajikistan / Uzbekistan via Afghanistan

Trade Project

Pakistan Exports to Tajikistan/Uzbekistan via Afghanistan

*Process/Document/Timeline Details for Afghanistan not known

<table>
<thead>
<tr>
<th>Transport Company</th>
<th>Vehicle carrying consignments arrives at Torkham/Chaman</th>
<th>Vehicle crosses border into Afghanistan</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Pakistani Custom Agent (Border Post)</th>
<th>File Goods Declaration manually with accompanying Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistani Customs (Border Post)</td>
<td>Documents Processed and Goods Examined</td>
</tr>
<tr>
<td>Afghan Customs Agent (Kabul)</td>
<td>Afghan Customs Internal Network Electronic Message Received</td>
</tr>
<tr>
<td>Afghan Customs (Kabul)</td>
<td>Afghan Customs Documents prepared supported by Pakistani Export Documents details from Afghanistan</td>
</tr>
<tr>
<td>Afghan Customs Border Post (Chaman)</td>
<td>1st EDI Message received by Afghan Customs in Kabul and forwarded to border post</td>
</tr>
<tr>
<td>Pakistani Customs (Kabul)</td>
<td>1st EDI Message - Export shipment details sent to Afghan Customs, Kabul</td>
</tr>
</tbody>
</table>

NOTE
1. Average timelines are not known and only assumed timelines are given.
2. Afghan Customs requires Pakistan trader (or his Afghan Custom Agent) to deposit 100% of the value of goods in cash as refundable security. Once the goods have exited Afghanistan, only 10% of the amount is returned. The refund of the amount from Afghan Customs at Kabul may take several months.
3. Internal Afghan Customs electronic messages are communicated according to the national network.
4. Internal Pakistan Customs electronic messages are communicated according to the national network.

DATA FIELDS
- For Data Fields between Afghanistan and Pakistan see Annex A

1. Goods Declaration, Export General Manifest, Commercial Invoice, Packing List, Certificate of Origin, Form E, Phytosanitary certificate (if needed), Others (as needed) | 1 Day
2. Goods Declaration, Import General Manifest, TI Form, Commercial Invoice (if applicable), Invoice, Packing List, Certificate of Origin, Jawawamal (Afghan import permit), Phytosanitary certificate (if needed), Others (as needed) | 2 Days
Trade Project
LEGEND
ATT      Afghan Transit Trade
CBC      Customs Bonded Carrier
EDI      Electronic Data Interchange
GD       Goods Declaration
HS       Harmonized System
IG       Insurance Guarantee
IGM      Import General Manifest
T1       Afghan Customs Transit Document
WeBOC    Web Based One Customs
Jawaznama Afghanistan government’s import permit

Transmit Data  
Receive Data

EDI Originating Office

EDI Message

Internal Electronic Message
<table>
<thead>
<tr>
<th>DATE</th>
<th>VESSEL NAME</th>
<th>NO.</th>
<th>IGW</th>
<th>INDEX</th>
<th>UNIT</th>
<th>SHIPMENT WEIGHT</th>
<th>PACKAGES</th>
<th>GOODS DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>14/12/2012</td>
<td>CARE HOES</td>
<td>481</td>
<td>1500</td>
<td>481</td>
<td>660</td>
<td>303</td>
<td>30</td>
<td>20</td>
</tr>
</tbody>
</table>
Annex D - Bill of Lading
INVOICE

Exporter

Consignee

NO BAGGER COMPANY
AFGHANISTAN

Invoice No. & Date
KPL/134TD/14/6/2011 Dtd 30.08.2011

Buyer's Order No. & Date

Other Reference(s)

Country of Origin of Goods
INDIA

Country of Final Destination
AFGHANISTAN

Terms of Delivery and Payment
C&F VALUE IN U.S. $ WITHIN 180 DAYS

Pre-Carriage by
BY SEA

Place of Receipt by Pre-Carrier
ICO TPK NEW DELHI

Vessel/Flight No.

Port of Loading
JNPT

Port of Discharge
KARACHI

Final Destination
JALALABAD-AFGHANISTAN

Marks & Nos./Container No.
299 PKGS.

No. & Kind of Description of Goods
2405 TO 2704

Shipping Mark
BS-13/13

DYED/PRINTED DYED DUPATTA
FABRICS - DYED FABRICS

TO:
P.M.KHAIL LTD.
JLB.

FROM:
KPL
DELHI

205114
MTRS.

0.40 PER MTR

$2045.60

TOTAL N.W. 14352.000 KGS.

TOTAL G.W. 18148.000 KGS.

Amount Charged TOTAL AMOUNT C&F VALUE IN U.S. $ ( In Words ) EIGHTY TWO THOUSAND FORTY FIVE AND CENTS SIXTY ONLY.

Declaration:
We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.

Signature & Date

For KAVISH IMPEX PRIVATE LIMITED

Auth. Signatory
Annex F – Packing List

```
PACKING LIST

Kipl/24/2015-11 07.18.05.010

Invoice No. & Date
050088674

T.E. CODE NO,

Buyer’s Order No. & Date

Other Reference(s)

Consignee

Buyer (if other than Consignee)

JALALABAD-AFGHANISTAN

DUBAI-U.A.E.

Country of Origin of Goods

Country of Final Destination

TERMS OF DELIVERY & PAYMENT

C&F VALUE IN U.S.

DA BASIS

Pre-Carriage by

BY SEA

Place of Receipt by Pre-Carrier

ICD, TKD, NEW DELHI

Vessel/Flight No.

PORT OF LOADING

JNPT

Port of Discharge

Final Destination

KARACHI

JALALABAD-AFGHANISTAN

Marks & Nos.

No. & Kind of Pkg.

Container No.

Description of Goods

100% POLYESTER PRINTED AND DYED TEXTURISED YARN WITHOUT EMBD. FABRICS

PACKING DETAILS

Pkt.No.

Total Pkt

Description

Marks

Qty. per Pkt.

Roll

Total Qty. in Mtrs.

2400TO2605

100

HOM POLYESTER OYED FABRICS

SS-13*13

966

30

66600

TOTAL PKTS.

100

TOTAL QTY.

66600 MTRS.

NET WEIGHT

4800.000 KG.

GROSS WEIGHT

5400.000 KG.

For KAVISH IMPEX PRIVATE LTD.

AUTH SIGN

Sajjad Asghar Qadri

Assistant Officer

Customs House No. 324

Custom House No. 324

Trade Project
`
Annex G – Certificate of Origin
Annex H – Jawaznama (Afghan Import Licence)
Annex I – Form A (Pakistan Customs Seal Document)
GOVERNMENT OF PAKISTAN
MINISTRY OF NATIONAL FOOD SECURITY & RESEARCH
DEPARTMENT OF PLANT PROTECTION
(Plant Quarantine Division)
Jinnah Avenue, Malir Halt, Karachi 75100, Pakistan

BOOK No. 3882

Phone: 52-21-09218832-15
Fax: 52-21-092188373
E-mail: quarantine@plantprotection.gov.pk
Website: www.plantprotection.gov.pk

No:
Plant Quarantine Station
Dated:

RELE AS ORDER
Plants and plant products specified below were examined by a duly authorised officer of this
Department and were found apparently free from injurious insects and diseases. The consignment may
now be released to the consignee:

QUALIFYING REMARKS

DESCRIPTION OF ARTICLES

To:

Director

Copy to:
Annex K - T1 Form (Afghanistan Customs Transit Document)
NOTIFICATION
(CUSTOMS)

S.R.O.2-2 (I)/2013.- In exercise of the powers conferred by section 219 of the Customs Act, 1969 (IV of 1969), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Customs Rules, 2001, namely:-

(a) in rule 601, in sub-rule (2), in clause (g), in the tabular form, against sub-heading "Duplicate Copy", for clause (i), the following shall be substituted, namely:-

"(i) in case the goods are imported at sea port, the Customs administration at the office of departure shall send a copy to the office en route in Pakistan (Torkham or Chaman) which shall be handed over to Afghan Customs at the border. The Afghan Customs shall send the GD back to the office of departure in Karachi through the respective border Customs stations (Torkham or Chaman on the Pakistani side) along with copy of T-1 issued and attested by Afghan Customs bearing cross reference of GD filed in Pakistan, and a certificate to the effect that the consignment mentioned in the relevant T-1 form has crossed the Customs checkpost or station Samarkhel (Jalalabad) in case of transit through Torkham, and Spin Boldak in case of transit through Chaman. This shall be considered as Cross Border Certificate (CBC) and on the basis of which Customs shall release, after due process, the customs security.";

(b) in rule 605, for sub-rule (1), the following shall be substituted, namely:-

"(1) In case the goods are imported at sea port, the Customs administration at the office of departure shall send a copy to the office en route in Pakistan (Torkham or Chaman) which shall be handed over to Afghan Customs at the border. The Afghan Customs shall sent the GD back to the office of departure in Karachi through the respective Customs station (Torkham or Chaman on the Pakistani side) alongwith copy of T-1 issued and attested by Afghan Customs bearing cross
reference of GD filed in Pakistan, and a certificate to the effect that the consignment mentioned in the relevant T-1 form has crossed the Customs checkpoint or station Samarkhel (Jalalabad) in case of transit through Torkham, and Spin Boldak in case of transit through Chaman. This shall be considered, as Cross Border Certificate (CBC) and on the basis of which Customs shall release, after due process, the Customs security. The duplicate copy of GD shall be submitted in the above manner within sixty days extendable by another thirty days by the Additional Collector of Customs concerned, after recording reasons in writing;

(c) in rule 606, in sub-rule (2),-

(i) after the acronym “GD”, the words “in the manner prescribed in rule 605” shall be inserted; and

(ii) for the words “submitted by the importer”, the word “received” shall be substituted;

(d) in rule 619, in sub-rule (3), in the second proviso, for the full stop, at the attend, a colon shall be substituted and thereafter the following new proviso shall be added, namely:-

“Provided also that the Afghan trucks carrying fresh or dry fruit up to Wagha shall be allowed entry in accordance with these rules, subject to the production of letter of guarantee, in each case, by the Ministry of Transport and Civil Aviation, Government of Afghanistan to the effect that the vehicles would return to Afghanistan within the stipulated time.”; and

(e) in rule 621, in clause (a), for sub-clause (i), the following shall be substituted, namely:-

“(i) In case the goods are imported through sea port, the GD (duplicate copy) sent back by Afghanistan to the office of departure in Karachi through the respective Customs stations (Torkham or Chaman on the Pakistani side) along with copy of T-1 issued and attested by Afghan Customs bearing cross referencing of GD filed in Pakistan and a certificate to the effect that the consignment mentioned in the relevant form has crossed the Customs checkpoint or station Samarkhel (Jalalabad) in case of transit through Torkham and Spin Boldak in case of transit through Chaman;”.

[C. No.3(1)L&P/2006-P1]

( Muhammad Irfan Wahid)
Secretary (Law & Procedure)
Certificate for the Release of Guarantee

It is hereby certified and acknowledged that the Afghan consignment transited via Pakistan mentioned in the

Pakistan Customs GD No. 5256 Dated 20/10/2012

And Afghan Goods Declaration (T1) No. 108739 Dated 1391/08/13

Crossed the Samarkhel Customs Check Post and moved toward its destination inside Afghanistan.

[Stamp and Signatures]

Samarkhel Customs Check Post

[Date and Additional Notes]