



Economic and Social Council

Distr.: General
8 October 2010

Original: English

Economic Commission for Europe

Inland Transport Committee

Working Party on Customs Questions affecting Transport

126th session

Geneva, 28 September – 1 October 2010

Report of the Working Party on Customs Questions affecting Transport on its 126th session

Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Attendance.....	1	3
II. Adoption of the agenda (agenda item 1)	2	3
III. Opening statement.....	3	3
IV. Activities of United Nations Economic Commission for Europe bodies and other United Nations organizations of interest to the Working Party (agenda item 2).....	4–5	3
V. Activities of other organizations and countries of interest to the Working Party (agenda item 3).....	6–8	4
VI. International Convention on the Harmonization of Frontier Controls of Goods, 1982 (“Harmonization Convention”) (agenda item 4).....	9–13	4
A. Status of the Convention	9	4
B. Annex 8 on road transport	10–12	4
C. Preparation of a new Annex on rail border crossing.....	13	4
VII. International Convention to Facilitate the Crossing of Frontiers for Passengers and Baggage Carried by Rail, of 10 January 1952 (agenda item 5)	14	5
VIII. Rail transit (agenda item 6)	15	5
IX. Customs Conventions on the Temporary Importation of Private Road Vehicles (1954) and Commercial Road Vehicles (1956) (agenda item 7).....	16–17	5
A. Status of the Conventions	16	5
B. Application of the Conventions	17	5

X.	Other United Nations Economic Commission for Europe legal instruments for border crossing facilitation (agenda item 8).....	18–20	6
XI.	Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975) (agenda item 9)	21–42	6
	A. Status of the Convention.....	21–22	6
	B. Revision of the Convention	23–34	7
	1. Preparation of Phase III of the TIR revision process.....	23–29	7
	2. Amendment proposals for the Convention.....	30–34	8
	C. Application of the Convention.....	35–42	9
	1. Control system for TIR Carnets – International Road Transport Union SafeTIR	35	9
	2. Settlement of claims for payments	36–37	9
	3. TIR Handbook.....	38	9
	4. Application of the TIR Convention in a Customs union with a single Customs territory.....	39	9
	5. Increase in the number of loading and unloading places.....	40	9
	6. TIR Carnets invalidated by the guarantee chain.....	41	9
	7. Other matters	42	9
XII.	Prevention of the abuse of Customs Transit Systems by smugglers (agenda item 10).....	43	9
XIII.	Other business (agenda item 11)	44–46	10
	A. Dates of the next session.....	44	10
	B. Restriction on the distribution of documents	45	10
	C. Presentation by the World Bank	46	10
XIV.	Adoption of the report (agenda item 12).....	47	10

I. Attendance

1. The Working Party (WP.30) held its 126th session from 28 September to 1 October 2010 in Geneva. The session was attended by representatives of the following countries: Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iran (Islamic Republic of), Italy, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Republic of Moldova, Netherlands, Norway, Poland, Romania, Russian Federation, Serbia, Slovenia, Spain, Sweden, Tajikistan, The former Yugoslav Republic of Macedonia, Turkey and Ukraine. Representatives of the European Union (EU) were also present. The following intergovernmental organization was represented: Intergovernmental Organization for International Carriage by Rail (OTIF), United Nations Conference on Trade and Development (UNCTAD), World Bank. The following non-governmental organization was represented: the International Road Transport Union (IRU).

II. Adoption of the agenda (agenda item 1)

2. WP.30 adopted the provisional agenda, prepared by the secretariat (ECE/TRANS/WP.30/251).

III. Opening statement

3. In her opening statement, Ms. Eva Molnar, Director, United Nations Economic Commission for Europe (UNECE) Transport Division, recalled a number of achievements of the Working Party in the area of border crossing facilitation, such as the adoption of a new Annex 9 on rail border crossing to the Harmonization Convention. At the same time, she pointed out the urgent need to further strengthen the TIR Convention on the basis of good governance, risk mitigation and modern technologies. She called upon the delegations to speed up the computerization of the system and to finalize, without delay, the amendment proposals on the introduction of a new Annex 9, part III on the authorization of an international organization.

IV. Activities of United Nations Economic Commission for Europe bodies and other United Nations organizations of interest to the Working Party (agenda item 2)

4. WP.30 noted that, on 31 January 2011, in conjunction with its 127th session, UNECE would organize an annual meeting on security of means of transport, drivers and cargo. Delegates were invited to take part in this event.

5. The Working Party was informed that the Inland Transport Committee, at its February 2010 session, approved the report on hinterland connections of seaports (ECE/TRANS/210) and invited various working parties, including WP.30, to consider whether and how the tasks outlined in the report could be implemented (ECE/TRANS/208, paras. 30-32). The Working Party noted that the following recommendations fall within its competence: (i) to continue adopting good practices for border crossings; (ii) to consider the possible preparation of a new annex to the Harmonization Convention on border crossing procedures at seaports. WP.30 decided to consider these issues in detail at the next session.

V. Activities of other organizations and countries of interest to the Working Party (agenda item 3)

6. The representative of the EU reminded delegations of the end of the transitional period for the so-called advance security declaration, which must be lodged in electronic form as from 1 January 2011. Further details are available from the website of the European Commission:

http://ec.europa.eu/taxation_customs/resources/documents/customs/procedural_aspects/transit/tir/notice_tir_security_and_eori_en.pdf.

7. Given the preparations during the transitional period, including an update of the TIR-EPD (electronic pre-declaration) application of IRU, WP.30 expressed the hope that transport operators would not face any problems after 1 January 2011.

8. The Working Party took note that the study on the implications of SAFE for the TIR Convention (ECE/TRANS/WP.30/2010/8), whose length exceeded the limits established by the applicable United Nations rules, had been granted a length waiver and would be available in all working languages at the next session.

VI. International Convention on the Harmonization of Frontier Controls of Goods, 1982 (“Harmonization Convention”) (agenda item 4)

A. Status of the Convention

9. WP.30 recalled the accession of Iran (Islamic Republic of) effected on 18 May 2010 (Depositary Notification C.N.266.2010.TREATIES-1) and that the Convention had entered into force for Iran on 18 August 2010.

B. Annex 8 on road transport

10. WP.30 took note of further developments in the survey concerning the implementation of Annex 8 at the national level (Informal document No. 3 (2010)) and invited Contracting Parties, who had not yet replied to the secretariat, to do so as soon as possible.

11. The Working Party was also informed of progress in the preparation of the Organization for Security and Cooperation in Europe – UNECE Handbook on best practices at border crossings. In this context, IRU pointed at direct and indirect losses that transport operators continue to incur at border crossings and that IRU had developed a tool to monitor border waiting times which should also be included as an example in the Handbook.

12. The Iranian delegation informed WP.30 about the successful launch of the Silk Road transit caravan in the ECO (Economic Cooperation Organization) region which was accompanied by welcome ceremonies in all ECO member States. This initiative aimed at simplifying various border crossing requirements, including Customs, security, insurance and visas. For example, ECO member States began introducing common ECO visas and car insurance (so-called white card), which are similar to Schengen visas and the green card in Europe. The detailed information on the caravan is available at <http://www.silkroadcaravan.org>.

C. Preparation of a new Annex on rail border crossing

13. The Working Party noted that the Administrative Committee of the Harmonization Convention (AC.3), at its ninth session on 27 May 2010, had decided to adopt the amendment proposal with regard to the introduction of a new Annex 9 to the Harmonization Convention, as set out in document ECE/TRANS/WP.30/AC.3/2010/1, and that this proposal would soon be circulated to all Contracting Parties for acceptance.

VII. International Convention to Facilitate the Crossing of Frontiers for Passengers and Baggage Carried by Rail, of 10 January 1952 (agenda item 5)

14. The Working Party took note of document ECE/TRANS/WP.30/2010/10, containing the final draft of a Protocol to the 1952 Convention to Facilitate the Crossing of Frontiers for Passengers and Baggage carried by Rail in the three official UNECE languages, prepared by the secretariat. The representative of the EU informed the meeting that, as some of its members States were Party to the said Convention and considering that the subject matter at hand involved aspects falling under exclusive competence of the EU, it was still studying the Protocol and the impact of its adoption by individual member states for EU legislation. The Working Party decided to revert to the issue at its next session, on the understanding that, by that time, the EU would have finalized its internal consultations.

VIII. Rail transit (agenda item 6)

15. WP.30 noted that no new countries had acceded to the Convention on International Customs Transit Procedures for the Carriage of Goods by Rail under Cover of Agreement on International Goods Transport by Rail (SMGS) Consignment Note.

IX. Customs Conventions on the Temporary Importation of Private Road Vehicles (1954) and Commercial Road Vehicles (1956) (agenda item 7)

A. Status of the Conventions

16. The Working Party took note that no new countries had acceded to the Customs Conventions on the Temporary Importation of Private (1954) and Commercial (1956) Road Vehicles.

B. Application of the Conventions

17. WP.30 noted that the International Touring Alliance and the International Automobile Federation (AIT/FIA) continued to work on the preparation of comments and best practices for the application of the 1956 Convention.

X. Other United Nations Economic Commission for Europe legal instruments for border crossing facilitation (agenda item 8)

18. The Working Party noted that, on 9 August 2010, Albania had acceded to the Convention concerning Customs Facilities for Touring, (1954) and to the Additional Protocol to the Convention concerning Customs Facilities for Touring relating to the importation of tourist publicity documents and material, (1954). Both legal instruments will enter into force for Albania on 7 November 2010 (Depositary Notifications C.N.492.2010.TREATIES-1 and C.N.491.2010.TREATIES-1).

19. The delegation of Turkey recalled its invitation to consider in more detail the European Convention on Customs Treatment of Pallets used in International Transport, (1960) and the Customs Convention on Containers, (1972) (ECE/TRANS/WP.30/250, para. 16) and draw the attention of WP.30 to the following issues:

(a) the text of the Customs Convention on Containers published on the UNECE website needs to be updated to include the recent amendment regarding the plate to identify the owner of the container;

(b) Global Positioning System (GPS) equipment on containers should be considered as accessories and benefit from the facilities provided for in the Convention;

(c) the European Convention on Customs Treatment of Pallets used in International Transport, 1960 brings various standards like International Standard for Phytosanitary Measures No. 15 (ISPM 15) which was developed by the International Plant Protection Convention (IPPC). The new standards of ISPM 15, such as roasting procedure, should be announced on time for transport operators to take the necessary measures.

20. The Working Party requested the secretariat to update the text of the Container Convention, as stipulated under (a), and to study issue (c) with a view to reporting to WP.30 at its next session. Concerning (b), the Working Party felt that this issue falls under the competence of the Administrative Committee to the Container Convention which meets under the auspices of the World Customs Organization.

XI. Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975) (agenda item 9)

A. Status of the Convention

21. The Working Party noted that, since its previous session, there had been no changes in the status of the TIR Convention. WP.30 was also informed that, as of 1 July 2010, the guarantee sum per TIR Carnet in Ukraine and Kazakhstan had been fixed at € 60 000.

22. WP.30 took note of the activities of the IRU with a view to promoting the TIR system in Latin America and Asia, in particular, their participation in the ECO transit caravan.

B. Revision of the Convention

1. Preparation of Phase III of the TIR revision process

Use of new technologies

23. The Working Party took note of the latest development related to the eTIR project, in particular the successful establishment of the network of eTIR focal points, the active participation of the Dutch customs in preparing Chapter 4 of the Reference Model and the kind offer from the Turkish Customs to provide their expertise in the evaluation of the costs involved in setting up and maintaining the eTIR international system. WP.30 also noted that the secretariat was seeking United Nations funds to launch a project closely related to eTIR, aimed at improving the Customs-to-Customs exchange of transit data. Furthermore, the Working Party was informed of the active participation of the secretariat in the WCO Data Model Project Team and of the amendments that would be included in version 3.1 of the WCO data model to accommodate the eTIR requirements with regard to data on seals.

24. Some delegations reiterated their full support for the eTIR project and looked forward to its successful accomplishment. A number of other delegations, including Kyrgyzstan, while fully recognizing the need to incorporate modern Information Technologies (IT) technologies in the TIR Convention, stated that they would not be in a position to support any computerized system, if it was introduced at the expense of transport operators, in particular on the assumption that the establishment of a large-scale IT system would be expensive. These delegations called for better integration in the eTIR project of the existing IT tools developed and maintained by IRU, namely TIR Electronic Pre-Declaration (TIR-EPD) and SafeTIR. Some delegations underlined that capacity building and the necessary infrastructure are essential conditions for such projects in all Contracting Parties.

25. The Working Party noted that TIR-EPD and SafeTIR cover business-to-Customs and Customs-to-business exchange of information and cannot replace eTIR whose primary objective is to allow for Customs-to-Customs data exchange. However, eTIR can benefit from TIR-EPD and SafeTIR functionalities, for example, by incorporating a standard declaration mechanism as contained in TIR-EPD. WP.30 welcomed the willingness of the secretariat and IRU to closely cooperate with each other in this area.

26. The Working Party noted that, so far, the work on the eTIR project had been focused on technical aspects and that the financial implications of eTIR would still need to be addressed. WP.30 stressed the importance of studying the experiences made within other IT systems in the Customs field, such as ASYCUDA (Automated SYstem for CUstoms Data), NCTS (New Computerized Transit System), TIR-EPD, SafeTIR, national Customs systems, etc. In this context, the representative of the World Bank recalled a Canada–Afghanistan project on Customs-to-Customs data exchange which had benefited from the 360 degree overview of the existing systems and available human and financial resources.

27. The secretariat recalled the request by WP.30 to prepare a first draft of legal provisions aimed at the introduction of eTIR and invited the Working Party to provide guidance on which alternative should be pursued: either to amend the current Convention with provisions introducing the use of electronic data interchange (EDI) in parallel to or gradually replacing the paper TIR Carnet or to launch a completely new, so called, "eTIR" Convention which would be based on Electronic Data Interchange (EDI) technologies (TRANS/WP.30/2005/20). Some delegations were of the opinion that the Working Party should reach consensus on technical and financial aspects before embarking upon such an exercise.

28. In the course of in-depth discussions, the Working Party realized that both options had their own pros and cons and was not in a position to reach a consensus. However,

WP.30 agreed that, whatever option is chosen, the introduction of a computerized system should be done step-by-step after the proper cost/benefit analysis, should take into account various constraints at the national level as well as the guidelines approved by the TIR Administrative Committee (ECE/TRANS/WP.30/AC.2/85, para. 38) and should not impede transport and trade facilitation. The current paper-based system will continue to exist in parallel to a computerized procedure. Finally, the Working Party decided to revert to this issue at the next session.

29. Pending a decision of WP.30, possibly at the next session, the secretariat also pointed out the complexity of drafting legal provisions and welcomed the offer of some delegations to assist in this process, e.g. by means of a small drafting group. The Working Party took note of this statement.

2. Amendment proposals for the Convention

30. On the basis of revised document ECE/TRANS/WP.30/2010/4/Rev.2 by the secretariat, the Working Party considered amendment proposals for the introduction of a new Annex 9, Part III of the Convention on the authorization of an international organization and focused its attention on items (o), (p) and (q) which introduce audit requirements. In line with the request by WP.30 at the previous session (ECE/TRANS/WP.30/250, para. 22), the secretariat informed the Working Party that the issue of confidentiality is duly reflected in the International Standards on Auditing (<http://web.ifac.org/clarity-center/the-clarified-standards>) and in the Code of Ethics for Professional Accountants (<http://web.ifac.org/publications/international-ethics-standards-board-for-accountants/code-of-ethics#2010-handbook-of-the-code-o>).

31. The Working Party took note of Informal document No. 6 (2010) in which IRU reiterated its concerns with regard to the new audit provisions, such as unclear background, lack of justification, possible breach of the Swiss law, number of audits and the confidentiality of audit reports, and proposed to adopt the new Annex 9, Part III without items (o), (p) and (q). IRU also pointed out that it already fulfils numerous obligations by virtue of the UNECE-IRU agreement.

32. A number of delegations were of the view that provisions (o), (p) and (q) aimed at ensuring good governance and transparency in the TIR system and, thus, cannot be spared. They argued that audits would be a logical consequence of the authorization granted to an international organization, as the Contracting Parties should have the right to verify the fulfilment of the conditions of the authorization.

33. Some other delegations expressed concerns that the new provisions seem to impose numerous audits that could prevent IRU from the proper accomplishment of its tasks and, therefore, could have a negative impact on transport operators. In reply to the question whether the United Nations auditors, as mentioned under item (p), have the right to audit an independent international organization, the secretariat clarified that the United Nations auditors cannot perform such audits without the consent of the international organization. A few delegations felt that the annual external audits of IRU, conducted in line with the Swiss law, would be sufficient to ensure the necessary transparency and that technical, legal and financial implications of the new audit provisions should be studied further. The delegation of Kyrgyzstan was of the view that the present wording of Article 6.2 bis is sufficient for its country.

34. The Working Party realized that it has at least the following three options concerning the underlying proposals: (i) to adopt the text as it stands, including (o), (p) and (q); (ii) to adopt the text without (p) and (iii) to adopt the text without (o), (p) and (q). Being unable to take a final decision at the present session, WP.30 decided to come back to this issue at the next session.

C. Application of the Convention

1. Control system for TIR Carnets – International Road Transport Union SafeTIR

35. The Working Party was informed by IRU of the functioning of the IRU SafeTIR system. From 1 January to 31 August 2010, IRU had received 1,716,466 SafeTIR messages with an average transmission delay of 3 days. Seventy-two per cent of messages had been transmitted in real-time (within 24 hours). The Customs administrations of Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Montenegro, Poland, Romania, Russian Federation, Serbia and Ukraine transmitted data in real-time. In the same period, IRU had issued 4,274 reconciliation requests and had received replies to 1,903 (45 per cent) of them with an average delay of 30 days.

2. Settlement of claims for payments

36. The Working Party was informed by IRU of the present situation with regard to the settlement of claims for payments made by Customs authorities against national guaranteeing associations. From 1 January to 31 August 2010, IRU received 1,935 pre-notifications and 963 notifications (from all Contracting Parties) as well as 197 payment requests. The number of pending payment requests as of 31 August 2010 amounted to 6,871. In the same period, 68 payment requests had been paid and 44 had been settled without payment.

37. Following the invitation of the Chair at the previous session, IRU informed that, over the last decade, 4,715 claims for a total amount CHF 79,856,517 had been paid.

3. TIR Handbook

38. The Working Party was informed that the 2010 version of the TIR Handbook had been finalized in Arabic, Chinese and Spanish and were available on the UNECE website. Hard copies in these languages were under preparation.

4. Application of the TIR Convention in a Customs union with a single Customs territory

39. The representative of Belarus informed WP.30 of the preparation of a draft trilateral agreement on the functioning of the TIR procedure in the Customs union between Belarus, Kazakhstan and the Russian Federation. The agreement was expected to be adopted in October 2010. Meanwhile, the application of the TIR procedure remained unchanged.

5. Increase in the number of loading and unloading places

40. This issue was not discussed due to lack of time.

6. TIR Carnets invalidated by the guarantee chain

41. This issue was not discussed due to lack of time.

7. Other matters

42. No other matters were discussed due to time constraints.

XII. Prevention of the abuse of Customs transit systems by smugglers (agenda item 10)

43. This issue was not discussed due to lack of time.

XIII. Other business (agenda item 11)

A. Dates of the next session

44. The Working Party decided to hold its 127th session in the week of 31 January – 4 February 2011.

B. Restriction on the distribution of documents

45. The Working Party decided that there were no restrictions with respect to the distribution of documents issued in connection with its current session.

C. Presentation by the World Bank

46. The Working Party welcomed a presentation by the World Bank concerning a governance analysis toolkit for Customs and border management. The presentation outlined a methodology to improve good governance and reduce corruption at border crossings which was successfully applied by the Customs Administration of Afghanistan. In this context, UNCTAD and IRU informed WP.30 of their cooperation with the World Bank in Afghanistan.

XIV. Adoption of the report (agenda item 12)

47. The Working Party adopted the report on its 126th session on the basis of a draft prepared by the secretariat.
