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**ADMINISTRATIVE COMMITTEE  
FOR THE TIR CONVENTION, 1975**

**TIR Executive Board (TIRExB)**

(Eighteenth session, 16, 17 and 20 June 2003,  
agenda item 9)

**PREVENTION OF CUSTOMS FRAUD WITH THE TIR SYSTEM**

**Letters to OLAF and WCO**

**Note by the TIR secretariat**

At its seventeenth session, the TIRExB generally endorsed the draft letters to OLAF and WCO, contained in Informal document No. 12 (2003). However, the TIRExB decided to review the draft letter to OLAF, taking account of some technical proposals for improvement, submitted by Mr. J. Marques ((European Community) at the meeting, aimed at better addressing the specific environment in which OLAF is fulfilling its tasks. The TIRExB requested the secretariat to finalize the WCO draft, taking account of some minor linguistic changes, and to submit a revised draft letter to OLAF to the Board, via e-mail, for final approval (TIRExB/REP/2003/17draft, para. 34). In line with this request, the TIR secretariat has finalized and transmitted both letters which are reproduced for information in underlying document.

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Annex 1



**NATIONS UNIES**

**ОБЪЕДИНЕННЫЕ НАЦИИ**

**UNITED NATIONS**

**COMMISSION ÉCONOMIQUE  
POUR L'EUROPE**

**ЭКОНОМИЧЕСКАЯ КОМИССИЯ  
ДЛЯ ЕВРОПЫ**

**ECONOMIC COMMISSION  
FOR EUROPE**

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Palais des Nations  
CH-1211 GENEVE 10

Ref. No.: TRANS E. B.1.1/291

6 May 2003

Dear Mr. Brüner,

For more than 50 years, the TIR Convention, prepared under the auspices of the United Nations Economic Commission for Europe (UNECE), has proved to be one of the most effective international instruments in its field. It provides the trade and transport industries of a growing number of countries with a simple, straightforward and effective tool to transport goods across borders. To date, the TIR Convention has 64 Contracting Parties. It covers the whole of Europe and reaches out to North Africa, the Near and Middle East and Central Asia. In 2002, over 3,000,000 TIR Carnets were issued to more than 34,000 authorized TIR Carnet holders.

Despite ongoing amendments over the years to improve the security and reliability of the system, the TIR Convention, like other similar international Customs transit systems, has experienced considerable difficulties in the early nineties, due to the activities of international organized crime and to the vulnerability of Customs controls. In order to remedy this situation, a number of measures to secure the TIR system have been adopted and work on a major revision of the TIR system has been initiated.

Mr. F.H. Brüner  
Director of the European Anti Fraud Office (OLAF)  
European Commission  
Rue Joseph II, 30  
B- 1000 BRUSSELS

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cc. Mr. A. Wiedow, Director Customs Policy, DG Taxation and Customs Union, European Commission

Phase I of the TIR revision process entered into force in 1999 and introduced controlled access to the TIR system for transport operators, national TIR issuing and guaranteeing associations as well as for the international organization responsible for the centralized printing and distribution of TIR Carnets. Phase I also provided for transparency in the functioning of the international guarantee system and established an inter-governmental supervisory organ, the TIR Executive Board (TIRExB).

A second package of amendments to the TIR Convention (Phase II), which came into force on 12 May 2002, clearly and unequivocally stipulates the legal and administrative responsibilities of Customs authorities, transport operators and the international organization which, since that date, has also become officially responsible for the effective organization and functioning of the international guarantee system.

Work on Phase III of the TIR Revision process is also under way, with a view to allowing inter alia the use of modern electronic data processing mechanisms in the TIR system without changing its basic philosophy nor its recently modernized legal and administrative structure.

In addition to this major revision process, aimed at strengthening the TIR Convention from within, thus rendering it less susceptible to fraud induced activities, the battle against fraud remains a top priority for all the actors involved in the TIR system. The prevention of abuse of the system is a recurrent agenda item at the sessions of the UNECE Working Party on Customs Questions affecting Transport (WP.30), which, inter alia, deals with TIR-related issues and of the TIRExB, the main task of which it is to supervise and provide support in the application of the TIR Convention at the national and international levels. Within the context of its mandate, the TIRExB is requested to coordinate and foster the exchange of intelligence and other information among competent authorities of Contracting Parties.

The TIRExB has decided that the issue of how to prevent the abuse of the TIR system by organized crime will be a priority area for its work in the year 2003. In line with the aforementioned mandate the TIRExB has requested the TIR secretariat to approach the main stakeholders in the field of Customs enforcement in order to obtain clarification with regard to current fraud patterns and, if possible, the extent of fraud within the TIR system.

It is a well-known fact that one of the main objectives of your organization is the fight against fraud, with the aim to protect the financial interest of the European Union. To achieve this, it is understood that your organization conducts internal and external investigations, fosters the close and regular co-operation between the competent authorities of the EU member states and provide authorities with its support and know-how.

Because of the longstanding experience OLAF has in the field of combating international Customs fraud, I should appreciate if you could provide the TIRExB with any relevant information you may have acquired in the course of your work with regard to current patterns of Customs fraud committed within the TIR system or in other transit systems. I realize, however, that it may not always be possible for you to translate the intelligence you have into the type of information sought by the TIRExB. Any such information would, of course, be treated with delicacy, taking account of its possible confidential nature. In any event, this contact could be seen as a first step to establish a regular exchange of information and a possible co-operation between OLAF, TIRExB and the UNECE Working Party on Customs Questions affecting Transport on this important matter, which is increasingly endangering the continuity of legitimate international trade.

It goes without saying, that the TIR secretariat is ready, at your convenience, to further discuss the issue and would be willing to assist in any future activity you may undertake, which deals with the subject.

Yours sincerely,

Poul Hansen  
Acting TIR Secretary  
Economic Affairs Officer  
Border Crossing Facilitation Section  
Transport Division

Annex 2



**NATIONS UNIES**

**ОБЪЕДИНЕННЫЕ НАЦИИ**

**UNITED NATIONS**

**COMMISSION ÉCONOMIQUE  
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**ЭКОНОМИЧЕСКАЯ КОМИССИЯ  
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Ref. No.: TRANS E. B.1.1/292

6 May 2003

Dear Mr. Danet,

For more than 50 years, the TIR Convention, prepared under the auspices of the United Nations Economic Commission for Europe (UNECE), has proved to be one of the most effective international instruments in its field. It provides trade and transport industries of a growing number of countries with a simple, straightforward and effective tool to transport goods across borders. To date, the TIR Convention has 64 Contracting Parties. It covers the whole of Europe and reaches out to North Africa, the Near and Middle East and Central Asia. In 2002, over 3,000,000 TIR Carnets were issued to more than 34,000 authorized TIR Carnet holders.

Despite of the ongoing amendments over the years to improve the security and reliability of the TIR system, the TIR Convention, like other similar international Customs facilitation systems, has experienced considerable difficulties in the early nineties, due to the activities of international organized crime and the vulnerability of Customs administrations to those activities. In order to remedy this situation, a number of measures to secure the TIR system have been adopted and work on a major revision of the TIR system has been initiated.

Phase I of the TIR revision process entered into force in 1999 and introduced controlled access to the TIR system for transport operators, national TIR issuing and guaranteeing associations

Mr. M. Danet

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Secretary General

World Customs Organization

Rue du Marché 30

B – 1210 BRUSSELS

c.c. Mr. J.R. van Kuik, chairman Enforcement Committee

as well as for the international organization responsible for the centralized printing and distribution of TIR Carnets. Phase I also provided for transparency in the functioning of the international guarantee system and established an inter-governmental supervisory organ, the TIR Executive Board (TIRExB).

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Work on Phase III of the TIR Revision process is also under way, with a view to allowing inter alia the use of modern electronic data processing mechanisms in the TIR system without changing its basic philosophy nor its recently modernized legal and administrative structure.

In addition to this major revision process, aimed at strengthening the TIR Convention from within, thus rendering it less susceptible to fraud induced activities, the battle against fraud remains a top priority for all the actors involved in the TIR system. The prevention of abuse of the system is a recurrent agenda item at the sessions of the UNECE Working Party on Customs Questions affecting Transport (WP.30), which, inter alia, deals with TIR-related issues and of the TIRExB, the main task of which it is to supervise and provide support in the application of the TIR Convention at the national and international levels. Within the context of its mandate, the TIRExB is requested to coordinate and foster the exchange of intelligence and other information among competent authorities of Contracting Parties.

The TIRExB has decided to treat the issue of how to prevent the abuse of the TIR system by organized crime as a priority area for its work in the year 2003. In line with the aforementioned mandate the TIRExB has requested the TIR secretariat to address the main stakeholders in the field of Customs enforcement in order to obtain clarification with regard to current fraud patterns and, if possible, the extent of fraud within the TIR system.

It is a well-known fact that the WCO, for decades already, strives to promote and improve the co-operation between its Member Governments in order to combat Customs and other transnational offences. The Enforcement Committee, as one of the principal Committees of the WCO, has as its main tasks the protection of society and the collection of national revenues, while at the same time facilitating legitimate trade.

Because of the longstanding experience WCO has in the field of combating international Customs fraud, I should appreciate if you could provide the TIRExB with any relevant information whether WCO and/or its Enforcement Committee has so far paid any particular attention or has gained any specific experience related to Customs fraud committed within the TIR system or in other transit systems and to any fraud prevention measures introduced in this respect. Any such

information would, of course, be treated with delicacy, taking account of its possible confidential nature. If it turns out, that the issue has not yet received your particular attention, it would be much appreciated if you could initiate the matter being discussed at the relevant level. This could be seen as a first step to establish a regular exchange of information and a possible co-operation between WCO, TIRExB and the UNECE Working Party on Customs Questions affecting Transport on this important matter, which is increasingly endangering the continuity of legitimate international trade.

It goes without saying, that the TIR secretariat is ready, at your convenience, to further discuss the issue and would be willing to assist in any future meeting you may organize, which deals with the subject.

Yours sincerely,

Poul Hansen  
Acting TIR Secretary  
Economic Affairs Officer  
Border Crossing Facilitation Section  
Transport Division