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Report of the Working Party on Customs Questions affecting Transport on its 143rd session

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I. Attendance

1. The Working Party (WP.30) held its 143rd session from 31 May–3 June 2016 in Geneva. The session was attended by representatives of the following countries: Austria, Azerbaijan, Belarus, Belgium, Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iran (Islamic Republic of), Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Netherlands, Poland, Republic of Moldova, Russian Federation, Spain, Switzerland, the former Yugoslav Republic of Macedonia, Turkey and Ukraine. Representatives of the European Union (EU) were also present. The following intergovernmental organizations were represented: Eurasian Economic Commission (EEC) and World Customs Organization (WCO). The following non-governmental organizations were represented: Bureau International des Containers et du Transport Intermodal (BIC), the International Road Transport Union (IRU).

II. Adoption of the agenda (agenda item 1)

2. WP.30 adopted the provisional agenda, prepared by the secretariat (ECE/TRANS/WP.30/285), but decided, at the proposal of Kazakhstan, to discuss, under agenda item 3 (c) (v), document ECE/TRANS/WP.30/2016/12. Under the same agenda item, the European Union, supported by the Russian Federation, requested that the Working Party discuss issues related to recent allegations against IRU.

III. Opening statement

3. In her opening statement, Mrs. Eva Molnar, Director, United Nations Economic Commission for Europe (UNECE) Sustainable Transport Division, pointed at the important amendment proposals which are the result of the original package of amendment proposals as submitted by the Government of the Russian Federation and expressed trust that discussions would be concluded successfully and that the meeting would reach agreement on the composition of a 'so-called' package deal, so that the proposals could be transferred to AC.2 for final review. She was equally confident that the efforts of IRU to increase the generic amount of the guarantee coverage per TIR Carnet to 100,000 euros would contribute to bringing the TIR system in line with modern customs requirements.

4. She asked specific attention for a presentation of the secretariat on the United Nations Sustainable Development Goals and the UNECE legal instruments in the field of Border Crossing Facilitation. The presentation showed how these goals translate into the work of UNECE, of the national governments and of the private industry.

5. She mentioned the ongoing situation in the Russian Federation on the application of the TIR procedure. Although some progress seems to have been made, critical comments remained on the real improvements in the situation on the ground. She trusted that WP.30 would address these concerns. She referred to the issues concerning IRU and invited the Secretary-General of IRU, Mr. Umberto de Pretto, to clarify the issues at stake.

6. Finally, she addressed staff changes in the Border Crossing Facilitation Section of the Sustainable Transport Division and the TIR secretariat. First, she informed WP.30 that Mr. Serguei Kouzmine had recently retired. On behalf of the Working Party, she thanked Mr. Kouzmine for his commitment and wished him all the best in his retirement. Pending the selection of his successor, Mr. Tarcisio Hardman Reis would act as temporary replacement. She announced that the selection of a customs expert (replacing Mr. Erik

Willems) had been finalized and that Ms. Asli Gurates from Turkey, currently working for Turkish customs, would soon join the ranks of the TIR secretariat.

IV. Statement by the Secretary-General of IRU

7. Mr. Umberto de Pretto, Secretary-General of IRU, delivered a statement as follows:

“Allow me to begin my brief statement with some history. IRU conceived TIR in 1949, one year after the IRU was founded, and 10 years before it became a UN Convention, to help rebuild and secure trade across war-torn Europe. Since then, IRU has successfully managed the TIR guarantee chain.

Through ever changing geopolitical landscapes, global financial markets, transport practices and technology, IRU has managed the TIR System in a secure and prudent way, in full compliance with the TIR Convention, and to the satisfaction of all stakeholders in the TIR guarantee chain.

Today, IRU continues to develop and improve the TIR System for all stakeholders and users, investing great effort and resources into increasing TIR’s security, efficiency and services.

I am delighted that implementation and pilot testing of the future of the TIR System, namely eTIR, is continuing, and that many other exciting TIR developments and improvements are underway.

IRU has put a great deal of effort and resources into expanding the geographic scope of the TIR Convention, in close partnership with the UN, bringing in new contracting parties such as Pakistan. We are also expecting the People’s Republic of China to join very shortly. Work is equally underway to expand TIR further – on the Arabian Peninsula, in South and South East Asia, and across Africa and the Americas.

It should also be noted that there have been considerable efforts to increase transparency, such as making IRU’s accounts available to the UN and TIR contracting parties. I am proud to state that TIR is today more transparent than ever before.

Looking ahead, I am pleased to report that IRU has negotiated and obtained from AXA, the global insurer, a higher level of guarantee coverage of EUR 100,000 for each TIR Carnet as from 1 July 2016. This will provide an even stronger guarantee for customs authorities on TIR 2 shipments at no additional cost to stakeholders, due to the efficient and secure management of the TIR guarantee chain by IRU.

I can inform you that AXA has carefully evaluated this guarantee coverage, and fully supports the changes and IRU’s ability to provide this level of guarantee and manage the risk. Along with AXA, the UN and IRU members have also endorsed the changes to the guarantee level and IRU’s financial ability to support them.

Despite these exciting developments and future prospects, you may be aware that allegations have recently been made by a former IRU employee against IRU and its management. IRU strongly and categorically rejects all of these allegations. An independent external audit, managed by IRU’s Presidential Executive, our elected Board, is currently being conducted by Ernst and Young in order to help clear these allegations as quickly as possible.

In the meantime, we will tirelessly pursue our efforts to improve TIR on all fronts. Indeed, I am convinced that, with your support, the best pages of this historic and exemplary public-private partnership have yet to be written. Thank you for your attention.”

8. Further to the statement of Mr. de Pretto, various delegations raised questions in relation to the alleged financial mismanagement by IRU. The delegation of the EU wondered in this context if, after the IRU General Assembly meeting on 8 April 2016, any national guaranteeing association had informed their national customs administration about the situation. Only the delegation of Kyrgyzstan replied to this question, in stating that it had received the information but not from its national association. In reply to a question from the Russian Federation, Mr. de Pretto confirmed that a case had been filed with the General Prosecutor of Geneva. However, to date, IRU had not been contacted by the prosecutor to provide information nor could he give any further information with regard to the status of the file. He confirmed that IRU as well as its competent bodies had taken due note of the documents circulated by an ex-employee of IRU, but that the IRU General Assembly had decided that there were no objections to fully approving the IRU accounts over the year 2015 or express support for its management. With regard to the contents of the allegations, he was unaware of their full scope, nor was he in a position to respond to them, as they now are under legal assessment with the prosecutor. In reply to a question from the Russian delegation on a letter from the national association of Austria, he could inform the Working Party that a member of the Finance Committee of IRU had recently resigned, as he had lost trust over the handling of the IRU budget. In reply to another question from the Russian Federation on the existence of excess funds and any procedure for return of such sums to national associations, Mr. de Pretto stated that IRU had no legal basis to return any such funds, but that it was now in the hands of an independent external auditor to assess the situation. The prosecutor would only investigate whether there were any illegal actions. At the request of the Russian Federation, he further informed the meeting that IRU had commissioned Deloitte to analyse the application of the insurance model (Solvency II) instead of the banking model (Basel III) for calculating the reserve requirements of IRU for managing the international guarantee chain. As this was an internal analysis, which had ultimately been discarded, as it did not, according to Deloitte, mechanically calculate IRU's risks, there was no reason for the IRU secretariat to share this document with any outside party.

9. The delegation of Ukraine stated that, pending the publication of the independent external audit, it was premature for the Working Party to consider the issues at stake. In addition, the issues seemed to be of such a complex financial nature that the Working Party may not have the mandate to consider them.

10. On behalf of UNECE, Ms. Molnar stated that the competent United Nations legal services had been consulted and that the advice was that the allegations concern internal IRU issues and are of no relevance to third parties, as long as the good reputation of IRU as a private partner remains untarnished. She further stated that UNECE is not entitled to distribute the accusatory documents, which had not been submitted in any official capacity nor had they been accompanied by an official request to do so by any competent body. She stated that any action such as the proposal to conduct an independent external audit depended on its terms of reference and budget that were decided and adjudged by Contracting Parties to the TIR Convention, as this was beyond the competence of either UNECE or IRU. However, again subject to its terms of reference and budget, UNECE could, possibly, be tasked to conduct a study into the functioning of the international guarantee system in general.

11. In conclusion, the Working Party requested the secretariat to distribute the results of the external audit of IRU as soon as possible, as an official document for consideration by the Working Party and the TIR Administrative Committee at their next sessions. On the basis of the outcome of the audit, the Working Party could examine whether there are substantial consequences for the implementation of the Convention, warranting further measures.

V. Activities of United Nations Economic Commission for Europe (UNECE) bodies and other United Nations organizations of interest to the Working Party (agenda item 2)

12. The Working Party was informed about activities of the Inland Transport Committee (ITC), its Bureau, subsidiary bodies and other United Nations organizations on matters of interest to the Working Party.

13. In particular, the Working Party took note that ITC: (a) had invited the WP.30 secretariat to continue its advocacy on the Harmonization Convention, 1982 and the TIR Convention, 1975 and had welcomed the 'Spectrum of Border Crossing Facilitation Activities' prepared by the secretariat with the aim of promoting ECE border crossing facilitation activities and related United Nations legal instruments and requested the translation and printing of the brochure in the three ECE working languages; (b) had welcomed progress towards the computerization of the TIR system (eTIR) and had encouraged Governments to actively participate in the development of its legal framework as well as support the ongoing eTIR pilot projects; (c) had expressed support for and welcomed progress in the UNECE-IRU eTIR Pilot Project between Iran (Islamic Republic of) and Turkey as well as in the activities and projects carried out in the framework of the United Nations Development Account project: 'Strengthening the capacities of developing countries and countries with economies in transition to facilitate legitimate border crossing, regional cooperation and integration'; (d) had decided to prolong the mandate of the Informal Ad hoc Expert Group on Conceptual and Technical Aspects of Computerization of the TIR Procedure (WP.30/GE.1) to the year 2016 and fully supported the position that, pursuant to ECOSOC Resolution 1984/79, the secretariat continues to ensure that the TIR Handbook be made available in the six official United Nations languages, to further facilitate the promotion of the TIR Convention.

14. Under this agenda item, the Working Party also took note that ITC had invited its subsidiary bodies to assess their regional and global activities, the enabling environment and any potential changes that may be deemed necessary for increasing their impact on the ground towards sustainable mobility (see ECE/TRANS/254, para. 13). The Working Party expressed the view that the hybrid approach adopted by its Rules of Procedure, as endorsed by ITC in 2015, provide sufficient basis for the activities of the Working Party at both the regional and the global level. WP.30 further stated that it supports any capacity-building activities by the UNECE secretariat related to the legal instruments under its purview outside the ECE region, as long as sufficient focus on capacity-building within the region remains ensured. It was further noted that the Working Party, the TIR Administrative Committee (AC.2) and the Administrative Committee for the Harmonization Convention (AC.3) contribute to sustainable mobility by fully engaging in facilitating international border crossing through harmonization of customs and other control procedures and through permanent improvement of the United Nations legal instruments under their purview, thus contributing to seamless and efficient international transport and sustainable mobility. The Working Party requested the secretariat to transmit this statement to ITC for consideration at its 2017 session.

VI. Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975) (agenda item 3)

A. Status of the Convention

15. The Working Party was informed that no changes in the status of the Convention or the number of Contracting Parties had taken place.

16. The Working Party was informed that, on 4 April 2016, the Secretary-General of the United Nations, acting in his capacity as depositary, had issued the following depositary notification: C.N.124.2016.TREATIES-XI.A.16, informing of the submission of proposals to amend Annex 2, Annex 6, as well as Annex 7 to the TIR Convention, 1975. In the absence of a sufficient number of objections by 1 October 2016, the proposed amendments will enter into force on 1 January 2017. More detailed information on these issues as well as on depositary notifications is available on the TIR website.¹

B. Revision of the Convention

1. Amendment proposals to the Convention

17. The Working Party recalled that, at its previous session, it had decided to adopt proposals:

- to align Article 6, paragraph 1, Explanatory Note 0.6.2. and Annex 9, Part I, paragraph 1 with the already adopted wording of Article 1 (q): *for customs authorities read* customs authorities or other competent authorities (see ECE/TRANS/WP.30/AC.2/127, para. 32);
- to systematically *replace* “approved” by “authorized” throughout the text of the Convention.

and that it had requested the secretariat to prepare a consolidated document with the adopted amendments for final review at the current session (see ECE/TRANS/WP.30/284, paras. 12–13).

18. The Working Party considered the consolidated proposals in document ECE/TRANS/WP.30/2016/7, and decided to adopt them. The Working Party took note of a reservation from the Government of Kazakhstan for the proposal to amend Article 6, paragraph 1, pending the finalization of internal consultations. The Working Party requested the secretariat to transmit the adopted amendment proposals, including the reservation by Kazakhstan, to the TIR Administrative Committee (AC.2).

19. The Working Party recalled that, at its previous session, it had decided to revisit, at the current session, Article 8, paragraph 3 and Explanatory Note 0.8.3: proposal to replace the words “shall determine” by “shall be entitled to determine” in Article 8, para. 3 (see ECE/TRANS/WP.30/AC.2/2014/14, under point 3) as well as undertake a full review of the text of Explanatory Note 0.8.3, in particular against the background of the increase by IRU per 1 July 2016 of the guarantee amount per TIR Carnet to 100,000 euros (see ECE/TRANS/WP.30/284, paras. 14 (a) and 15).

¹ www.unece.org/tir/tir-depositary_notification.html

20. The Working Party considered document ECE/TRANS/WP.30/2016/8. In view of the fact that it was not yet possible to make a full assessment of the consequences of the Russian proposal to allow Contracting Parties to determine a maximum sum per TIR Carnet, but also to allow for the possibility that countries could claim the full amount of customs duties and taxes, the Working Party decided to first await the outcome of further assessment by TIRExB of the consequences of full guarantee coverage and revert to the issue at a later stage.

21. Further to the above, the Working Party decided to limit its discussions to the text of Explanatory Note 0.8.3. In this context, the Working Party also took note of Informal document WP.30 No. 9 (2016) by IRU on considerations of the potential reintroduction of the transport of alcohol products under cover of the Tobacco/Alcohol TIR Carnet.

22. First of all, the Working Party extensively discussed whether an amendment of the text of the Explanatory Note was a prerequisite for Contracting Parties to accept the IRU proposal to increase the recommended guarantee amount per 1 July 2016 to 100,000 euros. There was general consensus that an amendment of the amount mentioned in the Explanatory Note from 50,000 United States dollars to 100,000 euros would be warranted. With regard to the part of the Explanatory Note dealing with the Tobacco/Alcohol TIR Carnet, delegations expressed widely diverging opinions. Unable to reach consensus at the present session, the Working Party requested the secretariat to prepare a new document elaborating (a) proposals to amend the text of the Explanatory Note with the amounts of 100,000 euros for the regular TIR Carnet and 400,000 euros for the Tobacco/Alcohol TIR Carnet and (b) proposals to delete the second part of the Explanatory Note, while adjusting the reference amounts mentioned therein.

23. The Working Party took note of the information on the preliminary considerations by IRU to reintroduce the Tobacco/Alcohol TIR Carnet for certain alcohol products on a pilot basis, but expressed reluctance on its legal basis as well as on the practical risks of implementing the pilot. IRU was requested to further elaborate its proposals, including the possible level of the guarantee amount for such transports and report back to the Working Party at its next session. The Russian Federation requested the secretariat to provide its considerations on the decision of IRU in 1994 to stop the printing and distribution of Tobacco/Alcohol TIR Carnets. The secretariat was also requested to provide its considerations if the current wording of Article 8, paragraph 3 already accords Contracting Parties the possibility to not set a maximum for the recommended guarantee amount. Finally, in reply to a question from the delegation of Iran (Islamic Republic of), the Working Party confirmed that, in the absence of the availability of Tobacco/Alcohol TIR Carnets, it was not possible to transport tobacco or alcohol products under cover of a TIR Carnet.

24. The Working Party considered document ECE/TRANS/WP.30/2016/9 on the consistency of the use of various terms in Articles Article 14, paragraph 1, Article 15, paragraph 2, Article 20, Article 22, Annex 9, Part I, paragraph 7 as well as on the proposals to replace “conditions and requirements” by “minimum conditions and requirements”. WP.30 took note of the assessment of the secretariat as contained in the relevant document and, further to substantive discussions, decided:

- to maintain the wording of Article 14, paragraph 1 and Article 15, paragraph 2. The Government of Kazakhstan raised its reservation pending the finalization of internal consultations;
- to maintain the wording of Article 22, paragraphs 1 and 2;
- to amend Annex 9, Part I, paragraph 7 in accordance with the proposal to replace “Contracting Parties” by “each Contracting Party (oral proposal by the Russian

Federation at the 142nd session of the Working Party) and requested the secretariat to include it in a package for adoption at a future session of AC.2.

25. The Working Party was of the view that further discussions were needed to reach a decision on the appropriate way to amend Article 20 and, particularly, its implementation in Customs Unions. In addition to the original proposal submitted by the delegation of EU, various other proposals were put forward on a possible wording by the delegations of Belarus and the Russian Federation. The Working Party requested the secretariat to include these proposals in a revised document for further discussion at the next session. Furthermore, the Working Party was of the view that further information and assessment would be necessary for the treatment of the phrase “minimum conditions and requirements” throughout the text of the Convention and particularly in Article 6, paragraph 1. Substantive discussions ensued on how maintaining or deleting the word “minimum” would affect the discretion of Contracting Parties to introduce additional conditions and requirements. The Working Party requested the secretariat to include, in the revised document, any additional information that may assist discussions, and decided to revert to this issue at its next session.

26. Finally, the Working Party recalled that, at its previous session, it had taken note of proposals to amend Article 18, increasing the number of places of loading and unloading from four to eight as well as comments thereto, contained in document ECE/TRANS/WP.30/2015/19/Rev.1. Due to the late availability of the document ECE/TRANS/WP.30/2016/2 by IRU containing an assessment of such an increase, the delegation of the Russian Federation felt that more time was needed for internal consultation. At that session, the delegation of EU expressed the view that, as such, it was not against the proposals, but suggested to discuss them as part of a package, together with the proposals to amend Article 8, paragraph 3, Explanatory Note 0.8.3. and the so-called (o), (p) and (q) provisions of Annex 9, Part III. In that context, the delegations of Turkey and Ukraine stated that, although not opposed to discuss the aforementioned proposals as a package, there was, in their view, no link between them. At that session, the EU could also agree to this statement, but clarified that the suggestion for a package was made because all proposals had been under discussion for a long time, without any considerable progress (see ECE/TRANS/WP.30/284, para. 17).

27. The Working Party continued discussing documents ECE/TRANS/WP.30/2015/19/Rev.1 and ECE/TRANS/WP.30/2016/2. Turkey supported the assessment by IRU that figures over the years 2012–2015 show that there is no higher risk arising from transport operations with increased places of loading or unloading. Other delegations (Azerbaijan, Ukraine) reconfirmed their support for the proposal. The delegation of the Russian Federation was of the opinion that the assessment insufficiently addressed all the risks and dangers associated with increasing the number of places of loading or unloading from four to eight. Such risks and dangers were not limited to the required checks at customs offices, but also affected the state budget as well as law enforcement agencies. The Russian delegation was also not convinced that a positive experience from one single country could justify a positive conclusion for all Contracting Parties. For these reasons neither the customs authorities nor the Ministry of Transport of the Russian Federation could support the amendment proposal. The delegation of Azerbaijan requested clarifications about the risks related to the increase in the number of places of loading and unloading. The delegation of Iran (Islamic Republic of) could support the proposal, when applied on an optional basis, meaning that in case internal customs procedures would prescribe that certain goods could only be delivered at one specific place of unloading, customs could refuse multiple unloading. The delegation of the EU confirmed that it could support the proposal.

28. The Working Party decided that, in view of the general consensus among the majority of countries present, the proposal could be transmitted to AC.2 for further consideration, while taking due note of the reservation expressed by the delegation of the Russian Federation. IRU was requested to provide any further information it deemed appropriate for AC.2 to take into account when considering the amendment proposal.

2. Preparation of Phase III of the TIR revision process

29. The Working Party took note of the status quo in the eTIR Pilot Project between Italy and Turkey and of the most recent developments in the UNECE/IRU eTIR Pilot Project between Iran (Islamic Republic of) and Turkey, in particular, that:

(a) Since November 2015 to date, as part of the first phase, more than twenty pilot transports have been successfully conducted between Izmir, Sahlan and Teheran;

(b) The light weight version of the eTIR international system has been successfully deployed at the UNOG data centre and tested on the development environment and also deployed on the production environment, where it successfully received data from the IRU system. Both customs administrations were also provided with a detailed description on how their IT systems can securely access the data stored in the eTIR international system and the secretariat stands ready to assist them in this endeavour;

(c) Parties are about to start the second step, for which they are actively looking for more transport operators and customs offices interested.

30. The Working Party also took note of the recent progress in the implementation of the United Nations Development Account project: “Strengthening the capacities of developing countries and countries with economies in transition to facilitate legitimate border crossing, regional cooperation and integration”, in particular, of:

(a) the deployment of a first version of the Central Exchange Platform (CEP) at the UNOG data centre and the continuation of the provision of technical assistance to Georgian customs, which allowed the successful connection of the Georgian IT system with the CEP;

(b) the organization of a seminar on Customs-to-Customs Electronic Exchange of Transit Data and the Adoption of Standard Electronic Messages (20-21 June 2016, Geneva); followed by

(c) the second inter-regional expert group meeting (22 June 2016, Geneva).

31. The Working Party endorsed the report of the first session of the Group of Experts on Legal Aspects of Computerization of the TIR procedure (GE.2), as contained in document ECE/TRANS/WP.30/GE.2/2. The Working Party also took note of document ECE/TRANS/WP.30/2016/10 containing comments to the above-mentioned report and views on the direction of the work as submitted by Contracting Parties and IRU by 10 March 2016. The Working Party requested that this document be further reviewed by GE.2 at its next session (12–13 December 2016).

32. The Working Party was orally informed about the results of the second session of GE.2 and noted that the session was well attended and that the Group is on good track towards identifying ways forward on several of the pending issues namely:

(a) A survey to be conducted on electronic authentication mechanisms, including electronic signatures. The survey will be based on previous similar exercises undertaken by GE.1, but designed so as to take due stock of new developments. It will be prepared and finalized via electronic communications between the secretariat and the participants of GE.2, in order for it to be launched and preliminarily assessed prior to the third session on

12 and 13 December 2016. WP.30 noted that the secretariat would be ready to circulate the first draft survey in the first week of July 2016;

(b) Financing of the eTIR international system should be treated as a priority in the work of GE.2. To this end, the Group decided to develop a substantive document on possible financing mechanisms. This document, once finalized by GE.2, should be transmitted to WP.30 and AC.2, as well as, possibly, to the budgetary organs of UNECE for further consideration and assessment;

(c) GE.2 decided that the eTIR Reference Model shall be a separate technical document with a simplified amendment procedure and corresponding technical body. The legal framework will, thus, be developed on this basis;

(d) GE.2 carefully considered the proposal submitted by the delegation of Switzerland on creating an optional Annex to the TIR Convention, 1975, containing the eTIR legal framework, rather than an optional Protocol which would be a separate legal instrument. GE.2 was of the view that there is merit in further examining the details and potential benefits of this proposal. For this reason, GE.2 requested the secretariat to prepare, for the next session of the Group, draft legal text in both formats for further consideration.

33. The Working Party took note that the twenty-sixth session of the Informal Ad hoc Expert Group on Conceptual and Technical Aspects of Computerization of the TIR Procedure (GE.1) will be held on 19 and 20 September 2016 in Geneva.

C. Application of the Convention

1. New developments in the application of the Convention

34. The Working Party recalled the extensive discussions, at previous sessions, on the measures introduced by national competent authorities that affect the implementation of the TIR procedure (ECE/TRANS/WP.30/270, paras. 19–30; ECE/TRANS/WP.30/272, paras. 37–43; ECE/TRANS/WP.30/274, paras. 26–30; ECE/TRANS/WP.30/276, paras. 13–19; ECE/TRANS/WP.30/278, paras. 23–27; ECE/TRANS/WP.30/280, paras. 16–24; ECE/TRANS/WP.30/282, paras. 20–22; ECE/TRANS/WP.30/284, paras. 23–27).

35. Under this agenda item, no further developments were reported to the Working Party.

2. TIR-related electronic data interchange systems

36. The Working Party took note of Informal document WP.30 (2016) No. 7 by IRU, containing the latest statistical data on the performance of Contracting Parties in the control system for TIR Carnets — SafeTIR system.

3. Settlement of claims for payments

37. The Working Party was informed by IRU about the current situation on the settlement of claims for payments made by customs authorities against national guaranteeing associations, contained in Informal document WP.30 (2016) No. 8 by IRU. The delegation of Iran (Islamic Republic of) informed the Working Party of a mistake in the Iranian statistics and requested IRU to present correct figures at the next session of the Working Party.

4. Relation between the World Trade Organization Trade Facilitation Agreement, the TIR Convention and other legal instruments

38. The Working Party recalled that, at its previous session, it had considered document ECE/TRANS/WP.30/2016/4, in which the secretariat provided a comparison between the World Trade Organization Trade Facilitation Agreement and, respectively, the TIR Convention, the Harmonization Convention and the WCO Revised Kyoto Convention. The Working Party mandated the secretariat to promote the linkages between transport, customs and trade facilitation within the framework of WTO FTA (see ECE/TRANS/WP.30/284, para. 30). Against this background, the Working Party took note of the presentation by the secretariat outlining the relation between the United Nations Sustainable Development Goals and the instruments on border crossing facilitation serviced by UNECE.

5. Other matters

39. Under this agenda item, the Working Party considered document ECE/TRANS/WP.30/2016/12, transmitted by the Government of Kazakhstan and requesting the Working Party to revert to proposals to amend Article 2 of the Convention, replacing the term “frontiers” by “customs frontiers” (see ECE/TRANS/WP.30/AC.2/2016/4), as accepted by AC.2 at its sixty-first session (June 2015) (see ECE/TRANS/WP.30/125, para. 23) and confirmed at its sixty-second session (October 2015) (ECE/TRANS/WP.30/127, para. 34 (a)). The Working Party noted that, at the sixty-third session of AC.2, the delegation of Kazakhstan reserved its position against the proposal to amend Article, as well as its right to raise this issue again at a later stage. AC.2 noted the request of Kazakhstan to revisit this issue at its next session (see ECE/TRANS/WP.30/AC.2/129, para. 25). Thus, considering that both the issue itself as well as the reservation by Kazakhstan are on the agenda of AC.2, the Working Party requested the secretariat to transmit the document to AC.2 for further consideration.

40. Further to a request to clarify its position, the delegation of Kazakhstan confirmed that it wished the TIR Convention to be applicable within the territory of the Eurasian Economic Union (EEU) without crossing customs borders, further to its interpretation of a decision by the EEC on the uninterrupted use of TIR inside its territory. The observer from EEU commented that in May 2015 an order had been issued at the level of the Eurasian Intergovernmental Council on ensuring the uninterrupted application of the TIR Convention on the territory of the EEU. This order does not stipulate a decision on the question of interpretation of the term ‘border’. The order had been issued because, at that time, there was uncertainty about the prolongation of the agreement between the Federal Customs Service and the national guaranteeing association of the Russian Federation. With regard to future activities, EEC has taken due account of the decision of AC.2 that the term “border” should be understood to mean “customs border”. The Working Party invited the delegation of Kazakhstan to submit its arguments to AC.2 for further consideration.

41. The Working Party took note of Informal document WP.30 (2016) No. 6 by IRU and containing information on changes in the layout of the 6 and 14 voucher TIR Carnets as well as the gradual discontinuation of TIR Carnets with 4 and 20 vouchers. A letter with detailed explanations and specimen Carnets would be sent shortly to national customs authorities and associations. In reply to a request for clarification, IRU confirmed that from 1 July 2016 the following types and layouts of TIR Carnets would be in circulation:

- 4 volet TIR Carnets – current layout, until stock exhaustion;
- 6 volet TIR Carnets – current layout, until stock exhaustion and then new layout TIR Carnets will be in circulation;
- 14 volet TIR Carnets – current layout, until stock exhaustion and then new layout TIR Carnets will be in circulation;

- 20 volet TIR Carnets – current layout, until stock exhaustion.

42. Under this agenda item, the Working Party took note that, as requested, the secretariat had included a list of decisions as the Annex to the report at its previous session. The Working Party requested the secretariat to continue this practice in the future, thus keeping track of the status of previously taken decisions (see Annexes I and II of the report).

VII. International Convention on the Harmonization of Frontier Controls of Goods, 1982 (“Harmonization Convention”) (agenda item 4)

A. Status of the Convention

43. The Working Party was informed that there were no changes in the status of the Convention or the number of Contracting Parties. More detailed information on these issues as well as on various Depositary Notifications are available on the ECE website.

B. Proposal on a new Annex 10 on sea ports

44. The Working Party recalled that, at its previous session, it took note of document ECE/TRANS/WP.30/2015/21/Rev.1 with comments on a first draft of a new Annex 10 to the Harmonization Convention, including: (a) detailed changes to the text from the Eurasian Economic Commission (EEC); (b) comments on the text from Ukraine; and (c) a general proposal on referencing the IMO FAL-65 Convention from the Federation of National Associations of Ship Brokers and Agents (FONASBA). In its comments, EEC further pointed out that the new Annex 10, in certain cases, stipulates commitments that go beyond the scope of the Convention itself and, therefore, proposed a review of the text of the Harmonization Convention to increase coherence between the body of the Convention and its Annexes. The Working Party: (a) took note of these comments and considerations; (b) decided to continue work on Annex 10; and (c) requested delegations to submit views on the changes and corrections proposed by Ukraine and EEC, or any additional comments on the text, in writing to the secretariat not later than by 10 March 2016 (see ECE/TRANS/WP.30/284, paras. 35–36).

45. The Working Party took note of Informal document WP.30 (2016) No. 5 by the International Maritime Organization (IMO) which outlines its responsibilities for the facilitation of international maritime transport. The Working Party also took note of Informal document WP.30 (2016) No. 10 by the European Commission, containing comments by the EU and its member States on the draft Annex 10. The comments made clear that an in-depth review of the Annex itself as well as a correlation with the Convention, in general, were warranted.

46. In order to streamline its activities under this agenda item, the Working Party agreed to revisit document ECE/TRANS/WP.30/2015/21, with the original draft text, and to put, for now, document ECE/TRANS/WP.30/2015/Rev.1 with the various changes and comments by Ukraine, EEC and FONASBA aside.

47. The delegation of the EU expressed its general concern with regard to the necessity and purpose of developing an Annex dedicated to seaports, as customs procedures only account for a minor part of the wide range of controls and procedures that take place in ports. It further pointed out that there are various inconsistencies in the text of the draft itself as well as in relation to the body of the Convention. Considering that various articles

in Annexes 8, 9 and 10 are fully identical, it raised the question whether it would not be appropriate to incorporate such identical provisions in the body of the Convention.

48. In reply to a proposal by the delegation of Azerbaijan to either include a generic reference to the IMO FAL-65 Convention or some of its provisions, the secretariat explained that, from a legal perspective, this could lead to complications whenever either the IMO FAL-65 Convention or the Harmonization Convention would be amended. In addition, it seems that the text of the IMO FAL-65 Convention is not freely available, which would complicate the understanding and application of the Harmonization Convention for customs authorities. The Working Party welcomed a proposal from Azerbaijan to amend the text of Article 2, paragraph 1 to read “The Contracting Parties shall grant permission to come ashore for vessel crew members engaged in international long-haul and cabotage freight in accordance with national and, where applicable, international agreements, which provide for recognition of documents of vessel crew members, including seafarers identity document” and requested the secretariat to take this proposal on board in its further preparations.

49. The Working Party took note of further comments by various delegations, in addition to the written comments received prior to the current session and requested the secretariat to review them all and use them as basis to prepare a new draft in the three official languages, for consideration of the Working Party at its next session. In view of the plethora of procedures at seaports, the secretariat was also requested, to particularly address the issue of single-window when preparing the updated draft. On that basis, the Working Party would then decide if the draft was sufficiently developed to start consultations with other stakeholders. At the same time, all Contracting Parties to the Harmonization Convention were urged to engage in national consultations and be ready, at the next session of the Working Party, to provide a well-balanced position whether or not to continue this activity.

VIII. International Convention to Facilitate the Crossing of Frontiers for Passengers and Baggage carried by Rail, of 10 January 1952 (agenda item 5)

50. The Working Party recalled that, at its previous session, it took note of document ECE/TRANS/WP.30/2016/5, containing a revised draft of a new convention on the facilitation of border crossing procedures for passengers, luggage and load-luggage carried in international traffic by rail, as prepared by an informal group, and of document ECE/TRANS/WP.30/2016/6, containing a comparative analysis between the existing legal instruments and the new draft Convention (see ECE/TRANS/WP.30/284, paras. 41–42).

51. Under this agenda item the Working Party referred, once more, to Informal document WP.30 (2016) No. 10 by the European Commission, which also contained comments by the EU and its member States on the draft new Convention. In addition, the Working Party took note of Informal document WP.30 (2016) No. 11 with comments from the State Customs Committee of Belarus on Chapter 4 of the draft text. In view of the late submission of the various comments, interested delegations were invited to send any written comments to the secretariat, preferably not later than by 5 July 2016, so that they could be transmitted to the informal group for consideration at its session on 12–13 July 2016.

52. The Working Party took note of further comments by delegations, in addition to the written comments received prior to the current session, and requested the secretariat to review them all and use them as basis to prepare a new draft in the three official languages, for consideration of the Working Party at its next session.

53. In addition, the Working Party took note that the informal group of experts, which had prepared the original draft and which would conduct its next session on 12–13 July 2016, would also review all raised comments and, in parallel, prepare a revised draft. The Working Party requested that the revised draft by the secretariat be available on time, so that the informal group could take it into due account at its July 2016 session.

54. The Working Party further took note that, at its seventy-eighth session, ITC, *inter alia*, had invited WP.30 and the Working Party on Rail Transport (SC.2) to organize an ad hoc meeting in 2016 in cooperation with all interested ITC participants and relevant stakeholders in order to finalize the draft of the Convention and, eventually consider the development of a compendium of good practices for future adoption by ITC and opening for signature by interested countries and to report to the ITC session of 2017 on the progress achieved (see also ECE/TRANS/254, para. 95). In this context, the Working Party took note of a letter by the Russian Railways in support of this ITC decision. However, the Working Party considered that its internal discussions were not yet developed to an extent that would warrant the organization of such joint ad hoc session with SC.2. The Working Party delegated the Chair or the secretariat to report progress on this issue to SC.2 at its 2016 annual session and to ITC at its 2017 session. At the same time, the Working Party agreed that it would revert to the organization of an ad hoc meeting at a future session depending on the progress made in drafting the new Convention.

IX. Customs Conventions on the Temporary Importation of Private Road Vehicles (1954) and Commercial Road Vehicles (1956) (agenda item 6)

55. No new information about the status or implementation of the Customs Conventions on the Temporary Importation of Private (1954) and Commercial (1956) Road Vehicles was provided at the session.

X. Activities of other organizations and countries of interest to the Working Party (agenda item 7)

56. The Working Party took note of activities by various regional economic or customs unions as well as by other organizations, both intergovernmental and non-governmental, and countries as far as they related to matters of interest to the Working Party.

A. European Union

57. The EU informed the Working Party that the Union Customs Code (UCC) and its implementing and delegating acts had entered into force on 1 May 2016 and that detailed information could be found on the web page dedicated to UCC: http://ec.europa.eu/taxation_customs/customs/customs_code/union_customs_code/ucc/index_en.htm. In addition, an extensive UCC EU eLearning programme had been developed, addressing both customs officers and economic operators in the European Union.

B. Economic Cooperation Organization

58. Due to the absence of a delegation from the Economic Cooperation (ECO) at the session, no information was provided under this agenda item.

C. Eurasian Economic Union

59. The Working Party was informed of the relevant activities and projects implemented by the EEU. In particular, the Working Party took note that: (a) work on the EEU Customs Code should be finalized by 28 October 2016; (b) a Memorandum of Understanding between WCO and EEC is ready to be signed; (c) active work continues to improve customs legislation in the field of transit, including the simplification of customs procedures for authorized economic operators; (d) a document is being drafted with the aim to determine the quantitative standards for bunker fuel, allowed to be transported as supplies for water vessels; and (e) the information on the most important events in the EEU and on finalized projects can be found on the official EEC and EEU websites.

D. World Customs Organization

60. The Working Party was informed about recent activities of the World Customs Organization (WCO) as far as they related to matters of interest to the Working Party on Customs Questions affecting Transport. The Working Party took note of the publication of the WCO Transit Handbook, which deals with various aspects of the operation of customs transit procedures, intended to assist WCO members to develop a functional and effective transit system, contributing to the enhancement of economic competitiveness and secure their revenue. The Working Party was informed that WCO had organized two sub-regional workshops on transit: Shanghai (China), 6–8 April 2016 and Faridabad (India), 26–28 April 2016. Furthermore, WCO had developed a new e-learning course on transit that was launched in May 2016. WCO was also in the process of developing new guidelines for transit, based on the Transit Handbook. This work would be supported through the organization of various workshops, the first one of which would be organized in Abidjan (Ivory Coast) from 27 June–1 July 2016, in which UNECE would participate.

XI. Other business (agenda item 8)

A. Dates of the next sessions

61. The Working Party decided to hold its 144th session on 11–14 October 2016².

B. Restriction on the distribution of documents

62. The Working Party decided that there would not be any restrictions on the distribution of documents issued in connection with its current session.

XII. Adoption of the report (agenda item 9)

63. In accordance with established practice, the Working Party adopted the report on its 143rd session on the basis of a draft prepared by the secretariat. When reading the report, the Working Party requested the secretariat to make the final report of its session available as a pre-session document well in advance of its next session (11–14 October 2016), so that

² Please note that the dates mentioned in the Conference Room Paper (CRP) were incorrect. The secretariat apologizes for the inconvenience.

French and Russian speaking delegations could also take the findings of the report into due consideration when preparing for the 144th session.

Annex I

List of decisions and follow-up actions taken at the 142nd session of the Working Party

<i>Reference in final report (para.)</i>	<i>Short description of decision</i>	<i>Actor</i>	<i>Deadline</i>	<i>Action</i>
13	Prepare consolidated document with adopted proposals	secretariat	22/3/2016	ECE/TRANS/WP.30/2016/7
15	Prepared document on para. 14, point (a)	secretariat	22/3/2016	ECE/TRANS/WP.30/2016/9
	Prepare consolidated document on para. 14, points (b)–(f)	secretariat	22/3/2016	ECE/TRANS/WP.30/2016/9
16	Decision not to pursue other editorial proposals	WP.30	10/2/2016	No action required
17	Decision to revert to Art. 18 at next session	WP.30	8/3/2016	ECE/TRANS/WP.30/285
20	Comments to doc ECE/TRANS/WP.30/GE.2/2	delegations	10/3/2016	ECE/TRANS/WP.30/2016/10
21	Organize next session of GE.1	secretariat	Autumn	19–20 September 2016
22	Transmit proposals to AC.2	secretariat	4/8/2016	pending
	Include them in Annex I of the report	secretariat	done	ECE/TRANS/WP.30/284, Annex I
30	Promote linkages between transport, customs and trade facilitation (WTO-TFA)	WP.30	Ongoing	Various events
32	Prepare track-list of decisions	secretariat	done	ECE/TRANS/WP.30/284, Annex II
36	Continue work on Annex 10	WP.30		ECE/TRANS/WP.30/285
	Submit comments	delegations	10/3/2016	Informal documents WP.30 No 5 and No. 10 (2016)
38	Not pursue border performance measurement	WP.30	10/2/2016	No action required
42	Comments to doc. ECE/TRANS/WP.30/2016/5	delegations	15/5/2016	Informal documents WP.30 No. 10 and 11 (2016)

Annex II

List of decisions taken at the 143rd session of the Working Party

<i>Reference in final report (para.)</i>	<i>Short description of decision</i>	<i>Actor</i>	<i>Deadline</i>	<i>Action</i>
11	Distribute results IRU external audit to WP.30 and AC.2	secretariat	When available	
14	Transmit statement to ITC for consideration at its 2017 session	secretariat	Pending	
18	Transmit amendment proposals to AC.2, including reservation from Kazakhstan	secretariat	4/8/2016	
20	Decision not to revert to issue after outcome TIRExB assessment	WP.30	Pending	
22	Request for new document on E.N. 0.8.3	secretariat	16/8/2016	
23	Request for more information on Tobacco/Alcohol TIR Carnet	IRU	11/10/2016	
23	Request for a new document on various guarantee issues	secretariat	16/8/2016	
24	Transmit amendment proposals to AC.2, including reservation from Kazakhstan	secretariat	4/8/2016	
25	Request for revision of ECE/TRANS/WP.30/2016/9	secretariat	16/8/2016	
28	Transmit proposals to AC.2, including reservation from the Russian Federation	secretariat	4/8/2016	
28	Provide more info to AC.2 on proposal to amend Article 18	IRU	13/10/2016	
37	Review claims statistics for Iran (Islamic Republic of)	IRU	11/10/2016	
39	Transmit document ECE/TRANS/WP.30/2016/12 to AC.2	secretariat	4/8/2016	
40	Submit arguments to AC.2	Delegation of Kazakhstan	18/8/2016	
41	Update and prepare list of decisions	secretariat	done	
48-49	Incorporate proposal from Azerbaijan and issue new draft	secretariat	16/8/2016	
49	Prepare well-balanced position on draft Annex 10	WP.30	11/10/2016	
52	Issue new draft	secretariat	Before 11/7/2016	
54	Report on findings WP.30 to SC.2 and ITC	Secretariat/ Chair	November 2016 and February 2017	