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## Economic Commission for Europe

### Inland Transport Committee

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Item 4 (h) of the provisional agenda

**Issues that need consideration and require decisions by the Committee:  
Strengthening border crossing facilitation (Harmonization Convention,  
TIR Convention, eTIR Project and other Customs transit facilitation measures)**

## Progress in the eTIR Project

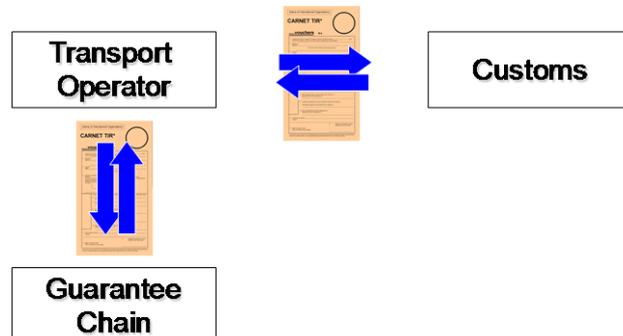
### Note by the secretariat

#### I. Background

1. Over several decades, the TIR Convention has proved to be an efficient facilitation tool. With the progress in technology, however, the use of the paper TIR Carnet is increasingly challenged, in particular when it comes to linking it to the electronic procedures applied by national Customs administrations. At border crossings, Customs officers are faced with additional work of having to key in up to 50 data elements into their national electronic Customs systems. In addition, the current situation does not enable Customs authorities to effectively apply risk management procedures based on advance cargo information, as demanded by an increasingly more security-conscious environment.

Figure 1

#### The use of the TIR carnet



2. Figure 1 shows that the TIR Carnet is currently the only link between the various actors of the TIR system. Customs authorities from different countries involved in a TIR transport use various parts of the TIR Carnet to exchange Customs to Customs (C2C) information and rely on the holder to transport this information, thus increasing the risk of fraud. Indeed, the paper TIR Carnet, despite its multiple security elements, is prone to falsification and misuse. The computerization of the TIR procedure and the replacement of the paper TIR Carnet by electronic messages will further secure the TIR system to the benefit of Customs administrations, honest transport operators and the guarantee chain.

3. Pending the introduction of a full-fledged computerized TIR system at the international level, various Contracting Parties to the TIR Convention have already started introducing national requirements regarding the delivery and the processing of TIR Carnet data in their national computerized Customs systems. The guarantee chain has also progressively introduced various Information Technology (IT) systems to streamline the organization and functioning of the guarantee system.

## II. The eTIR Project

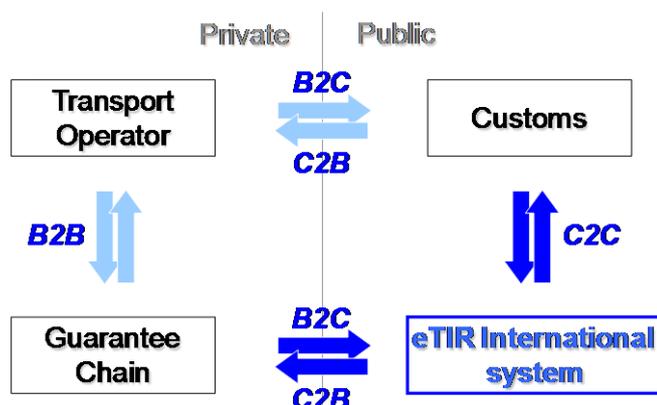
4. The Contracting Parties to the TIR Convention launched in 2003 the so-called “eTIR Project”, aimed at providing an exchange platform for all actors (Customs authorities, holders,<sup>1</sup> guarantee chains) involved in the TIR system, known as the “eTIR international system”. At its ninety-ninth session (October 2001), the Working Party on Customs Questions affecting Transport (WP.30) mandated the secretariat to organize meetings of informal ad hoc groups of experts to (a) study the conceptual and technical aspects of the computerization process of the TIR Convention, including the financial and administrative implications of its introduction, with the aim to prepare a draft set of electronic messages to allow for an interchange of electronic data replacing the paper TIR Carnet and (b) study in detail the impact on the existing legal provisions of the TIR Convention, as well as on other international private laws and administrative procedures of the replacement of the paper TIR Carnet by electronic data interchange (EDI) (TRANS/WP.30/198, paras. 66–67). The first meeting of the Informal Ad hoc Expert Group on Conceptual and Technical aspects of Computerization of the TIR Procedure (GE.1) took place on 24 and 25 January 2002. In 2007, in view of the nature and importance of the issues at stake, WP.30 decided that the legal aspects of the eTIR project would be considered by the Working Party itself (ECE/TRANS/WP.30/232, para. 32).

5. The eTIR international system aims to ensure the secure exchange of data between national Customs systems related to the international transit of goods, vehicles or containers according to the provisions of the TIR Convention and to allow Customs to manage the data on guarantees, issued by guarantee chains to holders authorized to use the TIR system. In addition to replacing the current international functions of the paper TIR Carnet (i.e. the proof of existence of an international guarantee and the exchange of information between Customs administrations), the eTIR international system will bring further benefits, like the availability of advance cargo information enabling risk assessment prior to the arrival of the cargo and the exchange of Customs information in a secure environment that will prevent the false submission of Customs declarations.

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<sup>1</sup> Holder: a legal or natural person authorized under the provisions of the TIR Convention to use the TIR system.

Figure 2  
Information flow between the actors of the eTIR system<sup>2</sup>



6. Figure 2 graphically represents the information exchange between the actors in the eTIR system as currently envisaged. It shows that only a part of the information flow, required for the functioning of the TIR procedure, will pass through the eTIR international system. It also indicates that the eTIR international system will not interfere with the submission of TIR declarations by transport operators. At the request of Contracting Parties and industry, the technical realization of electronic declaration systems will be left up to initiatives at private or national level.<sup>3</sup> However, the eTIR Project will define the content and format of the national declaration messages. The figure also shows that the eTIR international system will allow the exchange of information between Customs authorities of different countries (C2C information).

7. The establishment of the eTIR system will require parallel efforts from Contracting Parties and the guarantee chains to develop, update and interconnect national and private IT systems.

### III. Example of an eTIR transport

8. In the eTIR system, a holder first requests a guarantee from a guarantee chain to perform a given TIR transport. If the request is granted, the guarantee chain provides the holder with a guarantee reference number. The guarantee chain then registers the issued guarantee with the eTIR international system. As a next step, the holder sends a standard advance cargo information message (i.e. all information contained in the declaration) to the Customs authorities of the office of departure, using a national declaration mechanism, allowing them to perform any required risk assessment procedures. Then, the holder presents vehicle, goods and guarantee reference at the Customs office of departure for the purpose of lodging the declaration, based on the advance cargo information message already available in the national Customs system. Customs inspect vehicle and goods according to the results of the risk assessment and verify the status of the guarantee with the eTIR international system. If all checks are in order, Customs accept the declaration and forward the relevant TIR transport data (declaration data, results of the checks, seals

<sup>2</sup> Business to Business (B2B); Business to Customs (B2C); Customs to Business (C2B); Customs to Customs (C2C)

<sup>3</sup> Since its nineteenth session (September 2011), GE.1 started discussing proposals to introduce international declaration mechanisms that would make use of the eTIR international system to further facilitate the submission of Customs transit declarations by transport operators when abroad.

numbers, etc.) to the eTIR international system. The eTIR international system provides all Customs administrations involved in the TIR transport (according to the itinerary as declared by the holder) with the TIR transport information, thus serving as advance cargo information for the subsequent Customs authorities. The guarantee chain will be notified of any changes in the status of the TIR transport covered by its guarantee and can consult, at any time, the eTIR international system to obtain the latest information about guarantees it has issued.

9. Upon arrival at a consecutive Customs office of entry, the procedure is repeated, based on the advance cargo information available through the eTIR international system and the risk assessment performed by the Customs authorities involved. Specific steps are foreseen in case the TIR transport consists of multiple places of loading or unloading.

10. Each time the TIR transport reaches a Customs office of exit or destination, the Customs authorities inform the eTIR international system of the termination of the concerned TIR operation.<sup>4</sup> The same procedure applies for the notification of the discharge of each TIR operation.<sup>5</sup>

#### **IV. Benefits and challenges**

11. The eTIR system offers benefits to all actors involved in the TIR system. First, it brings additional security and risk management opportunities, thus reducing the risk of fraud. Second, advanced international cooperation will allow all actors to significantly reduce their administrative burden and to maximize the benefits of integrated supply chain management. Finally, the provision of advance cargo information and the exchange of information in real time will speed up the TIR procedure.

12. However, before the establishment of the eTIR system, a number of steps still need to be undertaken, such as, in particular:

- The finalization of the eTIR Reference Model;
- The adoption of amendments to introduce eTIR into the legal text of the TIR Convention, in a protocol to the Convention or the preparation of a new Convention;
- The development and financing of the eTIR international system.

#### **V. Cost Benefits Analysis**

13. At its forty-eighth session, further to requests from the Committee, WP.30 and GE.1, the TIR Executive Board (TIRExB) mandated the secretariat to conduct a Cost Benefit Analysis (CBA) of the eTIR Project (TIRExB/REP/2011/48final, para. 10). The final version of the CBA of the eTIR system, as delivered by the consultants who were

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<sup>4</sup> The information on termination is shared with the guarantee chain, providing it with more data than is requested by Annex 10 of the TIR Convention. At present, the SafeTIR system, developed by the International Road Transport Union (IRU) to collect the data mentioned in Annex 10, only receives data on terminations from Customs offices of destination (partial and final). As a consequence, terminations en route are currently not reported to that system.

<sup>5</sup> Currently, the TIR Convention does not contain provisions that enable the guarantee chain to obtain information on the discharge of TIR operations. Having in mind that it is the discharge of the TIR operation that relieves the guarantee chain from its obligations towards Customs (and not the termination), this new feature of the eTIR system will certainly help to improve the management of the guarantee system.

awarded the contract, is contained in Informal document GE.1 No.12 Rev.1 (2012).<sup>6</sup> On the basis of this document and at the request of GE.1, the secretariat is now preparing a document containing a summary of the consultants' CBA, in combination with an assessment by the secretariat, as well as recommendations. GE.1, at its spring 2013 session, may request the inclusion of this document as an annex to the eTIR Reference Model. Without pre-empting the outcome of the assessment by GE.1, it seems that hosting the eTIR international system at a neutral and internationally governed data centre, such as the premises of United Nations at Geneva (UNOG) or the International Computing Centre (ICC), could be the best feasible option when taking into account both technical and data protection requirements. This option could also provide returns on investment of a similar magnitude to those which could be realized by privately managed solutions.

## **VI. Considerations by the Committee**

14. In the light of the above, it is clear that GE.1 is nearing the completion of its mandate. Nevertheless, under instructions from WP.30, GE.1 still needs to deal with some substantial issues, such as the inclusion of international declaration mechanisms in the eTIR Reference Model and the possibility to dematerialize documents currently attached to the paper TIR Carnet. The activities of GE.1 are supported by a network of eTIR focal points, in which thirty-two out of the sixty-eight Contracting Parties to the TIR Convention are represented. It is expected that this network of eTIR focal points will remain active during the development and implementation of eTIR. Furthermore, a first eTIR pilot project is currently under consideration between Italy and Turkey. Finally, the global United Nations Development Account (UNDA) project: "Strengthening the capacities of developing countries and countries with economies in transition to facilitate legitimate border crossing, regional cooperation and integration" will benefit from the outcome of the work of GE.1, in particular the eTIR Reference Model. In December 2012, the final version of the project documents has been approved by United Nations Department of Economic and Social Affairs (DESA) and funds will be transferred to allow the start of the project in 2013.

15. The Committee is invited to support the ongoing progress made in the eTIR project towards the finalization of the eTIR Reference Model and the CBA and to prolong the mandate of the GE.1 to the year 2013.

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<sup>6</sup> [www.unece.org/trans/bcf/adhoc/conc\\_tech/conc\\_tech\\_inf\\_docs.html](http://www.unece.org/trans/bcf/adhoc/conc_tech/conc_tech_inf_docs.html)