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Economic Commission for Europe

Administrative Committee for the TIR Convention, 1975

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Item 4 (b) (iv) of the provisional agenda

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

Revision of the Convention – Amendment proposals to the Convention:

Audit requirements for an authorized international organization

Amendment proposals to the Convention: Audit requirements for an authorized international organization

Note by the secretariat¹

I. Background

1. At its previous session, WP.30 resumed its considerations of the audit requirements for an authorized international organization (the so-called provisions (o), (p) and (q)). The International Road Transport Union (IRU) stated that it was not opposing to the idea of including more transparency requirements in the Convention and that it was fully prepared to comply with the requirements of the Convention. In the course of the discussion, it transpired that there were reasonable grounds to believe that a compromise could be found by agreeing on a more appropriate wording for the provisions of (o), (p) and (q). WP.30 invited the secretariat to prepare a working document for consideration at its next session, which would elaborate new amendment proposal to Annex 9, Part III of the Convention on additional requirements for the authorized international organization, aimed at providing more transparency in the effective organization and functioning of the international guarantee system (see ECE/TRANS/WP.30/274, paras. 23–25).

¹ Informal document WP.30 (2014) No. 13 replaces document ECE/TRANS/WP.30/2014/16.

II. Consultations between IRU and the TIR secretariat

2. IRU and the TIR secretariat met twice in the course of the summer of 2014 to discuss the requirements to be fulfilled by IRU as well the wording of the possible new provisions (o), (p) and (q)². With regard to the latter, IRU and the TIR secretariat agreed that the wording of (o) could remain unchanged, but that in (p) the words “or other persons duly authorized by the United Nations” should be deleted. The TIR secretariat has not yet been in a position to meet OIOS in order to discuss these three audit requirements or to obtain the confirmation that such kinds of audits could be performed by OIOS or falls within its mandate. With regard to (q), IRU is in the process of consulting its external auditors to check to which extent such audits would be feasible.

3. Concerning the requirements under new Annex 9, Part III of the Convention, The secretariat drafted the following checklist with the documents that IRU has submitted so far:

	Date of submission	Available for contracting Parties	Next submission
Annex 9, Part III, Article 1 (a) : proof of sound professional competence and financial standing for ... by means of annual submissions of consolidated financial statements duly audited by internationally organized independent auditors			
Financial accounts 2013	10/2014	As hard copy at the secretariat	2015
Annex 9, Part III, Article 1 (b): Absence of serious or repeated offences against customs of tax legislation			
Letter dated 15/01/2010 from the Swiss “Administration fiscale cantonale”, granting IRU tax exemption until 2020 (indirect proof, such a status can only be obtained if there are no repeated offences against tax legislation).	8/2014	As hard copy at the secretariat	2020
Certificate dated 23/03/2010 from the Swiss customs granting IRU the status of authorized consignor until 22/3/2015 (indirect proof, such a status can only be obtained if there are no repeated offences against customs legislation).	8/2014	As hard copy at the secretariat	2015
Annex 9, Part III, Article 2 (a) : provide the Contracting Parties of the TIR Convention via the national associations affiliated to the international organization with certified copies of the global guarantee contract and			

² For easy reference, the text of the proposals as contained in ECE/TRANS/WP.30/2010/4/Rev.2 is as follows:

- (o) maintain separate records and accounts containing information and documentation which pertain to the organization and functioning of an international guarantee system and the printing and distribution of TIR Carnets;
- (p) allow access to the above records and accounts to the United Nations Office of Internal Oversight Services (OIOS), the United Nations Board of Auditors (BOA) or other persons duly authorized by the United Nations and at all times facilitate inspections and audits performed by them;
- (q) engage an independent external auditor to conduct annual audits of the above records and accounts. Guidelines and terms of reference for the external audit shall be adopted by the Administrative Committee. The external audit shall be performed in accordance with International Standards on Auditing (ISA) and shall result in an annual audit report and a management letter, issued by the independent external auditor to the Administrative Committee, with copies sent directly to the Executive Secretary of the United Nations Economic Commission for Europe and the international organization concerned.”

proof of guarantee coverage			
At the TIR secretariat are available (submitted by the Contracting Parties): - Copies of the written agreements or any other legal document between the competent authorities (Customs) and the national guaranteeing association as well as any modifications thereto (conform Annex 9, Part I, para. 1 (d)); - Copies of the insurance or financial guarantee contracts as well as any modifications thereto (conform Annex 9, Part I, para. 3 (v)); - Copies (renewed annually) of the insurance certificate (Annex 9, Part I, para. 3 (v)).	1/2014	As hard copy at the secretariat	2015
Annex 9, Part III, Article 2 (b) : provide the competent bodies of the TIR Convention with information on the rules and procedures set out for the issue of TIR Carnets by national associations			
Associations TIR Manual	8/2014	As hard copy at the secretariat	When modified
TIR Carnet holder's Manual	8/2014	As hard copy at the secretariat	When modified
Deed of engagement of the issuing and guaranteeing association of ordinary TIR Carnets	8/2014	As hard copy at the secretariat	When modified
Deed of engagement of the IRU towards issuing and guaranteeing associations	8/2014	As hard copy at the secretariat	When modified
Declaration of Engagement by the transport company for admission to the TIR customs system and authorization to use TIR Carnets	8/2014	As hard copy at the secretariat	When modified
IRU Commercial register (http://ge.ch/hrcintapp/externalCompanyReport.action?companyOfsUid=CHE-107.740.736&lang=FR)	Not applicable	internet	Not applicable
IRU constitution, dated 6 November 2009	8/2014	As hard copy at the secretariat	When modified
Annex 9, Part III, Article 2 (c) provide the competent bodies of the TIR Convention, on a yearly basis, with data on claims lodged, pending, paid or settled without payment			
Situation of irregularities See Informal document WP.30 (2014), No. 10	6/2014	As WP.30 document	2015

Annex 9, Part III, Article 2 (d): the competent bodies of the TIR Convention with full and complete information on the functioning of the TIR system, in particular, but not limited to, timely and well founded information on trends in the number of non-terminated TIR operations, claims lodged, pending, paid or settled without payment that might give rise to concerns with regard to the proper functioning of the TIR system or that could lead to difficulties for the continued operation of its international guarantee system.			
Safe TIR statistics See Informal document WP.30 (2014), No. 5	6/2014	UNECE website	Each WP.30
Situation of irregularities See Informal document WP.30 (2014), No. 10	6/2014	UNECE website	Each WP.30
Power presentation on the organization and functioning of the TIR guarantee chain. (http://www.unece.org/fileadmin/DAM/trans/bcf/wp30/documents/iru-presentation-e.pdf)	10/2004	UNECE website	Next WP.30
Insurance contract IRU AXA (dated 18/11/2010) (See restricted TIREXB document Informal document No. 2 (2011))	12/2010	Hard copy at the TIR secretariat	When modified
Statement from AXA on insurance structure and the reinsurance contracts (dated 14/08/2014)	8/2014	Hard copy at the TIR secretariat	When modified
Annex 9, Part III, Article 2 (e) : provide the competent bodies of the TIR Convention with statistical data on the number of TIR Carnets distributed to each Contracting Party, broken down by type			
Statistical data on the number of TIR Carnets distributed to each Contracting Party, broken down by type (See Restricted TIREXB document Informal document No. 5 (2014))	1/2014	Hard copy at the TIR secretariat	1/2015
Statistics of TIR Carnets distribution to national associations See Informal document WP.30/AC.2 (2014), No. 3	1/2014	UNECE website	1/2015
Annex 9, Part III, Article 2 (f) : provide the TIR Executive Board with details of the distribution price by the international organization of each type of TIR Carnet			
IRU distribution prices as of 1 may 2014 See Informal TIRExB document nr 25 (2014)	6/2014	UNECE website	When modified
Annex 9, Part III, Article 2 (g) : take all possible steps to reduce the risk of counterfeiting TIR Carnets;			
IRU brochure for Customs administrations : “Guide to the visual security elements of the TIR Carnet	2006	Hard copy at the secretariat	When modified
Annex 9, Part III, Article 2 (h) : take the appropriate corrective action in cases where faults or deficiencies with the TIR Carnet have been detected and report these to the TIR Executive Board			
IRU and the TIR secretariat agreed that for this item no documents have to be submitted		Not applicable	
Annex 9, Part III, Article 2 (j) : fully participate in cases where the TIR Executive Board is called upon to			

facilitate the settlement of disputes			
IRU and the TIR secretariat agreed that for this item no documents have to be submitted		Not applicable	
Annex 9, Part III, Article 2 (k) : ensure that any problem involving fraudulent activities or other difficulties with regard to the application of the TIR Convention is immediately brought to the attention of the TIR Executive Board			
IRU and the TIR secretariat agreed that for this item no documents have to be submitted		Not applicable	
Annex 9, Part III, Article 2 (l) manage the control system for TIR Carnets, provided for in Annex 10 of the Convention, together with national guaranteeing associations affiliated to the international organization and the Customs authorities and inform the Contracting Parties and the competent bodies of the Convention of problems encountered in the system			
IRU and the TIR secretariat agreed that for this item no documents have to be submitted		Not applicable	
Annex 9, Part III, Article 2 (m) provide the competent bodies of the TIR Convention with statistics and data on the performance of Contracting Parties with regard to the control system provided for in Annex 10;			
SafeTIR statistic See Informal document WP.30 (2014), No. 5	6/2014	UNECE website	Each WP.30
Annex 9, Part III, Article 2 (n) conclude, not less than two months before the provisional date of entry into force or renewal of the authorization granted in accordance with Article 6.2bis of the Convention, a written agreement with the United Nations Economic Commission for Europe secretariat, mandated by and acting on behalf of the Administrative Committee, which shall include the acceptance by the international organization of its duties set out in this paragraph.			
Signed agreement UNECE-IRU Latest text contained in document ECE/TRANS/WP.30/AC.2/2013/3.	10/2013	As hard copy at the TIR secretariat	10/2015

III. Considerations by the TIR Executive Board

4. At its sixtieth session (23-24 September 2014), TIRExB took note of this checklist and could agree with its contents, subject to approval by the TIR Administrative Committee (AC.2). The Board agreed that the documents would be kept by the TIR secretariat, where they should be available, upon appointment, for Contracting Parties only. Finally, the Board requested the secretariat to seek the advice of the Office of Internal Oversight Services (OIOS) or other UN competent bodies, experienced with issues of accountancy and audit in order to establish whether the checklist appropriately reflects IRU's requirements under Annex 9, Part III as well as with regard to the proposed rewording of paras. (o), (p) and (q).

IV. Considerations by the Working Party

5. On 2 October 2014, the Executive Secretary of the United Nations Economic Commission for Europe (UNECE), Mr. Christian Friis Bach, met with the Secretary General of IRU, Mr. Umberto de Pretto for a small celebratory ceremony, in which IRU officially handed over, as last outstanding document, a copy of its 2013 accounts, approved by its General Assembly and duly audited by its external auditor. With this, IRU considers

having fulfilled all its requirements under the new provisions of Annex 9, Part III of the TIR Convention, subject to the approval by AC.2.

6. The Working Party is invited to take note of the outcome of the consultations between the TIR secretariat and IRU, the considerations by the TIRExB as well as the submission of documents by IRU to UNECE and, possibly, transmit the document to AC.2 for further consideration and endorsement.
