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Item 7 of the provisional agenda

Customs Conventions on the Temporary Importation**of Private Road Vehicles (1954) and Commercial Road Vehicles (1956)****Customs Conventions on the Temporary Importation of
Private Road Vehicles (1954) and Commercial Road Vehicles
(1956)*****Note by the secretariat****I. Background and mandate**

1. At its previous session, the Working Party was informed about the status of the Customs Conventions on the Temporary Importation of Private (1954) and Commercial (1956) Road Vehicles. In addition, the Working Party took note of document ECE/TRANS/WP.30/2016/18, in which AIT/FIA reported on several issues in implementing these Conventions, in particular a project for a Carnet de Passage en Douane (CPD) database system, new security features of the CPD and key aspects of a tracking and tracing system in the e-CPD system, allowing for real time authentication by customs officials at border posts. On the basis of this information, the Working Party requested the secretariat, in consultation with AIT/FIA to prepare a document providing an overview of the functions of the CPD system, for consideration at its next session (ECE/TRANS/WP.30/288, paras. 38 and 39). In line with this request, the secretariat has prepared the present document.

* Parts of the information in this document including the data in the tables have been transmitted to the secretariat by the International Touring Alliance and the International Automobile Federation (AIT/FIA).

II. Overview of the Conventions on the Temporary Importation of Private (1954) and Commercial (1956) Road Vehicles

2. These Conventions provide for the temporary admission of road vehicles engaged in international traffic for private or commercial use, without payment of taxes and duties and free of import restrictions and prohibitions. Admission of vehicles can be subject to temporary importation papers describing the vehicle and guaranteeing payment of taxes, duties and customs penalties should the need arise. Contracting Parties to the Conventions commit to accepting the CPD as a valid temporary importation document. Temporary importation of private and commercial vehicles under these Conventions is also subject to re-exportation of vehicles in the same general condition except for wear and tear, within the period of validity of the importation documents. Similar exemptions from taxes and duties and import restrictions apply to spare parts for repair of vehicles and fuel in ordinary supply tanks.

3. Contracting Parties to the Conventions authorize associations (currently AIT/FIA)¹ to issue temporary importation papers (CPD), either directly or through corresponding associations. Each Contracting Party determines the conditions of the authorization to the association in its territory. There are no standardized conditions for authorization specified within the text of the Conventions. The papers may be issued for admission to one country or several countries with a specified maximum period of validity of one year from date of issuance. The papers must state net weight and value of the vehicle and describe any spare parts and accessories not considered normal equipment of the vehicle. The general requirement of re-exportation is waived in the case of a vehicle that becomes badly damaged in the country of importation and is abandoned to the government of that country or is destroyed under official supervision, or in the event that applicable taxes and duties are paid.

4. In the event that import duties and taxes become due for a vehicle temporarily imported under cover of a CPD, customs have to notify the guaranteeing association within one year of the date of expiry of the validity of the CPD. The association has a period of one year to produce documentary proof of re-exportation of the vehicle in question. If such proof is not produced, or if it is contested by customs, the guaranteeing association is required to pay provisionally the amount owed, within three months. The payment becomes final after one year from the date of payment of the provisional payment, if in that time the association has not been able to prove that it is not liable by reason of the vehicle having been re-exported or exempt from the requirement of re-exportation. National competent authorities can also prosecute the CPD holder under national law.

5. The association becomes directly liable towards customs upon issuing a CPD.² Applicant CPD holders are required to provide financial security (bank guarantee or cash deposit) to the association on the basis rates of customs duties and taxes in the country to be visited. The association may, in addition, claim reimbursement from the holder for any additional expenses incurred after the customs debt has been met.

¹ Resolution No. 48 of the Working Party on Customs Questions affecting Transport (WP.30) adopted on 2 July 1993 (TRANS/WP.30/151).

² The information in this paragraph is based on the AIT/FIA CPD Handbook and does not stem directly from the provisions of the Convention.

III. Overview of the functions of AIT/FIA as manager of the CPD guarantee chain³

6. AIT/ FIA are non-profit, non-governmental organizations, having consultative status with the Economic and Social Council (ECOSOC). AIT has 123 member associations in 96 countries and FIA has 238 member associations in 143 countries. Active CPD issuing/guaranteeing associations currently exist in 71 countries⁴. Although no longer required in North America and most European countries for temporary importation, the CPD is still required or used in Africa, Asia, the Middle East, Oceania and South America. The guaranteeing and issuing associations are linked together through the AIT/FIA Guarantee Agreement, a multilateral contract that sets down the obligations and responsibilities of associations.

7. The carnet holders are linked to the issuing associations through a declaration of responsibility that underlines their obligation to return the CPD, duly discharged, to the issuing association. This declaration also engages the holder to abide by the laws and customs regulations of every country visited. The CPD holder must provide a security deposit to the issuing association - this is the international guarantee that, if a claim arises, it will be paid. The guarantee deposit is an incentive for the holder to return the CPD to the association after use, and this sum is forfeited if the vehicle covered under the CPD is not re-exported. The CPD carnets as well as the AIT/FIA associations that issue and guarantee them are also covered under insurance policies.

8. Issuing associations are urged to retain copies, in their files, of applicants' driving licenses, vehicle registration papers and passports. The CPD must be fully completed by the issuing association, not the holder.

9. There are two insurance schemes in place to protect the CPD system: the first scheme covers the issuing associations against customs claims from abroad and the second scheme operates as a contingency insurance, covering AIT/FIA as well as the associations against losses due to bankruptcy or payment default and documents lost or stolen prior to issue.

IV. Information on CPD distribution worldwide

10. According to information provided by AIT/FIA, the worldwide distribution of CPD Carnets in 2015 and 2016 (figures until 1 November 2016) is as indicated in the below tables:

Table 1
2015 distribution

<i>Regions</i>	<i>Total CPD distributed in 2015</i>	<i>Percentage</i>
European Union	5 166	4%
Middle East	117 708	94%
Asia	433	0%
Africa	1 464	1%
America	0	0%
Oceania	120	0%

³ Information in this section is obtained from AIT/FIA and public information sources.

⁴ Data from 2014.

<i>Regions</i>	<i>Total CPD distributed in 2015</i>	<i>Percentage</i>
Total	124 891	

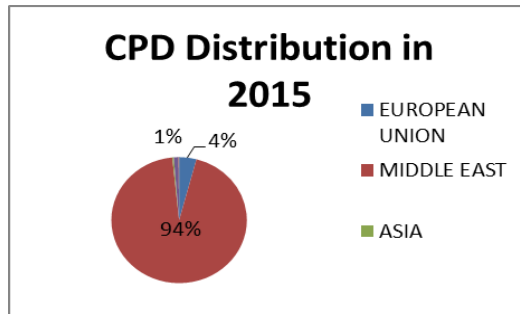
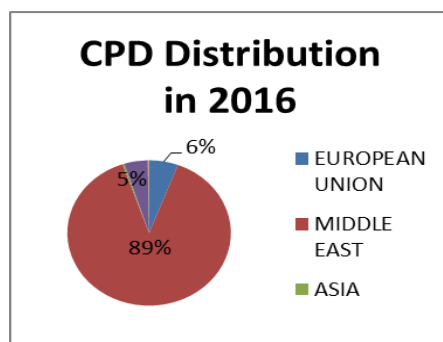


Table 2
2016 distribution

<i>Regions</i>	<i>Total CPD distributed in 2016 (up to 01.11.2016)</i>	<i>Percentage</i>
European Union	4 631	6%
Middle East	71 539	89%
Asia	276	0%
Africa	3 750	5%
America	81	0%
Oceania	120	0%
Total	80 397	



11. CPD Carnets are mainly used in countries in the Middle East Region for operations mainly inside this same region. Tables 3 and 4 (below) provide the list of countries with the highest numbers of CPDs issued in 2015 and 2016 (listed in alphabetical order):

Table 3
Highest number of CPD use in 2015

<i>Middle East</i>	<i>Total</i>	<i>As a percentage</i>
BHR Bahrain	1 000	1%
EGY Egypt	4 000	3%

<i>Middle East</i>		<i>Total</i>	<i>As a percentage</i>
IRN	Iran, Islamic Republic of	4 000	3%
KWT	Kuwait	8 000	7%
OMN	Oman	400	0%
PAK	Pakistan	550	0%
QAT	Qatar	1 000	1%
SAU	Saudi Arabia	67 823	58%
SYR	Syria	1 500	1%
UAE	United Arab Emirates	29 100	25%
YEM	Yemen	300	0%

Table 4
Highest number of CPD use in 2016

<i>2016</i>		<i>Total</i>	<i>As a percentage</i>
EGY	Egypt	2 000	3%
IRN	Iran, Islamic Republic of	2 500	3%
KWT	Kuwait	8 999	11%
PAK	Pakistan	800	1%
QAT	Qatar	2 000	3%
SAU	Saudi Arabia	57 000	72%
TUR	Turkey	6 000	8%
UAE	United Arab Emirates	17 000	19%

V. Claims statistics (provided by AIT/FIA)

12. According to the provisions of the Conventions, claims can be made within one year of the date of expiry of the validity of the CPD. For this reason it is possible that claims for 2015 may not yet have been reported.

Table 5
Claims statistics 2010-2015: Customs claims against national guaranteeing associations

<i>General situation (number of claims)</i>				
<i>Year</i>	<i>Claims lodged</i>	<i>Paid</i>	<i>Withdrawn</i>	<i>Pending</i>
2010	920	56	724	196
2011	773	46	536	237
2012	834	52	395	439
2013	477	26	260	217
2014	125	0	24	101
2015	0	0	0	0
Total	3 129	180	1 939	1 190

<i>General situation (amount of claims in CHF)</i>					
<i>Year</i>	<i>Claims lodged</i>	<i>Paid</i>	<i>Withdrawn</i>	<i>Pending</i>	<i>Average Paid Claim</i>
2010	14 975 623	1 128 026	8 549 407	5 298 190	20 143
2011	15 404 950	1 553 294	8 326 000	5 525 656	33 767
2012	11 869 804	1 053 795	7 294 854	3 521 155	20 265
2013	10 474 604	66 248	2 377 604	8 030 752	2 548
2014	11 604 419	0	489 000	11 115 419	0
2015	0	0	0	0	0
Total	64 329 400	3 801 363	27 036 865	33 491 172	21 119

<i>Average paid claims per national guaranteeing association (top 3) in CHF</i>						
<i>Year</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
Egypt						
Claims paid	24	26	27	26	0	0
Amount (in CHF)	1 054 522	1 175 746	923 911	1 014 569	0	0
Average	43 938	45 221	34 219	39 022	0	0
Sudan						
Claims paid	21	16	19	0	0	0
Amount (in CHF)	67 024	97 209	185 190	0	0	0
Average	3 192	6 076	9 747	0	0	0
South Africa						
Claims paid	9	5	2	3	0	0
Amount (in CHF)	26 859	14 624	5 454	9 666	0	0

<i>Average paid claims per national guaranteeing association (top 3) in CHF</i>						
<i>Year</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
Average	2 984	2 925	2 727	3 222	0	0

VI. Considerations by the Working Party

13. The Working Party may wish to note that, according to the figures provided by AIT/FIA, the average CPD claim is less than 50,000 SwF a large proportion of claims is ultimately withdrawn; and the number of claims has been consistently decreasing in the last six years, likely due to increased security features. The Working Party is invited to take note of the above information.
