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Working Party on Customs Questions
affecting Transport

Informal Ad hoc Expert Group on Conceptual and
Technical aspects of Computerization of the TIR Procedure
(26-27 May 2005)

ACTIVITIES OF THE INFORMAL AD HOC EXPERT GROUP

Reference Model of the TIR Procedure

**Notes, comments regarding document ExG/COMP/2004/23 and proposals to ensure the
sustainability of the TIR system in the framework of its computerisation.**

Transmitted by the IRU

1. HISTORICAL ACCOUNT OF THE ETIR PROJECT AND STATE OF PROGRESS

A. Directives defined by the WP.30 relating to the project for the Computerisation of the TIR procedure

The directives defined over the last few years by the WP.30 specify the following 5 orientations:

1. Compatibility with existing systems (TRANS/WP30/190, paragraph 27):

The computerised solution “would need to be compatible with most if not all possible EDI solutions applied or yet to be applied in the Contracting Parties to the Convention.”

2. Limited amendments to the TIR Convention (TRANS/WP30/2001/13, paragraph 23):

“It would basically be sufficient to amend the Convention with either a definition of the TIR Carnet, that would include the use of portable electronic files or introduce one new article which would allow for the use of new technologies in general including the acceptance of electronic signatures, leaving the existing text of the Convention as it stands.”

3. Exchanges at national level, and between the contracting Parties and international organisations (TRANS/WP30/2001/13, paragraph 31):

The Expert Group should “prepare a draft set of electronic messages to allow for an interchange of electronic data, nationally, between Contracting Parties and with the international organizations”.

4. Gradual development, on existing bases (TRANS/WP30/212, paragraph 26):

Given that “this objective may be challenging, requiring the input of considerable human and financial input (...), a step by step approach seemed the only feasible alternative to achieve any tangible results in the near future”. Within this context, the Expert Group has been given the responsibilities:

- as a first step, “to work out concrete proposals on how to exchange the so-called static data-elements contained in the TIR Carnet,(...) possibly also including the data contained in the ITDBOnline (...), to conduct a feasibility study on the practicability of such proposals, and ultimately to propose a pilot”,
- “as a next step, the integration of the so-called “dynamic” data elements should be considered”,
- “Further steps should then address the issue of inclusion of additional features, such as security related information and advance cargo information,” as well as “the sharing and exchange of data with other bodies concerned (such as TIRExB, international organizations, national associations and the international guarantee)”.

5. Mission assigned to the Expert Group (TRANS/WP30/2002/11, Appendix 1, point A):

- a. to describe the TIR procedure in force,
- b. to list and analyse the existing computerised systems,
- c. to prepare conclusions regarding the computerisation of the TIR procedure which take into account the financial impact at national and international level.

B. STATE OF PROGRESS WITH THE ETIR PROJECT

The work in progress within the Expert Group is nearing finalisation in relation to the first part of its mission: namely of describing the TIR procedure in force (see the ExG/COMP/2003/1 Draft, Version 1.4a).

The second and third parts of the mission, i.e. - list and analyse the existing computerised systems – and – prepare conclusions regarding the computerisation of the TIR procedure which take into account the financial impact at national and international level – have not been covered yet, and obviously, the questionnaire submitted, because of its bad conception, will not bring satisfactory answers and will not allow for any progress to be made.

The legal aspects (TRANS/WP30/2002/11, Appendix 1, point B) relating to the impact of the eTIR project on the roles of the various actors (namely national associations, international organisations, insurance companies and the TIR Control Commission) as well as on the current TIR Convention, will be dealt with at a later date by an Expert Group yet to be established.

**2. DOCUMENT EXG/COMP/2004/23 DATED 20 OCTOBER 2004
(DOCUMENT 23)**

A. The Origin of document 23

This document represents the UN TIR Secretariat's unilateral vision of what eTIR could be.

Since this document was made available 2 days only before the last meeting of the Expert Group, the latter could not express a thorough opinion about it. The Expert Group still underlined the fact that document 23 is not totally in line with the mission assigned by the WP.30 (cf. the report of the 6th session of the Expert Group, ExG/COMP/2004/24).

During the meeting, document 23 caused many reactions and criticisms.

Therefore, the Expert Group did not adopt document 23, as presented by the TIR Secretariat, and did not draw any conclusions from it (see report of the 109th session of the WP.30 TRANS/WP30/218, point 42).

Consequently, for the time being, this document only entails a commitment by its authors. Moreover, we are forced to the conclusion that the description of a future

computerised system is premature since at this stage, the customs authorities have not yet been able to state their needs, constraints and priorities.

B. Document 23 runs counter to the directives set by the WP.30 and calls into question the conditions ensuring the sustainability of the TIR system

Document 23 presented by the TIR Secretariat to the Expert Group runs counter to the directives set by the WP.30 for the project.

The WP.30 however clearly specifies that the project will have to:

1. Be compatible with the existing systems (TRANS/WP30/190, paragraph 1).

As a matter of fact, document 23 proposes a system by imposing the technology, procedures and costs on the contracting parties and ignores the systems already in place and the investment outlay consented to in order to deploy them.

2. Require limited amendments to the TIR Convention (TRANS/WP30/2001/13, paragraph 23):

Document 23 not only proposes calling into question the fundamental principles of the TIR Convention, but also a new “eTIR” Convention which would include:

- new concepts, such as the TIR movement, TIR operator, guarantor, the previous customs system, and the electronic signature,
- new actors, such as,
 - the central eTIR administrator, the status and legal responsibilities of which are not defined, but whose role would be to authorise each transport to the detriment of the prerogatives of national authorities who currently have this control and would consequently lose it,
 - the consignor and the consignee,
 - the sub-contractors,
 - authorised third parties
- new data such as the value of the goods,
- but especially new principles such as the pre-eminence of (supranational) TIR transport to the detriment of the (national) TIR operation, a central database with unspecified powers and responsibilities, prior notification of TIR transport, and prior validation of the international itinerary for the TIR transport.

Where it is conceivable that a system, where many issuing and guaranteeing Institutions live together, should foresee the verification of the validity of the guarantee available with a depositary body, such a demand in the framework of the TIR System is useless. Indeed, the issue and the management of the guarantee is centralised and only the international Organisation in charge of organising the guarantee system and managing the distribution is up to confirming the validity of a TIR document. Therefore, document 23 only creates a useless

and costly duplication without added value (not mentioning the legal and financial responsibility of such a body).

3. Enable exchanges at national level and between the contracting Parties (TRANS/WP30/2001/13, paragraph 31):

Document 23 makes it compulsory that all the data be transmitted to a central eTIR Administrator solely to get them validated; it does not provide for exchanges between the contracting Parties, which would enable them to retain control over their systems, but it does recommend direct connections between the customs offices and the central eTIR Administrator. This means that the contracting Parties would no longer have control over their national systems, and would lose their sovereignty in terms of the validation of data and transactions to the benefit of a central office (the central eTIR Administrator, managed by the UN's TIR Secretariat) which could make modifications or apply updates at any time, would be in conflict with the rules regulating the confidentiality of data.

For example, any customs data would be made official only once the central eTIR Administrator has validated or invalidated it.

Likewise, the central eTIR Administrator would validate the existence of the guarantee, which is completely useless. Indeed, since the TIR system is based on the centralised issue of the guarantee, which is therefore valid by default, no one other than the guarantor himself can reasonably be entitled to confirm or infirm the existence of this guarantee without creating interferences of no use in the system, unless the sole aim of such a procedure is to legitimate the existence of a new entity deprived of any use and bringing no added value whatsoever, in other words the central eTIR Administrator.

4. Gradual development, on existing bases (TRANS/WP30/212, paragraph 26).

The stages specified by the WP.30 are not adhered to by document 23. The existing systems would be abandoned, thus cancelling out any progress made in terms of computerising the TIR System that has already been achieved and is currently in force, as well as all the investment outlay consented to by the contracting Parties and the other actors. The system described by document 23 would impose on the contracting parties:

- The obligation to transmit to the central eTIR Administrator confidential data concerning the nature, value and quantities of goods exported, in transit or imported, and which could be used for statistical or even economic purposes by any party with access to the information,
- The obligation to use the technologies defined and to adopt the formats imposed, which poses language problems, and problems in terms of compatibility, understanding messages, staff training, maintenance and updates to the system at national level.

Furthermore, document 23 does not make provision for a step-by-step transition for those contracting Parties who would be unable to become straight away members of the utopian system that would result from the implementation of the TIR Secretariat's project.

A centralised database requiring transmission of data on line does not seem to be an appropriate system since even on a single customs territory regulated by harmonised legislation and standard procedures, like the NCTS for the European Union, such an approach was not adopted. Such a centralised database is all the more unpredictable, utopian and deprived of any sense for a geographical territory consisting of over 50 contracting Parties each with their own national systems, technical, legal and procedural environments.

The proposed system would impose a rigidity for authorised transport operators that is not compatible with the flexibility requirements inherent in road transport and international trade.

5. Conclusion: because it does not respect the principles recalled above, document 23 calls into question the sustainability of the TIR System

The requirements of the system recommended by document 23 in terms of technical, legal, political and financial constraints (even if the financial aspect is voluntarily omitted in document 23) would automatically exclude all the Contracting Parties and the transport operators that do not have the means to conform to it. It would condemn the TIR System and would cause unprecedented prejudice to the international road transport industry and to trade in general.

3. PROPOSALS TO ENSURE THE SUSTAINABILITY OF THE TIR SYSTEM IN THE FRAMEWORK OF ITS COMPUTERISATION

It is indispensable to promote a step by step logical and pragmatic approach for the computerisation of the TIR procedure.

Currently, the processes relating to the life cycle of the TIR Carnet, or in other words those relating to the organisation and efficient functioning of the international guarantee system (as defined in Art.6.2 bis of the TIR Convention) and the centralised printing and distribution of the TIR Carnets (as per Appendix 8, article 10 (b) of the TIR Convention) are computerised.

- this data can be securely accessed by Customs authorities of the contracting Parties via CUTE-Wise. This application is regularly adapted to meet the wishes of customs administrations so that new data can be made available,
- most of the contracting Parties' Customs offices already use an IT application to manage TIR operations at national level (ASYCUDA, BIMIS, SOFI, BILGE and other national systems), and transmit data relating to the control system (SafeTIR) to a national database.
- The Administrative Committee (AC.2) has just decided to amend the TIR Convention to introduce a new Annex 10 that foresees the implementation of a control system for TIR carnets.

In order to protect the major investments made over many years in this field by the customs authorities, associations and the IRU, the TIR System's existing IT applications which are fully satisfactory and have proved their efficiency, relevance and security, should not be called into question. The eTIR project will therefore have to adopt the goal of supplementing

and ensuring the compatibility of the various existing IT applications, and those yet to be developed, on a step-by-step basis.

The computerisation of the TIR System must not become a pretext and the sole justification for the establishment of a supranational, constraining, standardised, therefore cumbersome, expensive system where the responsibilities have not been defined and the implementation of which will bring no added value neither for customs authorities nor for authorised transport operators and the chain of guarantee.

The computerisation of the TIR procedure should be modelled on the current system, with improved speed and quality for the data to be exchanged, and particularly in order to avoid multiple manual inputs, as well as to enable better risk management by continuing to reduce costs to reasonable levels compared with the total number of TIR operations carried out and, of course, whilst fulfilling the directives of the contracting Parties.

We must therefore re-affirm that the computerisation of the TIR procedure has to:

1. Be compatible with the existing systems

There is no need to demolish everything that has been built up by the contracting Parties over the years in partnership with national Associations and the IRU. Actors of the TIR System have a greater need of receiving useful information than of being obliged to transmit all their data and only receiving some data back. Consequently, computerisation should not call existing systems into question, but should facilitate making available useful information that is already available and computerised at local level among the various actors in the system.

2. Lead only to limited amendments to the TIR Convention

A computerised system built on a tried and tested basis and which matches the needs of actors will not require the calling into question of the fundamental principles of the current TIR Convention: for example the introduction of the SafeTIR control system will be done simply by adding an appendix to the TIR Convention.

3. Aim at making possible exchanges at national level and between the contracting Parties and the international Organisation

The eTIR system should make easier the facilitation of exchanges and international trade, of border transit, and customs authorities with a view to maintaining their revenues. It must therefore enable optimal circulation of information that has already been computerised locally and which the various actors need:

- management of the declarations and of the guarantees attached,
- data relating to the validity of documents and of their Holders,
- computerised management at national level of customs procedures,
- exchange of appropriate information among the actors of the system.

4. Gradual development, on existing bases and in full transparency

The computerisation of the TIR procedure must be developed step by step, in full transparency in terms of financial implications, and by:

- Creating links between the existing customs systems and the SafeTIR control system to enable the transfer and exchange of data in order to avoid manual entry and thus enable better risk management,
- Adding data regarding taking into charge at customs offices of departure in order to have information of the manifest available, once the 100% transmission of data on end of TIR operations (SafeTIR) in real time is reached, ,
- Adding transit data,
- Preparing a progressive and coordinated migration towards an electronic and securised system

5. The mission assigned to the Expert Group

The work done by the Expert Group must respect the framework set by the contracting Parties and must not be influenced by isolated initiatives proposing unrealistic systems which would run counter to the interests of the TIR System and of its actors.
