National TIR Seminar in Republic of Serbia
(Belgrade, 13 December 2006)

Overview of the TIR System and its benefits

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OVERVIEW

● Background and main characteristics
● Objectives
● Public-Private Partnership
● Geographical Scope
● Advantages for Customs and industry
● Structure of the TIR Convention, the Five Pillars
● Future
● Summary
TIR BACKGROUND & CHARACTERISTICS

History:
- First Convention 1959, revision 1975
- From 6 countries to 66 countries (Operational: 55)

Objective:
- Facilitation
- Revenue protection + Customs checks
- 3 million operations per year
- Only global transit procedure
- Intermodal (trucks and containers)
- Public/Private Partnership
## NUMBER OF TIR CARNETS ISSUED

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>1959</td>
<td>67 000</td>
</tr>
<tr>
<td>1969</td>
<td>790 035</td>
</tr>
<tr>
<td>1980</td>
<td>718 612</td>
</tr>
<tr>
<td>1990</td>
<td>748 600</td>
</tr>
<tr>
<td>2000</td>
<td>2 782 600</td>
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<tr>
<td>2003</td>
<td>3 298 000</td>
</tr>
<tr>
<td>2005</td>
<td>3 240 650</td>
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</tbody>
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COUNTRIES WITH CONSIDERABLE NUMBERS OF TIR CARNETS ISSUED

• 1996 – Poland, Hungary, Turkey, Russia, Romania
• 1998 – Poland, Turkey, Romania, Hungary, Russia
• 2000 – Turkey, Romania, Lithuania, Poland, Russia
• 2002 – Romania, Turkey, Lithuania, Belarus, Russia
• 2005 – Turkey, Romania, Russia, Bulgaria, Ukraine
OBJECTIVES

Customs Authorities
- Efficient Customs procedures for transit traffic
- Provision of an international guarantee

Transport Sector
- Simplification and harmonization of Customs formalities
- Reduced transport costs
PUBLIC PRIVATE PARTNERSHIP (PPP)

Public sector
  Contracting Parties, Convention Bodies, UNECE
  – Supervising accession, implementation and admission
  – Focus on support / training / capacity building

Private sector
  IRU (National Associations, Holders)
  – Document and guarantee administration
  – Extensive & harmonized admission procedures
  – Training
GEOGRAPHICAL SCOPE
ADVANTAGES

Customs Authorities

- No physical inspection of goods in transit (in principle)
- No national guarantee system
- No national Customs documentation and control system
- Efficient control procedures for goods in transit
ADVANTAGES (cont’d)

Transport/Trade Industry

- Minimum of procedures at borders
- Reduced delays at borders
- No restriction in the modes of transport
- Lower transport costs (reduced export and import costs)
STRUCTURE OF THE TIR CONVENTION

TIR Convention, 1975
5 pillars of the TIR system
STRUCTURE OF THE TIR CONVENTION

Approval of road vehicles and containers

- No goods can be removed without leaving obvious traces or breaking the Customs seal
- Customs seals can be simply and effectively affixed to them
STRUCTURE OF THE TIR CONVENTION

Approval of road vehicles and containers
- Secure loading units and sealing
- Annexes to Convention on technical construction of loading units
- Annex 2 on Vehicles
- Annex 7 on Containers (intermodal)
- Sealing requirement
STRUCTURE OF THE TIR CONVENTION

International guarantee

- National guaranteeing association guarantees duties and taxes
- Covers all TIR operations in a country, both by national or foreign transport operators
- Associations linked through international chain administered by International Road Transport Union (IRU)
- Limit equal to US $ 50,000 per TIR Carnet
 STRUCTURE OF THE TIR CONVENTION

The TIR Carnet

• Customs document replaces any other national Customs transit documents
• Guarantee document which itself proves the existence and validity of the guarantee
• Annex 1: Model
STRUCTURE OF THE TIR CONVENTION

Controlled access to the TIR System

- By Administrative Committee of International organization (Article 6.2bis)
- By national Customs authority of national Associations, issuing and guaranteeing TIR Carnets (Annex 9, part I)
- By national Customs authority of transport operators (Annex 9, part II)
- Data on all authorized operators should be sent by Customs to the International TIR Data Bank (ITDB) maintained by the United Nations in Geneva
STRUCTURE OF THE TIR CONVENTION

Mutual recognition of Customs control

- Principle: Customs control measures taken in the country of departure should be accepted by the countries of transit and destination
- No examination of sealed load compartments, except in special cases
- Customs inspection at the office of departure crucial
- Only documentary control en route (exceptions)
Future developments
Computerization of the TIR procedure

eTIR – Objectives

• Integration of computerized TIR procedure in the overall process of technological development in international transport, trade and Customs procedures;

• Improving efficiency and quality of the TIR procedure;

• Reducing the risk of fraud and improving security.
Future developments

What is eTIR

- Computerization of the whole TIR Carnet life cycle, replacing the current paper TIR Carnet by an electronic data set;
- Establishment of an international, centralized database for the secure exchange of data between national Customs systems;
- Management by Customs of data on guarantees;
- Platform ensuring an appropriate level of connectivity with the existing TIR related IT systems.
Future developments

eTIR schematic overview

National

Customs administration
TIR operations management
Declaration validation

International

eTIR
TIR transport management
Guarantee management

Guarantor
Guarantee management

TIRExB
ITDB

Public

Private

TIR operator

Declaration mechanism
SUMMARY

- TIR = International intermodal transit system (regional, inter-regional and intercontinental)
- Provides cost efficient transit procedures
- Ensures revenue protection
- Boosts competitiveness & global integration
- Builds on Public/Private partnership model
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TIR Convention
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THANK YOU