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COMMISSION DE CONTROLE TIR (TIRExB)
ИСПОЛНИТЕЛЬНЫЙ СОВЕТ МДП (ИСМДП)

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Application of specific provisions of the TIR Convention

Proposals to introduce more flexibility in the guarantee system

Note by the secretariat

A. Background

1. At its previous session, the Board requested the secretariat to transmit information on the guarantee management system of the Common Transit Convention.
2. Further to this request, the secretariat, in Annex, reproduces Part III of the New Computerized Transit System (NCTS), dealing with transit guarantees.

B. Considerations by the Board

3. The Board is invited to take note of the information on the guarantee management system of the Common Transit Convention.

PART III – GUARANTEES

1. Introduction

Part III deals with transit guarantees.

Paragraph 1 contains the introduction and legal references regarding transit guarantees.

Paragraph 2 contains general provisions regarding transit guarantees.

Paragraph 3 describes the individual guarantee.

Paragraph 4 describes the comprehensive guarantee and guarantee waiver.

Paragraph 5 is reserved for specific national instructions.

Paragraph 6 is reserved for the use of customs administrations.

Paragraph 7 contains the Annexes.

1.1. Purpose of guarantee

Customs duties and other charges applicable to goods are temporarily suspended when these goods are released for common/Union transit. In order to ensure the payment of duties and other charges when a (customs) debt is incurred in the course of a transit operation, the holder of the procedure is required to furnish a guarantee.

The legal bases for transit guarantees are :

- Article 10 Convention;
- Articles 9 -13 and 74-80, Appendix I, Convention;
- Annex I, Appendix I, Convention;
- Annexes C1 to C7 of Appendix III, Convention;
- Articles 89-98, UCC;
- Articles 82 and 85, DA;
- Articles 148, 150-152, 154-162, IA;
- Annexes 32-01, 32-02, 32-03 and 32-06, IA;
- Annex 72-04, IA.

1.2. Forms of guarantee

*Articles 11 and
55(a), Appendix I,
Convention*

*Articles 89(5) and
92(1) UCC*

The guarantee may be furnished as a cash deposit or by a guarantor. The guarantee shall be an individual guarantee covering a single transit operation or a comprehensive guarantee covering several operations. The individual guarantee by a guarantor may be in the form of vouchers that the guarantor issues to the holders of the procedure and in the form of guarantor's undertaking. The use of the comprehensive guarantee is a kind of simplification of the standard rules and is therefore subject to an authorisation.

1.3. *Guarantee waiver*

*Article 13
Appendix I
Convention*

By way of exception no guarantee needs to be furnished in the following cases:

*Articles 89(7), (8)
and (9) UCC*

- guarantee waiver by law:

Article 24(2) TDA

- goods carried on the Rhine, the Rhine waterways, the Danube or the Danube waterways;
- goods carried by a fixed transport installation;
- in the Union - where the amount of import duty does not exceed the statistical value threshold for declarations laid down in Article 3(4) of Regulation (EC) No 471/2009 of the European Parliament and of the Council of 6 May 2009 on Community statistics relating to external trade with non-member countries(O.J. L 152, 16.6.2009, p. 23);
- in the Union - states, regional and local government authorities or other bodies governed by public law, in respect of the activities in which they engage as public authorities.

The list in Annex 7.2 defines the Rhine waterways. The information was supplied by the customs administrations of the countries concerned.

- guarantee waiver by authorisation:

- goods carried by air where the common/Union transit procedure based on an electronic manifest for goods carried by air is used ;
- goods carried by sea where the Union transit procedure based on an electronic manifest for goods carried by sea is used;
- goods carried by air where the paper-based common/Union transit procedure for goods carried by air is used (for authorisations granted before 1 May 2016);
- goods carried by sea where the paper-based Union transit

procedure for goods carried by sea is used (for authorisations granted before 1 May 2016);

- goods carried by rail where the paper-based common/Union transit procedure for goods carried by rail is used (for authorisations granted before 1 May 2016).

- guarantee waiver by national decision applicable only to common transit procedure:

*Article 10(2)(a)
Convention*

- on the basis of bilateral or multilateral agreement of the Contracting Parties for operations involving only their territories;

*Article 10(2)(b)
Convention*

- for the part of an operation between the customs office of departure and the first customs office of transit according to a decision of the Contracting Party concerned.

1.4. Area of validity

*Article 10(1)
Convention*

In general, the guarantee shall be valid only for the Contracting Parties involved in the common/Union transit operation. By way of exception, individual guarantees in the form of a cash deposit or by means of vouchers shall be valid for all Contracting Parties.

*Articles 19(2) and
21(2) Appendix I
Convention*

Where the guarantee is valid only for the Contracting Parties involved, a restriction of the area of validity is possible. The guarantor may delete the name of the Contracting Party or Parties or the Principality of Andorra or the Republic of San Marino in the guarantor's undertaking. As a result, the guarantee is valid in all the Contracting Parties and States that have not been crossed out. However, it has to be noted that a guarantee does not cover common transit operations to and from Andorra or San Marino since the Convention is not applicable.

For the Union transit procedure, a guarantee is valid in all Member States and in the Principality of Andorra and the Republic of San Marino. Provided that the Union or the Principality of Andorra or the Republic of San Marino have not been crossed out in the guarantor's undertaking and the holder of the procedure observes the conditions of the use of the guarantee, he is allowed to furnish a guarantee accepted or granted by the competent authorities of a Contracting Party other than the Union for a Union transit operation within the Union and/or between the Union and one of those States.

1.5. Table of guarantee

	Individual guarantee			Comprehensive guarantee
	Cash deposit	by guarantor's undertaking	by voucher	
Coverage	single operation	single operation	single operation	several operations
Area	unrestricted validity	restriction possible	unrestricted validity	restriction possible
Amount required as guarantee	100% of (customs) debt	100% of (customs) debt	100% of (customs) debt	100% 50% 30% 0% of the reference amount
Period of validity of certificates	N/A	N/A	Maximum one year after date of issue	Two years (one two years extension possible)
Proof that guarantee has been furnished	Cash deposit produced by the holder of the procedure	Guarantor's undertaking (the model in Annex C1 , Appendix III Convention/ Annex 32-01 IA)	Guarantor's undertaking (the model in Annex C2 , Appendix III Convention/ Annex 32-02 IA)	Guarantor's undertaking (the model in Annex C4, Appendix III, Convention/Annex 32-03 IA)

2. General provisions

2.1. Necessity for a guarantee

2.1.1. Introduction

*Article 10(1)
Appendix I
Convention* Furnishing a guarantee that ensures the payment of any (customs) debt which may be incurred, is a condition for carrying goods under common/Union transit procedure.

Article 89(2) UCC The payment of the amounts at stake is ensured when the amount of the guarantee is calculated in accordance with the appropriate provisions on the guarantee used.

2.1.2. Failures

*Article 30
Appendix I
Convention* In cases where no data about a guarantee is given on the transit declaration or, in a case of business continuity procedure, the required guarantee document is not presented at the customs office of departure, the declaration must not be accepted.

*Articles 89(2),
94(3) and 95 UCC*

In cases where the amount of guarantee turns out to be insufficient, the customs office of departure must not release the goods for transit unless a guarantee is furnished that covers the full amount of the (customs) debt liable to be incurred.

The customs office of departure must also refuse the release where, in a case of business continuity procedure, the documents presented prove that the guarantee has not been issued to the holder of the procedure of the transit operation concerned.

2.2. Calculation of the amount of the guarantee

2.2.1. Introduction

*Article 10(1)
Appendix I
Convention* The amount of a guarantee must be calculated in such a way that it covers the full amount of the (customs) debt liable to be incurred.

Article 89(2) UCC

2.2.2. Calculation

*Articles 18 and 74
Appendix I
Convention*

In general, the calculation is to be made on the basis of the highest rates applicable to such goods in the country of departure. The calculation is to include all the customs duties and other charges, e.g. excise duties and value added tax that are applicable to those goods at import. The highest rates concerning customs duties result from the conventional rates. Privileges, for instance, that are subject to the furnishing of proof at the time of release for free circulation, e.g. a preferential rate or a quota, are not to be taken into account.

*Articles 148 and
155 IA*

The calculation is to be made on the basis of the import duties that would be applicable to goods of the same kind in the country of departure in case of release the goods for free circulation. Goods that are in free circulation in the Contracting Party are to be treated as goods being imported from a third country.

This applies also when Union goods are placed under Union transit procedure with destination to a common transit country. These goods are presumed to be non-Union goods for the purpose of the calculation of the amount of the guarantee in order to ensure the possible payment of a (customs) debt in a Contracting Party other than the Union.

*Article 74(2)
Appendix I
Convention*

The goods concerned are to be classified on the basis of the customs tariff, but if the classification is not possible or appropriate, the amount of guarantee may be assessed. The assessment must ensure that the guarantee will cover the full amount of the (customs) debt liable to be incurred. In exceptional cases where such an assessment is also not possible, the amount of guarantee may be presumed to be 10.000 EUR. This basic idea applies to both a comprehensive and an individual guarantee.

Article 155(3) IA

2.3. Guarantor

2.3.1. Introduction

*Article 12
Appendix I
Convention*

The guarantor shall be a natural or legal third person.

Article 94 UCC

The guarantor and the holder of the procedure must not be the same person.

2.3.2. Establishment and approval

The guarantor shall be established in the Contracting Party where the guarantee is provided and approved by the customs authorities requiring the guarantee.

Such approval takes place according to the provisions in force in the country concerned. Therefore national law determines the general legal relationship between the guarantor and the competent authorities within the general framework of the transit rules

In the Union the guarantor does not need to be approved by the customs authorities unless the guarantor is a credit institution, financial institution or insurance company accredited in the Union in accordance with Union provisions in force.

The customs authorities may refuse to approve a guarantor who does not appear certain to ensure payment of the amount of (customs) debt within the prescribed period.

A guarantor must have an address for service in each country for which his guarantee is valid or, where the laws of a country make no provision for such an address, he must appoint an agent. The address for service gives a place of business, registered in accordance with the laws of the country in question, at which the competent authorities can conduct all formalities and procedures relating to the guarantor in writing in legally binding form. An appointed agent shall be a natural or legal person appointed by the guarantor.

This ensures that written communications to and legal proceedings involving a guarantor can be verifiably delivered in any country in which a (customs) debt may arise in connection with goods under the transit procedure.

TRADE

- 1) The guarantor shall undertake in writing to pay the amount of (customs) debt.
- 2) The guarantor undertakes not to change his addresses for service without lodging the annex to his undertaking with the new addresses for service at the customs office of guarantee.

2.3.3. Liability

*Article 117
Appendix I,
Convention*

*Article 94
UCC*

Article 85 DA

The liability of the guarantor is based on the acceptance of his undertaking by the customs office of guarantee. It will be effective from the date the customs office of departure releases goods for a transit operation covered by this guarantee.

The liability of the guarantor is limited to the maximum amount shown in the guarantor's undertaking. Claims may not be made beyond this amount.

Where the common/Union transit procedure has not been discharged, the customs authorities of the country of departure shall, within nine months from the presentation of the goods at the office of destination, notify the guarantor that the procedure has not been discharged.

Where the procedure is still open after that nine-month period, the customs authorities of the country of departure within three years from the date of acceptance of the transit declaration, notify the guarantor that he is or might be required to pay the (customs) debt. The notification states the MRN and date of the transit declaration, the name of the customs office of departure, the holder of the procedure's name and the amount involved.

The guarantor shall be released from his obligations if either of those notifications have not been sent to him before the expiry of the time limit. But if either of those notifications has been sent, the guarantor shall be informed of the recovery of the debt or the discharge of the procedure.

2.3.4. Revocation of the approval of the guarantor or of the undertaking and cancellation of the undertaking

*Article 23,
Appendix I,
Convention*

The customs office of guarantee may revoke the approval of the guarantor or the approval of the guarantor's undertaking at any time.

Article 93 UCC

That customs office shall notify the revocation to the guarantor and the holder of the procedure. The revocation shall take effect on the 16th day following the date on which the decision on the revocation is received or is deemed to have been received by the guarantor.

Article 82 DA

Provided that the customs authorities didn't require that the form of guarantee chosen should be maintained for a specific period a guarantor may cancel his undertaking at any time. The guarantor shall notify the cancellation to the customs office of guarantee.

The cancellation shall not affect goods which, at the moment where the cancellation takes effect, have already been placed and still are under a common/Union transit procedure by virtue of the cancelled undertaking.

The cancellation of the undertaking by the guarantor shall take effect on the 16th day following the date on which the cancellation is notified by the guarantor to the customs office of guarantee.

When the guarantor's undertaking is revoked or cancelled, the customs office of guarantee shall retain the guarantor's undertaking for at least one year except where the (customs) debt is extinguished or can no longer arise or the guarantor has been notified of the recovery of the (customs) debt or the discharge of the procedure.

In the case that the guarantor has been notified that a transit procedure has not been discharged, the customs office of guarantee shall retain that undertaking on the basis of the information received until recovery or discharge has been completed or, if appropriate, the guarantor is released from his liability.

The customs authorities of the country responsible for the relevant customs office of guarantee shall introduce into the electronic system information of any revocation or cancellation of a guarantee and the date when it becomes effective.

3. Individual guarantee

3.1. Cash deposit

3.1.1. Introduction

*Article 19
Appendix I
Convention*

*Article 92(1)(a)
UCC*

Article 150 IA

A guarantee in the form of a cash deposit or by any other equivalent means of payment may be furnished at the customs office of departure in accordance with the provisions in force in the country of departure and will be repaid when the procedure has been discharged.

3.1.2. Repayment

In general, the customs office of departure is competent for the repayment. That customs office should inform the holder of the procedure of this repayment at the time of lodging the cash deposit or other equivalent means of payment and ask him which means of repayment he prefers. If the holder of the procedure decides on a money transfer, the customs office of departure shall note the details of the holder's of the procedure bank account and inform him that he will bear the costs of the transfer.

In a case of the guarantee in a form of cash deposit, no interest shall

be payable by the customs authorities.

3.2. Individual guarantee in the form of an undertaking by a guarantor

*Article 20
Appendix I,
Convention*

The undertakings given by a guarantor for the purpose of an individual guarantee are lodged at the customs office of guarantee and approved. They have to be registered in the Guarantee Management System (GMS) by that office. GMS is linked to the NCTS.

*Article 92
UCC*

*Articles 152 and
154 IA*

For each undertaking the customs office of guarantee shall communicate to the holder of the procedure the following information:

- a guarantee reference number (GRN),
- an access code associated with GRN.

The holder of the procedure cannot modify that access code.

When a customs declaration is lodged, it shall contain GRN and the corresponding access code. The customs office of departure shall verify the existence and the validity of the guarantee in the system.

In a case of business continuity procedure the guarantor's undertaking has to be presented at the customs office of departure. Where the customs office of guarantee is not the customs office of departure and has therefore kept a copy of the guarantor's undertaking, the customs office of departure is to inform the customs office of guarantee when it has returned the original to the undertaking to the holder of the procedure.

The model of the undertaking is set out in Annex C1, Appendix III, Convention/Annex 32-01 IA. But where required by national law, regulation or administrative provision, or in accordance with common practice, a country may allow the undertaking to take a different form provided it has the same legal effect as the undertaking set out in that form.

3.3. Individual guarantee in the form of vouchers (TC32)

3.3.1. Liability and approval

*Article 21
Appendix I
Convention*

*Articles 160 and
161 IA*

The undertakings given by a guarantor for the purpose of an individual guarantee in the form of vouchers (TC32) are lodged at the customs office of guarantee and approved. They are retained at that customs office for the period of its validity. In addition the undertakings and the vouchers have to be registered in the GMS by that customs office.

The undertaking does not contain a maximum amount of liability. The customs office of guarantee should ensure that the guarantor has sufficient financial resources to pay any (customs) debt liable to be incurred. In particular, the customs office could consider limiting the number of vouchers issued by a given guarantor.

The model of the undertaking is set out in Annex C2, Appendix III, Convention/Annex 32-02 IA. But where required by national law, regulation or administrative provision, or in accordance with common practice, a country may allow the undertaking to take a different form provided it has the same legal effect as the undertaking set out in that form..

3.3.2. Notification

Each country must inform the Commission of the names and addresses of guarantors that are authorised to issue individual guarantee in the form of vouchers.

The list of authorised guarantors is given in the Annex 7.1.

In case of revocation of the authorisation the country responsible for the customs office of guarantee shall notify the Commission immediately and give the date on which either becomes effective.

The Commission will inform the other countries.

3.3.3. Voucher (TC32)

Vouchers are made by a guarantor and provided to persons who intend to be the holder of the procedure. The guarantor may combine the voucher with a counterfoil and, if appropriate, with a receipt.

The absence of the holder's of the procedure signature on the voucher does not affect the validity of the voucher and the signature of the guarantor on the voucher need not be hand-written.

Each voucher covers an amount of 10 000 EUR for which the guarantor is liable. The period of validity of a voucher is one year from the date of issue.

Each voucher has to be registered in the GMS and for each voucher the customs office of guarantee shall communicate to the holder of the procedure the following information:

- a guarantee reference number (GRN),
- an access code associated with GRN.

The holder of the procedure cannot modify that access code.

When a customs declaration is lodged, it shall contain GRN and access code of each voucher. The customs office of departure shall verify the existence and the validity of the guarantee in the system.

A declarant submits at the customs office of departure a number of vouchers corresponding to the multiple of 10 000 EUR to cover the amount of (customs) debt which may be incurred (eg. if the amount of (customs) debt is 8 000 EUR, one voucher is sufficient, but if it is 33 000 EUR, 4 vouchers are needed)

In a case of business continuity procedure the voucher or vouchers have to be presented at the customs office of departure and retained by that office

The model of the voucher corresponds to the specimen in Annex C3, Appendix III, Convention/Annex 32-06 IA.

TRADE

The guarantor enters on the TC 32 voucher the date up to which the voucher is to remain valid. This may not be more than one year from the date of issue.

4. Comprehensive guarantee and guarantee waiver

4.1. General provisions

4.1.1. Introduction

*Article 55(a)
Appendix I
Convention*

*Articles 89(5) and
95 UCC*

Article 84 DA

The use of a comprehensive guarantee or a comprehensive guarantee with a reduced amount, including guarantee waiver is a simplification granted on the basis of an authorisation. It requires the completion of an application by the applicant and an authorisation granted by the competent authority.

4.1.2. General conditions

The applicant must comply with the conditions laid down in Article 57 and 75, Appendix I, Convention/Article 95 UCC and Article 84 DA (for further details see Part VI, paragraph 2.1.).

4.1.3. Calculation of the reference amount

*Article 74,
Appendix I,
Convention*

Article 155 IA

The use of the comprehensive guarantee and or a comprehensive guarantee with a reduced amount, including the guarantee waiver is granted up to a reference amount. In order to protect the financial interests of the Contracting Parties and to meet the requirements of the holder of the procedure the reference amount must be calculated with the utmost care.

The reference amount shall correspond to the amount of the (customs) debt which may become payable in connection with each common/Union transit operation in respect of which the guarantee is provided, in the period between the placing of the goods under the common/Union transit procedure and the moment when that procedure is discharged. That period should represent a typical example of the transit activities of the holder of the procedure. The calculation of the reference amount should also include the transport of goods during peak periods or those goods he does not regularly

declare for transit, in order to cover all possible eventualities.

For the purpose of that calculation, account shall be taken of the highest rates of (customs) debt applicable to goods of the same type in the country of the customs office of guarantee.

The customs office of guarantee shall establish the reference amount in cooperation with the holder of the procedure on the basis of the information on goods placed under the common/Union transit procedure in the preceding 12 months and on an estimate of the volume of intended operations in the future. In agreement with the applicant, the customs office of guarantee may assess the reference amount by rounding up the sums in order to cover the required amount. Where that information is not available, that amount shall be fixed at EUR 10 000 for each transit operation.

The customs office of guarantee shall review the reference amount on its own initiative or following a request from the holder of the procedure and shall adjust it if necessary.

4.1.4. Amount of the guarantee

The reference amount of the comprehensive guarantee shall be equal to the maximum amount shown in the guarantor's undertaking that the applicant presents at the customs office of guarantee for acceptance.

4.1.5. Guarantee certificate

*Article 79,
Appendix I,
Convention*

Annex 72-04 IA

The competent authorities shall issue the holder of the procedure with a certificate (comprehensive guarantee certificate TC31 and guarantee waiver certificate TC33). In order to prevent the misuse of the certificates and the guarantee, the competent authorities shall issue more certificates only in justified cases and in the number

justified by the holder of the procedure (for example where the holder of the procedure regularly presents transit declarations at several customs offices).

A comprehensive guarantee certificate and guarantee waiver certificate are presented only in a case of business continuity procedure.

The models of certificates are set out in Annex C5 and C6, Appendix III, Convention / Chapter VI and VII, Annex 72-04 IA).

Those models have been modified in comparison with the old models, although all amendments have only technical nature. The certificates are valid for 2 years, but the extension for the 2 next years is possible.

Those documents may be used mainly in the context of business continuity as a fall back option. The old models should be accepted also after 1 May 2016 and until the countries replace those documents by the models which are set out in the amended Union legislation and Convention in line with the rules on reassessment of authorisations (Article 251 DA and Article 71 of the Convention, Appendix I as amended in April 2016).

4.1.6. Obligations of the holder of the procedure and review of the reference amount

Articles 74(5) and (6), Appendix I Convention

The holder of the procedure shall ensure that the amount which is payable or may become payable does not exceed the reference amount.

Articles 156 and 157 IA

The monitoring of the reference amount is ensured by the systems (GMS and NCTS) for each common/Union transit operation at the time of placing of goods under the common/Union transit procedure.

In a case of business continuity procedure the competent authorities shall describe the means of monitoring in the authorisation. They may consider the proposals made by the holder of the procedure. In any case, the method of monitoring must enable the holder of the procedure to determine whether the reference amount will be exceeded by the transit operation to be applied for.

In this respect the competent authorities may require in particular, that the holder of the procedure at least keeps records of each transit declaration lodged in business continuity procedure and the amount of duties and other charges either calculated or assessed. In particular, he may monitor whether he exceeds the reference amount by debiting it with the amount for each transit operation at the time the goods are released for transit. Subsequently, he credits the reference amount with that amount at the time he receives information that the transit operation has ended. The holder of the procedure may assume that the operation has ended on the date when the goods must be presented at the customs office of destination. He is to amend his accounts retrospectively if he receives information that the procedure has not been discharged or has ended after the expiry of the time limit set by the customs office of departure.

Where the holder of the procedure establishes that he might exceed the reference amount, he must take measures in respect of the authorisation and, if necessary, future transit operations.

If the holder of the procedure does not inform the customs office of guarantee that the reference amount is exceeded in business continuity procedure, the authorisation may be revoked.

4.1.7. The use of the comprehensive guarantee

Article 76, Appendix I, Convention The undertakings given by a guarantor for the purpose of a comprehensive guarantee are

Article 154
IA

lodged at the customs office of guarantee and approved. They have to be registered in the GMS system by that office.

For each undertaking the customs office of guarantee shall communicate to the holder of the procedure the following information:

- a guarantee reference number (GRN),
- an access code associated with GRN.

Upon request of the holder of the procedure the customs office of guarantee shall assign one or more additional access codes to this guarantee to be used by that holder or by his representatives.

When a customs declaration is lodged, it shall contain GRN and the proper access code. The customs office of departure shall verify the existence and the validity of the guarantee in the system.

In a case of business continuity procedure a comprehensive guarantee certificate or a guarantee waiver certificate has to be presented (further details are paragraph 4.1.5.).

The model of the guarantor's undertaking is set out in Annex C4, Appendix III, Convention/Annex 32-03 IA. But where required by national law, regulation or administrative provision, or in accordance with common practice, a country may allow the undertaking to take a different form provided it has the same legal effect as the undertaking set out in that form.

4.1.8. Temporary prohibition relating to the use of comprehensive guarantee

Article 77, Appendix
I, Convention
Annex I, Appendix I,
Convention

The use of the comprehensive guarantee or the comprehensive guarantee with a reduced amount, including the guarantee waiver, may be temporary prohibited in the following cases:

Article 96 UCC

- in special circumstances,
- for the goods in respect of which large-scale fraud involving the use of the guarantee has been proven.

As regards the Union transit procedure the decision on the prohibition is taken by the Commission and concerning the common transit procedure – by the EU-EFTA Joint Committee.

The **special circumstances** mean a situation in which it has been established, in a significant number of cases involving more than one holder of the procedure and putting at risk the smooth functioning of the procedure that the comprehensive guarantee or a comprehensive guarantee with a reduced amount, including the guarantee waiver is no longer sufficient to ensure payment, within the prescribed time limit, of the (customs) debt arising when some types of goods are removed from the common/Union transit procedure.

The **large-scale fraud** means a situation where it is established that the comprehensive guarantee or the comprehensive guarantee with a reduced amount, including the guarantee waiver is no longer sufficient to ensure payment, within the time limit prescribed, of the (customs) debt arising when some types of goods are removed from the common/Union transit procedure. In this connection account should be taken of the volume of goods removed and the circumstances of their removal, particularly if these result from internationally organised criminal activities.

4.1.8.1. Individual guarantee with multiply usage

Annex I, Appendix I, Convention
Annex A2, Appendix III, Convention

In a case of temporary prohibition of the comprehensive guarantee (including reduction and waiver) the holders of the authorisation for the comprehensive guarantee, may, upon request, use an individual guarantee with multiply usage, provided the following conditions are fulfilled:

- the individual guarantee shall be put up in the form of a specific guarantee document which covers only the types of goods referred to in the decision on the prohibition;
- this individual guarantee may be used only at the customs office of departure identified in the guarantee document;
- it may be used to cover several simultaneous or successive operations provided that the sum of the amounts involved in current operations for which the procedure has not yet been discharged does not exceed the reference amount of the individual guarantee. In that case, the customs

office of guarantee assigns one initial access code for the guarantee to the holder of the procedure. The holder of the procedure can assign one or more access codes to this guarantee to be used by himself or his representatives;

- each time the procedure is discharged for a transit operation covered by this individual guarantee, the amount corresponding to that operation shall be released and may be re-used to cover another operation up to the maximum amount of the guarantee.

Individual guarantee with multiply usage is applicable only to the common transit operations started in common transit countries at the customs office of departure or by authorised consignors. It cannot be used for the Union transit operations started in the EU.

Code "9" should be indicated in a transit declaration as the guarantee code. That code does not exist in the EU legislation.

4.1.8.2. Derogation from the decision temporarily prohibiting the use of the comprehensive guarantee or the comprehensive guarantee with a reduced amount (including waiver)

Despite the decision on the temporarily prohibiting the use of the comprehensive guarantee or the comprehensive guarantee with a reduced amount (including guarantee waiver), the use of the comprehensive guarantee may be notwithstanding authorised if the holder of the procedure meets the following criteria:

- he can show that no (customs) debt has arisen in respect of the goods in question in the course of the common/Union transit operation which he has undertaken in the two years preceding the decision on the prohibition; or where (customs) debt has arisen during that period, he can show that those debts were fully paid by the debtor/debtors or the guarantor within prescribed time-limit;
- he demonstrates a high level of control of his operations and of the flow of

goods by means of a system of managing commercial and transport records, which allows appropriate customs controls;

- his financial solvency shall be deemed to be proven where he has good financial standing, which enables him to fulfil his commitments, with due regard to the characteristics of the type of business activity concerned.

That exceptional usage of the comprehensive guarantee concerns both common and Union transit operations.

In a case of business continuity procedure box 8 of the Guarantee certificate TC31 should be endorsed with the phrase: "UNRESTRICTED USE – 99209". Annex B6, Appendix III, Convention/Appendix D1, Annex 9, TDA contain all linguistic versions of that phrase.

4.1.9. Anullement and revocation of the authorisation

*Article 80,
Appendix I,
Convention*

*Articles 27 and 28
UCC*

In case of anullement or revocation of the authorisation, certificates issued earlier may not be used to place goods under the common/Union transit procedure and shall be returned by the holder of the procedure to the customs office of guarantee without delay.

The country responsible for the customs office of guarantee shall forward to the Commission the means by which certificates that remain valid and have not yet been returned may be identified.

The Commission will inform the other countries.

Further details are in part VI, paragraph 2.3.

4.2. Reduction of the amount of guarantee and guarantee waiver

4.2.1. Introduction

The maximum amount of guarantee that, in principle, is equal to the reference amount may be reduced provided the holder of the procedure complies with certain criteria of reliability. The amount may be reduced to 50% or 30 % of the reference amount or a

guarantee waiver may be granted.

4.2.2. Criteria of reduction

Further details are in Part VI, paragraph 3.1.

- 5. Specific national instructions (reserved)**
- 6. Restricted part for customs use only**
- 7. Annexes**