



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

TIR Executive Board (TIRExB)

(Twenty-fifth session, 27 and 28 January 2005,
agenda item 6 (d))

PREVENTION OF CUSTOMS FRAUD WITHIN THE TIR SYSTEM

Rules and procedures prescribed for the issue of TIR Carnets by national associations

Transmitted by the International Road Transport Union (IRU)

TIRExB expressed the wish to be informed about rules and procedures for the issue of TIR Carnets by National Associations (TIRExB/REP2004/22, §10 and § 46).

First of all, it goes without saying that each and every National Association allowed by the IRU to issue and guarantee TIR Carnets must be covered for the guarantee given to Customs by a global contract concluded by the IRU with an International Financial Institution.

Additionally, every TIR Carnet issued by the Association must be covered through a National Financial Institution aiming at covering the Holder's liabilities towards the guarantee chain.

The general rules reproduced hereafter are extracts from the **Deed of Engagement** signed by each National Association.

Prerequisites for issuance of TIR Carnet

- Relations between the Association and the transport companies admitted to the TIR system shall be governed by the **TIR Convention**, the **Declaration of Engagement** (signed by the transport company with its respective national Association) and the **instructions** issued by the Competent Bodies of IRU and the Association.
- Prior to admitting any transport company to the TIR scheme the Association shall apply the national procedure implementing Art. 6 and Annex 9 of the TIR Convention and shall satisfy itself in particular as to the applicants' professional competence and financial status and allocate a **TIR Carnet quota** appropriate to the applicants standing and operations.
- Before any TIR Carnets are issued the transport company must provide the Association with a **guarantee** for, at least, the minimum amount determined by the Competent Bodies of IRU, and must sign the Declaration of Engagement.
- The Association shall require **higher** or additional **guarantees** for certain categories of goods or types of operation as determined by the Competent Bodies of IRU.
- The Association may **refuse to issue TIR Carnets** to a Holder, as confirmed in paragraph 6 of Part II, Annex 9 to the TIR Convention. Where this refusal arises from a breach of the TIR rules full details must be communicated to all other TIR Carnet issuing Associations in the same country. These Associations shall also refuse to issue TIR Carnets to this Holder.
- The Association is authorised, on an exceptional basis and following procedures determined by the Competent Bodies of IRU, **to issue TIR Carnets to a foreign haulier** registered and resident of a country where the TIR regime is functional and where the international guarantee is operational.
- The Association has to strictly control the respect of the **interdiction imposed on holders duly authorised and admitted to the TIR System** to have, for the realisation of transports under cover of TIR Carnets, direct or indirect commercial relations with holders to whom access to TIR Carnets has been withdrawn, or with hauliers registered or established in a country where the TIR regime is not functional or where the latter has been suspended.
- The Association undertakes to respect the periods of **validity of TIR Carnets**.
- The Association should, with the help of IRU, introduce **training courses** for those using or handling TIR Carnets.

Furthermore, the **procedures** prescribed by the competent Bodies of IRU for the issue of TIR Carnets by National Associations are contained in the **Association's TIR Manual**. It has been elaborated in order to provide Associations with assistance and orientation within the framework of the TIR procedures management. It is an integral part of the contractual relationship between the IRU and the national Associations

The following extracts constitute the most relevant points regarding the procedures involved for the issue of TIR Carnets by Associations:

Procedures for admitting applicants to the TIR Scheme

The objective of having controls over admission to the TIR Scheme is to try and ensure it is only open to those who satisfy the Association and the Customs Authorities that they are genuine, adequately resourced businesses with sufficient knowledge of International transport and related transit systems.

- A. Following revision of the TIR Convention part II of new annex 9 sets out the minimum criteria which natural or legal persons must meet before they can be authorised to use TIR Carnets.
- B. Admission to the TIR Scheme is a two-stage process. One stage involves an initial application to the Issuing Association which will apply IRU rules and carry out its own checks to ensure that it considers the applicant is suitable to join the TIR Scheme.
- C. The other stage involves obtaining the approval of the Customs Authorities. The order in which these stages are completed and the exact procedure for obtaining the approval of the Customs Authorities will be determined at national level **but in no circumstances can TIR Carnets be issued until both stages have been completed satisfactorily.**
- D. To comply with the TIR Convention as amended the Association must check to ensure that any applicant seeking to join the TIR Scheme has:
 - proven experience or, at least, capability to engage in regular international transport, for example, by being the Holder of an international operator's licence or other relevant authorisations,
 - sound financial standing,
 - proven knowledge in the application of the TIR Convention,
 - absence of serious or repeated offences against Customs or Tax legislation.
- E. It is recommended that Associations have written guidelines on the criteria to be used when assessing applications for admission to the TIR Scheme. It is recognized that Associations will have their own application forms but it is important that all these require the applicant to give basic information as a minimum.
- F. It is recommended that Associations send applicants, in addition to the application form, full details of the rules and obligations they will have to observe if they join the TIR Scheme.
- G. Where the applicant satisfies the requirements mentioned in § D above, the Association should, in accordance with the procedure established at national level, fill-in and submit for the approval by the Customs authorities a Model Authorisation Form (MAF) as foreseen in Annex 9, Part II of the TIR Convention. For the purpose of filling-in the MAF the Association should assign a unique TIR Carnet holder's identification number to the applicant. This number should be of the form **AAA/BBB/X.....XX**, whereby the three components should be separated from each other by a slash ("/") and represent the following:
 - AAA** the three-character abbreviation of the country in accordance with the classification system of the International Organisation for Standardisation (ISO);

- BBB** the three-digit code of the Association having authorised the TIR Carnet Holder in accordance with the classification system of the IRU;
- X.....XX** a consecutive number of digits identifying the new TIR Carnet Holder in accordance with Annex 9, Part II of the TIR_Convention.
- H. In order to facilitate filling-in of TIR Carnets at the time of issue, it is recommended that Associations ask each TIR Carnet holder approved by both the Association and the Customs authorities to provide a stamp indicating his particulars and containing the unique identification number. Such a stamp should be inserted in Field 3 on the front cover, box 4 on all vouchers, and in box 5 of the certified report (procès-verbal de constat) of the TIR Carnet.
- I. When the application has been approved by the Customs Authorities and the Association the applicant should sign two copies of the Declaration of Engagement. One copy must be retained by the applicant, the other returned to the Association to be kept on his TIR file. He should also receive a copy of the Holder's Manual together with a receipt for him to sign to say that he has received it and agrees to comply with the rules contained in it.
- J. In no circumstances should any Carnets be issued until Customs authorisation has been given and the signed Declaration of Engagement and the signed receipt for the Manual have been received back by the Association and the appropriate guarantee(s) have been lodged.
- K. The Association must keep detailed records of all companies which have been admitted into the TIR Scheme. These records must include as a minimum:
- Holders name,
 - Holders' unique number,
 - full address,
 - details of telephone, fax and e-mail numbers,
 - company or other legal registration number,
 - date of admission to the TIR Scheme,
 - details of guarantee(s) - amount and type,
 - copy of the signed Declaration of Engagement,
 - signed receipt for the Holder's Manual and its successive addenda,
 - where possible, and subject to the constraints of national legislation, a list of vehicles authorised for TIR transport and registered in the name of the Holder,
 - where applicable, documents giving the details of persons authorised to collect TIR Carnets.
- L. All Holders must be allocated a **TIR Carnet quota**. The quota is the number of TIR Carnets that are permitted to be outstanding at any time (i.e. issued to the Holder but not returned) and must be reasonably reflective of the international transport operations undertaken by the Holder (for example 2 TIR Carnets per truck involved in TIR transport). The quota can be reduced or increased at any time at the Association's discretion.

Issue of TIR Carnets to the Association's own members

- A. TIR Carnets may only be issued to companies which have been properly admitted to the TIR Scheme and who are not currently suspended or excluded, either by the Association or the national Customs administration, and provided the issue will not exceed the Holder's quota limits.
- B. All orders must be placed or recorded in writing and there must be procedures to ensure these are only accepted from bona fide persons authorized to legally represent the Holders Company.
- C. Before issuing a TIR Carnet the Association staff must complete on the 1975 TIR Carnet cover:
 - Line 1 – Expiry date;
 - Line 2 – Name of Issuing Association;
 - Line 3 – Name, unique number, address and country of Holder;
 - Line 4 – Authorised signatory of Issuing Association.

Where the TIR Carnet is collected in person from the Association it is highly recommended that the Holder or his representative be requested to complete box 4 of the yellow manifest in the Association premises where it has not already been completed by the Association.

- D. For the purposes of calculating the expiry date the maximum validity of a TIR Carnet is 60 days from the date of issue, without any extension.
- E. It should be noted that under Article 9 of the TIR Convention a TIR Carnet which passes its validity date in the course of a journey must continue to be accepted by Customs Authorities en route and at destination provided it was accepted by the Customs office of departure on or prior to the final validity date.
- F. The Holder must be instructed to complete box 4 (Holder's name, unique number, his address and country) on all the volets including the yellow manifest and box 5 on the Procès-verbal de constat. At the time of issue the Association must make a record which will allow the Holder of the TIR Carnet to be identified. There must also be a record for each TIR Carnet Holder showing the quantity, serial numbers and dates of issue and expiry of all TIR Carnets issued to him.
- G. For each TIR Carnet it issues the Association shall provide IRU daily and electronically, in a format defined by IRU:
 - The number of the TIR Carnet;
 - the Holder's unique number;
 - the date of issue ;
 - the expiry of validity date;
- H. The Association must limit the number of persons authorized to collect TIR Carnets. It must record them and give TIR Carnets only to persons duly registered by the TIR Association.

- I. Where TIR Carnets are collected from an office of the Association there must be checks on the identity and authority of the person collecting the TIR Carnets. It is recommended that Associations create a "delivery note" with full details of the Holder, the date the TIR Carnets were collected, the TIR Carnet numbers and the identification details of the person collecting the TIR Carnets. The delivery note should be in duplicate and be signed by the representative of the Holder and of the Association. One copy should be retained by the Association.
- J. Where TIR Carnets are not collected in person, delivery of TIR Carnets to the Holder must be by registered post or other means which provides evidence of the fact that TIR Carnets have effectively reached the Holder. Delivery by registered post or courier should always be made only to an address of the Company.

Requesting a Foreign Association to Issue a TIR Carnet

- K. An Association may request a foreign Association to issue a TIR Carnet to one of its Holders. Such a Request must always be made in writing and include:
 - the Holders full name, address, phone and fax numbers;
 - the Holders unique TIR Authorisation number;
 - registration number of the vehicle for which the TIR Carnet is required;
 - details of the Holders representative who will be collecting the TIR Carnet from the foreign Association including his passport or identification card number.

Issue of TIR Carnets to a foreign operator

- A. A TIR Carnet may be issued to a foreign operator only on receipt of a request or authorization in writing from the Association to which the Holder belongs. Any request or authorization must include the Holder's full name and number, address, telephone number, fax number and registration number of the vehicle for which the TIR Carnet is required. Details should also be given of the Holder's representative who will be collecting the TIR Carnet from the Association including his passport, identification card number or other official document verifying his identity.
- B. Once an Association is satisfied that it has the necessary information and authority to issue the TIR Carnet it must then ensure that:
 - The Holder or his representative fills in, in the presence of Association staff, the front cover (Field 3), Yellow Manifests and volets (box 4) and the Procès-verbal de constat (box 5) with his name, unique number, address, telephone and fax number (these should be checked against the information provided by his Association).
 - The Holder or his representative signs Field 12 of the front cover.
- C. The validity date of a TIR Carnet issued to a foreign transport operator must not exceed 10 days and cannot be extended in any circumstances and the TIR Carnet is issued under the responsibility of the Association to which the Holder belongs.

- D. The Association issuing the TIR Carnet must immediately inform IRU by fax using the standard form with a copy to the foreign Association of:
- the number of the TIR Carnet issued;
 - the name, unique number and address of the Holder;
 - the name of the person who received the TIR Carnet;
 - the copy of the fax of authorisation.
- E. Where an Association receives back from one of its Holders a used TIR Carnet issued by a foreign Association it should inform that Association so it can complete its records, and obtain the related SafeTIR information.

Validity of TIR Carnets

- A. The maximum validity period for all TIR Carnets - 4, 6, 14 and 20 volets is:

Date of issue of the TIR Carnet plus maximum 60 days.

This date is a part of the data to be transmitted electronically to the IRU on a daily basis.

- B. It should be noted that under Article 9 of the TIR Convention a TIR Carnet which passes its validity date in the course of a journey must continue to be accepted by Customs Authorities en route and at destination provided it was accepted by the Customs office of departure on or prior to the final validity date.
- C. In no circumstances can the validity date be changed or extended.
- D. Remember a TIR Carnet issued to a foreign Holder by a third Association may only have a maximum period of validity of 10 days and cannot be extended in any circumstances.

TIR Carnets used for transporting heavy or bulky goods

- A. Heavy or bulky goods are defined in the TIR Convention as “any heavy or bulky objects which because of its weight, size or nature are not normally carried in a closed vehicle or closed container”.
- B. Customs Authorities at the office of departure have the discretion to permit heavy or bulky goods to be carried by means of non-sealed vehicles or containers. The Holder does not require the certificate of approval for road vehicles or containers which are used for the carriage of heavy or bulky goods.
- C. At the request of the Holder the Association can issue Carnets for the transport of heavy or bulky goods. These are ordinary Carnets but the cover and all the volets must be endorsed in bold letters with the words “Heavy or Bulky Goods” in English or “Marchandises Pondéreuses ou Volumineuses” in French. Carnets so endorsed are sometimes referred to as “open Carnets”.

- D. There are no other special procedures, guarantee or insurance requirements relating to the issue of Carnets for the carriage of heavy or bulky goods.

TIR Carnets used for transporting "High Risk" goods

- A. The carriage of certain goods is completely prohibited under TIR Carnets. These are:
- Alcohol and derived products (HS Codes 22.07.10 and 22.08), except for beer or wine.
 - Tobacco and derived products (HS Codes 24.02.10, 24.02.20 and 24.03.10), except for raw tobacco.
- B. Certain other goods are completely prohibited from carriage under TIR Carnets but only within EU Member States, in most cases these goods are also subject to specific restrictions and conditions for carriage under the T system. Finally there is a group of goods which IRU has designated "High Risk" and can only be transported under strict rules and procedures and on condition that the TIR Carnet Holder has lodged an additional guarantee.
- A table containing the information is remitted to each Association and shows which rules apply to the various categories of goods referred to above..
- C. The rules relating to "High Risk" goods only apply where these constitute more than 10% of the load carrying capacity of the vehicle by weight.
- D. Prior to carriage of "High Risk" goods under a TIR Carnet the Holder must have lodged an additional guarantee.
- E. When transporting "High Risk" goods the Holder must use TIR Carnets with the letters MHR/HVG endorsed on the yellow manifest not for Customs use (item 10)
- F. Where a Holder, who has already lodged the "High Risk" guarantee, needs to use a TIR Carnet which has not been endorsed MHR/HVG, for example for an unanticipated return load, he may be permitted to do so provided he notifies the Issuing Association giving the number of the TIR Carnet concerned. On return of the TIR Carnet the Association must stamp it MHR/HVG and process it as if it had been issued with the MHR/HVG letters already endorsed. The Holder can be advised he can endorse the TIR Carnet himself but only on the yellow manifest.
- G. There is nothing to prevent a Holder using a TIR Carnet which has been endorsed MHR/HVG for the carriage of ordinary goods and he should simply cross out the endorsement when doing so.
- H. The Holder must be made aware of the special conditions relating to the carriage of "High Risk" goods.

Procedures to ensure return of TIR Carnets to the Association by the Holder

- A. The objective of these procedures is to ensure Holders return Carnets quickly so that the Customs SafeTIR data can be checked and any potential problems or irregularities detected as

early as possible. On return of the TIR Carnet to the Association, provided it was correctly used, the Association must reduce the number of Carnets outstanding with the Holder. Provided **the quota** is higher than the number of TIR Carnets outstanding the Association can continue to issue TIR Carnets to the Holder up to the appropriate limit.

- B. TIR Carnets should be regarded as overdue for return 15 days after the validity date expires. Where TIR Carnets are issued with the maximum validity of 60 days this will be 75 days from the date of issue.
- C. The Association's system must identify all TIR Carnets still unreturned 15 days after the validity date expires. Prompt action must then be taken to notify the Holder in writing giving details of the serial number(s) of the overdue TIR Carnet(s).
- D. The Holder should be given 30 days from the date of the notification to return the TIR Carnet or submit a properly completed Declaration of Loss.
- E. If neither the TIR Carnet nor a properly completed Declaration of Loss is received by the end of the specified period the Holder must be notified by registered letter that he will be suspended from the TIR Scheme. Such suspension is to take effect 14 days of posting of the letter.
- F. The sanctions specified above shall not be put in force if, before the date on which the suspension is due to take effect, the Holder:
 - a. returns the TIR Carnetor
 - b. submits a Declaration of Loss completed to the satisfaction of the Association and setting out the circumstances in which the TIR Carnet was lost, stolen, destroyed or retained by the Customs Authorities.
- G. If the Association is not satisfied with the explanation offered of the non-return of the TIR Carnet(s) and in all cases where the lost, retained, stolen or destroyed TIR Carnet was unused the Holder may continue to receive TIR Carnets provided he lodges a guarantee. His quota must be reduced at least by one TIR Carnet. The guarantee must be in favour of the Issuing Association. Each guarantee must be specific to a lost, stolen or destroyed TIR Carnet and must be released if the TIR Carnet is found and returned or if Customs SafeTIR information compatible to the Declaration is recorded in SafeTIR. It must also be released in every case after the expiry of 27 months from the date the TIR Carnet was issued provided no irregularities or payment requests relating to that TIR Carnet have been notified.
- H. Guarantees can be in the form of cash, a bank guarantee or other surety but the Issuing Association must, in all cases, be the nominated beneficiary. The objective is to provide Associations with another measure to improve the performance with their TIR Carnet Holders in keeping TIR Carnets securely and returning them promptly.
- I. Where the TIR Carnet Holder has provided a detailed explanation of why the TIR Carnet cannot be returned, then it is at the discretion of the Association as to whether or not the Holder will be required to put up a guarantee. The return of a stamped slip from the back cover of the TIR

Carnet is not equal to the return of the TIR Carnet itself. In these circumstances the Association must follow the procedures for used unreturned TIR Carnets.

- J. The guarantee must be obtained for each unused TIR Carnet which is lost, stolen or destroyed irrespective of the circumstances but only if this occurred after the TIR Carnet was in the possession of the Holder.
- K. A guarantee must also be obtained for all TIR Carnets which are not returned and the Holder does not give a satisfactory explanation. It is hoped that having to request a guarantee will be a rare event and that any guarantees which have to be lodged will quickly be released, either because the TIR Carnet is found or returned or because there is satisfactory evidence that it was certified as correctly terminated.
- L. When a TIR Carnet is declared lost or stolen, the Association shall send immediately to the IRU the appropriate declaration to enable IRU to inform all contracting parties by fax, and/or by e-mail and by updating CUTE-Wise, (the Customs part of the SafeTIR package). An example of the form is given to each Association. As the greatest risk arises when the missing TIR Carnet is unused or has been stolen en-route with the goods these cases must be acted on with the utmost urgency.

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