



**ADMINISTRATIVE COMMITTEE
FOR THE TIR CONVENTION, 1975**

TIR Executive Board (TIRExB)

(Thirty-third session, 11 June 2007,
agenda item 5)

MONITORING THE PRICE OF TIR CARNETS

Note by the secretariat

A. BACKGROUND

1. At its thirty-second session, the TIRExB adopted its programme of work for 2007 and 2008 (TIRExB/REP/2007/32draft, paras. 10, 11 and Annex 1), including the following items:

- Monitor the price of TIR Carnets at international level (i.e., ex-IRU price) on the basis of information to be reported by IRU annually or when modified.
- Study all the relevant issues concerning the price of TIR Carnets at the "ex-national association" level.

The IRU questioned the legal basis for the TIRExB's monitoring the price of TIR Carnets at the "ex-national association" level. The Board decided to study this issue further. To facilitate Board's considerations, the secretariat has prepared the present document, which contains legal provisions and a summary of views on the matter expressed by the TIRExB and TIR Administrative Committee.

**B. PAST CONSIDERATIONS BY THE TIRExB AND TIR ADMINISTRATIVE
COMMITTEE (AC.2)**

Twenty-fourth session of AC.2 (February 1998)

2. The Administrative Committee regretted that, following a Committee's request, the IRU had not furnished more details than the prices of various types of TIR Carnets. The Administrative Committee felt that more substantive information on the production, distribution and administration of TIR Carnets, including insurance premiums, should be considered (TRANS/WP.30/AC.2/49, paras.43-45).

First session of the TIRExB (March 1999)

3. The TIRExB was not in a position to reach a consensus on the procedures for the monitoring of the prices of TIR Carnets. One member was of the view that information on this issue, to be transmitted by the IRU, should consist of the total price of TIR Carnets as well as of components thereof. Other members felt that such detailed information was part of the commercial activities of the IRU and of no interest to the TIRExB (TIRExB/1999/2/Rev.1, para.29).

Third session of the TIRExB (September 1999)

4. The IRU submitted information on the 'ex-IRU price' of TIR Carnets, together with some explanations (Informal document No.6 (1999)). The IRU stated that it is very difficult to give an overview of all components of the price of TIR Carnets and explained that the price of TIR Carnets consists in principle of the insurance premium and various other components. The price of the TIR Carnet is approved yearly by the competent bodies of the IRU. The accounts of the IRU are fully in line with the Swiss fiscal law.

5. The IRU also pointed out that the price of TIR Carnets differed in various countries. These differences were not a result of IRU's pricing policy, but due to such factors as the rate of exchange, number of TIR Carnets issued, membership fees policy, different levels of insurance, local administering costs, special risks, etc., calculated by the associations themselves. As a result, the TIR Carnet issuing price provided in Informal document No 6 is not identical to the price asked by the national associations from the transport operators (TIRExB/REP/1999/3/Rev.1, paras. 9-12).

Twelfth session of the TIRExB (January 2002)

6. The TIRExB took note of the issuing price of TIR Carnets (Informal document No. 7 (2002)). The IRU stressed that this price had not changed since 1995, despite a considerable increase in the number and total amount of Customs claims lodged with the international guarantee system over the last years. The price is annually approved by the IRU General Assembly upon proposal of the Presidential Executive.

7. Some TIRExB members were of the view that the information on the absolute price of TIR Carnets provided by the IRU did not enable the Board to properly perform its monitoring function. Thus, the information should be complemented by data on the price structure and its components for the sake of transparency. Other members of the Board argued that price components were a commercial matter of the IRU and its member associations and that monitoring of the price structure could go beyond the mandate of the TIRExB according to the Convention. It was also mentioned that the TIRExB might wish to look into retail prices of TIR Carnets at the national level which could greatly vary from one country to another (TIRExB/REP/2002/12/Rev.1, paras.34-36)

Fifteenth session of the TIRExB (October 2002)

8. The TIRExB was officially informed by the IRU of a 25-30 % increase of the issuing price of TIR Carnets as of May 2002 (Informal document No. 25 (2002)). The IRU pointed out that the price of TIR Carnets had not been changed since 1995. Due to such factors as inflation (3 % per year) and a 28 % drop in the rate of exchange of US dollar, the IRU's General Assembly had taken the decision to increase the price of TIR Carnets. The representative of the IRU was not in a position to comment whether or not the increase of the price of TIR Carnets was linked to a rise in insurance premiums. The TIRExB underlined that such information should be transmitted to the Board well in advance to allow for the proper implementation by the TIRExB of the task "to monitor the price of TIR Carnets" (TIRExB/REP/2002/15, paras. 14 and 15).

C. LEGAL BACKGROUND**Terms of Reference of the TIRExB**

...

2. *In particular, the TIRExB in accordance with annex 8, article 10 of the Convention shall:*

- (a) *supervise the application of the Convention, including the operation of the guarantee system, and fulfil the functions entrusted to it by the Administrative Committee ...;*
- (b) *supervise the centralized printing and distribution to the associations of TIR Carnets which may be performed by an agreed international organization as referred to in article 6 of the Convention;*

...

(g) *maintain a central record for the dissemination to Contracting Parties of information to be provided by the international organizations as referred to in article 6 of the Convention, on all rules and procedures prescribed for the issue of TIR Carnets by associations, as far as they relate to the minimum conditions and requirements laid down in annex 9 of the Convention;*

(h) *monitor the price of TIR Carnets.*

...

10. *Any of these Terms of Reference may be amended or suspended by the Administrative Committee (annex 8, article 9, paragraph 2).*

Other relevant provisions of the TIR Convention

Annex 8 "Composition, functions and rules of procedure of the Administrative Committee"

Article 1 bis

...

2. *The Committee shall monitor the application of the Convention and shall examine any measure taken by Contracting Parties, associations and international organizations under the Convention and their conformity therewith.*

3. *The Committee, through the TIR Executive Board, shall supervise and provide support in the application of the Convention at the national and international levels.*

Annex 9, Part I "Authorization for associations to issue TIR Carnets"

Article 1

...

(f) *An undertaking in the written agreement or any other legal instrument under (e), that the association:*

...

(vi) *shall allow the competent authorities to verify all records and accounts kept relating to the administration of the TIR procedure;*

...

(x) *shall agree to implement faithfully all decisions adopted by the Administrative Committee and the TIR Executive Board in as much as the competent authorities of Contracting Parties in which the association is established have accepted them.*

...

UNECE-IRU Agreement

...

2. *... the IRU...accepts to perform the following functions:*

...

- *Provide the competent body(ies) of the TIR Convention with information on the rules and procedures set out for the issue of TIR Carnets by national associations;*

...

- *Provide the competent body(ies) of the TIR Convention with statistical data on the number of TIR Carnets distributed to each Contracting Party;*

- *Provide, at the request of the TIRExB, full and complete information on the functioning of the TIR system, provided such request does not infringe legislation concerning confidentiality, data protection, etc.; in case such information cannot be given, IRU will specify the legal provisions or other reasons prohibiting the exchange of information;*

- *Provide the TIRExB with details of the issuing price by the IRU of each type of TIR Carnet;*
- ...

D. FURTHER CONSIDERATIONS BY THE TIRExB

9. The Board may wish to take note of the above information and decide how to proceed with item 9 of its work programme for 2007 and 2008.

10. In particular, the Board may wish to define the term “monitor” and “price of TIR Carnets”.

11. With respect to the term “monitor”, English dictionaries provide synonyms such as “check, watch, observe, supervise, scrutinize and examine” or “keep track of, regulate, control”. The Board may wish to decide whether “monitoring” is limited to a passive receipt of information from the IRU and/or national associations or implies a more active involvement by the Board. For example, the Board may request quarterly or more frequent updates, including advance notifications of future price increases at the ex-IRU level.

12. With respect to the “price of TIR Carnets”, the Board may wish to consider the ex-IRU price(s) and ex-national association price(s), including their specific components such as printing costs, insurance premiums, labour costs and overhead.
