



TIR EXECUTIVE BOARD (TIRExB)
COMMISSION DE CONTROLE TIR (TIRExB)
ИСПОЛНИТЕЛЬНЫЙ СОВЕТ МДП (ИСМДП)

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TIR Executive Board (TIRExB)

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Geneva, 15 May 2017

Agenda item IX

Price of TIR Carnets

Note by the secretariat

I. Introduction

1. At the sixty-fifth session of the TIR Administrative Committee (AC.2), the Committee, inter alia, took note of a statement by the delegation of the Russian Federation made the following statement (see Annex to this document). Pending an assessment of the issue at stake by TIRExB, the Chair decided to revert to this issue at a future session (see ECE/TRAN/WP.30/AC.2/133, paras 21-22 and Annex III).

2. The Board is invited to consider the statement by the delegation of the Russian Federation.

Annex

Statement of the delegation of the Russian Federation on the issue of the prices of TIR Carnets

“One of the main elements of the TIR Carnet price is the price at which IRU sells the Carnet to the national guaranteeing associations. In accordance with Article 7 of the TIR Convention "TIR Carnet forms sent to the guaranteeing associations by the corresponding foreign associations or by international organizations shall not be liable to import and export duties and taxes and shall be free of import and export prohibitions and restrictions."

Article 7 deals with the forms of TIR Carnets as a product of printing. According to the letters received by the Russian side from the esteemed Ms. E. Molnar on 1 February 2016 and on 3 February 2017, the cost of printing of the TIR Carnet form is 1,79 francs. Meanwhile, the price at which IRU sells TIR Carnets to national guaranteeing associations is 25 francs for a 6-vouchers Carnet and 59 francs for a 14-vouchers Carnet. According to the information provided by IRU to TIRExB in Informal document No. 1 (2016) this price consists of numerous elements not directly related to the TIR Carnet form. Among them, in addition to the cost of the TIR Carnet form there are such elements as: insurance payments to insurers of the international guaranteeing chain, rent, some rewards, staff costs, costs for activities, IT services and such.

There is confusion (substitution) of concepts: the Convention deals with the forms of TIR Carnets as printed material, whereas IRU is talking about the cost of the TIR Carnet, which represents a kind of a guarantee document which includes insurance payment to insurers of the international guarantee chain and other elements.

The TIR Carnet takes on its full value as a guarantee document only after it has been drawn up and a particular carrier has been indicated, in other words, long after the TIR Carnet form has been imported. Moreover, a Carnet might never be issued to a specific carrier, and remain blank, while money for it is already transferred to IRU.

When selling TIR Carnets, IRU issues an invoice to the national guaranteeing association without the breaking down of the price to include the value of TIR Carnet forms and other costs. The national guaranteeing association, declaring TIR Carnet forms for import into the country, indicates in the declaration the price of the TIR Carnet mentioned in the invoice. Customs authorities of the Russian Federation are responsible for carrying out controls over foreign exchange, that is, control over currency transfers.

Taking into account the existing definition of Article 7 of the Convention, as well as having information that the TIR Carnets price is 1,79 francs, and not 25 or 59, Russian customs authorities, carrying out foreign exchange controls, have to refer such transactions under the category of dubious currency transactions.

In addition, the use of such a cash transfer scheme may indicate tax evasion in countries in which the provision of this type of guarantee and insurance services by both IRU and the national guaranteeing associations is subject to internal taxation.

In order to resolve this problem, we propose to instruct IRU:

- (i) to provide a separate indication in the invoice for the TIR Carnet price, the value of the form as well as the cost of other expenses and services;
- (ii) to submit to the Administrative Committee details on the elements of the cost of TIR Carnets, precisely on each issued type of Carnet in accordance with Annex 9, Part III, paragraph 2 (f) of the TIR Convention;

(iii) to make available to the customs authorities of the Russian Federation the export declarations for the TIR Carnets processed by the customs office in Switzerland that were sent by IRU to the Russian Federation covering the period starting from 2013 up until the present moment.

Finally, national guaranteeing associations – while importing Carnets - should indicate in the customs declaration the real price of the TIR Carnet forms, independent of the elements having nothing to do with the real price of the TIR Carnet form.”
