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Application of specific provisions of the TIR Convention

Proposals to introduce authorized consignor

Note by the secretariat

I. Background and mandate

1. At its sixty-third session (February 2016), the TIR Administrative Committee (AC.2) continued its discussions on the proposal by TIRExB to introduce a new Explanatory Note and accompanying comment to Article 49 of the Convention, so as to widen the scope of greater facilities that Contracting Parties may grant to transport operators. Against this background, the Committee welcomed document ECE/TRANS/WP.30/AC.2/2016/5, prepared by the secretariat and elaborating on the questions raised by the Committee at its previous session, as well as Addendum 1 to the aforementioned document, submitted by the Government of Switzerland.

2. When introducing its replies, the secretariat once more highlighted the concepts behind the proposed text of the Explanatory Note, stipulating that the concept of authorized consignors remains: (a) within the existing legal framework; (b) under the sole competence of national authorities; and (c) does not lead to differences in treatment of transports en route or at destination.

3. The delegations of Iran (Islamic Republic of), Turkey and EU expressed their support for the proposals. Other delegations (Kazakhstan and Ukraine), although not against the principle of granting further facilitations as such, felt that the proposed Explanatory Note did not fully meet the provisions of the Convention, frustrated the principle of mutual recognition and further increased the risk potential of TIR transports. They further argued that the delivery of any authorization should, at least, foresee the involvement of or approval by all competent authorities involved in TIR transport with authorized consignors. Ultimately, the requirements to be granted the status of authorized consignor should be set by the provisions of the TIR Convention. The Russian delegation informed the Committee it could not agree with the proposed amendment neither in substance nor in form, as, in its view, such a facilitation would result in significantly increased risks, especially for customs offices of destination. The Russian delegation, further, stated that, until a complex and well-designed system of regulation and control to ensure confidence accompanies this proposal, it would be premature to consider the introduction of authorized consignors in the TIR system.

4. The Committee, further, took note of document ECE/TRANS/WP.30/AC.2/2016/6, outlining the discussions of TIRExB in preparation of the proposed Explanatory Note and accompanying comment. The Committee also took note of an Informal document, transmitted by IRU and providing examples of the practical application of the concept of authorized consignor and consignee in various countries. The Committee agreed that these examples would merit further consideration. The Committee invited TIRExB to further assess the examples by IRU and decided to resume its considerations on this proposal at a future session when TIRExB has finalized its findings (see ECE/TRANS/WP.30/AC.2/129, paras 26–29).

5. In line with this request, the secretariat prepared this Informal document with examples transmitted by IRU to AC.2, for consideration by the Board. The document contains a description of how TIR authorized consignor and consignee (TIR ACC) concepts are applied in following countries: Belarus, France, Latvia, Poland, Republic of Moldova and Turkey and covers following aspects related to the use of TIR ACC concepts:

- (1) Legal basis;
- (2) Authorization criteria;
- (3) Authorization process;
- (4) Practical procedures and TIR Carnet handling.

II. Examples of national practices

A. Poland

6. TIR ACC concepts were introduced in Poland gradually – the TIR authorized consignee in 2005 as a simplification under the European Union (EU) Customs Code, and TIR authorized consignor in September 2013 as a national simplification. As of July 2015, there were 298 TIR authorized consignors and 285 TIR authorized consignees registered in the country.

1. Legal basis

7. The TIR authorized consignee concept is applied in Poland, as well in the EU, on the basis of the TIR Convention and **existing EU legislation**: Implementing Provisions to the Community Customs Code - Commission Regulation No. 2454/93 of 2 July 1993, complemented by Transit Manual - (TAXUD/A2/005/2015).¹

8. The TIR authorized consignor concept is applied in Poland on the basis of national legislation, aligned with the TIR Convention and EU rules.

9. National regulations dealing with the use of the TIR ACC concepts are listed below²:

- *National instructions on the TIR procedure* include the description of the process on how TIR operations can be started by a TIR authorized consignor as well as ended by a TIR authorized consignee;
- *National instructions on NCTS* include a specific chapter related to the exchange of electronic information for simplified procedures. The chapter defines which

¹ New version of the Union Customs Code and its Delegated and Implemented Acts is entering into force on 1 May 2016 and might impact existing legislation.

² National legislation currently in place can be subject to adjustments following the release of the new version of the EU Customs Code.

additional electronic messages need to be exchanged, as well as which additional elements need to be included in the IT system messages;

- *Decree of the Minister of Finance on the specimen for authorizations* defines the requirements of the application to receive the authorization to become a TIR authorized consignor/consignee, what kind of information should be provided by the applicant and what information should be included in the authorization;
- *Ordinance of the Minister of Finance on specimens of seals and stamps used for control purposes* defines the model and specification of seals and stamps that can be used by TIR authorized consignors (containing a special code and an abbreviation noting that the TIR operation was started by a TIR authorized consignor);
- *Decree of the Minister of Finance on requirements for the premises/places authorized for dispatching and receiving goods under the simplified procedure* defines requirements regarding security, such as the fencing of territory and the installation of cameras, etc.

2. Authorization criteria

10. The main **authorization criteria** to be met by the TIR ACC candidates are based on existing EU rules and are as follows:

- Established in the territory of the EU;
- Regularly perform trade activities related to TIR transport;
- Solid financial standing and absence of repeated violations of customs legislation;
- Possibility for customs authorities to supervise the procedure and carry out controls without disproportionate administrative effort (availability of adequate electronic data processing systems to communicate with relevant customs offices);
- Record-keeping, enabling customs to carry out effective controls; and
- Have all the necessary support to electronically exchange information with customs.

3. Authorization process

11. The **authorization process** for TIR ACC in Poland includes the following elements:

- The application is made in writing, using a specific form, submitted to the competent customs authorities responsible for simplified procedures;
- The screening process may take approximately 5–15 working days (depending, inter alia, on whether the company has AEO status or not);
- The granted authorization does not have a date of validity; and
- The authorization specifies:
 - The customs office responsible for supervising the procedure;
 - The address of the authorized premises where the procedure may take place;
 - The manner and the time frame in which the data, the information and the documents concerning the transit operations are transmitted to the customs authorities (EU computerized NCTS system and fallback procedure)

4. Practical procedure and TIR handling

TIR authorized consignor procedure in Poland:

12. The TIR authorized consignor concept is, so far, only used for TIR operations commencing in Poland at the inland customs offices. No partial loading is allowed.

- (a) The truck arrives at the authorized consignor's premises with the goods already loaded;
- (b) The authorized consignor verifies that the conditions of the vehicle conform to the requirements of the TIR Convention, the validity of the certificate of approval and affixes an approved customs seal on the truck;
- (c) The authorized consignor submits transit data electronically to the customs authorities, using a dedicated IT application (possibly via the TIR-EPD application);
- (d) Having received the transit data, customs authorities, with the use of the system, carry out validation and a risk assessment for possible control (at the premises of the authorized consignor) and a decision is made as to whether a customs control is necessary. In the case that no decision on customs control is taken and the consignment can be released for transit, an electronic message with permission to start the TIR operation is sent to the TIR authorized consignor;
- (e) The authorized consignor receives the electronic permission to start the TIR operation, completes all the boxes of the TIR Carnet designated for the customs office of departure, detaches Voucher No. 1 from the TIR Carnet and archives Voucher No. 1 in his own archives;
- (f) Once all relevant formalities are fulfilled (also connected to other procedures, for instance, export), the TIR operation can be considered accepted and the vehicle can then depart from the premises of the authorized consignor.

TIR authorized consignee procedure in Poland:

- (a) The truck with the TIR Carnet and accompanying documents arrives at the premises of the authorized consignee, with the goods loaded and loading compartment sealed;
- (b) The authorized consignee verifies the TIR Carnet and the condition of the seals and electronically sends to the customs authorities a message in NCTS "Arrival Notification", including observations;
- (c) Customs authorities perform an electronic risk assessment analysis of the information received in the "Arrival Notification" message. Based on the outcome of this risk assessment, customs decide whether a physical check of the goods is necessary (carried out at the premises of the authorized consignee). In the case no decision on customs controls is taken, the TIR authorized consignee automatically receives permission in the NCTS system to unload the goods;
- (d) Following the unloading of the goods, the TIR Carnet, together with the Transit Accompanying Document, is presented without delay to the customs authorities;
- (e) Customs authorities complete counterfoil No. 2 of the TIR Carnet and ensure that the TIR Carnet is returned to the TIR Carnet holder or to the person acting on his behalf. Furthermore, customs authorities send the data, stipulated by Annex 10 of the TIR Convention (SAFE TIR information).

B. Latvia

13. The concept of TIR authorized consignee was implemented in Latvia in 2014, while the concept of TIR authorized consignor was introduced end of 2014.

1. Legal basis

14. The concept of TIR authorized consignee is applied in the country on the basis of the respective EU legislation.

15. While the concept of TIR authorized consignor was introduced in Latvia based on national legislation, developed on the basis of Articles 10 and 49 of the TIR Convention. *The Ordinance of the Cabinet of Ministers No. 603 "Procedures for Application of the Customs Transit Procedure" dated 30 September 2014*³ is the main national regulating document, which includes the following:

- Sets the rules of use of simplifications and situations in which a simplified TIR procedure can be used as well as defines which goods cannot be transported under a simplified procedure;
- Sets the authorization process and requirements to be met by candidates to obtain an authorization to act as TIR ACC;
- Sets the main provisions that are included in the authorization;
- Sets the requirement for the specimen of stamps and seals used by the TIR authorized consignor and provides a sample specimen; and
- Defines the role of the TIR national guaranteeing association in the authorization process.

2. Authorization criteria

16. In Latvia, both customs authorities and the national guaranteeing association participate in the authorization process.

17. Customs authorities verify compliance of the candidates with the following criteria:

- Established in the territory of Latvia;
- Solid financial standing needs to be proved by providing evidence of financial solvency and liquidity coefficients (special methodology developed);
- Absence of repeated and severe violations of customs and fiscal legislation;
- Absence of customs and fiscal debts;
- Board members not involved in crime or bribery;
- Record-keeping in place, enabling customs to carry out effective controls; and
- Have all the necessary support to electronically exchange information with customs.

18. The national guaranteeing association verifies compliance of the candidates and confirms the following criteria:

- Candidate must be a TIR Carnet holder and have no unsettled TIR claims; or
- If a candidate is not a TIR Carnet holder, s/he must become an associate member of the association, sign a declaration of commitment in accordance with Annex 9, Part II of the TIR Convention, prove knowledge in the application of the TIR Convention and obtain the respective certificate issued by the TIR national association as a result of the training and admission process.

3. Authorization process

- The application is made in writing using a specific form, which is submitted to the competent customs authorities responsible for simplified procedures;
- The customs authorities verify the compliance of the candidates with all the general criteria described above, and request the national guaranteeing association to verify all the TIR-related criteria (as described above);

³ National legislation currently in place can be subject to adjustments following the release of the new version of the EU Customs Code.

- The national guaranteeing association verifies all the TIR-related criteria within 14 days after the request is received from customs and informs customs of the outcome of verification;
- In the case of a positive outcome of the verification performed by competent authorities and the national guaranteeing association, the authorization certificate is issued specifying the following:
 - The customs office responsible for supervising the procedure;
 - Information of the authorized premises where the procedure may take place;
 - The manner and the time frame in which the data, the information and the documents concerning the transit operations are transmitted to the customs authorities;
 - Information on the stamp (indicating special identification number) issued to a TIR authorized consignor;
 - Information on the procedure that needs to be followed by the TIR authorized consignor in the handling of TIR operations and the respective electronic exchange of information between the customs of departure and the TIR authorized consignor. (A special methodology document on TIR operation handling, which is for use by authorized consignors, is attached to the authorization certificate.)

4. **Practical procedures and TIR Carnet handling** in the framework TIR ACC concepts in Latvia are identical to the ones described in the section above concerning Poland.

5. **Additional note**

19. Discussion on the introduction of national legislation related to the use of the TIR authorized consignor concept started in the middle of 2013, on an initiative of the business community and the national guaranteeing association. Within the framework of the discussion, the experience of Poland in the implementation and use of the concept as well as its application model were studied in detail.

20. When the legal framework, related to the concept of TIR authorized consignor entered into force, in view of the existing restriction related to the use of the TIR procedure on major destinations for Latvian hauliers and, consequently, in view of the overall decline in the use of TIR procedure in Latvia, only one authorization has been issued so far. There are 60 TIR authorized consignees registered in Latvia.

21. Taking into consideration the forthcoming new customs legislation of the EU, further assessment of the existing national framework and its compliance with the new version of the EU Customs Code will be performed (including that matter of further use of the TIR authorized consignor facility).

C. **France**

22. In France, only the concept of TIR authorised consignee, enabling the termination of TIR operations without presenting the goods to the customs of destination is in use.

1. **Legal basis**

23. The use of the concept in France, as well as in all the EU countries, is based on EU legislation and **national** instructions that define how the EU legislation should be practically used. National instructions include the following:

- *Official Customs Bulletin dedicated to TIR Issue DA n°06-014 (BOD n°6666)* describes the authorization process for interested parties;

- *Official Customs Bulletin dedicated to TIR DA n° 06-041 (BOD n°6686)* explains the respective electronic message exchange flow related to the termination of TIR operations with the participation of TIR authorized consignees⁴.

2. Authorization criteria

- Established in the territory of France;
- Possess premises where TIR operations can be terminated in a secure manner;
- Solid financial standing and absence of repeated violations of customs legislation;
- Regularly perform trade activities related to TIR transports;
- Record-keeping, enabling customs to carry out effective controls; and
- Have all the necessary support to electronically exchange information with customs.

3. Authorization process

24. The outlined authorization process applied in France is described below:

- A standard written application is submitted to the competent regional customs authorities for screening;
- The standard screening process can take from several weeks up to 3 months;
- Authorization can be withdrawn in cases where the candidate no longer corresponds to the authorization criteria;
- Authorization is similar to other EU countries, indicating:
 - The customs office responsible for supervising the procedure;
 - The manner and the time frame in which the data, the information and the documents concerning the transit operations are transmitted to the customs authorities (EU computerized NCTS system and fallback procedure); and
 - Categories of goods (if any) excluded from the authorization to be directly delivered to the authorized premises.

25. Apart from the formal regulation in practice, the premises of TIR authorized consignees in France are usually located in proximity of the customs offices of destination to enable easy communication between customs and the authorized consignee and facilitate cooperation, if necessary.

4. Practical procedure and TIR handling

TIR authorized consignee procedure in France:

(a) The truck arrives at the premises of the authorized consignee, with the goods loaded and the loading compartment sealed. The TIR Carnet is presented to the TIR authorized consignee;

(b) The authorized consignee verifies the TIR Carnet and the condition of the seals and electronically sends a standard message “Arrival Notification” in NCTS with his observations to the customs authorities;

(c) Customs authorities perform electronic risk assessment analysis of the information received in the “Arrival Notification” message. Based on the outcome of this risk assessment, a decision is taken whether a physical check of the goods at the premises of the authorized consignee is necessary;

⁴ National provisions currently in place can be subject to adjustments following the release of the new version of the Union Customs Code.

(d) If no physical check is required, the TIR authorized consignee is authorized to unload the goods, but should inform the Customs office of destination as soon as possible about any difference that might be found during the unloading of the goods;

(e) The TIR Carnet is kept in the archives of the TIR authorized consignee together with the Transit Accompanying Document and both are presented without delay to the customs authorities of destination;

(f) Customs authorities complete counterfoil No. 2 of the TIR Carnet and ensure that the TIR Carnet is returned to the TIR Carnet holder or to the person acting on his behalf;

(g) Furthermore, customs authorities send the data, stipulated by Annex 10 of the TIR Convention, using the RTS-SafeTIR Module and the message "Results Controls" in NCTS to the customs office of departure (office of entry in the EU) so that the movement can be discharged.

D. Turkey

26. The concept of TIR authorized consignor was introduced in Turkey in May 2014 and TIR authorized consignee in January 2015. As of January 2016, there were 4 TIR authorized consignors registered in the country. The facility of TIR authorized consignee is of limited use. Only TIR Carnet holders are eligible to obtain the status of TIR ACC and Consignee in Turkey.

1. Legal basis

27. The TIR ACC concept is applied in Turkey on the basis of national legislation, aligned with the TIR Convention.

28. National regulations dealing with the use of TIR authorized consignors are listed below:

- *Regulation on the Facilitation of Customs Procedures* introduces the possibility to apply simplified procedure at the start of a TIR operation;
- *Customs Regulation on the Facilitated Customs Procedures* sets the framework for different simplifications available in customs procedures, including simplifications in the TIR procedure;
- *Customs General Notification on the TIR Procedure, National Instructions on the TIR procedure* includes the description of the process on how TIR operations can be started by a TIR authorized consignor and terminated by a TIR authorized consignee.

2. Authorization criteria

29. The main **authorization criteria** to be met by TIR ACC are as follows:

- Candidate must be a TIR Carnet holder;
- Perform at least 500 transit operations per year;
- Hold the status of Authorized Economic Operator (AEO) and comply with the AEO candidates criteria:
 - Establishment in Turkey;
 - Involved in international transport operations for at least three years;
 - Have solid financial standing;
 - Have a record-keeping, enabling customs to carry out effective controls; and
 - Apply necessary safety and security measures.

3. Authorization process

30. **The authorization process** to obtain AEO certification, required to become TIR ACC is described below:

- The application is done in writing, using a self-assessment form and a specific form, which are submitted to the Regional Customs and Trade Directorates responsible for the procedure, along with all the necessary documentation. If the results of the screening of the Regional Customs and Trade Directorate are positive, the Ministry of Customs and Trade further reviews the self-assessment form and makes the decision on authorization;
- The designated auditors visit the premises of the company and perform due diligence to see if the company meets the necessary standards as well as necessary safety and security criteria. The auditors prepare a report about their findings and send it to the Ministry of Customs and Trade for its final decision;
- After the positive outcome of the screening procedure, a certificate is issued to the successful candidate;
- The granted authorization certificate does not have a date of validity as long as the criteria are met, which is regularly verified by audits;
- The Ministry of Customs and Trade is entitled to perform checks and audits and, in case of non-compliance, revoke the authorization.

4. Practical procedure and TIR handling

TIR authorized consignor procedure in Turkey:

31. The TIR authorized consignor concept is, so far, used only for TIR operations starting in Turkey at the inland customs offices.

(a) The truck arrives at the premises of the authorized consignor, with the goods already loaded;

(b) The authorized consignor verifies that the vehicle conditions conform to the requirements of the TIR Convention, checks the respective documentation, and affixes an approved customs seal to the truck;

(c) The authorized consignor submits transit data electronically to the customs authorities using a dedicated IT application;

(d) Having received the transit data, customs authorities, with the use of the system, carry out validation and a risk assessment for possible control. In the case that no decision on customs control is taken and the consignment can be released for transit, an electronic message with permission to start the TIR operation is sent to the TIR authorized consignor;

(e) The authorized consignor receives the electronic permission to start the TIR operation; the truck can leave the premises of the TIR authorized consignor;

(f) The truck arrives at the premises of a specially designated customs office, where the TIR authorized consignor is registered and presents the TIR Carnet. A dedicated customs officer completes all the boxes of the TIR Carnet designated for the customs office of departure, detaches Voucher No. 1 from the TIR Carnet and archives Voucher No. 1;

(g) Once all relevant formalities are fulfilled (also connected to other procedures, for instance, export), the TIR operation can be considered to have started and the vehicle can depart from the specially designated customs office and move towards the customs office of exit. After all the formalities are handled, a limited timeframe is prescribed to reach the Customs office of exit from the country.

32. As per the existing legislation, **practical rules of termination of the TIR procedure by TIR authorized consignees** are similar in Turkey to the ones currently used in the EU countries, such as Poland. However, in practice, the concept of TIR authorized consignee is currently of limited use.

E. The Republic of Moldova

33. TIR ACC concepts are applied in Moldova within the framework of the AEO authorization. A new, improved, regulatory documents package that foresees using the concepts of authorized consignors and consignees is currently under approval process with the government and is expected to enter into force in early 2016.

34. In Moldova, in addition to the possibility of starting and terminating TIR operations at the premises of the AEO, the holders of the AEO status also benefit from the possibility of using a specially designated lane at various border crossings in Moldova (TIR-EPD/AEO Green Lane), which is a faster corridor that can be used at border crossings, both by holders of AEO status and transport operators who have submitted their advance cargo information using the TIR-EPD application.

1. Legal basis

35. *State Customs Service Decree No. 521, dated 10 December 2012⁵ on Simplified Customs Procedure Handling*, including the following information:

- Selection process that applies to candidates willing to obtain AEO status;
- Selection criteria that apply to candidates willing to become AEO;
- Specimen of the application form; and
- Description of the process related to the start and termination of the TIR operation.

2. Authorization criteria

36. Main **authorization criteria** for the candidates willing to act as TIR ACC included in the above-mentioned Decree are as follows:

- Have regularly performed foreign trade activities over at least the last two years;
- Absence of debt related to customs duties and tax payments, and absence of unsettled TIR irregularities;
- Proof of financial solvency;
- Own at least 5 trucks with the certificate allowing international transport to be performed;
- Be the owner (owner/principal) or a business partner of a principal entitled to operate international transit operations (using the TIR system or the national transit system);
- Absence of violation of customs legislation for at least two years;
- Record-keeping system and logistics related to transportation and storage of goods;
- Possibility to provide access to their internal system for prior notification of customs authorities;

⁵ New national legislation introducing the concepts of TIR Authorised Consignor and Consignee is currently under approval process of the Government of Moldova and will replace the Decree No. 521 dated 10 December 2012.

- Have premises that comply with a set of safety and security requirements and that are equipped with security equipment; and
- IT tools enabling exchange of information with customs authorities.

3. Authorization process

37. Outlined **authorization process** applied to candidates willing to act as TIR ACC in Moldova is as follows:

- Candidate submits a standard written application form;
- Customs checks if the data submitted is correct and also visits the office and premises of the candidate and performs all necessary checks;
- Customs authorities perform all the necessary checks in cooperation with the National Taxation body and the national guaranteeing association (for issues related to TIR); and
- Authorization process takes maximally 30 days.

4. Practical procedure and TIR handling

Procedure for TIR authorized consignors in Moldova:

- (a) Goods are loaded onto the truck; the TIR Carnet is completed;
- (b) the TIR authorized consignor affixes specific TIR ACC seals to the load compartment of the truck;
- (c) The TIR authorized consignor submits an electronic pre-declaration with the information on the transit operation, also including the number of the TIR authorized consignor-specific seals affixed;
- (d) Customs of departure, where the TIR authorized consignor is registered, performs risk assessment and sends electronic “permission” to the TIR ACC to start the TIR operation;
- (e) The TIR operation is started, the truck can leave the premises of the TIR authorized consignor and travel to the border of Moldova;
- (f) Arriving at the customs office of exit from Moldova, the TIR authorized consignor can use a Green Lane, specially designated for TIR authorized consignors and users of TIR-EPD that enables faster border crossing procedures;
- (g) The customs office of exit from Moldova:
 - (i) Makes all the necessary endorsements in the TIR Carnet in the fields designated for completion by the customs office of departure (including stamping the TIR Carnet);
 - (ii) Sends copies of voucher No. 1 to the customs office of departure where the TIR authorized consignor is officially registered;
 - (iii) Checks that the seals affixed by TIR authorized consignor are intact and, in addition, affixes customs seals
 - (iv) Makes all the necessary endorsements in the field designated for the customs office of exit on the TIR Carnet;
- (h) The truck can leave the country.

38. Electronic data exchange between the TIR authorized consignor and the customs authorities is automated and executed through the ASYCUDA WORLD National Customs IT system.

39. The procedure related to **the termination of TIR operations by AEO in Moldova in a simplified** manner is similar to the one currently being used in EU countries, such as Poland (please refer to the above).

F. The Republic of Belarus

40. In the Republic of Belarus, AEOs are persons that comply with a set of authorization requirements indicated in the Customs code of the Customs Union and are entitled to benefit from a number of simplifications, including related to the termination of the TIR procedure. Separate status of TIR ACC is not foreseen in the legislation of the Republic of Belarus.

41. As of 1 December 2015, a total of 336 AEOs were registered in Belarus, of which 50 are TIR Carnet holders.

1. Legal Basis

42. Legally, the use of AEO in Belarus is based on the following regulatory documents:

- Customs Code of the Customs Union;
 - *Decree of the Commission of the Customs Union (CCU) No. 87 dated 9.12.2011* that defines criteria to persons willing to obtain AEO status and are obliged to provide a guarantee of customs payment and duties of EUR 150,000.
 - *Decree of the Customs of the Commission of the Customs Union No. 323 dated 9.06.2001* contains the list of goods for which simplifications available to AEOs do not apply.
- **A number of national regulations** that contain authorization criteria that apply to AEO candidates as well as the authorization status, as well as simplifications available to AEOs, namely:
 - *Regulation of the President of the Republic of Belarus No. 358 dated 11.08.2011* on the promotion of the trade of goods, by providing additional simplification to AEOs;
 - *Regulation of the President of the Republic of Belarus No. 319 dated 18.07.2011*, regulating the issuance of permits for AEOs; and
 - *The Law of the Republic of Belarus 129-3 dated 10.01.2014* providing some explanations on the use of the concept of AEO, the goods that can be transported under the simplified procedure (Art. 189-190) as well as determining the procedure on delivery of the goods to the AEO's premises.

2. Authorization criteria

43. Main **authorization criteria** for the candidates willing to obtain the status of AEO are the following:

- Provide a guarantee for payment of duties and taxes in the amount equivalent to EUR 1 million. Alternatively, to provide a guarantee of EUR 150,000 in case the candidates comply with the requirements included in *the Decree of the Customs of the Commission of the Customs Union (CCU) No. 87 dated 9.12.2011*;
- Have regularly performed foreign trade activities for more than one year;
- Absence of debt related to customs duties and tax payments;
- Absence of administrative responsibility records for one year prior to application;
- Record-keeping system and logistics system related to transportation and storage of the goods;

- Possibility to provide access to internal system per prior notification of customs authorities; and
- IT tools enabling the exchange of information with customs authorities.

3. Authorization process

44. Outlined **authorization process** is described below:

- A candidate submits a guarantee for payment of Customs taxes and duties equivalent to EUR 1 million (or EUR 150,000);
- A candidate submits a standard written application and documents, proving compliance with the authorization criteria, to the regional competent customs department;
- Competent customs department verifies the accuracy of the data provided by the candidate, within the timeframe required for that process, but no longer than 30 days starting from the day when the application was submitted;
- In the process of assessment of the application and the respective documents, customs authorities may contact other state authorities so as to verify the accuracy of the information and documents submitted; and
- The status of AEO is issued to a company on the day when a special certificate is issued, which does not have an expiry date.

45. AEOs **benefit** from a number of simplifications:

- Possibility to deliver goods directly to the warehouse and remove seals (if applicable) without having to present goods to customs beforehand;
- Possibility to lodge a declaration for the transit procedure without providing additional guarantee payments;
- Possibility to release goods before lodging a customs declaration;
- Ability to temporarily store goods at own warehouses;
- If the goods are delivered to the territory of Belarus under the TIR procedure to AEO premises, the same simplifications apply (goods can be delivered directly to AEO warehouse, seals can be removed without presenting the goods to customs); and
- If the AEO also owns a temporary storage warehouse or customs warehouse, goods can be released from the warehouses without payment of VAT, in case of further export outside of the territory of the Republic of Belarus.

46. AEOs in Belarus ensure the exchange of all the relevant information related to simplified procedures with Customs authorities electronically using the national Customs IT system.

4. Practical procedure of TIR operation termination by AEO

Practical handling of TIR termination by AEO is described below:

(a) The truck arrives at the AEO registered premises with the goods loaded and loading compartment sealed. The TIR Carnet is presented by the driver to the AEO;

(b) AEO checks whether the seals are intact and notifies customs of the arrival of the goods to the zone of customs control, created at the premises of AEO, by sending a special type of notification message electronically– no later than three hours after the arrival of the truck;

(c) Customs authorities then perform a risk assessment electronically. In case no risks are identified, the customs authorities automatically send the “Unloading Permission” message to the TIR authorized consignor, authorizing him to unload the goods;

(d) Once the AEO has received from customs the message, authorizing him to unload the goods, goods can be unloaded;

(e) The TIR Carnet holder presents the TIR Carnet to the customs authorities to fill in all the necessary fields required by customs;

(f) Customs authorities fill in voucher No. 2 of TIR Carnet and return the TIR Carnet to the holder;

(g) Customs authorities, after having made all the necessary endorsements in the TIR Carnet, send the data stipulated by Annex 10 of the TIR Convention (SAFE TIR information). The TIR operation is terminated.
