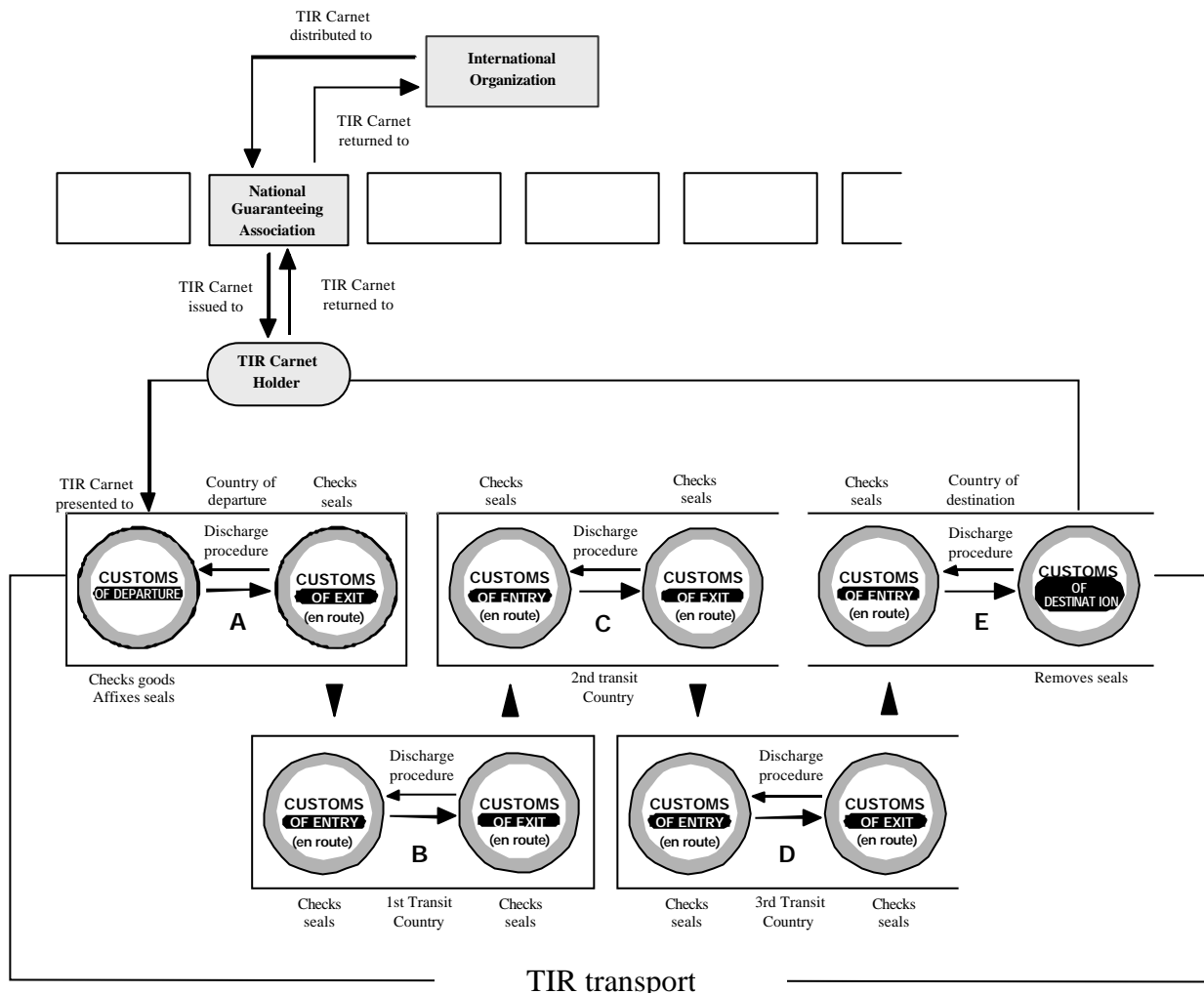


### 1.4 THE TIR SYSTEM IN OPERATION

The procedures described below show in a schematic way the operation of the TIR system in practice, with particular reference to the Customs control procedures (see Figure 3 below).

Figure 3: The TIR System in Operation



At the Customs office of departure, which usually is the one where export formalities are performed, the Customs authorities check the load on the basis of information supplied in the TIR Carnet (goods manifest) completed by the transport operator. Customs seals the load compartment, reports it in the TIR Carnet, keeps one sheet (white voucher) and fills-in the corresponding counterfoil. The TIR Carnet is handed back to the transport operator, who starts the transport operation. When crossing the outgoing border of that country, Customs checks the seals, detaches a second sheet (green voucher) from the TIR Carnet and fills-in the corresponding counterfoil. The vehicle may leave the country. The filled-in counterfoils by Customs provide evidence to the transport operator that the TIR operation in that country has been terminated.

Customs authorities will then proceed with the discharge of the TIR operation; i.e. the recognition by Customs that the TIR operation has been terminated correctly according to the following procedure (although other procedures, including the use of electronic means or central offices, may also be applied): the outgoing Customs office (i.e. that at the border) sends the detached sheet (green voucher) to the office of departure. The latter compares the received sheet with the one it initially retained. If there are no objections and no reservations by the outgoing office, the TIR operation can be discharged by the Customs authorities.

If the sheet, detached by the outgoing office, contains reservations, if it does not reach the Customs office of departure or if Customs authorities have any other reason to question the proper application of the TIR operation, an internal inquiry will be launched. Also the transport operator and the national guaranteeing association concerned will be informed that the termination of the TIR operation has been certified with reservations, or has not taken place at all or that other reasons have led to doubts about the proper application of the TIR operation and that they are requested to provide explanations. If these explanations do not satisfy the Customs authorities, they apply the provisions of the TIR Convention and national legislation to determine the taxes and duties due to Customs. If it appears impossible to collect these from the person(s) directly liable, Customs authorities advise the guaranteeing association that it will have to pay the claimed amount in accordance with the deadlines stipulated in the Convention.

In every traversed country, the system is similar to the one implemented in the country of departure. The incoming Customs office of transit checks the seals and withdraws one sheet from the TIR Carnet, and the outgoing office proceeds likewise. Both sheets are compared for a final control and the TIR operation can be discharged or, in the case of irregularities, submitted to the procedure outlined above. In the country of destination, if the incoming border office also is the office of destination, it fills-in the TIR Carnet, retains two sheets and becomes responsible for the goods to be transferred to another Customs procedure (warehousing, import clearance, etc.). If the load has to be carried to another Customs office in the same country, the incoming office acts like an incoming border office, and the next office inside the country becomes that of final destination.

The system normally is implemented as explained above, but the national administrative procedures and control prerogatives of every Customs office involved remain unaffected. If an office suspects fraud, finds seals faulty or fears the TIR Carnet has been tampered with, it will check the goods and it may, if appropriate, interrupt the TIR operation.

To provide more efficient controls, Customs may prescribe a transport route along which vehicles are easily spotted with the TIR plate they must bear. The journey should also be performed within a reasonable time limit. Transport operators who cannot abide by travel times or routes for any reason (flood, snow, breakdown of the vehicle, etc.) should be able to justify themselves. In more serious cases (broken seals, need for the transshipment of goods onto another vehicle, total or partial destruction of the load, etc.) the transport operator should obtain an official statement from any available local authority utilising the Certified Report contained in the TIR Carnet. On the basis of such a report, Customs authorities may start any inquiry needed.

Examples of best practices for the termination and inquiry procedure are contained in Section 5 of the TIR Handbook.

## **1.5 FUTURE DEVELOPMENT OF THE TIR SYSTEM**

### **1.5.1 WORLD-WIDE APPLICATION OF THE TIR SYSTEM**

The TIR system is promoted under the auspices of the United Nations to make it as widely available as possible for all countries wishing to make use of it. In 1984, the Economic and Social Council of the United Nations (ECOSOC) adopted a Resolution (1984/79) which recommends that countries world-wide examine the possibility of acceding to the Convention and introducing the TIR system. Furthermore, it recommends that international, intergovernmental and non-governmental organizations, and in particular the Regional Commissions of the United Nations, promote the introduction of the TIR system as a universal Customs transit system.

In accordance with this ECOSOC Resolution, activities have been undertaken to promote the application of the TIR Convention beyond the present 64 Contracting Parties. Several regional and sub-regional seminars and workshops have already been organized in Europe, Asia and the Middle East to familiarize Governments, trade and the transport industry with the facilities of the Convention.

Currently work is under way to extend the scope of the TIR system to Asia and to the Middle East. This work is undertaken in particular by the secretariats of the UNECE and the United Nations Economic and Social Commissions for Asia and the Pacific (UN ESCAP) and Western Asia (ESCWA) which promote the TIR system as one of the cornerstones for efficient international land transport in Asia and the Middle East. These efforts are supported by various international bodies and banks, such as the European Commission and the Asian Development Bank (ADB) which see the TIR system as an important element in facilitating road transport along the historic Silk route or in the Greater Mekong sub-region in Far-East Asia.

## **1.5.2 THE TIR SYSTEM AND ELECTRONIC DATA PROCESSING**

World-wide, the replacement of paper documents by electronic data processing is an ongoing process which will continue to gain further importance, also for Customs administrations and transport operators. This trend will increasingly affect Customs procedures and the documents used by Customs authorities.

The reasons are that Customs administrations are confronted with an enormous dilemma. On the one hand they are governed by laws which oblige them to collect and account for revenues in an effective and efficient manner and to prevent fraud and smuggling of contraband. On the other hand they are increasingly criticized by trading parties (importers, exporters, transport operators, freight forwarders) for not facilitating the speedy throughput of cargo.

Taking into account the limitations of Customs manpower and the increasingly sophisticated methods of Customs fraud and smuggling, there seems to be no other way than to increase productivity and Customs control by adapting national and international administrative procedures, making use of the latest technologies and electronic data processing.

Paper based systems, such as the present TIR Carnet, are in fact a very inefficient medium for data capture and data control. Therefore, as early as 1985, the UNECE has developed some ideas on the introduction of a dedicated microcircuit "smart card" or electronic TIR Carnet for international transport of goods by road which could replace the present paper-based TIR Carnet. While, at that time, it would have been complicated and expensive to put these ideas into reality, today structures like the Internet and universal formats such as XML (Extensible Markup Language), not only used by the private but also by the public sector, would allow a simple, secured and cost effective data exchange for the TIR system.

The introduction of an electronic control system for TIR Carnets, already devised and recommended by the TIR Administrative Committee in October 1995, was a first step in this direction. While the so-called SAFETIR system, developed and operated by the IRU on the basis of this recommendation of the Administrative Committee, cannot substitute the required national Customs transit procedures, it is already a very important tool to be used by the transport industry and the international guarantee chain in the application of risk management in the commercial operation of the TIR system. Access to the SAFETIR database by Customs authorities has also facilitated considerably inquiry procedures following the termination of national TIR operations.

The Contracting Parties to the TIR Convention have included the computerization of the TIR procedure into Phase III of the TIR revision process. They recognized that computerization of the TIR procedure was inevitable in the light of:

- today's extremely rapid technological developments, based on Internet and Smart Card technologies, particularly affecting international transport and trade;

- the ever increasing need for improved efficiency of Customs procedures and trade practices; and
- the fight against fraudulent activities which must be conducted with the most appropriate and effective means.

Given the large number and the diversified administrative structure of the more than 60 Contracting Parties to the TIR Convention, any computerized system must be able to function in a very decentralized and flexible manner on the basis of only a few internationally accepted standard features. This is a difficult, but challenging task. But there can be no doubt: The TIR system must be kept in line with the latest developments in electronic data processing techniques which have already and increasingly will change all related Customs, transport and trade activities. If not, the TIR system, particularly the paper-based TIR Carnet, will become an obstacle to efficient international transport and trade and will jeopardize effective national Customs procedures and controls.

This challenge will have to be met by all Contracting Parties to the TIR Convention, by national and international organizations as well as by the transport industry involved.

## 1.6 CONCLUSION

The TIR system, created more than 50 years ago and the TIR Convention, have proved to be a very effective international Customs transit system and have played an important role in facilitating international trade and transport, primarily within Europe, but more recently also between Europe and neighbouring areas.

With the rapid increase of East-West European traffic and with the emergence of many newly independent countries in Central and Eastern Europe, the TIR system is today faced with new and, to this extent, unprecedented challenges. At the same time Customs authorities are faced with an unparalleled amount of Customs fraud and smuggling as a result of changing political, economic and social situations in many countries in the region and due to often heavily increasing Customs duties and taxes.

Furthermore, the management and the control of the TIR system pose problems for national Customs authorities which, mainly in newly independent countries, sometimes still have to acquire the necessary experience and often do not have sufficient and adequately trained personnel.

To counter some of these unwanted developments, Governments and other actors in the TIR system sometimes impose unilateral measures, such as the requirement of additional guarantees for TIR transit operations or the exclusion of certain categories of goods which are not in line with the provisions and the spirit of the TIR Convention.

While such measures may provide some temporary relief, they will induce in the long run not only other countries to introduce similar measures, but they will also make international trade and transport more expensive and, eventually, may lead to a total collapse of the TIR transit system - with no viable alternative in sight.

The TIR Convention itself provides already a number of measures to safeguard the legitimate interests of Customs authorities, such as the requirement for escort services, prescription of transit routes and reduced transit times. Other measures may be prepared if Contracting Parties to the TIR Convention so wish.

Stable and long-term solutions can only be found in joint and concerted action by all concerned Contracting Parties to the TIR Convention. The TIR Executive Board (TIRExB) as well as the UNECE and its Working Party on Customs Questions affecting Transport (WP.30) provide a forum for such cooperation and coordination. Experience has shown that solutions to many recently emerged problems in the application of the TIR Convention have been found within the organs and bodies established in the framework of the TIR Convention and the UNECE.

It is the aim of the UNECE and the TIR secretariat to continue to work in this direction and to provide a well-functioning international machinery to further improve cooperation and coordination among Contracting Parties to the TIR Convention and the transport industry. It is essential to continuously improve the legal framework within which the TIR transit system operates and to streamline its operation so that the TIR transit system is always in line with the requirements of the transport industry and of the Customs authorities.

The United Nations, as a universal organization, is the depositary of the TIR Convention and provides the framework and the services to administer and, where necessary, adapt the TIR Convention to changing requirements. Past experience has shown that the TIR Convention, as part of the transport facilitation work undertaken within the UNECE, has served the interests of all concerned, Customs authorities and transport operators alike, and there is every reason to believe that it will continue to do so in the future.

## **1.7 INFORMATION ABOUT THE TIR SYSTEM**

Apart from the present TIR Handbook which exists in hard copy and electronic version in numerous languages, several other sources of information about the TIR Convention and its application in its Contracting Parties exist.

The most complete and permanently updated source of information is the UNECE TIR web site, jointly administered by the UNECE and TIR secretariat ([http://www.unece.org/trans/new\\_tir/welctir.htm](http://www.unece.org/trans/new_tir/welctir.htm)). This web site provides, in addition to the numerous language versions of the TIR Handbook, up-to-date information on the administration and application of the TIR Convention in all Contracting Parties. It contains the latest information on legal interpretations of the TIR Convention, on Depositary Notifications and on national and international control measures introduced by Customs authorities and the TIR Administrative Committee. The TIR web site also contains all documents and reports issued in connection with the sessions of the TIR Administrative Committee and the UNECE Working Party (WP.30) and its ad hoc expert groups (in English, French and Russian).

Furthermore, the UNECE secretariat maintains an international directory of national TIR Focal Points in all countries applying the TIR system. These experts from national Customs authorities and national associations may be contacted on the application of the Convention at the national level. Information on TIR Focal Points is also available on the TIR web site (password may be provided by the UNECE and TIR secretariat on request).

The UNECE and TIR secretariat also maintains an international register of Customs sealing devices and Customs stamps used under the TIR Convention which is available for restricted use by concerned Customs authorities.

The UNECE secretariat, the TIR Executive Board (TIRExB) and the TIR secretariat can be reached as follows: Office 410, Palais des Nations, CH-1210 Geneva (Switzerland); Tel: +41-22-917-2453; Fax: +41-22-917-0039 or +41-22-917-0614; E-mail: [tirexb@unece.org](mailto:tirexb@unece.org).

### 1.8 TIR CARNETS ISSUED BY THE IRU TO NATIONAL ASSOCIATIONS

Countries	1996	1997	1998	1999	2000	2001
Albania	1,200	200	0	0	0	250
Austria	21,000	25,150	34,550	11,150	15,100	21,000
Armenia	-	-	-	-	-	200
Azerbaijan	-	300	600	650	4,000	3,600
Belarus	110,200	160,000	157,000	201,000	230,200	232,000
Belgium/Luxemburg	4,700	3,850	2,900	2,600	2,400	2,200
Bulgaria	136,000	215,000	181,000	149,000	205,000	211,000
Croatia	2,650	11,600	7,800	6,650	7,700	7,900
Cyprus	950	1,400	800	1,050	1,000	1,150
Czech Republic	66,050	63,450	41,400	34,750	32,550	34,700
Denmark	20,000	11,500	5,500	12,900	7,350	6,350
Estonia	41,000	63,000	77,000	61,500	79,600	97,000
Finland	28,200	65,500	36,500	20,700	17,000	20,300
France	21,150	21,350	21,650	19,500	18,750	14,250
Georgia	300	500	300	900	1,000	2,500
Germany	77,200	67,500	41,500	31,250	41,400	42,950
Greece	22,500	34,150	27,500	18,500	20,000	22,000
Hungary	267,300	261,450	234,000	180,400	150,600	123,500
Iran (Islamic Republic of)	20,000	30,000	30,000	30,000	30,000	15,000
Ireland	50	0	0	0	0	0
Israel	-	-	-	-	500	0
Italy	37,000	42,000	41,000	33,000	40,000	41,000
Jordan	2,000	2,500	2,000	700	0	150
Kazakhstan	2,000	0	3,500	9,000	10,400	5,000
Kuwait	-	-	500	0	500	0
Kyrgyzstan	-	-	-	-	100	550
Latvia	71,400	106,200	111,300	88,500	127,500	110,300
Lebanon	-	-	-	150	0	0
Lithuania	105,700	177,000	195,000	178,000	247,000	265,900
Morocco	0	0	0	0	0	0
Netherlands	103,650	96,300	73,800	28,150	46,450	35,450
Norway	1,500	2,000	1,000	500	500	24,500
Poland	367,300	317,350	323,100	293,000	244,500	167,000
Portugal	100	100	0	100	0	0
Republic of Moldova	8,500	15,000	12,000	18,050	18,000	21,100
Romania	138,000	177,500	239,800	227,400	333,000	363,800
Russian Federation	145,000	191,500	218,000	174,350	236,800	192,800
Slovakia	102,800	112,800	80,950	40,700	35,550	31,100
Slovenia	38,000	28,100	42,100	16,900	20,500	19,300
Spain	3,000	2,000	2,000	1,000	1,000	2,000
Sweden	19,900	6,700	7,600	5,300	4,900	5,200
Switzerland	5,050	4,000	4,800	2,000	2,200	3,200
Syrian Arab Republic	-	-	-	500	700	1,400
The Former Yugoslav Republic of Macedonia	48,000	32,550	19,400	26,100	17,050	22,100
Tunisia	-	-	-	-	-	-
Turkey	263,000	307,000	307,000	279,000	336,000	327,000
Turkmenistan	-	-	-	-	-	150
Ukraine	91,000	113,000	128,000	128,000	184,000	200,000
United Kingdom	27,900	19,900	19,600	10,500	10,900	9,800
Uzbekistan	600	250	450	600	900	600
Yugoslavia	-	-	-	-	-	700
<b>Total</b>	<b>2,422,350</b>	<b>2,789,650</b>	<b>2,732,900</b>	<b>2,344,000</b>	<b>2,782,600</b>	<b>2,707,950</b>

## **1.9 ADHERENCE TO AND IMPLEMENTATION OF THE TIR CONVENTION, 1975**

An overview of the steps to be taken by all parties to the TIR system - Governments, national guaranteeing associations, transport operators and international organizations - in order to adhere to and to benefit from the provisions of the TIR Convention are given below.

### **1.9.1 RESPONSIBILITY OF THE GOVERNMENT**

- Acceptance of the TIR Convention in accordance with national law (i.e. publication in the national public law journal);
- Deposit of an instrument of accession at the Legal Office of the United Nations in New York (depository) (Article 52 of the Convention);
- Authorization of (a) national guaranteeing organization(s) (Article 6 and Annex 9, Part I of the Convention);
- Authorization of persons to utilize TIR Carnets Article 6, Annex 9, Part II of the Convention);
- Publication of a list of Customs offices approved for accomplishing TIR operations (Article 45 of the Convention);
- Training of Customs officials in the operation of TIR Customs procedures;
- Establishment or designation of an authority responsible for the approval of road vehicles and containers (Article 12 of the Convention);
- Deposit of the following documentation and information with the TIR Executive Board (TIRExB):

#### International guarantee system

- A certified copy of the written agreement or any other legal document between the competent authorities (Customs) and the national associations as well as any modifications thereto (Deadline: as soon as possible);
- A certified copy of the insurance or financial guarantee contract as well as any modifications thereto (Deadline: as soon as possible);
- A copy of the (annually to be renewed) insurance certificate (Deadline: as soon as possible).

#### Controlled access to the TIR procedure

- The particulars of each person authorized by the competent authorities to use TIR Carnets or whose authorization has been withdrawn (Deadline: within one week);

- A complete and updated list of all persons authorized by the competent authorities to use TIR Carnets or whose authorization has been withdrawn (Deadline: as per 31 December each year and as soon as possible);
- The particulars of each person excluded from the operation of the Convention in accordance with Article 38 (Deadline: within one week).

#### National control measures

The details of any national control measures that competent national authorities intend to introduce in accordance with Article 42 bis (deadline: as soon as possible).

### **1.9.2 RESPONSIBILITY OF THE NATIONAL GUARANTEEING ASSOCIATION**

- Conclusion of a contract (agreement) of commitment with the national Customs authorities;
- Conclusion of a written agreement on the functioning of the international guarantee system with an international organization (at present the International Road Transport Union, (IRU) is managing the only existing international guarantee system) (Explanatory Note 0.6.2 bis);
- Conclusion of a declaration of commitment with the transport operator requesting TIR Carnets (the guaranteeing association can require a bank guarantee or a deposit);
- Issuance of TIR Carnets to approved transport operators (Article 6, paragraph 3 of the Convention);

- Transmission to the competent national authority of the following documentation and information:

International guarantee system

- A certified copy of the insurance or financial guarantee contract as well as any modifications thereto (Deadline: as soon as possible);
- A copy of the (annually to be renewed) insurance certificate (Deadline: as soon as possible).

Controlled access to the TIR procedure

- The particulars of each person requesting authorization from the competent authorities to use TIR Carnets;
- A complete and updated list of all persons authorized by the competent authorities to use TIR Carnets or whose authorization has been withdrawn (Deadline: as per 31 December each year within one week following 31 December).

**1.9.3 RESPONSIBILITY OF THE TRANSPORT OPERATOR**

- Conclusion of a declaration of commitment with the national guaranteeing association (stipulating the conditions for use of TIR Carnets);
- Procurement of a certificate of approval for road vehicles and containers to be delivered by competent national inspection authorities;
- Mounting of the TIR plate on road vehicles and containers (Article 16 of the Convention).

#### **1.9.4 RESPONSIBILITY OF THE INTERNATIONAL ORGANIZATION (AT PRESENT: IRU)**

- Procurement of the acceptance of the national guaranteeing association by an international insurance or guarantee system;
- Procurement of the authorization to print and distribute TIR Carnets, granted by the TIR Administrative Committee (Annex 8, Article 10 (b));
- Procurement of the authorization to take on responsibility for the effective organization and functioning of an international guarantee system, granted by the TIR Administrative Committee (Article 6, paragraph 2 bis of the Convention);
- Conclusion of written agreements on the functioning of the international guarantee system with national guaranteeing associations, (Explanatory Note 0.6.2 bis);
- Information to all national guaranteeing associations and to national Customs authorities on the authorization of new guaranteeing associations;
- Administration of the TIR Carnet system, including central printing and distribution of TIR Carnets to national guaranteeing associations;
- Administration of the TIR guarantee system;
- Representation concerning the TIR system and participation in the:
  - TIR Administrative Committee (Annex 8, Article 1 (ii) of the Convention);
  - TIR Executive Board (TIRExB) (Annex 8, Article 11, paragraph 5 of the Convention);
  - UNECE Working Party on Customs Questions affecting Transport (WP.30);
  - TIR Contact Group.