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Item 4 (a) (i) of the provisional agenda

Activities and administration of the TIR Executive Board:

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Report by the Chair of the TIR Executive Board

Report of the sixty-eighth session of the TIR Executive Board (TIRExB)*

I. Attendance

1. The TIR Executive Board (TIRExB) held its sixty-eighth session on 30 May 2016 in Geneva.
2. The following members of TIRExB were present: Mr. S. Amelyanovich (Russian Federation), Mr. G. Andrieu (France), Mr. M. Ciampi (Italy), Mrs. D. Dirlík (Turkey), Mr. S. Fedorov (Belarus), Mrs. B. Gajda (Poland), Mrs. L. Jelínková (European Commission), Mr. V. Milošević (Serbia) and Mr. S. Somka (Ukraine).
3. The International Road Transport Union (IRU) attended the session as observer and was represented by Mr. Youlian Guenkov.

II. Opening statement

4. In her opening statement Mrs. Eva Molnar, Director, Sustainable Transport Division, United Nations Economic Commission for Europe (UNECE), referred to the recent allegations against IRU. She stressed that UNECE considers the issues as internal IRU matters, on the understanding that IRU as private partner could continue to fulfil its obligations under the TIR Convention. It is not the task of TIR Contracting Parties, TIRExB or the UNECE secretariat to manage IRU. With regard to the pending accession of

* The present document is submitted pursuant to Annex 8, Article 11, paragraph 4 of the TIR Convention, 1975, which stipulates that the TIR Executive Board (TIRExB) "shall report on its activities to the Administrative Committee at least once a year or at the request of the Administrative Committee".

China to the TIR Convention, she, referring to the eTIR pilot projects between Iran (Islamic Republic of) and Turkey and between Georgia and Turkey, stressed the importance of speedy computerization of the system as well as the intermodal use of the TIR procedure. She called on members of the Board to attend the seventieth session of the Inland Transport Committee (Geneva, 21-24 February 2017).

III. Adoption of the agenda

Documentation: Informal document TIRExB/AGE/2016/68

5. TIRExB adopted the agenda of the session as contained in Informal document TIRExB/AGE/2016/68.

6. With reference to the restricted status of the draft agenda, TIRExB recalled its previous decision, taken at its first, second, seventh and thirteenth session, that, unless decided otherwise, only approved reports of sessions of the TIRExB were subject to general distribution (see TRANS/WP.30/AC.2/2002/6, para. 38).

IV. Adoption of the report of the sixty-seventh session of TIRExB

Documentation: Informal document TIRExB/REP/2016/67 draft with comments

7. The Board adopted the draft report of its sixty-seventh session (Informal document TIRExB/REP/2016/67draft with comments), subject to amendments.

V. Application of specific provisions of the TIR Convention

Consideration of amendment proposals

A. Proposals to introduce more flexibility in the guarantee system

Documentation: Informal document No. 7 (2016), Informal document No. 18 (2016)

8. TIRExB continued its discussions of Informal document No. 7 (2016) on the financial and other possible implications of introducing full guarantee coverage as described in scenario 3 of the TIRExB assessment (either full guarantee coverage for all Contracting Parties or, alternatively, that each country is free to set its own maximum guarantee amount or could decide not to set a maximum at all) (see also ECE/TRANS/WP.30/AC.2/2016/7, Part VI). In the context of its discussions, TIRExB also took note of Informal document No. 18 (2016) by IRU, in which it proposed TIRExB to conduct a survey, in order to better calculate the price of TIR Carnets in case of full guarantee coverage.

9. In a first reaction, various members expressed the view that there was no need for such survey by TIRExB, for diverging reasons. Some argued that the data on, in particular, type of goods and maximum level of duties and taxes were not always easy to collect for customs and that levels differed from country to country, in particular for sensitive goods such as excise goods. Various members pointed at the fact that the use of the Harmonized System (HS) code is not mandatory for transports under cover of TIR Carnets. The absence of the HS code requires additional work for customs to provide data. In their view, due to the additional burden for customs administrations, such survey did not seem warranted. Instead, it seemed more likely that such data could be provided by transporters, national

associations and IRU. Others interpreted it as lack of willingness from the side of IRU to contribute to the discussions by means of not providing the requested financial assessment of full guarantee coverage. Finally, some members argued that any such complex survey seemed premature, in particular in view of the raise of the level of the guarantee to 100,000 euros per 1 July 2016.

10. In conclusion, the Board decided that, pending the outcome of the TIRExB assessment and in the absence of any amendment proposals to introduce full guarantee coverage, it seemed premature to conduct a survey among Contracting Parties. At the same time, TIRExB agreed to continue discussing the issue and called upon IRU, in collaboration with national associations and the international insurers to bring any relevant data to the attention of TIRExB, for consideration at its next session. Further to the kind offer from the side of IRU, done at the sixty-seventh session, TIRExB encouraged IRU to invite an expert from the insurers (AXA) to attend part of the next session of the Board for the sake of clarifying how insurers calculate risks and determine the required amount to cover them and other related issues of interest to the Board.

B. Proposals to introduce authorized consignor

11. In view of the short timespan between the previous session and the present session and in the absence of any new written material, the Board decided to revert to this issue at its next session.

VI. Various issues with regard to the TIR Carnet

Documentation: Informal document No. 15 (2016)

12. The Board took note of Informal document No. 15 (2016), containing considerations by the secretariat on changes to the size of boxes 4, 5 and 11, as proposed by the IRU for the new layout of the TIR Carnet, as well as on the signature by the secretary of the international organization in box 5. In this context, the Board recalled that Annex 1 of the TIR Convention describes the model of the TIR Carnet and provides the rules regarding its use. However, it does not contain any provisions on issues such as, but not limited to, size of the TIR Carnet, exact dimensions of the boxes, colour of the cover page, font or letter type of the text, etc. With regard to the signature of the secretary of the international organization, the Convention does not contain any provisions or instructions either. However, considering that Swiss law allows the signatures of individuals who represent organizations or businesses on whose behalf documents are signed to be printed or stamped, the printed signature of Mr. Umberto de Pretto in his capacity of Secretary-General of IRU meets all applicable legal requirements.

13. Under this agenda item, TIRExB also took note of all changes in the new layout of 6 and 14 Voucher TIR Carnets, gradually to be brought into circulation as of 1 July 2016. IRU indicated that customs administrations will be fully informed of the new layout and will receive specimens.

VII. Computerization of the TIR procedure

A. Current status of the eTIR Project

14. The Board took note of the status quo in the eTIR Pilot Project between Italy and Turkey. In view of the fact that the future of this pilot project lies embedded in broad-scale

developments in trade facilitation between the two countries, it was decided that there was no need for the Board to revert to this project at future sessions.

15. The Board took note of the most recent developments in the UNECE/IRU eTIR Pilot Project between Iran (Islamic Republic of) and Turkey, in particular, that:

(a) The light weight version of the eTIR international system, hosted at the UNOG data centre, is functioning and successfully receiving data from the IRU system. The two concerned customs administrations have also received a detailed description on how their IT systems can securely access the data stored in the eTIR international system and the secretariat stands ready to assist them in this endeavour;

(b) In the course of July 2016, parties intend to start the second step of the Pilot Project, for which they are actively looking for more interested transport operators and customs offices required for their transports.

16. The Board also took note of the progress made in the framework of the Georgia-Turkey eTIR pilot, in particular, Georgia customs has successfully connected its Information Technology system with the recently deployed Central Exchange Platform (CEP) hosted at UNOG.

B. Activities of the Group of Experts on Legal Aspects of Computerization of the TIR procedure

17. TIRExB was informed about the outcome of the second session of the Group of Experts on Computerization of the TIR procedure (GE.2). The session had been well attended (11 countries, EU and IRU), and the Group had identified ways forward on several issues. More specifically, GE.2 had decided to conduct a survey on electronic methods of authentication, including electronic signatures; the Group had also concluded that it would be necessary to identify the potential financing mechanisms as a matter of priority and to this end decided to develop a substantiated document that would eventually be transmitted for further consideration to the competent TIR intergovernmental bodies. Furthermore, GE.2 concluded that the eTIR Reference Model should be kept as a separate document with a relevant technical body to update, amend and maintain it with an established simplified procedure. Finally, GE.2 reviewed the possible formats of the eTIR legal framework and weighed the advantages and disadvantages of each option. In order to make progress, the main outcome of the session was that GE.2 requested to start reviewing draft legal text, to be prepared by the secretariat in both formats under discussion, in order to start concretely developing the legal framework at the next session. TIRExB noted that the detailed report of the session would be available as ECE/TRANS/WP.30/GE.2/4.

C. ITDB¹ / Central database on certificates of approval / Central database on customs offices

18. Under this agenda item, the secretariat informed the Board in detail about various features of the new ITDB. The secretariat was in the process of soliciting interest from national customs authorities and national associations to act as volunteers to test the new features as of July 2016. Members of TIRExB were equally encouraged to take part in the testing phase, which would continue until all features were functioning satisfactorily. The new ITDB is planned to go live before the end of 2016. The secretariat underlined that the

¹ International TIR Data Bank

new method of presentation does, by no means, affect any of the functionalities of ITDB. Further to questions by various members and IRU on “withdrawal” versus “exclusion” of TIR Carnet holders, the Board requested the secretariat to prepare a document, clarifying the difference, for consideration at its next session, under a separate agenda item.

VIII. Adaptation of the TIR procedure to modern business, logistics and transport requirements

Implementation of the intermodal aspects of the TIR procedure

Documentation: Informal document No. 11 (2016)

19. The secretariat shortly introduced the scenario of an intermodal TIR transport for the transport of a container between two inland customs offices in different Contracting Parties, involving a sea-leg. The particularity of such scenario is that it involves more than one transport operator, thus highlighting the issue of subcontracting. In the view of Mr. S. Fedorov (Belarus), there was no unambiguous answer to this question, as there was a difference in the treatment of subcontractors in countries of transit and of destination. Mr. S. Amelyanovich (Russian Federation) recalled that the issue of subcontracting has been under discussions of various fora for many years, without, as yet, a final solution having been found.

20. In conclusion, the Board stated its readiness to continue working on this scenario, requesting the secretariat to address, once more, the issue of subcontractor and provide clarification about the transport of the TIR Carnet.

IX. Settlement of disputes between Contracting Parties, associations, insurance companies and international organizations

21. No new information was provided under this agenda item.

X. Problems reported by transport companies from the Republic of Moldova in Ukraine

22. Pending the adoption of a new law by the Parliament of Ukraine, lifting restrictions for the transport of alcohol and tobacco products on the territory of Ukraine under cover of TIR Carnets, this issue will remain on the agenda of TIRExB, for information purposes.

XI. Functioning of the TIR international guarantee system

Survey on customs claims

Documentation: Informal document No.12 (2016)/Rev.1

23. The Board took note of the results of the survey on customs claims and on the guarantee level for the period 2011-2014, as contained in Informal document No. 12 (2016)/Rev.1. The Board noted that 42 countries had responded to the survey but regretted

that, despite numerous reminders, important countries such as Romania and Ukraine still had not.

24. The Board welcomed the efforts of the secretariat to clarify and correct the detailed country data as compared to the previous version of the document as well as the inclusion of the responses on the guarantee.

25. With regard to the results of the survey, the Board noted that the rate of withdrawn claims had decreased but that still 45 per cent of payments are made after the three month deadline stipulated by the TIR Convention. It also noted that the IRU statistics and the data obtained through the survey still show differences and requested the secretariat to continue referring to those differences when launching the next survey. Finally, the Board noted that there seem to be differences in the way countries report data on claims addressed at person(s) directly liable and decided that, for the next survey, instructions should be clarified.

26. The Board decided to transmit the summary results of the survey to AC.2, including data that will arrive before 31 July 2016, i.e. so that the document could be submitted as official document for the consideration of AC.2 at its October 2016 session, without any reference to specific countries. Furthermore, if so deemed necessary, the Board agreed to revert to the data, in case the secretariat would issue a second revision of the document.

XII. Example agreement

Documentation: Informal document No. 6 (2016)

27. The Board took note of Informal document No. 6 (2016) by the secretariat and containing the text of the example authorization and agreement from Chapter 6 of the TIR Handbook, together with a question to TIRExB whether an update seemed warranted. Mr. Y. Guenkov (IRU) reported that IRU regularly received questions on the application of the examples from new or recent accession countries, such as, at this moment, in particular, but not limited to, Pakistan. He further stressed the need for more legal expertise to assist countries in (re) drafting their customs law in order to meet the requirements of the TIR Convention. The Board mandated the secretariat to liaise with IRU for the purpose of improving or amending the text of the example agreement.

XIII. Activities of the secretariat

A. General activities of the secretariat

28. The Board was informed about further activities of the TIR secretariat that have been carried out in accordance with its mandate, in particular:

- follow-up actions to previous decisions by TIRExB;
- maintenance of the ITDB and of the UNECE Register of Customs Sealing Devices and Customs Stamps;
- IT-projects managed by the secretariat;
- the organization of TIR related events.

29. The Board took note that the TIR secretariat had participated in the National Workshop on the Mainstreaming of the Vienna Programme of Action for Land-Locked Developing Countries (LLDCs), which took place on 27 and 28 April 2016 in Ulaanbaatar. The national workshop was the occasion for UNECE to highlight the importance for

landlocked countries of the United Nations border crossing facilitation agreements, in particular the TIR Convention and the Harmonization Convention. The workshop served as an opportunity for UNECE to present the relation between border crossing facilitation and the Sustainable Development Goals. Also, the relevance of United Nations agreements on border crossing facilitation to the implementation of the World Trade Organization Trade Facilitation Agreement was brought up during the event.

30. The Board took note that UNECE and the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island States (UN-OHRLLS) had organized global seminar on the importance of key Trade and Transport Conventions on 9 May 2016 in New York. The seminar raised awareness and understanding of the process, potential benefits and implications of accession to international conventions related to facilitation of transport and trade.

31. In addition UNECE and UN-OHRLLS will co-organize another global seminar on the importance of key Trade and Transport Conventions, back to back with the meeting of Trade Ministers of LLDCs at the World Trade Organization (WTO) in Geneva in June 2016.

32. The Board took note that the TIR secretariat participated in the third Global World Customs Organization (WCO)-Authorized Economic Operator (AEO) Conference (11-13 May 2016; Cancun (Mexico)). More specifically, the TIR secretariat participated in a panel discussion on transit and the AEO concept, which provided the opportunity to promote the TIR Convention and other relevant legal instruments. In addition, UNECE and IRU had a booth throughout the Conference, which allowed for in-depth discussions with visitors about the benefits of the border crossing facilitation legal instruments. The secretariat would further participate in a WCO IT Conference (1-3 June 2016, Dakar) to present and promote the TIR Convention, the UNECE/IRU eTIR Pilot Project as well as other eTIR pilot projects. Finally, the TIR secretariat was invited to participate in a WCO transit workshop (27 June-1 July, Abidjan).

B. United Nations Development Account

33. The Board took note of the recent progress in the implementation of the United Nations Development Account project: “Strengthening the capacities of developing countries and countries with economies in transition to facilitate legitimate border crossing, regional cooperation and integration”, in particular, of:

(a) the organization of a seminar on Customs-to-Customs Electronic Exchange of Transit Data and the Adoption of Standard Electronic Messages (20-21 June 2016, Geneva); followed by

(b) the second interregional expert group meeting (22 June 2016, Geneva).

XIV. Vehicles with loose floorboards

Documentation: Informal document No. 14 (2016)

34. The Board took note of Informal document No. 14 (2016) by the secretariat and retransmitting an incident with a vehicle with loose floorboards.

35. The Board recalled that, in 2008-2009, it had requested Mr. B. Rasmussen from the Danish customs authorities, to provide his expert opinion if a specific type of vehicle, whose floors are equipped with troughs to facilitate and secure the transport of sheet metal coils, meets the requirements of the TIR Convention, in particular the provisions of Annex

2, Article 1 (c) and (d). Mr. Rasmussen was of the opinion that such vehicle could be approved for the transport of sheet metal coils. However, when transporting other goods, the V-shaped trough could hold goods and could, even be considered as a 'concealed space'. Thus, the dual use of the concerned vehicle, prevented it from being customs secure and, therefore, could not be approved for transport under TIR. The incident reported by Mr. Rasmussen exactly referred to an infringement where drugs were found in the concealed spaces of the trough.

36. Although there was no information that, in this particular case, the vehicle had been approved for TIR transport, TIRExB was of the opinion that it was important to bring the matter to the attention of Contracting Parties and requested the secretariat to submit the document to AC.2 for its consideration.

XV. Other matters

Documentation: Informal document No. 16 (2016), Informal document No. 17 (2016).

37. Due to lack of time, these documents were not discussed.

38. Under this agenda item, the Board reverted to the allegations of financial mismanagement by IRU as reported in the Swiss press and circulated by e-mail. Mr. Y. Guenkov (IRU) referred in this regard to a statement that Mr. Umberto de Pretto, Secretary-General of IRU would deliver to the Working Party on Customs Questions affecting Transport (WP.30) on 31 May 2016. He informed the Board that the Presidential Executive of IRU had commissioned an external audit and that, according to his knowledge, court proceedings following the deposition of a complaint by a former staff member of IRU with the State Prosecutor of Geneva, had not yet started.

XVI. Restriction in the distribution of documents

39. TIRExB decided to keep Informal documents No. 12/Rev.1, 15, 16, 17 and 18 (2016), issued in relation to the current session, restricted.

XVII. Date and place of next session

40. The Board decided to conduct its sixty-ninth session on Monday 10 October 2016 in Geneva. The Board, tentatively, decided to organize its seventieth session on 5 and 6 December 2016 in Geneva and requested the secretariat to make the appropriate arrangements.
