124th session of WP.30
(2 – 5 February 2010)

Implications of the WCO Framework of Standards to Secure and Facilitate Global Trade for the TIR Convention
SAFE Framework vs. TIR Convention

- Supply chain security, with anti-terrorism focus
- Facilitation
- 160 countries
- All modes of transport
- All Customs procedures
- Not legally binding
- Implementation only through other legally binding instruments

- Revenue protection from fiscal fraud
- Facilitation
- 67 countries
- Mainly road
- Customs transit
- Legally binding
- Direct implementation possible
SAFE Framework: core elements

- Advance electronic cargo information
- Risk management approach to security threats
- Outbound inspection of high-risk containers and cargo on the basis of non-intrusive equipment
- Benefits that Customs provide to businesses that meet minimal supply chain security standards (AEO)
SAFE Framework: two pillars

C2C
- Integrated Supply Chain Management
- Cargo Inspection Authority
- Modern Technology in Inspection Equipment
- Risk-Management Systems
- High-risk Cargo or Container
- Advance Electronic Information
- Targeting and Communication
- Performance Measures
- Security Assessments
- Employee Integrity
- Outbound Security Inspections

C2B
- Partnership
- Security
- Authorization
- Technology
- Communication
- Facilitation
SAFE: third pillar under discussion

- Single Window concept
- Integrated Border Management
- Can be addressed in the framework of the Harmonization Convention
Coexistence of TIR and SAFE

- Article 47 of TIR Convention: SAFE is a set of measures and controls imposed on grounds of public security
- All other national and international global supply chain security initiatives also fall under Article 47
- Is there a risk for border crossing facilitation?
- Can the TIR Convention facilitate the implementation of security requirements?
SAFE Pillar I standards and TIR

Fully included
- Cargo Inspection Authority

Missing elements can be added under eTIR
- Integrated Supply Chain Management
- Risk-Management Systems
- Advance Electronic Information
- Targeting and Communication

Missing elements can be added as part of a new security Annex
- Integrated Supply Chain Management
- Modern Technology in Inspection Equipment
- High-risk Cargo or Container
- Security Assessments
- Outbound Security Inspections

Unreasonable to add
- Performance Measures
- Employee Integrity
SAFE Pillar II standards and TIR

All not incorporated and can be added as part of a new security Annex:

- Partnership
- Security
- Authorization
- Technology
- Communication
- Facilitation
Feasibility of incorporation of the core security elements into TIR

- Advance electronic information Yes
- Risk management Yes
- Outbound security inspection Yes
- Customs - business partnerships based on the AEO concept No clear-cut answer
AEO vs. TIR Carnet holder: definitions

- **AEO**: “a party involved in the international movement of goods in whatever function that has been approved by or on behalf of a national Customs administration as complying with WCO or equivalent supply chain security standards”

- **TIR Carnet holder**: “the person to whom a TIR Carnet has been issued in accordance with the relevant provisions of the Convention and on whose behalf a Customs declaration has been made in the form of a TIR Carnet…”
### AEO vs. TIR Carnet holder: differences in approach

<table>
<thead>
<tr>
<th>Status</th>
<th>AEO</th>
<th>TIR Carnet holder</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Optional: operators may not be forced to apply</td>
<td>Obligatory: no authorization means no TIR use</td>
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<tr>
<td>Benefits</td>
<td>Expedited processing and other measures</td>
<td>Facilitation of Customs transit, as laid down in TIR</td>
</tr>
<tr>
<td>Purpose of authorization criteria</td>
<td>Selecting businesses that offer a high degree of security in respect of their role in the supply chain</td>
<td>Selecting reliable operators to avoid Customs fraud</td>
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</tbody>
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## AEO vs. TIR Carnet holder: requirements

<table>
<thead>
<tr>
<th>SAFE FRAMEWORK</th>
<th>TIR CONVENTION</th>
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</thead>
<tbody>
<tr>
<td>Demonstrated compliance with Customs requirements</td>
<td>Incorporated</td>
</tr>
<tr>
<td>Financial viability</td>
<td>Incorporated</td>
</tr>
<tr>
<td>Satisfactory System for Management of Commer. Records</td>
<td>Not incorporated</td>
</tr>
<tr>
<td>Education, Training and Awareness</td>
<td>Not incorporated</td>
</tr>
<tr>
<td>Information Exchange, Access and Confidentiality</td>
<td>Not incorporated</td>
</tr>
<tr>
<td>Cargo Security</td>
<td>Partially incorporated</td>
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<tr>
<td>Conveyance Security</td>
<td>Partially incorporated</td>
</tr>
<tr>
<td>Premises Security</td>
<td>Not incorporated</td>
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<tr>
<td>Personnel Security</td>
<td>Not incorporated</td>
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<tr>
<td>Trading Partner Security</td>
<td>Not incorporated</td>
</tr>
<tr>
<td>Crisis Management and Incident Recovery</td>
<td>Not incorporated</td>
</tr>
<tr>
<td>Measurement, Analyses and Improvement</td>
<td>Not incorporated</td>
</tr>
</tbody>
</table>
Incorporation of AEO into the TIR Convention: considerations

• All missing AEO requirements may be incorporated as part of a new security Annex to the TIR Convention

• If the AEO status is optional, shall the TIR Convention be amended to include specific AEO benefits?

• Shall the TIR Convention discriminate between ‘pure’ TIR Carnet holders and those with the AEO status?