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Working Party on Customs Questions

affecting Transport

**REPORT OF THE WORKING PARTY ON CUSTOMS QUESTIONS
AFFECTING TRANSPORT ON ITS ONE-HUNDRED-AND-SECOND SESSION
(22-25 October 2002)**

CONTENTS

	<u>Paragraphs</u>
– Attendance	1-4
– Election of officers	5
– Adoption of the agenda	6
– Activities of UNECE bodies and other United Nations organizations of interest to the Working Party	7
– Activities of other organizations of interest to the Working Party	8-12
– International Convention on the Harmonization of Frontier Controls of Goods, 1982 (“Harmonization Convention”)	13-18
– Draft UNECE Conventions on International Customs Transit Procedures for the Carriage of Goods by Rail	19-23
– Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975)	24-78
– Prevention of the abuse of Customs transit systems by smugglers	79
– Programme of work for 2003 to 2007	80
– Other business	81-83
– Adoption of the report	84

REPORT

ATTENDANCE

1. The Working Party held its one-hundred-and-second session from 22 to 25 October 2002 in Geneva.
2. The session was attended by representatives of the following countries: Azerbaijan; Belarus; Belgium; Bosnia-Herzegovina; Bulgaria; Croatia; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; Italy; Iran; Jordan; Kazakhstan; Latvia; Lithuania; Netherlands; Norway; Poland; Republic of Moldova; Romania; Russian Federation; Slovakia; Slovenia; Spain; Sweden; Switzerland; The former Yugoslav Republic of Macedonia; Turkey; Ukraine; United Kingdom; Yugoslavia. Representatives of the European Community (EC) were also present. The Chairman of the TIR Executive Board also attended the meeting.
3. The United Nations Conference on Trade and Development (UNCTAD) was represented. The Organization for Cooperation of Railways (OSZhD) was also represented.
4. The following non-governmental organizations were represented: International Road Transport Union (IRU); International Touring Alliance/International Automobile Federation (AIT/FIA); Transfrigoroute International.

ELECTION OF OFFICERS

5. The Working Party elected Mr. Guus Jacobs (Netherlands) as Chairman of the present session.

ADOPTION OF THE AGENDA

Documentation: TRANS/WP.30/203.

6. The Working Party adopted the provisional agenda prepared by the secretariat (TRANS/WP.30/203) with the addition of the following issues under item 6 (c) (xi) of the agenda:
 - Application of Customs escorts for Lithuanian transport operators in Belarus.
 - Application of Customs escorts in Belarus and the Russian Federation.

ACTIVITIES OF UNECE BODIES AND OTHER UNITED NATIONS ORGANIZATIONS OF INTEREST TO THE WORKING PARTY

Documentation: TRANS/WP.30/2002/26; Informal document No. 8 (2002).

7. At its one-hundred-and-first session, the Working Party had considered the question of transport and security (Informal document No. 8 (2002)). The Working Party took note of a Resolution adopted by the World Customs Organization (WCO) on “Security and Facilitation of the International Trade Supply Chain”, in particular the recommendation to use the HS code for identification of goods (TRANS/WP.30/2002/26). The Working Party was informed by the representative of the European Commission that the European Community fully and actively supported the WCO Resolution and gave information about the next session of the WCO task force on security and facilitation scheduled for 7 and 8 November 2002. The Working Party decided to monitor closely progress made by WCO in this field and to consider, at its future sessions, all relevant issues deriving from this work.

ACTIVITIES OF OTHER ORGANIZATIONS OF INTEREST TO THE WORKING PARTY

Documentation: TRANS/WP.30/2002/30; TRANS/WP.30/R.179.

8. The Working Party was informed by the representative of the European Commission that a new administrative arrangement covering such issues as definitions of “end” and “discharge” of the transit procedure, notification to the principal, alternative proof and the enquiry procedure, etc., has recently been adopted for the Community and Common transit regimes. The administrative arrangement for the TIR procedure will also be modified. Furthermore, the Community’s implementing provisions have recently been amended in order to ensure the incorporation of Phase II of the TIR revision process and to align, where appropriate, the Community’s TIR procedure with those in place for Community and Common transit. It is expected that these amendments will enter into force on 1 July 2003. Finally, the Working Party was informed that the New Computerized Transit System (NCTS) implementation continues to make good progress. Over five hundred Customs offices within the European Community are connected to the system and since May 2000 some 100,000 transit movements have been carried out under NCTS.

9. The representative of the AIT/FIA requested that the Conventions on the Temporary Importation of Private and Commercial Road Vehicles be included in the agenda for the one-hundred-and-third session of the Working Party.

10. Following the policy statement presented by the IRU at the one-hundred-and-first session of the Working Party, the Working Party was informed by the representative of the IRU about its proposals on guidance to be given by the TIR Administrative Committee on the functioning and roles of the TIR Executive Board (TIRExB), the TIR secretariat and the IRU as contained in document TRANS/WP.30/2002/30. In this context, the IRU also referred to document TRANS/WP.30/R.179. The IRU pointed out that a revision of the TIRExB and TIR secretariat functioning and roles seem to be relevant after four years of experience and as a result of the changes to the Convention that have been adopted since then as well as the threat to the TIR procedure caused by a high level of fraud. In this context, the IRU informed that it had received over 3,500 claims for payment in 2002 up until the present session of the Working Party. The Working Party was also informed that over 80 per cent of all pending claims for payment originate from two Contracting Parties. The IRU expressed concern about this state of affairs, in particular since the insurance pool acting until 1994 at that time had withdrawn its coverage when the total number of claims was below 600. The IRU also emphasized the importance it attached to further developing an agreement between the IRU and the UNECE on behalf of the TIR Administrative Committee, which would not only encompass the transfer of funds to the UNECE Trust Fund established by the decision of the TIR Administrative Committee, but would also include the responsibilities of the IRU in relation to its management of the system, including the printing and distribution of TIR Carnets and the guarantee for the TIR system, as well as determining carefully the budget for the TIRExB.

11. A number of delegations were of the view that the functioning of the TIRExB, as well as the role and responsibilities of the international organization, are clearly defined in the Convention. Rather than reviewing the provisions of the Convention, it should be considered to review the application of the existing provisions.

12. After an in-depth discussion of the proposals of the IRU, the Working Party supported a proposal by its Chairman, that he would convene a small group of “friends of the Chairman” to preliminarily explore if and how the functioning and roles of the TIRExB, the TIR secretariat and the IRU could be addressed. The Working Party stressed that any decisions on changing the functioning and roles of the TIRExB and the TIR secretariat is within the sole competence of the Contracting Parties to the Convention. The Chairman of the Working Party indicated that he intended to convene this Group in the Netherlands and to invite the Chairman and Vice-chairman of the TIR Administrative Committee, the Chairman of the TIRExB, representatives of the Russian Federation and the European Community, as well as representatives of the IRU and the UNECE secretariat. The Group would report on its results to the forthcoming sessions of the Working Party and the TIR Administrative Committee.

INTERNATIONAL CONVENTION ON THE HARMONIZATION OF FRONTIER CONTROLS OF GOODS, 1982 (“HARMONIZATION CONVENTION”)

Documentation: ECE/TRANS/55 (<http://border.unece.org> - Legal Instruments); Depository Notification C.N.672.2002.TREATIES-1.

(a) Status of the Convention

13. The Working Party took note that Cyprus has acceded to the Convention with effect of 1 October 2002, whereafter the Convention has forty-two Contracting Parties.

14. The Ukrainian delegation informed the Working Party that the Ukrainian Parliament on 4 July 2002 has decided to accede to the Convention and that it will deposit its instrument of accession with the Secretary-General of the United Nations.

15. The Working Party was informed that the fifth session of the Administrative Committee of the “Harmonization Convention” has been convened to be held on 6 and 7 February 2003.

(b) Preparation of a new Annex on efficient border crossing procedures

Documentation: TRANS/WP.30/2002/19; TRANS/WP.30/2001/16; TRANS/WP.30/196; TRANS/WP.30/194; TRANS/WP.30/AC.3/8; TRANS/WP.30/192; TRANS/WP.30/2000/16; TRANS/WP.30/2000/11; Informal document No. 19 and 21 (2002).

16. The Working Party recalled that the Administrative Committee for the "Harmonization Convention" at its last session (18 and 20 October 2000) had agreed with the general conclusions of the Working Party on the preparation of a new Annex 8 to the Convention with the objective of addressing all elements important for efficient border crossing procedures in international road transport of goods. The Working Party, at its ninety-ninth session, considered a consolidated text of a new Annex 8 (TRANS/WP.30/2001/16). At its one-hundredth session, the Working Party noted that, at that stage, reservations were made by some delegations concerning Articles 2, 4 and 5 of the new Annex 8. At its one-hundred-and first session, the Working Party had requested the secretariat to conduct consultations with the Contracting Parties of the Convention with the aim of exploring how the remaining problems in adopting the new Annex 8 to the Convention could be resolved. The consultations should be finalized before the end of the year with a view to preparing a final draft text for a new Annex 8 to the Convention for the forthcoming session of the Administrative Committee. In view of the above, the Contracting Parties to the Convention had agreed to postpone the next session of the Administrative Committee to February 2003 (TRANS/WP.30/202, para. 19).

17. The Working Party took note of Informal documents No. 19 and 21 (2002) containing a questionnaire, prepared by the UNECE secretariat, on issuance of visas for professional drivers and the preliminary results thereof.

18. The Working Party invited all Contracting Parties to carefully reconsider their positions concerning the outstanding provisions of the new draft Annex 8 to the Convention, in particular Articles 2, 4 and 5, in advance of the forthcoming fifth session of the Administrative Committee. In this context, Contracting Parties were invited to transmit their observations concerning the new draft Annex 8 to the secretariat as soon as possible. The secretariat was requested, if necessary, as a result of its consultations with Contracting Parties, to prepare new proposals for consideration by the Administrative Committee.

DRAFT UNECE CONVENTIONS ON INTERNATIONAL CUSTOMS TRANSIT PROCEDURES FOR THE CARRIAGE OF GOODS BY RAIL

Documentation: TRANS/WP.30/2002/25; TRANS/WP.30/2002/16; TRANS/WP.30/2002/12; TRANS/WP.30/2002/10; TRANS/WP.30/2002/9; TRANS/2001/10; TRANS/WP.30/194; TRANS/WP.30/2000/17; TRANS/WP.30/164; TRANS/WP.30/R.141; Informal documents No. 4-5 (2002).

19. The Working Party recalled that, at its ninety-sixth session, it had terminated its activities on the preparation of two draft conventions on international Customs transit procedures for the carriage of goods by rail: one covering the area of the COTIF Convention and one covering the area of the SMGS Agreement. According to its decision (TRANS/WP.30/192, paras. 14-21), the two draft conventions had been transmitted, via diplomatic channels, to the Contracting Parties to the COTIF Convention and to the SMGS Agreement respectively with a view to soliciting their views on the approach taken and on the Customs transit procedures proposed therein (TRANS/WP.30/198, para. 26).

20. On 11 February 2002, an informal ad hoc Expert Group meeting on Customs Rail Transit based on the SMGS Consignment Note had been organized by the secretariat to consider the responses transmitted by Contracting Parties. The conclusions of the meeting, contained in document TRANS/WP.30/2002/12, indicate that there is a demand by Governments and industry for a harmonization of Customs transit procedures governing rail transport in the SMGS area. However, the amendment proposals to the draft SMGS Customs rail transit Convention transmitted by Contracting Parties to the SMGS Agreement, would result in considerably reduced facilitation measures compared to the provisions of the original draft and the provisions in place for the COTIF Convention in the Common and Community transit system.

21. At its one-hundred-and-first session, the Working Party considered, as a preliminary facilitation measure, a draft resolution, prepared by the secretariat, recommending the use of the SMGS Consignment Note as a Customs rail transit declaration by the Contracting Parties to the SMGS Agreement (TRANS/WP.30/2002/16). The Working Party welcomed the draft as an important step towards the facilitation of Customs rail transit procedures and had requested the secretariat to carry out consultations with the Contracting Parties of the SMGS Agreement with a view to finalizing and adopting the draft text at the present session (TRANS/WP.30/202, para. 22).

22. The Working Party considered a revised draft resolution, prepared by the secretariat on the basis of its consultations with Contracting Parties to the SMGS Agreement, (TRANS/WP.30/2002/25) and adopted it as resolution No. 50 as contained in annex 1 to this report. The Executive Secretary of the UNECE will, following the present session of the Working Party, write to the Contracting Parties to the SMGS Agreement to invite them to notify the UNECE if they accept the resolution.

23. The Working Party, stressing that the adopted resolution was a preliminary facilitation measure, requested the secretariat to pursue the finalization, as soon as possible, of the draft Convention on International Customs Transit Procedures for the Carriage of Goods by Rail covering the SMGS area, in close cooperation with the Contracting Parties to the SMGS Agreement as well as the OSZhD. Due consideration should be given to the facilitation of goods in transit between Contracting Parties to the SMGS Agreement and the COTIF Convention and the harmonization of goods codification between the two systems.

CUSTOMS CONVENTION ON THE INTERNATIONAL TRANSPORT OF GOODS UNDER COVER OF TIR CARNETS (TIR CONVENTION, 1975)

Documentation: ECE/TRANS/17 and Amends.1-22; 2002 TIR Handbook (TIR Convention, 1975) (<http://tir.unece.org>).

(a) Status of the Convention

Documentation: TRANS/WP.30/AC.2/67, annex 1; (<http://tir.unece.org>); Depository Notification C.N.1063.2002.TREATIES-1.

24. The Working Party took note that Mongolia has acceded to the Convention with effect from 1 April 2003. According to information from the IRU, it may be expected that TIR transports can be carried out with Mongolia as of summer 2003.

25. The Working Party was informed that the TIR Convention, 1975 has at present 64 Contracting Parties. According to information provided by the IRU, TIR operations can be established in 52 Contracting Parties. A complete list of Contracting Parties to the Convention as well as a list of countries in which TIR operations can be undertaken is annexed to the report of the thirty-third session of the TIR Administrative Committee (TRANS/WP.30/AC.2/67, annex 1).

26. Permanently updated information on the scope of the Convention and on the relevant Depository Notifications is available on the UNECE TIR web site: <http://tir.unece.org>.

(b) Revision of the Convention

(i) Implementation of Phase II of the TIR revision process and examples of best practices

Documentation: ECE/TRANS/17/Amends.21-22.

27. The Working Party was informed about the status of implementation by Contracting Parties of Phases I and II of the TIR revision process based on information transmitted to the secretariat by Contracting Parties in reply to the secretariat's request of 24 July 2002. The Working Party requested all Contracting Parties to supply the requested information to the secretariat as soon as possible. The Working Party took note of information provided by the IRU that in some Contracting Parties the provisions adopted under Phase I of the TIR revision have not been adopted, published or translated into national languages causing difficulties for all parties involved. The UNECE secretariat informed the Working Party that, according to information it had received by, publication of the amendments to the Convention were not always necessary in Contracting Parties.

(ii) Preparation of Phase III of the TIR revision process

Documentation: TRANS/WP.30/2002/20; TRANS/WP.30/2002/17; TRANS/WP.30/2002/15; TRANS/WP.30/2002/11; TRANS/WP.30/2002/7; TRANS/WP.30/2001/19; TRANS/WP.30/2001/18; TRANS/WP.30/2001/15; TRANS/WP.30/2001/13; TRANS/WP.30/2001/12; TRANS/WP.30/2001/11; TRANS/WP.30/2001/9; TRANS/WP.30/2001/8; TRANS/WP.30/2001/6; TRANS/WP.30/2001/5; Informal document No. 20 (2002); Informal documents No. 12-15 (2001); Informal documents No. 1, 7-8 (2000); Informal document No.5 (1997).

28. The Working Party may wish to recall that, at its ninety-sixth session, it had decided to start work on Phase III of the TIR revision process, which would include study of the following elements (TRANS/WP.30/192, para. 33):

- Revision of the TIR Carnet, including the insertion of additional data elements (ID number, HS code, value of goods, etc.);
- Increase in the number of places for loading and unloading under Customs seal;
- Possibilities for the reduction of the legally required delays for notification of non-discharge of TIR;
- Use of new technologies in TIR operations also with a view to reducing the delay in notification of non-discharge.

- Revision of the TIR Carnet

29. The Working Party recalled that, at its ninety-eighth session, it had discussed extensively the usefulness of including additional data elements into the TIR Carnet. The Working Party was of the opinion that additional data elements could be useful in relation to the procedures for recovery of debt and facilitating subsequent Customs procedures (TRANS/WP.30/196, paras. 35-40). At its one-hundredth session, the Working Party had taken note of the final report of the European Commission's sub-group on data (Informal document No. 2 (2002)). The conclusions of the report seemed, at this time, in general not to favour requirements for additional data in the Community and Common transit systems (TRANS/WP.30/200, para. 37). At its one-hundred-and-first session, the Working Party considered a survey conducted by the secretariat on documentary requirements for TIR operations showing that the majority of Customs authorities that had replied required information in addition to that contained in the TIR Carnet in order to monitor and control TIR operations (TRANS/WP.30/2002/15). As a result, the Working Party had requested the secretariat to prepare proposals for best practices concerning documentary requirements in connection with the TIR procedure (TRANS/WP.30/202, para. 36).

30. The Working Party took note of Informal document No. 20 (2002), prepared by the secretariat, on best practices concerning documentation required in the course of a TIR transport based on the provisions of the revised Kyoto Convention. It requested the secretariat to prepare an example of best practices for consideration at its forthcoming session.

- Increase in the number of loading and unloading places

31. The Working Party, at its one-hundredth session, continued its consideration of document TRANS/WP.30/2001/19 prepared by the secretariat containing proposals for three alternative solutions to increase the number of loading and unloading places (TRANS/WP.30/200, paras. 41-42). At its one-hundred-and-first session, the Working Party considered document TRANS/WP.30/2002/17, prepared by the secretariat, describing a scenario of up to six places of loading and unloading, including a description of the documentation flow in accordance with national Customs procedures for the administration of partial loading/unloading procedures. The

Working Party agreed that there exists a demand from the transport industry to increase the number of loading and unloading places permitted under the Convention. The Working Party also agreed that the task of finding a practical solution for an increase in the number of loading and unloading places, in the short term, should remain with the TIR Executive Board (TIRExB) as mandated by the TIR Administrative Committee. The Working Party should focus on finding a solution on a longer-term basis. The Working Party requested the secretariat, to prepare, for its next session, a document on the implications, both at national and international levels, of a scenario of six Customs offices of loading and unloading, including an analysis of its legal consequences and to prepare proposals for relevant amendments to the Convention (TRANS/WP.30/202, para. 39).

32. The Working Party considered document TRANS/WP.30/2002/20, prepared by the secretariat, containing a proposal for amendment of the Convention with the aim of increasing the possible places of loading and unloading from four to six.

33. The Chairman of the TIRExB informed the Working Party that the TIRExB, as a short term solution, had agreed, in principle, that the use of two consecutive TIR Carnets, in cases where more than four Customs offices of loading and unloading were required for a journey could be in line with the provisions of the Convention if certain conditions were met, such as crossing of a Customs border, compliance with Customs control measures, etc. In order to clarify, in such cases, the double role of the Customs office terminating the first TIR Carnet and, at the same time, opening a second TIR Carnet, the TIRExB had requested the secretariat to prepare a draft Explanatory Note for consideration by the Working Party at its next session.

34. The Working Party was of the view that the two proposals for short and long-term solutions should be considered concurrently at its next session. It requested all Contracting Parties to provide the secretariat with their views on this issue in advance of this session.

- Possibilities for the reduction of the legally required delays for notification of non-discharge of TIR Carnets

35. The Working Party took note of a request from the IRU, given that, for the time being, there is no possibility to reduce the legally required delays for notification, to recall paragraph 2 of resolution No. 49 of 3 March 1995 in which it was stipulated that ... “Contracting Parties should institute accelerated discharge and search procedures for sensitive goods”.

36. Considering that, for the time being, there seems to be no possibility to reduce the legally required delays for notification, the Working Party decided not to include this point of the agenda for its future sessions.

- Use of new technologies

37. The Working Party was informed about the second session of the informal ad hoc Expert Group on Conceptual and Technical Aspects of Computerization of the TIR Procedure, due to take place on 14 and 15 November 2002 in Prague. The Working Party took note of the agenda for this meeting (EXG/COMP/2002/4) and was informed about the meeting's main objectives, being the finalization of: (1) the analysis of the data elements in the current TIR Carnet, (2) the design of flow charts and (3) the identification of the actors involved in the TIR procedure. The outcome of this work should enable the Expert Group to start work on the design of a set of electronic messages. Agenda and documentation for the meeting can be found at UNECE TIR web site: http://www.unece.org/trans/new_tir/adhocinf/adhocinformal.htm.

38. The IRU repeated its concern about the work and objectives of the Expert Group, which it had stated during the one-hundred-and-first session of the Working Party (TRANS/WP.30/202, para. 43). The secretariat informed the Working Party that the mandate and objectives of the Expert Group had been clearly set out in its Terms of Reference and had been adopted by the Working Party at its ninety-ninth session (TRANS/WP.30/198, paras. 65-68).

(c) Application of the Convention

(i) Settlement of claims for payments

Documentation: TRANS/WP.30/202; TRANS/WP.30/2002/29.

39. The Working Party was informed by the IRU that the next session of the arbitration procedure to obtain payment for Customs claims presented to the previous insurers of the international guaranteeing chain, which had denounced their contract with the IRU at the end of 1994, would take place in November 2002. Up to the present session, approximately 6,000 cases had been presented to the court. In the meantime approximately 2,000 cases had been either cancelled or paid. Of the remaining approximately 4,000 cases, 3,500 cases have been treated by the court, for which the guarantee of the insurers is confirmed. The remaining approximately 500 cases are still to be decided on. The Insurers have requested from the guarantee chain to maintain the opposition lodged against those payment requests.

40. The Working Party was informed by the secretariat of the preliminary results of the questionnaire sent by the TIRExB to all Customs authorities requesting information about payment claims lodged in the years 1999 to 2001. The secretariat had received information from 70 per cent of the Contracting Parties. The total number of claims in these countries for the three year period was in the order of 3,300 amounting to a total of US\$ 74 million, of which approximately 700 had been paid, equating 15 per cent of the total amount claimed. The results also confirmed that there

had been a drastic increase in Customs claims over the period. In 1999 an amount of US\$ 19 million had been claimed, in 2000 US\$ 15 million and in 2001 US\$ 40 million. Compared to the number of issued TIR Carnets during the period, the claim rate is at 0.04 percent and the average claim amounts to US\$ 22,000.

41. The Chairman of the TIRExB, informed the Working Party that the TIRExB had considered the preliminary results of the questionnaire. The TIRExB had found that the results show a very dangerous trend, namely a great increase of cases of fraud and, as a consequence, a dramatic increase of Customs claims, as well as a great geographical concentration of claims in certain countries. In the view of the TIRExB, these trends may represent a serious menace for the functioning of the international guarantee system for TIR Carnets.

42. The Working Party took note of the reaction by the Russian Federation to the statement of the IRU, made at its one-hundred-and-first session (TRANS/WP.30/2002/29). The Working Party noted the measures taken by the Russian authorities to prevent and reveal fraud and the positive results thereof, such as, a drastic decrease in the number of infringements in the Russian Federation. For the time being, the average rate of payment requests to the TIR guaranteeing chain is 0.01 percent. At the same time, the Russian delegation expressed its deep concern over the fact that the TIR guarantee system had actually refused to honour claims submitted by the Russian Customs authorities, which amounted to US\$ 60 million. The delegation stated that the inefficient functioning of the international guarantee chain resulted in serious damage to the economic interests of the Russian Federation and jeopardized the application of the TIR Convention in the Russian Federation.

43. The IRU stated that it wished to cooperate with the State Customs Committee (SCC) of the Russian Federation to bring down the level of infringements from at present 1 per cent of Carnets used in the Russian Federation to a figure closer to 0.02 per cent, which is the rate of infringements in the majority of Contracting Parties to the Convention.

(ii) Re-introduction of the guarantee for sensitive and other excluded goods

Documentation: TRANS/WP.30/202; TRANS/WP.30/AC.2/2000/1.

44. The Working Party took note of a request made by the representative of one of the German guaranteeing associations that, since no views were expressed on this agenda item and since there seemed to be no request for reintroduction of the guarantee for sensitive and other excluded goods on the territory of the European Community, this agenda item should, for the time being, not be included in the agenda of forthcoming sessions of the Working Party.

(iii) Control system for TIR Carnets - IRU SafeTIR

45. The Working Party was informed by the secretariat on progress made, since June 2002, by the SafeTIR Taskforce. The Taskforce acts as intermediary between Customs authorities, national associations and the IRU in several countries, to solve practical problems, which impeded the well-functioning of the SafeTIR system at the national level. Progress has been made and the Taskforce remained confident that this intermediate function contributed to the aspired improvement of the SafeTIR system in the long. The Taskforce had sent information letters to a number of countries, which had indicated that they either did not yet have access to the Cutewise system or which had indicated experiencing problems in using it, in particular due to the existence of so-called firewalls. The Taskforce urged the authorities of the countries involved to contact the IRU. The Taskforce has decided to analyze specific SafeTIR data (at the regional and local level to be provided by the IRU), convinced that a targeted approach would be beneficial to its task of achieving real improvement in the functioning of the system. Both the TIR secretariat and the IRU reiterated the importance they attached to the work of the Taskforce.

46. The Working Party requested the SafeTIR Taskforce to consider whether additional data in the IRU database, useful for Customs authorities which are at present not included in Cutewise, such as TIR Carnet holder number, could also be made available to Customs authorities.

47. The IRU, having recalled the crucial importance of its control system for TIR Carnets (SafeTIR) for the TIR issuing and guaranteeing associations and the IRU to fulfil their respective obligations, informed the Working Party of a proposal concerning amendments to the Convention in this respect, which, according to its information, would be submitted by the Government of Latvia.

(iv) Measures to reduce the number of lost, stolen and falsified TIR Carnets

Documentation: TRANS/WP.30/202; (<http://tir.unece.org>); Informal document No. 22 (2002).

48. The Working Party took note of the information contained in Informal document No. 22 (2002) concerning the introduction of a new version of the TIR Carnet. The Working Party regretted that it had been necessary to change, once again, the layout of the TIR Carnet and requested the IRU to undertake all efforts to reduce, as soon as possible, the number of different versions of the TIR Carnet in circulation. The secretariat was requested to prepare the information contained in Informal document No. 22 (2002) in French and Russian.

(v) **Guidance on Customs control and trade facilitation**

Documentation: TRANS/WP.30/2002/21; TRANS/WP.30/2002/13; TRANS/WP.30/2002/1.

49. The Working Party considered the revised proposal for an amendment to the comment to Article 47 of the Convention, as contained in document TRANS/WP.30/2002/21. The Working Party adopted the comment contained in annex 2 to this report and decided to transmit it for the endorsement of the Administrative Committee at its thirty-fourth session in February 2003.

50. The representative of the European Commission informed the Working Party that the European Community would monitor closely the application of this comment. The European Community reserved the right to return to this matter and seek an amendment to the Convention in case supplementary Customs requirements, not allowed under the Convention, were still being applied by Contracting Parties.

(vi) **Amendment proposals relating to technical provisions**

Documentation: TRANS/WP.30/2002/27; TRANS/WP.30/2002/22; TRANS/WP.30/2002/14; TRANS/WP.30/2002/3; TRANS/WP.30/2002/4; TRANS/WP.30/2002/5.

51. The Working Party recalled the proposal to amend the Convention transmitted by the Liaison Committee of the Body and Trailer Building Industry (CLCCR), contained in document TRANS/WP.30/2002/3, providing for a clearer description of the design of the TIR plate.

52. At its one-hundred-and-first session, the Working Party considered a proposal, prepared by the secretariat, containing three alternative proposals for a new layout of the TIR plate (TRANS/WP.30/2002/14). The Working Party found that the proposals might complicate production procedures and requested the secretariat to prepare a revised proposal (TRANS/WP.30/202, para. 58).

53. The Working Party considered the proposal by the secretariat to replace the existing comment on the model of the TIR plate in Annex 5 of the Convention by a new version, as contained in document TRANS/WP.30/2002/22. The Working Party adopted the comment contained in annex 2 to this report and decided to transmit it for the endorsement of the Administrative Committee at its thirty-fourth session in February 2003.

54. The Working Party considered document TRANS/WP.30/2002/27 containing information on a cable with integrated fibre optic, which, if used as a TIR cable, could offer increased security against tampering and unauthorized access to the load compartment as well as provide improved facilities of remote monitoring of the integrity of the load compartment via connection to a GPS

system. The representative of the Hungarian Road Haulage Association (ATRH) informed the Working Party that the Hungarian Customs authorities had considered the information provided by the manufacturer and had found that the cable was not in conformity with the description provided for in Annex 2 of the Convention. The Working Party, considering that such type of product could possibly be a useful element in improving Customs control of sealed load compartments, requested the secretariat to invite the manufacturer to give a demonstration of the cable at its next session.

(vii) National control measures in the Russian Federation

Documentation: TRANS/WP.30/202; TRANS/WP.30/200; TRANS/WP.30/198;
(<http://tir.unece.org>).

55. At its ninety-ninth session, the Working Party was informed by the representatives of the European Community and Finland of problems caused by the introduction of new transit regulations for certain goods in the Russian Federation. The representative of the Russian Federation informed the Working Party about the general purpose of the new regulations. The Working Party requested the TIRExB to consider whether the new regulations were in line with the provisions of the TIR Convention (TRANS/WP.30/198, paras. 101-103).

56. The Working Party, at its one-hundredth session, was informed that the TIRExB had informed the Russian Customs authorities that it was of the view that the special measures taken by the Russian Federation in this regard were not in line with the provisions and spirit of the TIR Convention (TRANS/WP.30/200, para. 92). At its one-hundred-and-first session, the Working Party was informed by the Chairman of the TIRExB that the State Customs Committee (SCC) of the Russian Federation had informed the TIRExB that the views of the TIRExB would be duly considered, but that the measures would remain in place for the time being (TRANS/WP.30/200, paras. 92-93).

57. The Working Party had also been informed by the Chairman of the TIRExB, that it had considered Decree No. 1132 of the SCC of the Russian Federation providing importers of specific sensitive goods (mainly electronics) with the possibility for a “preliminary” Customs declaration together with an advance payment of Customs duties and taxes before the arrival of these goods under the TIR procedure at the Russian border. The TIRExB had been of the view that this measure was not in line with the provisions and spirit of the Convention as it would require additional guarantees in addition to the one provided under the TIR procedure. The Chairman of the TIRExB informed the Working Party that the TIRExB had informed the SCC that it did not consider Decree No. 1132 to be in line with the provisions of the Convention. The SCC, however, was of the view that the decree did not interfere with the provisions and spirit of the Convention and was in line with the revised Kyoto Convention.

58. The Working Party noted that the decisions taken by the TIRExB in line with its mandate did not always seem to be fully applied in all Contracting Parties. It was pointed out that this issue would need to be addressed by the Administrative Committee.

59. The Chairman of the TIRExB also informed about a new decree issued by the SCC concerning goods entering the Russian territory in the North-West, Central and South regions and leaving the Russian territory across its southern borders (Decree No. 744). The TIRExB was of the view that this decree was in line with the provisions of the Convention. Relevant information on the Russian decrees can be obtained from the UNECE TIR web site: www.unece.org/trans/new_tir/tir/morenews.htm. The Working Party was informed by the representative of the Russian Federation that Decree No. 744 had been prepared by the SCC, according to Article 42 bis of the Convention, in order to stabilize the use of the TIR procedure in the Russian Federation.

60. The Working Party took note of information by the IRU that transporters often had difficulties in fully understanding the application of the decrees issued by the SCC. The IRU invited the SCC to issue, as in other Contracting Parties, a practical guide for both Customs officers and TIR operators on the application of the Convention in the Russian Federation.

(viii) Heavy or bulky goods

Documentation: TRANS/WP.30/2002/23; TRANS/WP.30/2002/8.

61. At its one-hundredth session, the Working Party considered document TRANS/WP.30/2002/8 containing a proposal by the secretariat and decided to delete the last two sentences of the comment on the application of Article 3 of the Convention. It also decided to launch a more general discussion on the procedures for the transport of heavy and bulky goods at one of its future sessions (TRANS/WP.30/200, paras. 69-73).

62. The Working Party considered document TRANS/WP.30/2002/23, prepared by the secretariat containing a proposal for a comment to Article 17 of the Convention on the number of TIR Carnets required for the transport of mixed cargo consisting of normal as well as heavy and bulky goods. The Working Party was forced to postpone a decision on the comment as the French and Russian texts were not available during the reading of the report.

63. The Working Party requested the secretariat to prepare a comment for inclusion into the TIR Handbook that whenever more TIR Carnets were used, either consecutively (for journeys with more than four Customs offices of departure and destination) or in parallel (for mixed cargoes

consisting of normal goods as well as heavy or bulky goods), cross references to the TIR Carnet numbers shall be inserted into all Carnets used.

(ix) Inclusion of place and number of seals in the certificate of approval

Documentation: TRANS/WP.30/2002/24.

64. The Working Party recalled that, at its ninety-ninth session, the representative of the Netherlands had requested the Working Party to consider the inclusion of information on the exact placement and number of seals on the load compartment in the Model Certificate of Approval of a Road Vehicle, contained in Annex 4 of the Convention (TRANS/WP.30/198, para. 108). At its one-hundredth session, the Working Party had noted a comment to Explanatory Note 2.2.1 (b) to Annex 2 of the Convention on the number of Customs seals which recommends that the number of seals should be indicated in the Certificate of Approval under item 5 and that, when appropriate, a sketch should be attached to the Certificate of Approval. The Working Party requested the secretariat to examine how to provide for mandatory rules in the Convention concerning this issue (TRANS/WP.30/200, paras. 89-90).

65. The Working Party considered a proposal, prepared by the secretariat, to add a new Explanatory Note to Annex 2 and Annex 7 mutadis mutandis of the Convention on the mandatory inclusion of information in the Model Certificate of Approval of a Road Vehicle on the exact placement and number of seals on the load compartment (TRANS/WP.30/2002/24). The Working Party took note that the proposal would also apply to Annex 4 of the Convention. The Working Party also noted that it would be necessary to include an implementing provision in order to ensure that the Explanatory Note would not require a change of already issued Certificates of Approval. The Working Party requested the secretariat to prepare a joint document for the next sessions of the Working Party and the Administrative Committee containing a revised proposal based on the above considerations.

(x) TIR Handbook

Documentation: UNECE document; (<http://tir.unece.org>).

66. The Working Party took note that the TIR Handbook has been updated by the secretariat in the Chinese, English, French and Russian language versions and that the German version was planned to be available before the end of 2002. A limited number of hard cover versions are available with the secretariat. The complete text of the TIR Handbook is available on the UNECE TIR web site www.unece.org/trans/new_tir/welctir.htm.

67. The secretariat invited Contracting Parties to provide it with web links to their language versions of the TIR Handbook.

(xi) Other matters

- Application of Customs escorts for Lithuanian transport operators in Belarus

68. The Working Party was informed by the representative of the Lithuanian Customs authorities of problems in Belarus due to requirement by the Belarus Customs authorities for Customs escorts for all Lithuanian transport operators. The requirement for escorts could only be revoked in case of payment of pending Customs claims for the infringements committed by Lithuanian transport operators. The Lithuanian Government was of the view that the Belarus measures were not in line with the provisions of the Convention and called on the Belarus Customs authorities to engage in a dialogue to settle the issue. Furthermore, the Lithuanian Government called on the international guarantee chain to honour its obligations to honour legitimate payment claims issued by the Belarus Customs authorities.

69. The Working Party was informed by the representative of Belarus, that it had not been possible to apply Article 38 of the Convention to the persons directly liable because these companies had disappeared. The Belarus Government had engaged in a dialogue to settle the problems on a bilateral basis with Lithuania, but still lacks certain documentation in order to proceed. The Belarus Government supported the request by the Lithuanian Government for the international guarantee chain to honour its obligations.

70. The Chairman of the TIRExB informed the Working Party that the TIRExB had been requested to provide assistance in this matter. In principle, the TIRExB was of the view that general Customs escorts for transport operators from a certain country are not in line with Article 23 of the Convention and therefore recommended the Belarussian Customs authorities to stop the application of such national control measures. The TIRExB had provided the following recommendations to settle the dispute: (a) the parties should refrain from adopting unilateral counter measures, which could lead to an escalation of the dispute; (b) the parties should apply the existing provisions of the Convention concerning exclusion of fraudsters from the operation of the Convention and (c) access to the TIR procedure in Lithuania should be reviewed. The TIRExB was also of the view that the international guarantee chain should honour all legitimate claims for payment.

71. The Working Party encouraged Lithuania and Belarus, with the assistance of the TIRExB, to seek an immediate settlement of the question.

72. The IRU confirmed that it will resolve all claims in accordance with competent national court decisions.

- Application of Customs escorts in Belarus and the Russian Federation

73. The representative of Switzerland informed the Working Party about problems for Swiss transport operators at the Customs offices of entry in Belarus and the Russian Federation. Swiss transport operators, transporting goods under cover of TIR Carnets with a total amount of duties and taxes above US\$ 50,000 have been required to use Customs escorts. The fees for such escorts, which in the Russian Federation have been said to be up to US\$ 5,200 for a transport to Moscow, and the waiting times before escorts are organized (up to one week) as well as the parking fees required while awaiting the escorts were considered to be excessive.

74. The representative of the European Commission gave information concerning a report made by the Austrian Embassy in Moscow, that had reached the same conclusion as the ones made by the Swiss delegation. The IRU informed that it had received similar information.

75. The representative of Belarus informed the Working Party that the escort fees in Belarus are US\$ 0.7 per kilometre for the first truck and US\$ 0.3 per kilometre for the remaining trucks.

76. The Working Party was informed by the representative of the Russian Federation that, provided concrete information on the above cases was transmitted, the delegation was prepared to address the exact problems. In general, escort fees for vehicles do not exceed US\$ 180.

77. The Working Party took note that the TIRExB has made a survey of escort provisions in Contracting Parties based on information supplied by national Customs authorities. In order to compare the results of the survey with the practical experiences of transport operators, the TIRExB has requested the IRU to also undertake a survey amongst its members. The TIRExB has not yet received the information from the IRU yet. The Working Party encouraged the IRU to supply the requested information to the TIRExB as soon as possible.

78. The Working Party was informed by the secretariat of the outcome of a regional TIR Seminar for the Baltic States that had taken place in Riga (Latvia) on 3 and 4 October 2002. The Seminar had focused on the specific problems in the region such as controlled access and combating of organized crime misusing the TIR procedure. The secretariat also informed about a Seminar organized by the United Nations Economic Commission for Asia and the Pacific (ESCAP) that had taken place in Kunming (China) on international transit transport.

PREVENTION OF THE ABUSE OF CUSTOMS TRANSIT SYSTEMS BY SMUGGLERS

Documentation: TRANS/WP.30/127; TRANS/WP.30/2002/28; Informal document No. 23 (2002).

79. The Working Party was informed by the representative of the United Kingdom about the discovery of a number of forged Certificates of Approval in circulation (TRANS/WP.30/2002/28 and Informal document No. 23 (2002)). The Working Party invited other Contracting Parties to explore if similar falsifications had been discovered in their countries and to provide the Working Party with information on the extent of the problem and the measures taken.

PROGRAMME OF WORK FOR 2003 TO 2007

Documentation: TRANS/WP.30/203, annex.

80. The Working Party adopted its programme of work covering the years 2003 to 2007 as contained in annex 2 to this report.

OTHER BUSINESS

(a) Dates of the next sessions

81. The Working Party decided to convene its one-hundred-and-third session from 4 to 7 February 2003, in conjunction with the thirty-fourth session of the TIR Administrative Committee (6 and 7 February 2003) and the fifth session of the Administrative Committee for the International Convention on the Harmonization of Frontier Controls of Goods (6 and 7 February 2003).

82. The one-hundred-and-fourth session of the Working Party is tentatively scheduled to be held during the week of 16 to 20 June 2003.

(b) Restriction on the distribution of documents

83. The Working Party decided that there should be no restriction on the distribution of documents issued in connection with its current session, except for the International Directory of TIR Focal Points and Informal Document No. 23 (2002).

ADOPTION OF THE REPORT

84. The Working Party adopted the report of the one-hundred-and-second session. During the adoption of the report the French delegation deplored that part of the report was not available in all official languages and reserved its position as to the text that was only adopted in English.

Annex 1

**USE OF THE SMGS CONSIGNMENT NOTE
AS A CUSTOMS TRANSIT DECLARATION**

**Resolution No. 50 adopted on 25 October 2002 by the
UNECE Working Party on Customs Questions affecting Transport**

The Working Party on Customs Questions affecting Transport,

Concerned about the lack of harmonized pan-European Customs transit procedures for international rail transport,

Emphasizing the importance of the smooth and efficient functioning of Customs transit procedures in international rail transport where such procedures do not exist,

Determined to facilitate the development of international trade and transport of goods, in particular between Contracting Parties to the Agreement on International Goods Transport by Rail (SMGS),

Convinced that international rail transport will benefit from harmonized transit procedures, eliminating unnecessary delays due to repetitive Customs procedures,

Whilst awaiting the finalization of a Convention on International Customs Transit Procedures for the Carriage by Rail under cover of SMGS Consignment Notes and further work towards a UNECE Convention governing rail Customs transit at the pan-European level, decides unanimously on the following short-term measures to be implemented as soon as possible by the competent authorities of Contracting Parties to the SMGS:

1. In order to facilitate international rail transport in the SMGS area, Contracting Parties may wish to simplify rail transit operations by using the SMGS Consignment Note as a Customs transit declaration;
2. Contracting Parties willing to facilitate international rail transport operations shall accept the SMGS Consignment Note as a national Customs transit declaration and shall not require any other Customs transit declaration;
3. This Resolution, notwithstanding the provisions of Article 2, does not prevent the use of a national Customs transit declaration as an alternative to the SMGS Consignment Note;
4. The SMGS Consignment Note should be filled-in in the language of the country of departure as well as in Russian or Chinese as the working languages of the Organization for Cooperation between Railways (OSZhD);
5. Contracting Parties request the OSZhD to provide all required assistance in the promotion of the SMGS Consignment Note as a Customs transit declaration in the Contracting Parties of the SMGS;
6. Contracting Parties of the SMGS intensify their endeavours to finalize the UNECE Convention on International Customs Transit Procedures for the Carriage by Rail under Cover of SMGS Consignment Notes;

Requests the Contracting Parties to the SMGS to notify the Executive Secretary of the United Nations Economic Commission for Europe (UNECE) by 1 April 2003, whether they accept the present resolution;

Requests the Executive Secretary of the UNECE to inform all Contracting Parties to the SMGS as well as the OSZhD about the acceptance of this resolution.

Annex 2

**CUSTOMS CONVENTION ON THE INTERNATIONAL TRANSPORT OF GOODS
UNDER COVER OF TIR CARNETS (TIR CONVENTION, 1975)**

**Comments adopted by the UNECE Working Party
on Customs Questions affecting Transport**

Comment to Article 47, paragraph 1

Replace the existing comment to Article 47, paragraph 1, with a new comment to read as follows:

“Trade facilitation and Customs controls

The TIR Convention is a Customs Convention aimed at the Customs transit regime. The objective of Article 47 is to allow for the application of additional restrictions and controls based on national regulations other than Customs regulations. Therefore it should not be used to justify supplementary Customs requirements.

Where Article 47, paragraph 1 becomes applicable, such restrictions and controls will usually lead to delays and extra costs for transport businesses. In recognition of this, such restrictions and controls shall be kept to a minimum and be limited to the cases where the circumstances or the real risks justify them.”

{TRANS/WP.30/204, para. 58}

Comment to Annex 5

Replace the existing comment to Annex 5 with a new comment to read as follows:

The model of a TIR plate in conformity with Annex 5 is shown below.

White capital letters on blue ground (RAL 5017)

(Characters: 200 mm high; stroke width: at least 20 mm)

An electronic file (encapsulated postscript format – EPS) containing the TIR plate in conformity with Annex 5, as shown above, is available on the TIR web site

(<http://tir.unece.org>) or can be obtained by contacting the TIR Secretary.



{TRANS/WP.30/204, para. 62}

Annex 3

Programme of work for the years 2003-2007^{1/}

PROGRAMME ACTIVITY 02.10: CUSTOMS QUESTIONS AFFECTING TRANSPORT

Harmonization and simplification of requirements for border crossing procedures concerning modes of inland transport **Priority: 1**

Description:

- (a) Preparation, review, implementation and, where appropriate, modification of international legal instruments.
- (b) Simplification of administrative formalities, documents and procedures.

Work to be undertaken: The Working Party on Customs Questions affecting Transport will pursue the following activities:

CONTINUING ACTIVITIES

- (a) Study of specific legal and other measures to combat fiscal fraud resulting from simplified Customs and other border crossing procedures, such as the TIR regime, including periodic review of the status of implementation of resolution No. 220 (prevention of the abuse of Customs transit systems by drug smugglers). Setting-up of mechanisms and administrative procedures for the regular exchange of information with other Governmental and non-governmental organizations to combat such fraud. **Priority: 1**

^{1/} Text in bold characters indicates newly proposed text; text in square brackets ([...]) refers to text proposed for deletion.

Output expected in 2003:

Preparation of adequate instruments and measures to improve international cooperation among Contracting Parties to the TIR Convention, 1975 and concerned national and international organizations to prevent fraud.

Activities towards implementation of the Recommendation adopted by the TIR Administrative Committee on 20 October 1995 on an international EDI control system for TIR Carnets.

Exchange of intelligence among Customs authorities of Contracting Parties to relevant ECE Conventions on border crossing facilitation on abuses with a view to identifying measures to combat such occurrences.

- (b) Study of the possible extension of relevant ECE conventions on border crossing facilitation to other regions, particularly relating to legal and administrative aspects.

Priority: 3

Output expected in 2003:

Preparation of regional and/or national workshops, possibly in cooperation with ESCAP and ESCWA, on the implementation of relevant ECE Conventions on border crossing facilitation in Asia and the Middle East.

- (c) Periodic review of relevant ECE conventions on border crossing facilitation in order to ensure their coherence with other international or sub-regional treaties and to keep them in line with modern transport and border control requirements.

Priority: 2

Output expected in 2003:

Analysis of the application of the following ECE conventions on border crossing facilitation: TIR Convention 1975; Customs Conventions on the Temporary Importation of Private (1954) and Commercial (1956) Road Vehicles; Customs Convention Concerning Spare Parts Used for the Repair of EUROPE Wagons; and Convention on Customs Treatment of Pool Containers Used in International Transport.

- (d) Study to facilitate formalities for container pools in international transport and follow-up activities within the framework of the Convention on Customs Treatment of Pool Containers Used in International Transport.

Priority: 2

Output expected in 2003:

Preparation and negotiation of two model container pool agreements providing guidance to the transport industry and the Contracting Parties on the implementation of the provisions of the "Customs Container Pool Convention" covering international rail and international maritime transport.

- (e) Analysis of difficulties encountered relating to border crossing formalities with a view to devising administrative procedures eliminating such difficulties. The analysis will cover health, phytosanitary, veterinary and quality controls, application of standards, public safety controls, etc., including the promotion of the implementation and extension of the scope of the International Convention on the Harmonization of Frontier Controls of Goods of 1982 (Harmonization Convention). Priority: 1

Output expected in 2003:

Study of the possibilities to prepare and negotiate a new annex to the "Harmonization Convention" on road transport, including possibly an international lorry weight certificate, in close cooperation with the Working Party on Road Transport.

Study of concrete measures facilitating border crossing procedures for railway transport in cooperation with the Working Party on Rail Transport.

- (f) Study of Customs questions with a view to simplification of Customs formalities and documents in the field of transport, in particular taking account of the possibility of electronic data interchange solutions, including UN/EDIFACT messages. Priority: 2

Output expected in 2003:

Analysis of the impact on the TIR regime of the New Customs Transit System (NCTS) to be applied in the countries of the Common Transit System (European Community, EFTA and Visegrad countries) and coordination of work with the relevant bodies within the European Community on this subject.

ACTIVITIES OF A LIMITED DURATION

- (g) Revision of the TIR Convention, 1975 with a view to stabilizing the TIR Customs transit procedure. Priority: 1

Output expected in 2003:

Continuation of work on phase III of the TIR revision procedure, focusing on the revision of the TIR Carnet and on provisions for a modernized, possibly EDI-based Customs administration and control system.

- (h) Study to facilitate railway transit traffic on the basis of the CIM and the SMGS Consignment Notes, including the preparation of a new Customs transit regime allowing the use of the CIM and the SMGS consignment notes as a Customs document.

Priority: 2

Output expected in 2003:

Preparation of a draft Customs transit convention covering international rail transport in all COTIF and SMGS member States.
