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INLAND TRANSPORT COMMITTEE

Working Party on Customs Questions affecting Transport

**REPORT OF THE WORKING PARTY ON CUSTOMS QUESTIONS
AFFECTING TRANSPORT ON ITS ONE-HUNDRED-AND-NINTH SESSION
(31 January – 4 February 2005)**

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REPORT

ATTENDANCE

1. The Working Party held its one-hundred-and-ninth session from 31 January to 4 February 2005 in Geneva.
2. The session was attended by representatives of the following countries: Austria; Azerbaijan; Belarus; Belgium; Bosnia and Herzegovina; Bulgaria; Croatia; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; Italy; Latvia; Lithuania; Luxembourg; Netherlands; Norway; Poland; Romania; Russian Federation; Serbia and Montenegro; Slovakia; Slovenia; Spain; Sweden; Switzerland; Turkey; Ukraine; United Kingdom. Representatives of the European Community (EC) were also present. Jordan was present under Article XI of the Terms of Reference of the Economic Commission for Europe.
3. The following non-governmental organizations were represented: International Container Bureau (ICB); International Organization for Standardization (ISO) and International Road Transport Union (IRU).

ADOPTION OF THE AGENDA

Documentation: TRANS/WP.30/217.

Mandate and background: TRANS/WP.30/217, point 1.

4. The Working Party adopted the provisional agenda prepared by the secretariat (TRANS/WP.30/217). The Working Party took note of the issuance of a Corrigendum to the report of its one-hundred-and-eighth session relating to the adoption of a comment to Article 19 of the TIR Convention (TRANS/WP.30/216/Corr.1).

ELECTION OF OFFICERS

Mandate and background: TRANS/WP.30/217, point 2.

5. The Working Party re-elected Mr. Guus Jacobs (the Netherlands) as Chairperson of its sessions for 2005. The Working Party took note of a proposal by the European Community to elect a Vice-Chairperson for its sessions in 2005 and noted the Rules of Procedure of the UNECE, which provides for this possibility. Some delegations, while expressing their support of the Chairperson, were in favour of electing a Vice-Chairperson. The delegation of the Russian Federation was of the view that it was an unnecessary bureaucratic measure to elect a Vice-Chairperson at this moment.

6. The Working Party decided not to elect a Vice-Chairperson at its present session but to revert to the issue at one of its forthcoming sessions, if the need should arise.

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

Mandate and background: TRANS/WP.30/217, point 3.

7. The Working Party took note that the Inland Transport Committee (ITC) will hold its annual session from 15 to 17 February 2005. The agenda for the session is contained in document TRANS/2005/1.

8. The Working Party recalled that, at its one-hundred-and-sixth session, it had adopted the draft Convention on International Customs Transit Procedures for the Carriage of Goods by Rail. The Working Party took note that the ITC will consider and possibly adopt the draft Convention at its forthcoming meeting. The draft Convention is contained in document TRANS/2005/13.

9. The Working Party also took note of information provided by the secretariat concerning the work in progress of the ITC subsidiary bodies in relation to the question of transport and security, in particular as it relates to vehicle regulations, infrastructure networks and border crossing facilitation (TRANS/2005/14).

10. The Working Party recalled that, at its one-hundred-and-eighth session, it had been informed by the secretariat about developments in the field of facilitation of border crossing in international rail transport, in particular the considerations by the Organization for the Collaboration of Railways (ORC) to elaborate a new Annex to the "Harmonization" Convention, which would cover issues relating to railway border crossing (TRANS/SC.2/2004/7). The Working Party took note that a second preparatory meeting on this issue had been held in Ukraine in November 2004, where it was decided to establish a small working group which would try to prepare the first draft for a new Annex to the "Harmonization" Convention on facilitation of border crossing for railways. The group is composed of experts (Customs, police, railways, etc.) from a few countries and it will meet in February 2005. Once they prepare a draft Annex, it will be considered by the third preparatory meeting scheduled to take place in March 2005 and then be submitted to this Working Party and the Working Party on Rail Transport (SC.2) for consideration, with the ultimate aim of presenting the final text of the Convention at an international conference in 2006. Documentation on the issue is available from the following web site:

<http://www.unece.org/trans/main/sc2/sc2.html>.

ACTIVITIES OF OTHER ORGANIZATIONS OF INTEREST TO THE WORKING PARTY

Documentation: TRANS/WP.30/2005/3.

Mandate and background: TRANS/WP.30/217, point 4.

11. The Working Party was informed by the representative of the European Commission of issues relevant to the activities of the Working Party. The Working Party took note of the following issues:

- Modernization of the Community Customs Code. The European Commission intends to modernize the Code for a number of reasons, the main reasons being simplification of customs legislation, reduction of costs to businesses and increased legal certainty as well as making available the benefits offered by new technology. The modernized Code incorporates a range of security related measures, including pre-arrival and pre-departure declarations. These measures are expected to be adopted by the European Parliament and the Council. Included in the revised code prepared by the European Commission is the deletion of a provision concerning the use of TIR for movements between EU Member States.
- Amendments to the Community Customs Code implementing provisions. Amendments permitting the status of authorized consignees in TIR are expected to be published in April or May 2005. In order to prepare the necessary detailed practical guidance, the provisions will not apply until October 2005.
- Proposed computerization of TIR. The Community is about to launch a pilot exercise whereby TIR data messages can be transmitted between member States using the infrastructure established for the NCTS. Analysis shows that there is a close co-relation between TIR data and the NCTS data. A number of member States have confirmed their willingness to participate in the pilot even though it is expected that Customs will have to key in the data. This pilot underlines the Community's interest in supporting the e-TIR project.

12. The Working Party took note that the work of the High Level Strategic Group established under the World Customs Organization (WCO) on the establishment of an international framework of standards on the security and facilitation of the international supply chain continued. Customs-to-Customs network arrangements and Customs-to-Business partnerships will form twin pillars of the Framework, with a focus on the following core elements: advance electronic manifest information, consistent national risk management, targeted inspection of high-risk containers using non-intrusive detection equipment as well as business benefits for meeting minimum supply chain security standards. If agreed, it is

expected that an implementation plan will be developed to support the national implementation of the framework. It is stressed that the framework should also promote trade facilitation by improving efficiencies in supply chain security.

13. The Working Party also took note of a set of security guidelines for the road transport industry developed by the IRU as a follow-up to the work of the WCO task-force on supply chain security. The guidelines, which have no legal bearing on the work of Customs authorities, have been developed on the basis of the general WCO guidelines on supply chain security and have been adapted by the IRU to suit the needs of the road transport industry.

14. The Working Party took note of information provided by the secretariat on the seventh session of the Administrative Committee of the Customs Convention on Containers, 1972, which took place on 10 and 11 November 2004. The session requested the WCO secretariat, in cooperation with the UNECE secretariat, to ensure that the Convention was being updated according to the amendments of the TIR Convention as it relates to containers. The Committee also adopted a note to the Convention (similar to a comment to the TIR Convention) in line with the comment to Article 19 of the TIR Convention on Customs sealing adopted by the Working Party at its one-hundred-and-eighth session. Finally, the Committee has recommended that the Handbook for the Convention be updated.

15. The Working Party took note of a document TRADE/CEFACT/2005/28 prepared by the UNECE secretariat on UNECE legal instruments and standards to address trade facilitation in the WTO Doha work programme, in particular in relation to articles V, VIII and X of the GATT, 1994. The Working Party noted that the UNECE legal instruments and standards can assist WTO members in addressing operational issues in relation to the above-mentioned articles. The relevant document can be found on the following web site: http://www.unece.org/cefact/cf_plenary/plenary05/cf_05_28e.pdf.

16. The Working Party took note of information provided by the ISO concerning the finalization of the conversion of the PAS 17712 on mechanical seals for freight containers to a full ISO standard, including a new annex which details quality control procedures for seal manufacturers. It is expected that this work will be finalized in 2005. Furthermore, the Working Party took note of the work of ISO/TC 104 concerning the enhancement of container security, including door security and sealing of containers as well as container traceability. In this context, the Working Party took note of the work of ISO to upgrade pure mechanical seals to combined mechanical and electronic seals, which could be linked to computerized management systems. It is expected that this upgrading procedure will be finalized in 2005 or 2006.

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

Documentation: ECE/TRANS/55 (<http://border.unece.org> - Legal Instruments);
TRANS/WP.30/AC.3/2005/1.

Mandate and background: TRANS/WP.30/217, point 5.

(a) Status of the Convention

17. The Working Party was informed that the Convention has 44 Contracting Parties. A complete list of Contracting Parties to the Convention is available at the following web site: http://www.unece.org/trans/conventn/agreem_cp.html#48. Information about the status of the Convention can be obtained from the following website: <http://untreaty.un.org/ENGLISH/bible/englishinternetbible/partI/chapterXI/subchapA/treaty17.asp>.

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

18. The Working Party recalled that the European Community, for its one-hundred-and-eighth session, had transmitted document TRANS/WP.30/2004/27, containing a number of comments concerning errors or inconsistencies in the text of the draft annex relating to the International Vehicle Weight Certificate, which had been detected in connection with the review of the new draft Annex 8 to the Convention. The Working Party had agreed to rectify these errors pending clarification from the secretariat of the International Organization on Legal Metrology. The Working Party was informed by the secretariat that it had now received the necessary clarification and that it, therefore, was in a position to finalize the revised draft Annex 8 immediately after the present session. The final text of the draft annex will be contained in document TRANS/WP/30/AC.3/2005/1 for consideration at the eighth session of the Administrative Committee.

19. The Working Party invited all delegations to ensure that they would be in a position to decide on the possible adoption at the forthcoming session of the Administrative Committee to the Convention in June 2005.

CUSTOMS CONVENTIONS ON THE TEMPORARY IMPORTATION OF PRIVATE ROAD VEHICLES (1954) AND COMMERCIAL ROAD VEHICLES (1956)

Documentation: ECE/TRANS/107/Rev.1; ECE/TRANS/108; (<http://border.unece.org> - Legal Instruments).

Mandate and background: TRANS/WP.30/217, point 6.

(a) Status of the Conventions

20. The Working Party was informed that the Customs Conventions on the Temporary Importation of Private (1954) and Commercial (1956) Road Vehicles as of 1 January 2005 have 77 and 39 Contracting Parties, respectively. A complete list of Contracting Parties to the Conventions is available at the following web site:

http://www.unece.org/trans/conventn/agreem_cp.html#48. Information about the status of the Convention can be obtained from the following websites:

<http://untreaty.un.org/ENGLISH/bible/englishinternetbible/partI/chapterXI/subchapA/treaty8.asp>,

<http://untreaty.un.org/ENGLISH/bible/englishinternetbible/partI/chapterXI/subchapA/treaty10.asp>.

(b) Application of the Conventions

21. The Working Party recalled that, at its one-hundred-and-seventh session, it considered a number of questions concerning the application of the Conventions put forward by the AIT/FIA (TRANS/WP.30/2004/21). The Working Party had provided interpretation to a number of the questions, but had also requested the secretariat to refer some of the questions to the Office of Legal Affairs of the United Nations (OLA) (TRANS/WP.30/214, paras. 20-28). The Working Party took note that the replies to these questions had not yet been received, but that the replies would possibly be forthcoming during the present session. Against this background, the Working Party decided to revert to this question, in case the replies should be available during the present session.

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

Documentation: ECE/TRANS/17 and Amends.1-24; 2005 TIR Handbook (<http://tir.unece.org>); TRANS/WP.30/2005/1; TRANS/WP.30/2005/9.

Mandate and background: TRANS/WP.30/217, point 7.

(a) Status of the Convention

22. The Working Party took note that the TIR Convention has 65 Contracting Parties and that it is applicable in 55 of these according to information provided by the IRU.

23. A complete list of Contracting Parties to the Convention, as well as a list of countries in which TIR operations can be undertaken, dated February 2005, will be annexed to the report of the thirty-eighth session of the TIR Administrative Committee (TRANS/WP.30/AC.2/77, annex 1). Permanently updated information on the scope of the TIR Convention is available on the UNECE TIR web site: (<http://tir.unece.org>).

24. The Working Party also took note of Informal document No. 3 (2005), transmitted by the IRU, containing an overview of TIR Carnets distributed by the IRU in the period 1999 to 2004.

(b) Revision of the Convention

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

25. The Working Party took note of document TRANS/WP.30/2005/1, prepared by the secretariat, containing an overview of the status of implementation in Contracting Parties of Phase II of the TIR revision. Since the issuance of the document, Romania and Hungary had also provided information and the document will be updated accordingly for the next session of the Working Party.

26. With a view to ensuring that the implementation of the Convention and its amendments are as transparent as possible, the Working Party urged all Contracting Parties to inform the secretariat in writing about the status of implementation in their respective countries, in particular concerning the implementation of Phase II of the TIR revision.

27. The Working Party recalled that, at its one-hundred-and-eighth session, at the request of the Turkish delegation, it undertook an in-depth review of the deletion of the Explanatory Note to Article 38, para. 1 of the Convention concerning the offences committed by drivers. The Working Party considered document TRANS/WP.30/2005/9, transmitted by the

Government of Turkey, containing a proposal for a guide for exclusions according to Article 38 of the Convention.

28. The Working Party took note of the position of the TIRExB on this matter, that (1) Article 38 plays an important role for the sustainability of the Convention as a counterbalance to the rules of access to the Convention, (2) with regard to the reasons for exclusions according to Article 38, this is a matter of national competency according to national legislation and (3) with regard to the procedural aspects of exclusions according to Article 38 there seems to be some room for improvement with a view to creating transparency concerning the decisions for exclusions as well as establishing a harmonized approach to the communication procedures for exclusions. In relation to the latter, the Working Party was of the view that issues such as a detailed reasoning for exclusions, the permanent or temporary nature of exclusions as well as appeal possibilities should be included in the communication from Customs authorities.

29. In conclusion, although the Working Party could not support the detailed procedures set out in document TRANS/WP.30/2005/9, it agreed that the concerns raised by the Turkish Customs Administration, guaranteeing association and transport industry needed to be addressed. To that end the Working Party recommended that the TIRExB continue its work on this issue with a view to developing a set of guidelines for the communication of exclusions according to Article 38.

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

Documentation: TRANS/WP.30/214; TRANS/WP.30/2005/2-TRANS/WP.30/AC.2/2005/1; TRANS/WP.30/2005/5; TRANS/WP.30/2005/10; TRANS/WP.30/2004/31; TRANS/WP.30/2004/30; TRANS/WP.30/2004/29; TRANS/WP.30/2005/11.

30. The Working Party recalled that, at its ninety-sixth session, it had decided to start work on Phase III of the TIR revision process, which would include a 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, etc.);
- Increase in the number of places for loading and unloading under Customs seal;
- Use of new technologies in TIR operations also with a view to reducing the delay in notification of non-discharge.

31. The Working Party, at its one-hundred-and-seventh session, decided to revert to the question of increase in the number of places for loading and unloading under Customs seal at its session in February 2005.

- Number of loading and unloading places

32. The Working Party took note of document TRANS/WP.30/2005/10, transmitted by the IRU, containing a study on the need to increase the total number of Customs offices of departure and destination. The study had analyzed 1,001 TIR Carnets and had found that only 7 out of the 1,001 TIR Carnets had been used in connection with transports with more than four Customs offices of departure or destination.

33. The study also found that there seemed only to be a few problems with the application of using two consecutive TIR Carnets according to the comment to Article 18 in those exceptional cases where more than four Customs offices of departure and destination were involved.

34. The Working Party decided, on this background, not to revert to this question again unless a concrete request was expressed at one of its future sessions.

- Revision of the TIR Carnet

35. The Working Party considered document TRANS/WP.30/2005/2, prepared by the secretariat, containing a revised proposal for the incorporation of the provisions of the use of the ID-number of the authorized TIR Carnet holder, presently contained in a Recommendation by the Working Party, into the Convention.

36. The Working Party adopted the proposed text to Annexes 1 and 9 of the Convention as contained in annex 1 as well as the proposed comment to Annex 9 as contained in annex 2 to this report and decided to transmit it for adoption by the Administrative Committee at its thirty-eighth session in February 2005 on the understanding that the comment to Annex 9 only enters into force if and when the amendments to Annexes 1 and 9 enter into force.

37. The delegation of the Russian Federation pointed out that the Russian version of the proposal did not contain separators in the form of slashes. Furthermore, the proposal contained some linguistic errors. Both these issues should be rectified in the adopted text.

38. The Working Party also considered document TRANS/WP.30/2005/5, transmitted by the European Community, containing a number of issues to be considered relating to the verification, liability and the legal status in connection with the proposal for introduction of a Recommendation for the use of the HS-code into the goods manifest of the TIR Carnet as set out in document TRANS/WP.30/2004/30.

39. The Working Party, after in-depth discussions, decided to request the secretariat, in cooperation with the European Community and the IRU, to the extent possible, to incorporate in the draft Recommendation the issues raised in document TRANS/WP.30/2005/5.

40. Some delegations expressed concern that the inclusion of the HS-code in the goods manifest could lead to the improper application of Article 38 of the Convention and the application of unnecessary controls at borders, which would not facilitate the TIR procedure.

- Use of new technologies

41. The Informal Ad hoc Expert Group on Conceptual and Technical Aspects of Computerization of the TIR Procedure met in Geneva for its sixth session on 26 and 27 October 2004. The report of the session is contained in document TRANS/WP.30/2005/11. The Expert Group validated the major part of the description of the functioning of the actual TIR Procedure, the so-called “as-is” situation. The latest version of the reference model (ExG/COMP/2003/1 Version 1.4) is available on the UNECE web site. The outstanding issues to be dealt with relate to the stakeholders’ requirements and the stakeholders’ constraints. In this context, the Expert Group felt that, in order to gather Customs administrations requirements and constraints, it would be preferable to request this information directly via a questionnaire, which is currently being finalized by the secretariat and which will shortly be sent to Director Generals of Customs Administrations with a copy to TIR Customs Focal Points. The questionnaire requests very specific IT and TIR knowledge and therefore might have to be filled in by various persons. The questionnaire, which aims at defining the political and strategic orientation of the eTIR project will be available both in a web-based and a hard copy version. It is recommended that Contracting Parties use the web-based version as this will simplify the follow-up analysis by the secretariat.

42. The Expert Group also held an extensive discussion on the next phase of the work: the high-level description of the eTIR system based on document ExG/COMP/2004/23, prepared by the secretariat, containing a description of the future system. The Expert Group had a first discussion on the document without reaching conclusions. Therefore, the Group has asked its members to submit written comments to the document. This issue will also be included in the letter to be addressed to Director Generals by the secretariat concerning the questionnaire, with a request that Contracting Parties provide their views on the proposal.

43. The next meeting of the Expert Group, which was originally tentatively scheduled for 8 and 9 March 2005 has been postponed to 26-27 May 2005.

44. The Working Party reiterated the importance of the TIR computerization project and endorsed the report of the sixth session of the Expert Group.

45. The Working Party supported the appeal of the secretariat for Contracting Parties to actively take part in the work concerning the computerization project and for a Chairperson to be elected to chair the meetings of the Expert Group with a view to providing an additional impetus to the process.

(iii) Amendment proposals for the Convention

Documentation: TRANS/WP.30/2005/7; TRANS/WP.30/2005/6; TRANS/WP.30/2004/38; TRANS/WP.30/2004/37; TRANS/WP.30/2004/33; TRANS/WP.30/2004/32; TRANS/WP.30/2004/25; TRANS/WP.30/2004/24; TRANS/WP.30/2004/14; TRANS/WP.30/2004/11; TRANS/WP.30/2003/22; TRANS/WP.30/2003/11; TRANS/WP.30/2003/10; TRANS/WP.30/2002/30; TRANS/WP.30/216; TRANS/WP.30/R.179; Informal document No. 2 (2004).

46. The Working Party recalled that, at its one-hundred-and-eighth session, it had only expressed its general agreement with the report of the first session of the Ad hoc Expert Group on Phase III of the TIR revision (Geneva, 30 and 31 August 2004) as contained in document TRANS/WP.30/2004/32, prepared by the secretariat, since the report was not available in all languages during that session. The Working Party, therefore, considered and endorsed the report reconfirming its previous decision. The Working Party also considered and endorsed the report of the second session of the Ad hoc Expert Group (Geneva, 15 and 16 November 2004) as contained in document TRANS/WP.30/2004/38. On the basis of the recommendations in the two above-mentioned reports the Working Party decided, in particular, to address the issues mentioned in paras. 51-54 below.

47. The Working Party recalled that, at its one-hundred-and-eighth session, it had invited the IRU to transmit an official document for its one-hundred-and-ninth session containing an overview of how the IRU understands the guarantee/surety issue (TRANS/WP.30/216, para. 53 (c)). The Working Party took note of document TRANS/WP.30/2005/6, transmitted by the IRU, containing a legal analysis by Professor L. Thévenoz, University of Geneva, mandated by the IRU, explaining his interpretation of the concepts of guarantee/surety. The Working Party decided to revert to the issue at one of its forthcoming sessions when delegations had had the possibility to study the legal arguments in detail. The Working Party was also informed that the secretariat had requested the view of the Office of Legal Affairs of the United Nations concerning the general understanding of the concepts guarantee/surety and that an answer would be received in the near future.

48. The delegation of the Russian Federation expressed the view that, rather than focusing on theoretical studies of concepts concerning the guarantee system, efforts should be focused on ensuring the reliable and practical functioning of the system.

49. The Working Party also took note of Informal document No. 1 (2005), transmitted by Finland, containing some additional questions to the IRU concerning the functioning of the guarantee.

50. With reference to para. 46 above, the following issues were considered in detail.

51. Issues considered to be of a technical nature (proposals to Article 4; Title to Chapter II; Articles 28, 40, 41 and the definition of the term levy). The Working Party decided to confirm its previous decision and invite the TIRExB to study these issues in further detail and to revert to the Working Party with its conclusions. The Working Party was informed by Mr. M. Amelio, Chairman of the TIRExB, that the Board had requested the TIR secretariat to prepare a consolidated document, with all the proposals and related extracts of documents, for its next session.

52. Article 4 concerning the suspension of duties, taxes and securities during the TIR procedure. The Working Party requested the secretariat to prepare a document for its next session clarifying this issue.

53. Article 6.2**bis**. The Working Party took note of the recommendation on this issue by the Ad hoc Expert Group at its second session (TRANS/WP.30/2004/38, paras. 5-9) and, therefore, decided to consider the amendment proposal to Article 6.2**bis** as well as to Annex 8, Article 10 (b) as contained in document TRANS/WP.30/2005/7, prepared by the secretariat. The Working Party adopted the proposed texts as Explanatory Notes to Article 6.2**bis** (with the modification that the first part of the second sentence in square brackets was deleted) and Annex 8, Article 10 (b) respectively as contained in annex 1 to this report. The Working Party decided to transmit the text for adoption by the TIR Administrative Committee in October 2005.

54. Articles 8 (and 31).

- Article 8.1: The Working Party took note of the recommendation by the Ad hoc Expert Group that a number of concepts such as issuing association/guaranteeing association, international organization and guarantee/surety should be defined (TRANS/WP.30/2005/38, para. 11). In this context, it was pointed out that it should be considered to establish authorization criteria for the international organization parallel to the authorization criteria contained in Annex 9 of the Convention for national guaranteeing associations and that it should be considered to include the definition of roles and responsibilities, at present contained in the UNECE-IRU Agreement, in an Annex to the Convention. The Working Party was of the view that these issues should be considered in further detail.
- Article 8.2: The Working Party agreed with the recommendation by the Ad hoc Expert Group (TRANS/WP.30/2005/38, para. 12) to request the secretariat to study the background for this article and to report its findings to the Working Party at one of its future meetings. If the study of the secretariat would not provide any justification for keeping the Article, it should be considered to delete it.

- Article 8.3: The Working Party, based on the recommendation of the Ad hoc Expert Group (TRANS/WP.30/2005/38, para. 13-16), requested the secretariat to prepare a document for its forthcoming session containing an amendment proposal to the article with a view to clarifying the actual situation that certain tobacco and alcohol products cannot be transported under cover of the TIR Carnet due to the high risk for fraud involved. Subsequently, the Working Party also recommended to include the relevant parts of the Comment to Explanatory Note 0.8.3. in the Explanatory Note itself and to delete Annex 1, Version 2 of the model of the TIR Carnet.
- Article 8.7. The Working Party took note of document TRANS/WP.30/2005/12, transmitted by the European Community, containing an overview of the Community's system concerning the treatment of security, recovery and accounting of the Customs debt. The Working Party decided to revert to this question once the question of guarantee/surety had been clarified.
- Article 11: The Working Party decided to consider this question, based on document TRANS/WP.30/2003/11, transmitted by the Russian Federation, at its forthcoming session in June 2005. The Working Party requested the delegation of the Russian Federation to work together with the secretariat with a view to improving the understanding of the English and French versions of the proposal.
- Article 42bis: The Working Party agreed with the recommendation of the Ad hoc Expert Group, based on the historical and practical context of the article (TRANS/WP.30/2004/38, para. 23), to invite the TIRExB to study the issue in further detail and to revert to the Working Party with its conclusions.
- Annex 8 concerning the collection of the levy. The Working Party decided not to deal with this issue at this point of time.

55. The Working Party, based on the above conclusions, decided to mandate the secretariat to convene a third meeting of the Ad hoc Expert Group, once the necessary legal advice would be available, with a view to drafting specific amendment proposals concerning the issues still outstanding, in particular in relation to Articles 8 and 11 of the Convention.

(c) Application of the Convention

(i) Control system for TIR Carnets - IRU SafeTIR

56. The Working Party took note that the latest version of CUTEWise was launched on 17 December 2004. The Working Party took note that, according to the IRU, it had received very positive reactions to the CUTEWise enhancements from several Customs authorities.

57. The Working Party took note of information provided by the IRU on the functioning of the IRU SAFETIR system. IRU receives SAFETIR messages for 89 per cent of all terminated TIR operations with an average delay of 9 days. Concerning reconciliation

requests to Customs authorities to verify the termination of TIR Carnets, IRU has issued 14,460 reconciliation requests in the period 1 January to 31 December 2004 and has received replies to 75 per cent of their requests with an average delay of 40 days. The Working Party encouraged all Contracting Parties to actively work on improving their transmission of the data according to the Recommendation of 20 October 1995 with a view to improving the risk management of the TIR system.

(ii) Settlement of claims for payments

Documentation: TRANS/WP.30/214; TRANS/WP.30/2004/17.

58. The Working Party was informed by the IRU of the following figures:

- Notifications/pre-notifications received between 1 January to 31 December 2004: 12,997.
- Pending payment requests per 31 December 2004: 6,828.
- Claim settlement in 2004: 2,620 cases.

(iii) Issues relating to technical provisions

Documentation: TRANS/WP.30/2005/4; TRANS/WP.30/2004/36.

59. The Working Party welcomed a presentation by Mr. J. Fortin, Sefadis on the vulnerability of loading unit doors as well as seals. The demonstration illustrated the ease with which a traditional door handle of a loading unit can be manipulated without removing the seal. The remedy for this weakness would be to improve the design of the door handle with a view to making it impossible to manipulate it without leaving a trace. The demonstration also showed how relatively simple it is to manipulate a mechanical bolt seal, even one approved according to the ISO PAS 17712, by drilling out the head of the bolt seal, thereby making it possible to remove the body of the seal and, after opening of the doors of the loading unit, placing back the body of the original bolt seal and closing it with a new head leaving no trace of the illegal access. In this context, it seemed that the use of a cable seal around both door handles of the loading unit would provide more security. Alternatively, the security of a mechanical bolt seal could be further enhanced through technical adaptations making an anti-rotation mechanism between the body and head of the seal, marking both the body and head with the same seal number and covering the numbering areas of the seal with transparent plastic with a view to making it impossible to alter the number printed on the seal parts.

60. The Working Party noted, with interest, the issue and recommended that this be studied in further detail, in particular through monitoring the work under the auspices of the ISO, which presently is reviewing these issues. The Working Party also invited the representative of the ISO to take note of the issues raised in the presentation.

61. The Working Party took note that document TRANS/WP.30/2005/4 by the International Container Bureau (ICB) has been withdrawn for the time being.

62. The Working Party also noted that the discussion of the proposal contained in document TRANS/WP.30/2004/36, transmitted by the United States for the one-hundred-and-eighth session, containing a proposal for the placement of mechanical seals was temporarily postponed, at the request of the US, due to the fact that these issues were also being considered in the ISO.

(iv) TIR Handbook

Documentation: UNECE document (<http://tir.unece.org>); 2005 TIR Handbook.

63. The TIR Handbook contains the text of the Convention and its annexes, including the amendments to the Convention and Explanatory Notes, as well as all relevant comments adopted by the Working Party, the Administrative Committee and the TIRExB.

64. The Working Party took note that an update to the Handbook has been finalized, taking into account all amendments up until 19 September 2004 (ECE/TRANS/TIR/6, Rev.1). The updated edition is available on the UNECE TIR web site in the English, French and Russian language versions (<http://tir.unece.org>). Hardcopy versions of these three languages will be available shortly after the present session. The secretariat has also initiated an update of the TIR Handbook in the Arabic, Chinese and Spanish language versions, which will be made available in both electronic and hardcopy versions during 2005. Older versions of the Handbook in these languages are available on the UNECE TIR web site and in hardcopy from the secretariat.

65. The Working Party invited Contracting Parties to the TIR Convention to provide the UNECE secretariat with copies of national translations of the TIR Handbook in hardcopy and to inform the secretariat of links to national translations of the Handbook available in electronic format on the internet, with a view that the secretariat can make these links available on the UNECE TIR web site.

(v) Other matters

66. The Working Party took note of information provided by the representative of the European Community concerning the apparent practice in some Contracting Parties to require that accompanying documents are stamped by the Customs office of departure/exit. In the view of the Community, such practice gives a false sense of authenticity of such documents. The representative of the European Community requested that the issue be raised again at future sessions in case the situation does not change.

67. The Working Party took note of a request by the Turkish delegation to receive an update concerning the status of so-called sensitive goods in the territory of the European Community, for which a guarantee is not provided and, therefore, the goods cannot be transported under cover of the TIR Carnet in the European Community.

68. The IRU informed that, in August 2004, four of the goods items were reintroduced under the guarantee. The IRU is working continuously with the relevant authorities of the European Community and the insurers, evaluating the possibility to re-establish the guarantee for the goods items still not covered. A list of the sensitive goods items for which there, at present, is provided no guarantee for the transport under cover of the TIR Carnet in the European Community is contained in annex 3 to this report.

PREVENTION OF THE ABUSE OF CUSTOMS TRANSIT SYSTEMS BY SMUGGLERS

Documentation: TRANS/WP.30/127.

Mandate and background: TRANS/WP.30/217, point 8.

69. No new information was provided by delegations on this subject.

PROGRAMME OF WORK FOR 2005 TO 2009

Documentation: TRANS/WP.30/2005/8; TRANS/2004/19; TRANS/2004/18.

Mandate and background: TRANS/WP.30/217, point 9.

70. The Working Party considered document TRANS/WP.30/2005/8 and decided to make a number of changes to the Programme of Work with a view to providing more targeted and result oriented output and to enhance the layout of the Programme of Work in line with the request of the Inland Transport Committee. The Working Party also decided to include a continuous review of all Conventions and Agreements under its responsibility, to review commitments contained in Resolutions and Recommendations contained in the Programme of Work. In this context, a full list of all Conventions and Agreements under the responsibility of the Working Party is contained in annex 4 to the present report. The Working Party also decided to launch a process of annual country reporting on issues relevant to the Working Party, provided that resources are available for such activity at national level. The secretariat was requested to finalize the Programme of Work in line with the views expressed and the above-mentioned issues and to elaborate a standard for the country reports.

OTHER BUSINESS

Mandate and background: TRANS/WP.30/217, point 10.

(a) Dates of the next sessions

71. The Working Party decided to convene its one-hundred-and-tenth session from 14 to 17 June 2005 in conjunction with the seventh session of the Administrative Committee for the “Harmonization” Convention. The deadline for submission of official documents to be translated in the three official languages is 23 March 2005.

72. The one-hundred-and-eleventh session of the Working Party is tentatively scheduled to be held during the week of 10 to 14 October 2005 in conjunction with the thirty-ninth session of the TIR Administrative Committee. The Working Party took note of information provided by the secretariat that the session, possibly could be moved forward one week with a view to providing a more balanced sequence between the meetings. Information on the exact dates for the Working Party will be made available on the UNECE web site as soon as possible.

(b) Restriction on the distribution of documents

73. The Working Party decided that there were no documents to be restricted.

ADOPTION OF THE REPORT

Mandate and background: TRANS/WP.30/217, point 11.

74. The Working Party decided to adopt the report of its one-hundred-and-ninth session.

Annex 1

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

AMENDMENT PROPOSALS¹

agreed upon by the Working Party on 4 February 2005

Amend Annex 1, Model of the TIR Carnet: VERSION 1 and VERSION 2

- Page 1 of cover, box 3 (nom, adresse, pays/name, address, country) to read as follows:
"(numéro d'identification, nom, adresse, pays/identification number, name, address, country)"
- Voucher No.1 and voucher No.2, box 4 (name, address and country) to read as follows:
"(identification number, name, address and country)"
- Certified report, box 5 (Holder of the carnet) to read as follows:
"Holder of the carnet (identification number, name, address and country)"

Amend Annex 9, Part II, Model Authorization Form (MAF), second paragraph, first indent below the table to read as follows:

" - Individual and unique identification (ID) number assigned to the person by the guaranteeing association (in cooperation with the international organization to which it is affiliated) in accordance with a harmonized format. The format of an ID-number shall be determined by the Administrative Committee."

* * *

¹ The comment contained in annex 2 to this report will enter into force simultaneously with the amendments to Annexes 1 and 9 in this annex.

Add a new Explanatory Note to Article 6.2**bis**, to read as follows:

“The authorization granted in accordance with Article 6.2**bis** shall be reflected in a written Agreement between the UNECE and the International Organization. The agreement shall stipulate that the International Organization shall fulfil the relevant provisions of the Convention, shall respect the competences of the Contracting Parties to the Convention and shall comply with the decisions of the Administrative Committee and the requests of the TIR Executive Board. By signing the Agreement, the International Organization confirms that it accepts the responsibilities imposed by the authorization. The Agreement shall also apply to the responsibilities of the International Organization set out in Annex 8, Article 10 (b), in case the centralized printing and distribution of TIR Carnets is performed by the above-mentioned international organization. The Agreement shall be adopted by the Administrative Committee.”

Add a new Explanatory Note to Annex 8, Article 10 (b), to read as follows:

The Agreement mentioned in the Explanatory Note to Article 6.2**bis** shall also apply to the responsibilities of the International Organization set out in (b) of this article, in case the centralized printing and distribution of TIR Carnets is performed by the above-mentioned international organization.”

Annex 2

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

Comment adopted by the UNECE Working Party on Customs Questions affecting Transport

Add a new comment to Annex 9, Part II, Model Authorization Form²:

"Format of an individual and unique identification (ID) number

The Administrative Committee has established the following format of an ID-number for TIR Carnet holders being persons who have been authorized to utilize TIR Carnets in accordance with Annex 9, Part II of the TIR Convention:

"AAA/BBB/XX...X",

whereby "AAA" represents a 3-letter code of the country where the person utilizing TIR Carnets has been authorized, in line with the classification system of the International Organization for Standardization (ISO). A full list of country codes of the Contracting Parties to the TIR Convention is regularly published as an annex to the agendas and official reports of the Administrative Committee,

whereby "BBB" represents a 3-digit code of the national association through which the holder of the TIR Carnet has been authorized, in accordance with the classification system established by the relevant international organization to which the association is affiliated, allowing for unequivocal identification of each national association. A full list of country codes of the national associations is regularly published as an annex to the agendas and official reports of the Administrative Committee,

whereby "XX...X" represents consecutive numbers (maximum 10 digits), identifying the person authorized to utilize TIR Carnets in accordance with Annex 9, Part II of the TIR Convention. Once an ID-number has been assigned, it cannot be used again, even if the person to whom it has been given has ceased to be a TIR Carnet holder.

{TRANS/WP.30/218, paragraph 36}“

² The comment will enter into force simultaneously with the amendments to Annexes 1 and 9 contained in annex 1 to this report.

Annex 3

**CUSTOMS CONVENTION ON THE INTERNATIONAL TRANSPORT OF GOODS
UNDER COVER OF TIR CARNETS (TIR CONVENTION, 1975)
GOODS FOR WHICH NO GUARANTEE COVERAGE IS PROVIDED ON THE
TERRITORY OF THE EUROPEAN COMMUNITY
(Status: 1 August 2004)**

<u>Description</u>	<u>HS Codes</u>
Meat of bovine animals, frozen	0202-10
	0202-20
	0202-30
Milk and cream, concentrated or containing added sugar or other sweetening matter	0402-10
	0402-21
	0402-29
	0402-91
	0402-99
Butter and other fats and oil derived from milk	0405-10
	0405-90
Fresh bananas, excluding fresh plantains	0803-0019 (CN code)
Cane or beet sugar and chemically pure sucrose, in solid form	1701-11
	1701-12
	1701-91
	1701-99

Annex 4

LIST OF CONVENTIONS AND AGREEMENTS WITHIN THE MANDATE OF THE WORKING PARTY

Convention concerning Customs Facilities for Touring, signed in New York on 4 June 1954

Text of the Convention: <http://www.unece.org/trans/conventn/Touring-1954e.pdf>,

Contracting Parties: http://www.unece.org/trans/conventn/agreem_cp.html#36.

Additional Protocol to the Convention concerning Customs Facilities for Touring, relating to the importation of tourist publicity documents and material, signed in New York on 4 June 1954

Text of the Protocol: <http://www.unece.org/trans/conventn/touring-protocol-e.pdf>.

Customs Convention on the Temporary Importation of Private Road Vehicles, signed in New York on 4 June 1954

Text of the Convention: <http://www.unece.org/trans/conventn/impprive.pdf>,

Contracting Parties: http://www.unece.org/trans/conventn/agreem_cp.html#37.

Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention), of 15 January 1959

Text of the Convention:

http://www.treaty.un.org/LibertyIMS::/Cmd=Request;Request=TREATYBYLOC;Form=none;VF_Volume=UNVOL09;VF_File=00001051;Page=1;Type=page, (access only through subscription, Convention has been superseded by the TIR Convention of 1975 – see below),

Contracting Parties: http://www.unece.org/trans/conventn/agreem_cp.html#38

Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention), of 14 November 1975

Text of the Convention:

http://www.unece.org/trans/bcf/tir/handbook/english/newtirhand/TIR-6Rev1EN_Bookmarks.pdf,

Contracting Parties: http://www.unece.org/trans/conventn/agreem_cp.html#39.

Customs Convention on the Temporary Importation for Private Use of Aircraft and Pleasure Boats, of 18 May 1956

Text of the Convention: <http://www.unece.org/trans/conventn/aire.pdf>,

Contracting Parties: http://www.unece.org/trans/conventn/agreem_cp.html#40.

Customs Convention on the Temporary Importation of Commercial Road Vehicles, of 18 May 1956

Text of the Convention: <http://www.unece.org/trans/conventn/impcom-e.pdf>,

Contracting Parties: http://www.unece.org/trans/conventn/agreem_cp.html#41.

International Convention to Facilitate the Crossing of Frontiers for Passengers and Baggage carried by Rail, of 10 January 1952

Text of the Convention: <http://www.unece.org/trans/conventn/passraile.pdf>,

Contracting Parties: http://www.unece.org/trans/conventn/agreem_cp.html#42.

International Convention to Facilitate the Crossing of Frontiers for Goods Carried by Rail, of 10 January 1952

Text of the Convention: <http://www.unece.org/trans/conventn/goodsraile.pdf>,

Contracting Parties: http://www.unece.org/trans/conventn/agreem_cp.html#43

Customs Convention concerning Spare Parts Used for Repairing Europ Wagons, of 15 January 1958

Text of the Convention: <http://www.unece.org/trans/conventn/sparee.pdf>,

Contracting Parties: http://www.unece.org/trans/conventn/agreem_cp.html#44

Customs Convention on Containers, of 18 May 1956

Text of the Convention:

http://www.treaty.un.org/LibertyIMS::/Cmd=Request;Request=TREATYBYLOC;Form=none;VF_Volume=UNVOL09;VF_File=00000383;Page=1;Type=page, (access only through subscription, Convention has been superseded by the TIR Convention of 1975 – see below),

Contracting Parties: http://www.unece.org/trans/conventn/agreem_cp.html#45.

Customs Convention on Containers, of 2 December 1972

Text of the Convention: http://www.unece.org/trans/conventn/ccc_1972e.pdf,

Contracting Parties: http://www.unece.org/trans/conventn/agreem_cp.html#46

European Convention on Customs Treatment of Pallets Used in International Transport, of 9 December 1960

Text of the Convention: <http://www.unece.org/trans/conventn/palette.pdf>,

Contracting Parties: http://www.unece.org/trans/conventn/agreem_cp.html#47.

International Convention on the Harmonization of Frontier Controls of Goods, 21 October 1982

Text of the Convention: <http://www.unece.org/trans/conventn/harmonie.pdf>,

Contracting Parties: http://www.unece.org/trans/conventn/agreem_cp.html#48.

Convention on Customs Treatment of Pool Containers Used in International Transport,
21 January 1994

Text of the Convention: <http://www.unece.org/trans/conventn/poolcon.pdf>,

Contracting Parties: http://www.unece.org/trans/conventn/agreem_cp.html#49.

³ The comment will enter into force simultaneously with the amendments to Annexes 1 and 9 contained in annex 1 to this report.