



**Economic and Social
Council**

Distr.
GENERAL

ECE/TRANS/WP.30/AC.2/95
15 October 2008

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

INLAND TRANSPORT COMMITTEE

Administrative Committee for the TIR Convention, 1975

**REPORT OF THE ADMINISTRATIVE COMMITTEE FOR THE
TIR CONVENTION 1975 ON ITS FORTY-SIXTH SESSION
(9 October 2008)**

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I. ATTENDANCE

1. The Committee held its forty-sixth session on 9 October 2008 in Geneva.
2. The session was attended by representatives of the following countries: Austria; Belarus; Belgium; Bulgaria; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; Italy; Kyrgyzstan; Latvia; Lithuania; Moldova; Netherlands; Poland; Russian Federation; Serbia; Slovakia; Slovenia; Spain; Sweden; Switzerland; Turkey; Ukraine. Representatives of the European Community (EC) were also present.
3. The following non-governmental organization was represented as observer: International Road Transport Union (IRU). Representatives of the issuing and guaranteeing associations of Croatia, Norway and Finland participated in the session as observers.
4. The Administrative Committee noted that the required quorum for the purposes of taking decisions – of at least one-third of the States which are Contracting Parties (according to Annex 8, Article 6 of the Convention) - was attained.

II. ADOPTION OF THE AGENDA

5. The Administrative Committee adopted the agenda as contained in document ECE/TRANS/WP.30/AC.2/94.

III. STATUS OF THE TIR CONVENTION, 1975

6. The Committee was informed that, on 6 August 2008, the Secretary-General of the United Nations, acting in his capacity of depositary, had re-issued (for technical reasons) Depositary Notification C.N.364-2008.TREATIES-1 of 12 May 2008, informing of the submission of proposals to amend paragraphs 1 and 2 of Article 13 of Annex 8 of the TIR Convention, 1975 together with proposals to introduce new Explanatory Notes 8.13.1-3 and 8.13-2 to Annex 6 of the Convention. Furthermore, on 2 October 2008, the Secretary-General issued Depositary Notification C.N.734.2008.TREATIES-2, informing that by 1 October 2008 no objections had been received to the aforementioned amendment proposals and that, thus, the amendments will enter into force on 1 January 2009. Finally, on the same date the Secretary-General issued Depositary Notification C.N.736.2008-TREATIES-3 informing of corrections to the French text of the said amendments.

IV. ACTIVITIES AND ADMINISTRATION OF THE TIR EXECUTIVE BOARD (TIRExB)

A. Activities of the TIRExB

1. Report by the Chairperson of the TIRExB

7. The Committee endorsed the report of the TIRExB on its thirty-fourth (November 2007) and thirty-fifth sessions (January 2008), as contained in documents ECE/TRANS/WP.30/AC.2/2008/3 and ECE/TRANS/WP.30/AC.2/2008/4, respectively. The acting TIRExB Chairperson also briefed the Committee about various considerations and decisions taken by the TIRExB at its thirty-sixth (May 2008) and thirty-seventh (October 2008)

sessions. In particular, the Committee was informed of the consolidated results of the survey concerning Customs claims covering the period from 2004 to 2006 as well as about two new surveys conducted by the TIRExB, namely, a questionnaire on the use of so-called subcontractors and a survey of the national TIR associations on the price of TIR Carnets at national level. The TIRExB encouraged associations, which had not yet replied to the second survey, to do so as soon as possible, thus allowing the TIRExB to fulfil its mandate.

2. International TIR Data Bank (ITDB)

8. The Committee was informed of the status of transmission of documents and data to the ITDB (Informal document No. 6 (2008)). The Committee also took note of progress in the implementation of the "ITDBonline+ project" which consists of two parts: web services and a website. The TIR secretariat was advancing with the software development of a web services prototype and was looking for a country to test it. The Committee noted that Finland had kindly agreed to provide a framework for these tests which would be carried out not later than in January 2009.

3. On line register of Customs Sealing Devices and Customs Stamps

9. The Committee was informed that the TIR secretariat had completed the software implementation phase of the on-line UNECE Register of Customs Sealing Devices and Customs Stamps website. The available information from Contracting Parties was translated into English, French and Russian, where required, and introduced in an electronic form on this website. As a next step, the United Nations competent services were requested to appoint a company to perform an IT security audit of the website. The audit was expected to take place before the end of 2008, so that the on line UNECE Register of Customs Sealing Devices and Customs Stamps could become operational at the beginning of 2009.

4. National and regional TIR workshops and seminars

10. The Committee took note of the outcome of a Regional TIR Training Seminar held in May 2008 in Baku (Azerbaijan) as well as of a National TIR Workshop organized in April 2008 in Podgorica (Montenegro).

B. Financial administration of the TIRExB and the TIR secretariat

1. Status report on the accounts for 2007 and 2008

11. The Administrative Committee approved the report on the complete and final accounts for 2007 (ECE/TRANS/WP.30/AC.2/2008/5). The Committee also took note of interim financial statements for the period January to July 2008 as contained in document ECE/TRANS/WP.30/AC.2/2008/6.

2. Procedure for the financing of the operation of the TIRExB and TIR secretariat in 2009

12. The Committee recalled that, at its forty-third session, it had approved the procedure for the collection and transfer of the amount per TIR Carnet to finance the operation of the TIRExB and the TIR secretariat (ECE/TRANS/WP.30/AC.2/89, para. 38 and annex 2). This procedure

has also been included into the revised UNECE-IRU Agreement. In accordance with this procedure, the Administrative Committee approved the budget and cost plan for the operation of the TIRExB and the TIR secretariat for the year 2009 as well as the net amount to be transferred by the IRU (ECE/TRANS/WP.30/AC.2/2008/7/Rev.1). The Committee was also informed by the IRU that it expects to distribute some 3 million TIR Carnets in 2009 and that, according to IRU internal calculations, an amount per TIR Carnet of US\$ 0.4246 will be required to generate the income necessary to cover the additional funds of US\$ 1,274,000 needed for the operation of the TIRExB and TIR secretariat in 2009. The Committee approved the amount of US\$ 0.4246 per TIR Carnet, calculated by the secretariat on the basis of the forecast provided by the IRU. This amount will be expressed in Swiss francs following the transfer of the above net amount to the UNECE named bank according to the prevailing US dollar-Swiss franc exchange rate on the day of the transfer.

3. Audit of the UN Board of Auditors and OIOS

13. The Administrative Committee was informed that, on 13 March 2008, in line with the provisions of the UNECE/IRU agreement (Annex 3), the IRU's independent external auditor had submitted to the UNECE its report of the accounts kept by the IRU for the transfer of the amount and the recovery of the sums required for the financing of the operation of the TIR Executive Board (TIRExB) and the TIR secretariat for the year 2007. The UNECE forwarded the report to the United Nations Office of Internal Oversight Services (OIOS) and is awaiting its comments.

14. The IRU auditor's engagement letter for the year 2008, requiring UNECE's prior approval, was signed by the IRU and the external auditor on 12 March 2008. The 2008 engagement letter is fully compliant with OIOS recommendation 01, stipulating that the audit report shall include (i) detailed explanations of IRU internal controls over TIR Carnet distribution to national associations, including invoicing, defining financial terms applied in the TIR Carnet distribution such as the amount invoiced per TIR Carnet, total amount invoiced, the number of TIR Carnets distributed and financial year and (ii) an explanation of the audit tests applied.

15. The Committee also noted that OIOS recommendation 03 pertaining to the introduction of a new part III to Annex 9 of the Convention on the conditions and requirements of the international organization to become authorized was still under discussion by WP.30. With regard to OIOS recommendation 06 on the submission of the eTIR Project to the competent UN ICT Management Group, the Committee noted that the UNECE had informed OIOS that the eTIR Project should be considered as a project of Contracting Parties for which the UNECE secretariat mainly provides meeting support and that the recommendation should be closed.

C. Election of members of the TIRExB

16. The Administrative Committee confirmed that the criteria for nomination of candidates to the TIRExB would be based on the comment adopted on 26 June 1998 to the Rules of Procedure of the TIRExB on "representation" (TRANS/WP.30/AC.2/51, annex and Corr.1). Subparagraph 1 (c) and paragraph 2 do not apply as their provisions relate only to the initial election of Board members and are thus no longer appropriate. The Committee also confirmed the procedure for the election of members of the TIRExB adopted on 26 February 2000 by the Committee (TRANS/WP.30/AC.2/53, paras. 31 and 34).

17. Therefore, the Administrative Committee authorized the UNECE secretariat to issue in October - November 2008 a document recalling the approved election procedures and soliciting candidates willing to stand for election as members of the TIRExB for the term 2009-2010. The deadline by which nominations would need to be received by the UNECE secretariat was set at 8 December 2008. No further candidates may be nominated following expiry of this deadline. On 11 December 2008, the UNECE secretariat will circulate a list of candidates who have been nominated by their respective Governments or organizations being Contracting Parties to the Convention. The election will take place at the forty-seventh session of the Committee on 5 February 2009.

D. TIR Secretary

18. The Committee took note of the recent reorganization of the UNECE Transport Division. It also noted that all activities of the Working Party on Customs Questions affecting Transport (WP.30) and the TIR Administrative Committee would now be serviced by the newly created Section of Transport Facilitation and Economics. The Committee was also informed that Mr. Konstantin Glukhenkiy, a former staff member of the TIR secretariat, had been appointed Secretary to WP.30 and to the Committee. The functions of TIR Secretary had also been included into his job description.

V. AUTHORIZATION FOR PRINTING AND DISTRIBUTION OF TIR CARNETS AND THE ORGANIZATION AND FUNCTIONING OF THE GUARANTEE SYSTEM

19. The Committee recalled its earlier decision to authorize the IRU to centrally print and distribute TIR Carnets and to organize the functioning of the guarantee system for the period 2006-2010 inclusive (TRANS/WP.30/AC.2/77, para. 37 and ECE/TRANS/WP.30/AC.2/91, para. 17).

VI. UPDATE OF THE AGREEMENT BETWEEN THE UNECE AND THE IRU

20. The Committee recalled that, according to para. 2 of the revised UNECE-IRU Agreement, Annexes 1 and 2 to the Agreement should be adjusted on an annual basis through an exchange of letters between the UNECE and the IRU, in accordance with the relevant decisions of the TIR Administrative Committee. Therefore, for the year 2009, these annexes will be modified on the basis of the Committee's decisions as referred to in para. 12 of the present report.

VII. REVISION OF THE CONVENTION

A. Amendment(s) to the Convention with regard to the maximum level of guarantee per TIR Carnet

21. The Committee was informed that, at its June 2008 session, the WP.30 had decided on the following amendment proposal to Annex 6, Explanatory Note 0.8.3:

"for \$US 50,000 read 60,000 euros".

The Committee approved in principle this amendment proposal. As the European Community was not in a position to formally accept the proposal, the Committee decided to revert to this

issue at its next session, thus allowing the Community to conclude its internal approval procedures.

22. Some delegations stressed the urgency and importance of this amendment for their countries and expressed concerns about the delay in its formal approval. The delegation of Turkey was not in a position to support the proposal for the reasons mentioned in the course of discussions at the June 2008 session of WP.30 (ECE/TRANS/WP.30/238, para. 26).

23. The IRU recalled the feasibility study (WP.30 Informal document No. 9 (2008)) undertaken by the insurers and reiterated that the proposed increase in the guarantee coverage should be taken on a country-by-country basis and would only be feasible if the identified pre-conditions had been met to the full satisfaction of the insurers. Taking account of the fact that the underlying amendment proposal had been in principle approved by the Committee, the TIR guaranteeing chain would be prepared to raise the guarantee level for a country as soon as the pre-conditions established by the insurers are met. In this regard, the Committee supported the views expressed by WP.30 at its June 2008 session (ECE/TRANS/WP.30/238, para. 25).

B. Other proposals for amendments to the Convention

24. The Committee approved the following Explanatory Note to Article 3 (a):

"0.3 (a) (iii) The provisions of Article 3 (a) (iii) do not cover passenger cars (HS-code 8703) travelling by their own means. However, passenger cars may be carried under the TIR procedure if transported by means of other vehicles as referred to in subparagraphs (a) (i) and (a) (ii) of Article 3."

25. In accordance with Article 60, the Committee decided that the above amendment proposals would come into force on 1 October 2009, unless at least five objections had been raised before 1 July 2009.

C. Phase III of the TIR revision process – computerization of the TIR procedure

26. The Committee was informed that the Informal Ad hoc Expert Group on Conceptual and Technical Aspects of Computerization of the TIR Procedure (GE.1) had held its fourteenth session on 10 and 11 April 2008 in Geneva and that the report, as endorsed by WP.30, was contained in document ECE/TRANS/WP.30/GE.1/2008/3. It also took note that the fifteenth session of the GE.1 would take place on 16 and 17 October 2008 in Geneva. The Committee welcomed the progress made in the drafting of Chapter 3 of the eTIR Reference Model, containing the in-depth analysis of the future, computerized TIR system. The Committee appealed to all parties concerned to support the important work of computerization of the TIR procedure. In particular, Contracting Parties were urged to ensure that Information and Communication Technology (ICT) experts from both Customs and transport industry would participate in and actively contribute to the discussions of the GE.1.

VIII. APPLICATION OF THE CONVENTION

A. Draft recommendation on the introduction of HS code in the TIR Carnet

27. The Committee took note that no information had been received on the implementation of the Recommendation on the use of the HS Code in the TIR Carnet (ECE/TRANS/WP.30/AC.2/93, para. 28 and Annex II) which had come into force on 1 May 2008. The Committee reiterated its request to Contracting Parties to communicate to the secretariat any information related to the application of the Recommendation.

B. Comments adopted by the TIR Executive Board

28. The Committee approved a new comment to Article 3 of the TIR Convention to read as follows:

“TIR procedure and postal items

According to the specific Annex J to the International Convention on the Simplification and Harmonization of Customs procedures (Revised Kyoto Convention), postal items are not subject to Customs formalities whilst they are being conveyed in transit. Therefore, the TIR procedure should not apply to postal items which are defined as letter-post and parcels, as described in the Acts of the Universal Postal Union currently in force, when carried by or for postal services.”

IX. BEST PRACTICES

A. Application of Article 38 of the Convention

29. The Committee noted that the Government of Turkey had submitted to WP.30 a document containing proposals on the introduction of two Explanatory Notes to Article 38. The Committee decided to await the outcome of WP.30 considerations.

B. Application of Articles 39 and 40 of the Convention

30. The Committee was informed that a revised example of best practice with regard to the application of Articles 39 and 40 would be submitted by the TIRExB to the next session of the Committee.

C. Best practices with regard to the use of the TIR Carnet

31. The Committee welcomed the example of best practices with regard to the use of the TIR Carnet (ECE/TRANS/WP.30/AC.2/2008/8), prepared by the TIRExB in line with its mandate, and stressed the importance of this document for both Customs authorities and TIR Carnet holders. Following a short exchange of views, the Committee invited Contracting Parties to study the example in detail and to send to the secretariat their comments, if any, prior to the next session.

X. OTHER BUSINESS

A. Date of next session

32. The Committee decided to hold its forty-seventh session on 5 February 2009, in conjunction with the 121st session of WP.30.

B. Restriction on the distribution of documents

33. The Administrative Committee decided not to restrict the distribution of documents issued in connection with its current session.

XI. ADOPTION OF THE REPORT

34. In accordance with Annex 8, Article 7 of the TIR Convention, 1975, the Administrative Committee adopted the report on its forty-sixth session. During the adoption of the report, the French and Russian speaking delegations deplored that the report was not available in all three official languages.

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