



Economic Commission for Europe

Administrative Committee for the TIR Convention, 1975

Sixty-fifth session

Geneva, 15 and 16 February 2017

**Report of the Administrative Committee for the
 TIR Convention 1975 on its sixty-fifth session**
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I. Attendance

1. The Committee (AC.2) held its sixty-fifth session on 15 and 16 February 2017 in Geneva.
2. The session was attended by representatives of the following countries: Albania, Algeria; Armenia; Austria; Azerbaijan; Belarus; Belgium; Bosnia and Herzegovina; Bulgaria; China; Croatia; Cyprus; Czech Republic; Denmark; Estonia; Finland; France; Georgia, Germany; Greece; Hungary; Iran (Islamic Republic of); Ireland; Italy; Kazakhstan; Kyrgyzstan; Latvia; Lebanon; Lithuania; Luxemburg; Montenegro; Netherlands, Norway; Pakistan; Poland; Portugal; Republic of Moldova; Romania; Russian Federation; Serbia; Slovakia; Slovenia; Spain; Sweden; Switzerland; the Syrian Arab Republic; The former Yugoslav Republic of Macedonia; Tunisia; Turkey; Turkmenistan; Ukraine; United Arab Emirates; Uruguay; Uzbekistan. Representatives of the European Union (EU) were also present.
3. The following intergovernmental organization was represented as observer: Eurasian Economic Commission (EEC).
4. The following non-governmental organization was represented as an observer: International Road Transport Union (IRU).
5. The 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.
6. The Chief of the Transport Facilitation and Economics Section, United Nations Economic Commission for Europe (UNECE) Sustainable Transport Division, recalled that the Inland Transport Committee (ITC) will hold its 2017 celebratory session from 21 to 24 February 2017. Additional events will include a Ministerial Meeting on the ‘Past and Future of the UNECE Inland Transport Committee’ on 21 February 2017, which will conclude with the adoption of a Ministerial resolution aimed at highlighting the seventy years of substantive contribution of ITC and its subsidiary bodies in the field of transport, as well as to encourage further outputs from the contemporary global transport environment, including, but not limited to, the Sustainable Development Goals (SDGs). He encouraged all Governments and other interested parties to participate in the session of ITC as well as in the various side-events organized in conjunction with it.

II. Adoption of the agenda (agenda item 1)

7. The Committee adopted the agenda of the session (ECE/TRANS/WP.30/AC.2/132 and Corr.1) with the inclusion of an additional point under agenda item 8 with reference to the application of the TIR Convention on Belarus-Ukraine border-crossing points. The Committee also noted the availability of additional formal and informal documents.

III. Election of officers (agenda item 2)

8. In accordance with the Committee’s rules of procedure and established practice, the Committee elected Mr. H. R. Mayer (Austria) as Chair and Mr. F. Valiyev (Azerbaijan) as Vice-Chair for its sessions in 2017.

IV. Status of the TIR Convention, 1975 (agenda item 3)

9. The Committee was informed that in accordance with Article 53, paragraph 2, the TIR Convention entered into force for the People's Republic of China on 5 January 2017. Furthermore, the Committee noted the entry into force of amendments to Annexes 2, 6 and 7, on 1 January 2017. More detailed information on these issues as well as on Depository Notifications is available on the TIR website.¹

10. The Committee was also informed that, on 27 January 2017, the Federal Board of Revenue of Pakistan and the Pakistan National Committee of the International Chamber of Commerce (PNC-ICC), had signed the agreement, in accordance with Annex 9, Part I of the TIR Convention, further paving the way towards implementation of the TIR Convention in Pakistan.

11. Furthermore, the delegation of the Russian Federation expressed its readiness to collaborate with the Chinese authorities in identifying possible border crossing points. Under this agenda item, the Committee was informed that aforementioned amendments had been published in the Official Journal of the EU in 23 official EU languages (L 321/2016 of 29 November 2016)².

V. Activities and administration of the TIR Executive Board (agenda item 4)

A. Activities of the TIR Executive Board

1. Report by the Chair of TIR Executive Board

12. The Committee endorsed the reports of the TIR Executive Board (TIRExB) at its sixty-eighth (May 2016) and sixty-ninth (October 2016) sessions as contained in documents ECE/TRANS/WP.30/AC.2/2017/1 and ECE/TRANS/WP.30/AC.2/2017/2, respectively. The Committee was, also, orally briefed by the Chair of TIRExB about the major considerations and decisions taken at its seventieth (5 and 6 December 2016) and seventy-first (13 February 2017) session.

13. At its seventieth session (December 2016), TIRExB, having finalized its assessment of proposals to bring more flexibility to the guarantee system, looked at an overview of the ATA (Admission Temporaire) and CPD (Carnet de Passage en Douane) guarantee mechanisms. Although identifying some similarities, significant differences were noted. One member of TIRExB also asked for more information on the common transit New Computerized Transit System (NCTS), for further comparison. The Board, further, took note of the introduction of the new ITDB and its web services, which would, in the view of the secretariat, make the use of the Model Authorization Form redundant for the future. The secretariat has been asked to also inform the Committee of the new ITDB and its main features.

14. The Board made progress in finalizing an example of best practice of an intermodal container transport between two inland customs offices with a sea leg. The secretariat was requested to introduce more references to applicable provisions into the example and address the issue (or absence of) of using subcontractors. Furthermore, at the request of the Chair of WP.30, TIRExB also looked into the issue where it appears that in Belarus, TIR

¹ www.unece.org/tir/tir-depositary_notification.html.

² eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2016:321:TOC

transports with customs duties and taxes over 60,000 euros were refused entry. In the view of some members, this was correct, as the associations only provide guarantee up to that amount, whereas others clearly stated not to share this view, as it seriously impacted the relevance of the TIR Convention, to the detriment of the transport industry and recommended Belarus to stop this practice. They further stated that, in their view, countries should accept TIR Carnets for transit, irrespective of the level of customs duties and taxes, because, first of all, as a rule such level was not calculated for transit transports and, secondly, because the TIR Carnet holder, as primary debtor would be charged for the full amount. The international insurance chain would only be called upon in cases where the person(s) directly liable was unable to pay the amount due.

15. The Board further started its exercise to update the example agreement. In particular, the Board decided that, for the future, also the requirements of customs authorities should be better reflected in the agreement and to review a procedure for settling disputes and handling claims, as applied by IRU.

16. At its seventy-first session, TIRExB revisited the issue of bringing more flexibility to the guarantee system. Various members pointed at the NCTS system, which, on the one hand, requires full guarantee coverage, whereas, on the other hand, the level of the guarantee may vary and can, ultimately, even be waived. Experts from the countries of the common transit system, however, warned that, although similarities with the TIR procedure may exist, the basic principles are different. Therefore, any comparison between the two systems could lead to wrong conclusions. TIRExB recommends the new composition of the Board to have fresh approach towards introducing more flexibility.

17. The Board accepted, subject to some changes and endorsement by the Committee, the example of best practice of an intermodal TIR transport between two inland customs offices, with a sea leg, and requested the secretariat to include it in the next version of the TIR Handbook. Pending that, it could be posted at the TIR website.

18. The Board considered, but could not reach agreement on an assessment by the secretariat, elaborating the situations stipulated in the Convention, where countries are entitled refuse to accept a TIR Carnet, issued correctly in another TIR Contracting Party. According to this assessment, the fact that the guarantee by the national association does not fully cover the amount of customs duties and taxes does not constitute a right for customs authorities to refuse a TIR Carnet. In the view of the majority of the Board, the only reasonable option for Contracting Parties, facing this kind of situation, was to raise the level of the maximum guarantee.

19. Unfortunately, TIRExB did not have time to dedicate to the external audit report of IRU, trusting that either WP.30 or AC.2 would cover this issue.

20. TIRExB agreed with a survey to obtain more information on the composition of the price of TIR Carnets, in particular over which part VAT was calculated. Against this background, the Committee also took note of the prices of TIR Carnets for the years 2012 to 2016, as communicated to TIRExB per the requirements of Annex 9, Part I, paragraph 3 (vi) of the TIR Convention, and the analysis of the 2016 prices, as contained in document ECE/TRANS/WP.30/AC.2/2017/8. It also noted that a disclaimer was included in the document and that, in order to obtain more harmonized and timely data, TIRExB decided to circulate an electronic survey for the purpose of collecting information on the composition of the price of TIR Carnets prices as of 2017. With regard to the price of TIR Carnets, the delegation of the Russian Federation made an extensive statement and requested its inclusion in the report of the meeting (see Annex III).

21. AC.2 took note of this statement, and, pending an assessment by TIRExB, the Chair decided to revert to this issue at a future session.

22. TIRExB finalized its self-evaluation and transferred its findings to AC.2 (see Informal document WP.30/AC.2 (2017) No. 3).

2. Survey on customs claims

23. The Committee recalled its discussion and conclusions at the previous session on the results of the survey on customs claims for the years 2011 to 2014 and took note of the final consolidated results of the survey as contained in document ECE/TRANS/WP.30/AC.2/2016/14/Rev.1. The Committee recalled the importance of the survey on customs claims and the guarantee level and reiterated its request to all Contracting Parties to timely respond to the forthcoming survey which will be launched in the course of 2017.

3. International databases and electronic tools managed by the TIR secretariat

24. The Committee was informed in detail about the progress in implementing the International TIR Data Base (ITDB) and other Information Technology (IT) projects managed by the TIR secretariat. In this context, the secretariat stressed the importance of Contracting Parties connecting their national systems to the ITDB web service, in order to ensure timeliness and accuracy of the data therein. Furthermore, the Committee noted that TIRExB had, at its previous session, started considering the merits of making automatic use of ITDB mandatory. Finally, the Committee was informed that a letter, providing all the details about the ITDB rollout and all information related to its use, would be sent to all Contracting Parties.

4. National and regional TIR workshops and seminars

25. The Committee noted that since its previous session in October 2016, the TIR secretariat had participated in the following events: International Conference on laying the foundation in the UNECE region for economic integration and sustainable development towards 2030 (Minsk, 26 and 27 October 2016); workshop on the World Customs Organization (WCO) transit guidelines (Lusaka, 31 October-4 November 2016); WCO ATA/Istanbul Convention Administrative Committee (Brussels, 14 November 2016); International Logistics Forum for the Americas (Mexico City, 22 and 23 November 2016); Global Sustainable Transport Conference, Ashgabat (26 and 27 November 2016) and the Workshop on the World Customs Organization (WCO) transit guidelines (La Paz, 23-27 January 2017).

B. Administration of the TIR Executive Board and the TIR secretariat

1. Status report on the accounts for the year 2016

26. In accordance with Annex 8, Article 11, paragraph 4 of the Convention, TIRExB shall submit audited accounts to the Committee at least once a year or at the request of the Committee. The Committee was informed that the competent Finance Services of the United Nations were not able to formally finalize the accounts for 2016 by February 2017, and, therefore, the report on the complete and final accounts will be transmitted, as in the past, to the next session of the Committee for formal approval. The secretariat also informed the Committee that the secretariat had transmitted the request for an audit of the accounts of TIRExB and the TIR secretariat to the competent United Nations services.

2. Procedure for financing the operation of the TIR Executive Board and TIR secretariat

27. The Committee recalled that the amount per TIR Carnet for the year 2017 (SwF 0.88, see ECE/TRANS/WP.30/AC.2/131, para. 29) was approved at its previous session, taking into consideration the deficit for the year 2015, which had accumulated due to the lower number of TIR Carnets distributed in 2015 than had originally been forecasted.

28. The Committee was informed that, in line with the procedure for the collection and transfer of the amount per TIR Carnet to finance the operation of TIRExB and the TIR secretariat (ECE/TRANS/WP.30/AC.2/89, para. 38 and Annex 2), on 12 January 2017, the external auditor of IRU had produced an audit certificate reflecting the amount transferred by IRU and the total amount actually invoiced by IRU when distributing the TIR Carnets in the year 2016. According to the certificate, in 2016, there was a deficit (i.e. less was received than initially transferred) of SwF 295,554 (rounded), due to the lower number of TIR Carnets distributed in 2016 than had originally been forecasted. The secretariat explained that the total deficit for 2015 and 2016 arrives at the amount of SwF 525,215.96. However, the 2015 deficit of SwF 231,662.15 will be recovered in the course of 2017, in line with the decision of the Committee at its previous session (ECE/TRANS/WP.30/AC.2/131, paras. 26 and 29). It follows that, as per the letter of IRU (see Informal Document WP.30/AC.2 (2017) No. 5), the total deficit as at 31 December 2016 will be partially covered by the amount invoiced in 2017 (SwF 0.88 per TIR Carnet). As such, IRU recommended addressing the (remaining) deficit in line with Article 12 (b) of the UNECE-IRU Agreement, namely to record the deficit in the IRU accounts for subsequent adjustment.

29. The Committee noted the above information and was of the view that the forecast provided for the year 2017, namely 1,480,000 Carnets seemed overly optimistic, considering the declining number of Carnets distributed in the previous two years, and expressed concern as to the potential accumulation of further deficits in 2017. Against this background, various delegations requested clarifications with regard to the methodology used for forecasting the number of TIR Carnets per year. The delegation of IRU explained that forecasting is by nature an inexact exercise and that, in particular, for 2017, IRU had based its calculation on the number of potential operations and taking, also, into account the accession of new Contracting Parties that may become operational in the near future. The delegation of EU was of the view that perhaps forecasting should, in the future, be more conservative, to avoid consecutive deficits. Finally, the delegation of the Russian Federation requested that a copy of the 2016 audit report be transmitted to the permanent mission of the Russian Federation in Geneva, for further consideration by the competent authorities.

30. Against this background, the Committee concluded its discussions with the decision to address the issue of the 2016 deficit at the next session of the Committee in October 2017.

C. Election of members of the TIR Executive Board

31. The Committee recalled that, at its previous session, it had mandated the UNECE secretariat to solicit candidates for TIRExB membership for the term 2017-2018, to close the list of candidates on 15 December 2016 and, on the next working day (16 December 2016) to issue the official list of candidates for distribution to all Contracting Parties (see ECE/TRANS/WP.30/AC.2/131, para. 13). The procedures for the nomination and election were contained in Informal document No. 1 (2017). The Committee noted that the secretariat had proceeded accordingly and that the names of the candidates had been circulated by the secretariat on 16 December 2016 (Informal document No. 2 (2017)).

32. In accordance with the approved election procedure and on the basis of the list of nominated candidates, the Committee proceeded with a secret ballot. The following results were obtained and confirmed by the TIR Secretary:

Registered votes: 54

Valid votes: 54

Invalid votes: 0

Blank votes: 0

33. The following nine persons, who obtained a majority of votes of the Contracting States present and voting, were elected as members of TIRExB for a term of office of two years (in English alphabetical order of their last names):

Amelyanovic, Sergey (Russian Federation)

Andrieu, Guilhem (France)

Ayati, Mostafa (Islamic Republic of Iran)

Dirlik Songür, Didem (Turkey)

Fedorov, Sergei (Republic of Belarus)

Gajda, Beata (Poland)

Jelinkova, Lenka (European Commission)

Somka, Sergiy (Ukraine)

Takova, Elisaveta (Bulgaria)

34. The Committee recalled that the members of TIRExB were elected in their personal capacity, with the mandate of working towards the sustainability of the TIR procedure. The Committee also stressed that the respective Governments should finance the work of their members of TIRExB (Explanatory Note 8.13.1–2 of the Convention) and should ensure their participation in all sessions of the Board.

VI. Revision of the Convention (agenda item 5)

A. Proposal to amend Annex 9, Part I, paragraph 5

35. The Committee recalled that it had referred this amendment proposal for further assessment to TIRExB and that, due to a lack of time, this proposal was not discussed at the previous session. The Committee proceeded to consider document ECE/TRANS/WP.30/AC.2/2016/20, containing the assessment of TIRExB on the proposal to amend Annex 9, Part I, paragraph 5 to expressly specify that non-compliance with the duties of the association under paragraph 3 of Annex 9, Part I constitute grounds for termination of the agreement between the national association and the customs authorities. The Committee endorsed the opinion transmitted by TIRExB, namely that there would be no need to introduce such an amendment and confirmed that the provision should be interpreted to mean that the conditions and requirements as contained in that sub-paragraph (as well as in the rest of that paragraph) include the unequivocal acceptance by the national association of its duties as set out in paragraph 3 (see ECE/TRANS/WP.30/AC.2/2016/13, paras. 17-18). The Committee also confirmed that the titles and subtitles used in the text of the Convention mean to indicate the content of the Chapters and Annexes and do not, as and of themselves, carry legal value. Against this background, the delegation of the Russian

Federation agreed that, on the above understanding of the provisions, it would not be necessary to proceed with its proposal to Annex 9, Part I, paragraph 5.

B. Amendment proposals to the Convention with regard to the maximum level of guarantee per TIR Carnet

36. The Committee considered document ECE/TRANS/WP.30/AC.2/2017/3, transmitted by the Working Party and containing a proposal to amend Explanatory Note 0.8.3. to refer to 100,000 Euros rather than 50,000 United States dollars. Taking into account the raise in the maximum guarantee amount per TIR Carnet by the guarantee chain to 100,000 Euros effective 1 July 2016, and considering that a number of countries had already started implementing this level, the Committee agreed to amend the Explanatory Note accordingly, i.e. to replace all references to 50,000 United States Dollars with 100,000 Euros. In addition, the delegation of EU pointed to the necessity to, also, amend the relevant reference in the comment and in the rest of the Explanatory Note, which does not form part of the legal text but should, nonetheless, be consistent with the legal provisions. As such, the secretariat was instructed to include the revised comment in the next edition of the TIR Handbook, to attach the amended Explanatory Note as Annex to the report, for ease of reference, as well as include it in the package of accepted amendment proposals pending formal adoption.

37. Further to this, the delegation of the Russian Federation put forward a proposal for future consideration, namely to replace the word "*limit*" in Explanatory Note 0.8.3 with "*establish*". Pursuant to substantive discussions, the Committee agreed that the proposal to amend the reference to the amount and any other proposal to Explanatory Note 0.8.3 should be addressed separately. As such, and for the purpose of time efficiency, the Committee agreed to ask WP.30 to consider the proposal by the delegation of the Russian Federation and requested the secretariat to include it in the agenda of the 146th session of the Working Party in June 2017.

38. Pursuant to a request by the Working Party to this effect (see ECE/TRANS/WP.30/288, para. 10), the Committee also separately considered document ECE/TRANS/WP.30/AC.2/2017/4 on a proposal to amend the recommended guarantee amount for Tobacco/Alcohol TIR Carnets from \$US 200,000 to 400,000 in the same Explanatory Note 0.8.3. The Committee, in the first instance, took note of the results of a survey among Contracting Parties on the national levels of customs duties and taxes of tobacco and alcohol products, carried out by IRU and noted that, whereas the average claim for a transport of alcohol amounted to 103,972 euros, this went up to 519,058 euros for a transport of tobacco. Against this background, IRU raised the question as to whether or not tobacco and alcohol can be covered by one single TIR Carnet or, alternatively, to continue the practice of not issuing tobacco/alcohol TIR Carnets.

39. The Committee also noted that the Working Party had requested IRU, in consultation with the secretariat, to seek replies from the other countries before 31 March 2017, so that it could revert to this issue at its next session and that, in light of these developments, the planned pilot of a fixed number of 100 transports of specific alcohol products with the HS codes 22.07.10 and 22.08, had to be cancelled. In this context, the delegations of the Russian Federation and Ukraine reminded IRU of its mandate under Article 6, paragraph 2 bis, inviting Contracting Parties to explore other insurance companies.

40. The delegation of EU reminded the Committee that the provisions on the carriage of tobacco and alcohol under cover of TIR Carnets are still in force and that, therefore, if in the near future such transports are re-established, Contracting Parties would have to allow

such operations on their territory under cover of a guarantee amounting to 200,000 United States Dollars. As such, the delegation of EU elaborated that, since it is established beyond doubt that the current amount of 200,000 United States Dollars is significantly below the necessary level for tobacco and alcohol movements, it would be reasonable to increase the amount commensurately at this stage, without excluding further consideration and readjustment at a later stage. Further to substantive discussions, the Committee was not prepared to adopt this proposal and decided to resume discussions on this issue at its next session.

C. Amendment proposals to the Convention transmitted by the Working Party

41. The Committee recalled that it had commenced its consideration of amendment proposals transmitted by the Working Party (ECE/TRANS/WP.30/AC.2/2016/18 and Corr.1 (French only)), at its previous session. The Committee continued its consideration of the proposals as follows:

(a) Proposals to amend Annex 8, Article 1 *bis* with new paras. 4-6 and to amend Annex 9, Part III, para. 2 with new items (o), (p) and (q) (see ECE/TRANS/WP.30/AC.2/2016/18, Annex I, section A): The Committee confirmed that the financial requirements of additional examinations should be provided for in the TIRExB budget. In addition, the Committee confirmed the proposed deletion of the comment to Explanatory Note 8.1 *bis*.6. No objections or observations were made with regard to the proposed items o, p and q to Annex 9, Part III, para. 2. As such, the Committee decided to include these proposals in the package of amendments pending formal adoption and instructed the secretariat accordingly;

(b) Amendment of Article 6, para. 1, Explanatory Note 0.6.2. and Annex 9, Part I, para. 1 (see ECE/TRANS/WP.30/AC.2/2016/18, Annex I, section B): The Committee recalled that, due to ongoing internal consultations, several delegations were not in a position to discuss this proposal and invited the relevant delegations to express their views and positions on this proposal. The delegation of Iran (Islamic Republic of) stated that internal consultations were still ongoing, primarily due to the fact that in Iran (Islamic Republic of), the exclusive competence on these issues lies with the customs authorities. For this reason, the delegation of Iran (Islamic Republic of) could only indicate provisional agreement with a reservation, until such time as central government institutions could come to a final position. At the same time, the Committee wished to convey that the formulation “*customs authorities or other competent authorities*” does not, in any way, preclude the possibility of customs authorities being the sole competent authority in any given Contracting Party. Against this background, the Committee agreed to revert to this proposal once more at its next session;

(c) Replacement of the term “approved” by “authorized” in Article 3, para. (b), Article 6, para. 2 and in Annex 9, Part II (see ECE/TRANS/WP.30/AC.2/2016/18, Annex I, section C): At the previous session, these proposals met a high level of general consensus and the Committee decided they could be provisionally included in the package of accepted amendment proposals pending formal adoption. As such, the Committee confirmed its acceptance of this proposal;

(d) Amendment of Annex 9, Part I, para. 7 in accordance with the proposal to replace “Contracting Parties” by “each Contracting Party” (see ECE/TRANS/WP.30/AC.2/2016/18, Annex I, section D): At the previous session, this proposal met a high level of general consensus and the Committee decided it could be

provisionally included in the package of accepted amendment proposals pending formal adoption. As such, the Committee confirmed its acceptance of this proposal;

(e) Amendment of Article 18, to increase the number of places of loading and unloading from four to eight (see ECE/TRANS/WP.30/AC.2/2016/18, Annex I, section E): At its previous session, the Committee noted that the delegation of the Russian Federation intended to submit, for consideration of the Committee, an alternative proposal on the amendment of Article 18, stipulating that the increased number of places of loading and unloading should be formulated in the provision as optional. The secretariat informed the Committee that a proposal had been received on Article 18 on 10 February 2017 and, therefore, document ECE/TRANS/WP.30/AC.2/2017/7 had been issued very shortly prior to the meeting. The delegation of the Russian Federation explained that the proposal had been initially discussed bilaterally with the delegation of Turkey, and for this reason the proposal was submitted on such short notice. The delegation of Turkey, having had the opportunity to review the proposal at an earlier stage, stated that whereas it appeared that the delegation of the Russian Federation would be willing to consider favourably the increase of the number of places of loading and unloading from four to eight, the proposal as submitted had identifiably a number of technical problems which precluded the delegation of Turkey from being in a position to support it. A number of delegations were of the view that any consideration in depth of this proposal would not be possible given the late availability of the relevant document. The delegation of EU indicated, once more, its readiness to accept the proposal as originally submitted by the delegation of Turkey, while other delegations indicated that the increase of the number of places of loading and unloading would serve to strengthen the competitiveness of the TIR system and provide a notable facilitation to the transport industry. The delegation of the Russian Federation reiterated its view that such an increase would potentially create risks for its State budget. Further to substantive discussions, the delegation of the Russian Federation clarified that the proposal by the delegation of Turkey could not, at this time, be supported and, as such, strongly urged the Committee to consider the re-formulated proposal for Article 18. Furthermore, the delegation of the Russian Federation indicated its willingness to consider the original proposal, if accompanied by an Explanatory Note clarifying its application. In conclusion, the Committee agreed to (i) request TIRExB to formulate an Explanatory Note to Article 18, to accompany the original proposal as submitted by the delegation of Turkey, (ii) to reconsider the proposal together with the above-mentioned Explanatory Note at its next session (iii) to invite the views and proposals of Contracting Parties to the proposal submitted by the Russian Federation as contained in document ECE/TRANS/WP.30/AC.2/2017. The secretariat was, thus, instructed to submit the proposal by the Russian Federation in the original Russian language for translation to the competent United Nations services, in order to ensure a high quality translation into English and French, as well as to collect and consolidate any comments received. The secretariat informed the Committee that, in order to submit the document on time for translation, any comments must be received no later than 28 July 2017;

(f) Amendment of Annex 9, Part I, subtitle and paragraph 1, to insert the word '*minimum*' before '*conditions and requirements*' (ECE/TRANS/WP.30/AC.2/2017/5): The Committee considered and accepted this proposal, as prepared by the Working Party at its 144th session (see also ECE/TRANS/WP.30/288, para. 13 and Annex 1) and instructed the secretariat to include it in the package of amendments pending formal adoption.

D. Amendment proposals to the Convention prepared by the TIR Executive Board

42. The Committee did not discuss this item due to a lack of time.

E. Proposals transmitted by the Government of the Russian Federation

43. The Committee continued its consideration of the proposals submitted by the Government of the Russian Federation, to amend various provisions of the body of the Convention as well as of Annex 9, as contained in document ECE/TRANS/WP.30/AC.2/2014/14. The Committee recalled that comments to these proposals from Contracting Parties had been consolidated in ECE/TRANS/WP.30/2015/1/Rev.1-ECE/TRANS/WP.30/AC.2/2015/7/Rev.1, and that additional justifications had been submitted by the Russian Federation, contained in document ECE/TRANS/WP.30/AC.2/2015/17-ECE/TRANS/WP.30/2015/16. The Committee noted that two proposals remained to be discussed and, thus, addressed them as follows:

(a) Amendment of Article 11 with a new paragraph 4 bis, stipulating that claims for payment can be sought through court proceedings within deadlines prescribed in the national guarantee agreement. The Committee recalled that, at its previous session, the Committee had taken note of document ECE/TRANS/WP.30/AC.2/2016/19, as well as had considered the elaborate explanations provided by the delegation of the Russian Federation on the rationale of this proposal (see ECE/TRANS/WP.30/AC.2/131, para. 45(a)). The Committee continued its discussions, during which the delegations of Azerbaijan and Belarus in principle could agree with the proposal, and the delegation of EU maintained its previously stated position, namely that it would not be able to support this proposal. In view of continued interest of some delegations to consider this proposal, and due to time constraints, the Committee decided to revert to this issue at its next session;

(b) Proposal to amend Article 21 to make the presentation of the vehicle, the load and the TIR Carnet by the TIR Carnet holder a mandatory requirement en route: the Committee indicated that positions had not changed thus far and that it would, therefore, not be able to support this proposal. As such, the Committee decided not to revert to this proposal at future sessions.

F. Accepted amendment proposals to the Convention pending formal adoption

44. The Committee took note of document ECE/TRANS/WP.30/AC.2/2016/4/Rev.2 containing a list of accepted proposals, noted the continued reservation of the delegation of Kazakhstan with regard to Article 2, recalled that the amendment to Article 2 would be transmitted to the depositary as a separate document from the rest of the package, providing the opportunity to any Contracting Party to exercise its right to object under Article 59 without, at the same time, jeopardizing the entry into force of the other amendments that have met consensus, and instructed the secretariat to revise it for the next session to include the proposals that had been agreed on at the current session. As such, the package of accepted amendment proposals pending formal adoption would comprise the following amendments:

(a) Article 1, para. (q), on the definition of a “guaranteeing association” (see ECE/TRANS/WP.30/AC.2/127, para. 32 and ECE/TRANS/WP.30/AC.2/2015/24);

(b) Article 2 to specify that the word “frontier” refers to a customs frontier (see ECE/TRANS/WP.30/AC.2/127, para. 34 (a) and ECE/TRANS/WP.30/AC.2/2014/14, para. 2)³;

(c) Article 11, para. 3, on reducing the earliest moment at which a claim to an association can be made (see ECE/TRANS/WP.30/AC.2/127, para. 34(c) and ECE/TRANS/WP.30/AC.2/2014/14, para. 5);

(d) Article 38, in order to, unequivocally, entitle a Contracting Party to assess whether a customs offence is serious enough to constitute grounds for exclusion (see ECE/TRANS/WP.30/AC.2/129, para. 36(c));

(e) Replacement of the term “approved” by “authorized” when referring to national associations in Article 3 para. (b), Article 6, para. 2 and in Annex 9, Part II;

(f) Annex 9, Part I, para. 7 replacement of “Contracting Parties” by “each Contracting Party” (editorial);

(g) Annex 8, Article 1 bis, addition of new paras. 4-6 on additional examinations;

(h) Annex 9, Part III, para. 2, new items (o), (p) and (q) on audit requirements for the authorized international organization;

(j) Annex 9, Part I, subtitle and Annex 9, Part 1, para. 1, first line addition of the word “minimum”;

(k) Annex 6, Explanatory Note 0.8.3, replacement of the amount of 50,000 United States Dollars with 100,000 Euros.

G. Proposals to increase the membership and widen the geographical scope of the TIR Executive Board (TIRExB)

45. The Committee did not discuss this item due to a lack of time.

VII. Phase III of the TIR revision process – Computerization of the TIR procedure (agenda item 6)

46. Due to time constraints, the Committee agreed to refer to the information in the relevant paragraphs of the report of WP.30 at its 145th session, for information on developments in the computerization of the TIR procedure.

VIII. Best practices (agenda item 7)

Use of subcontractors

47. The Committee did not discuss this item due to a lack of time.

³ In line with the decision of the Committee at its previous session, this proposal will be transmitted to the depositary in a separate document (see ECE/TRANS/WP.30/AC.2/131, para. 33), to be issued at a future session of the Committee.

IX. Other business (agenda item 8)

A. Information by IRU

48. Under this agenda item, the Committee recalled the information provided at the 145th session of WP.30, namely that the Executive summary of the “Review of governance and compliance areas and fact finding investigation” of IRU, conducted by Ernst&Young (EY), had been made available to Governments as confidential copy through their respective permanent missions in Geneva. Several delegations reiterated their request to IRU to provide a full copy of the report. IRU confirmed that this request had been duly transmitted to the competent services, which were looking into the appropriate formal procedure for distribution, taking into account confidentiality concerns.

49. Furthermore, the Committee noted that the representative of IRU was not in a position to respond to all the questions raised and recommended IRU to invite a representative of the independent external auditor to attend the next session for further clarifications. At the same time, the delegation of the Russian Federation was of the view that IRU should, also, be able to provide a certain number of answers to the various questions raised, particularly in view of the restrictions and limitations that had been placed on the independent external auditor by IRU. Among others, the delegation of the Russian Federation requested IRU to provide, as soon as possible, information on whether IRU has, at this point in time, amounts in its accounts that could be returned to national associations.

50. The delegation of the Russian Federation requested information as to the status of the case submitted to the Federal Prosecutor of Geneva and proposed that the Committee address a letter, via the secretariat, to the competent Swiss authorities to inquire as to this issue. Although it was noted that it was likely that the Swiss authorities would not comment on an ongoing investigation, the Committee agreed to mandate the secretariat to send such a letter. The secretariat informed the Committee that this request would be assessed by the United Nations legal services and that, if it would not be possible for the secretariat to go forward with this request, the delegation of the Russian Federation would be promptly informed.

B. Audit requirements for an authorized international organization

51. The Committee was informed that the procedure as adopted at its sixty-third session for the distribution of the documents transmitted by IRU under Annex 9, Part III, to the Contracting Parties of the TIR Convention (ECE/TRANS/WP.30/AC.2/129, Annex) is in place and that the secretariat responds to requests for these documents.

C. List of decisions

52. Further to a proposal by the delegation of Ukraine, the Committee requested the secretariat to attach, as Annex, a list of decisions to its final report, similar to the practice adopted by the Working Party.

D. Date of next session

53. The Committee noted that its sixty-sixth session will take place on 12 October 2017.

E. Restriction on the distribution of documents

54. The Committee decided to maintain the restriction on the distribution of Informal document WP.30/AC.2 (2017) No. 2 issued in connection with its current session.

F. Application of the TIR Convention on Belarus-Ukraine border-crossing points

55. This item was not discussed due to a lack of time.

X. Adoption of the report (agenda item 9)

56. In accordance with Annex 8, Article 7 of the Convention, the Committee adopted the report of its sixty-fifth 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 and underscored the importance of ensuring that the report be made available in all three working languages in advance of the next session in October 2017.

Annex I

Amendment to Annex 6, Explanatory Note 0.8.3

0.8.3 Contracting Parties are recommended to limit to a sum equal to ~~US\$ 50,000~~ **100,000 Euros** per TIR Carnet the maximum amount which may be claimed from the guaranteeing association. In the case of transport of alcohol and tobacco, details of which are given below, and which exceed the threshold levels provided further below, Customs authorities are recommended to increase the maximum amount which may be claimed from the guaranteeing associations to a sum equal to \$US 200,000:

- (1) Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol or higher (HS code: 22.07.10)
- (2) Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages; compound alcoholic preparations of a kind used for the manufacture of beverages (HS code 22.08)
- (3) Cigars, cheroots and cigarillos, containing tobacco (HS code 24.02.10)
- (4) Cigarettes containing tobacco (HS code: 24.02.20)
- (5) Smoking tobacco, whether or not containing tobacco substitutes in any proportion (HS code: 24.03.10).

The maximum amount which may be claimed from guaranteeing associations is recommended to be limited to a sum equal to ~~US\$ 50,000~~ **100,000 Euros**, if the following quantities are not exceeded for the above tobacco and alcohol categories:

- (1) 300 litres
- (2) 500 litres
- (3) 40,000 pieces
- (4) 70,000 pieces
- (5) 100 kilograms.

The exact quantities (litres, pieces, kilograms) of the above categories of tobacco and alcohol must be inscribed into the goods manifest of the TIR Carnet.

Annex II

List of decisions taken at the sixty-fifth session of the Administrative Committee

<i>Reference in final report (para.)</i>	<i>Short description of decision</i>
21	Decision to revert to issue raised by Russian Federation on VAT on TIR Carnet price at a future session upon TIRExB assessment
29	Instruction to the secretariat to transmit 2016 external audit report to the Russian Federation
30	Decision to address the issue of the 2016 deficit at the October 2017 session of the Committee
35	Decision not to amend Annex 9, Part I, para. 5
36	Decision to include amendment to E.N.0.8.3 in package, amend also comment and include as annex to report
37	Decision to transmit oral proposal by the Russian Federation to WP.30 for consideration
39	Decision to revert to T/A discussion at next session
41(a)	Decision to include amendments to Annex 8, Article 1bis and Annex 9, part III in package
41(b)	Decision to revert to discussion on amendment of Article 6, para. 1, E.N. 0.6.2 and Annex 9, part I, para. 1 at next session, pending the final position of Iran (Islamic Republic of).
41(c)	Decision to include amendment to Articles 3(b), 6(2) and Annex 9, part II in package
41(d)	Decision to include amendment to Annex 9, Part I, para. 7 in package
41(e)	Decision to request TIRExB to formulate an Explanatory Note to accompany the proposal by Turkey on Article 18
41(e)	Decision to re-consider the proposal on article 18 together with the E.N at the next session
41(e)	Decision to invite views and positions of CP to the alternative proposal to Article 18 by the Russian Federation
41(f)	Decision to include amendment to Annex 9, Part I, subtitle and para. 1 in package
43(a)	Decision to revert to amendment proposal to article 11(4) at next session
43(b)	Decision not to revert to amendment to Art. 21 in future
44	Decision to revise package
48-49	Request to IRU to provide the full audit report and additional information on questions raised
50	Decision to mandate the secretariat to send a letter to the Swiss authorities
52	Decision to include list of decisions as Annex to final report

Annex III

Statement of the delegation of the Russian Federation under agenda item 4 (a) (i) on the issue of the prices of TIR Carnets

“One of the main elements of the TIR Carnet price is the price at which IRU sells the Carnet to the national guaranteeing associations. In accordance with Article 7 of the TIR Convention "TIR Carnet forms sent to the guaranteeing associations by the corresponding foreign associations or by international organizations shall not be liable to import and export duties and taxes and shall be free of import and export prohibitions and restrictions."

Article 7 deals with the forms of TIR Carnets as a product of printing. According to the letters received by the Russian side from the esteemed Ms. E. Molnar on 1 February 2016 and on 3 February 2017, the cost of printing of the TIR Carnet form is 1,79 francs. Meanwhile, the price at which IRU sells TIR Carnets to national guaranteeing associations is 25 francs for a 6-vouchers Carnet and 59 francs for a 14-vouchers Carnet. According to the information provided by IRU to TIRExB in Informal document No. 1 (2016) this price consists of numerous elements not directly related to the TIR Carnet form. Among them, in addition to the cost of the TIR Carnet form there are such elements as: insurance payments to insurers of the international guaranteeing chain, rent, some rewards, staff costs, costs for activities, IT services and such.

There is confusion (substitution) of concepts: the Convention deals with the forms of TIR Carnets as printed material, whereas IRU is talking about the cost of the TIR Carnet, which represents a kind of a guarantee document which includes insurance payment to insurers of the international guarantee chain and other elements.

The TIR Carnet takes on its full value as a guarantee document only after it has been drawn up and a particular carrier has been indicated, in other words, long after the TIR Carnet form has been imported. Moreover, a Carnet might never be issued to a specific carrier, and remain blank, while money for it is already transferred to IRU.

When selling TIR Carnets, IRU issues an invoice to the national guaranteeing association without the breaking down of the price to include the value of TIR Carnet forms and other costs. The national guaranteeing association, declaring TIR Carnet forms for import into the country, indicates in the declaration the price of the TIR Carnet mentioned in the invoice. Customs authorities of the Russian Federation are responsible for carrying out controls over foreign exchange, that is, control over currency transfers.

Taking into account the existing definition of Article 7 of the Convention, as well as having information that the TIR Carnets price is 1,79 francs, and not 25 or 59, Russian customs authorities, carrying out foreign exchange controls, have to refer such transactions under the category of dubious currency transactions.

In addition, the use of such a cash transfer scheme may indicate tax evasion in countries in which the provision of this type of guarantee and insurance services by both IRU and the national guaranteeing associations is subject to internal taxation.

In order to resolve this problem, we propose to instruct IRU:

- (i) to provide a separate indication in the invoice for the TIR Carnet price, the value of the form as well as the cost of other expenses and services;
- (ii) to submit to the Administrative Committee details on the elements of the cost of TIR Carnets, precisely on each issued type of Carnet in accordance with Annex 9, Part III, paragraph 2 (f) of the TIR Convention;

(iii) to make available to the customs authorities of the Russian Federation the export declarations for the TIR Carnets processed by the customs office in Switzerland that were sent by IRU to the Russian Federation covering the period starting from 2013 up until the present moment.

Finally, national guaranteeing associations – while importing Carnets - should indicate in the customs declaration the real price of the TIR Carnet forms, independent of the elements having nothing to do with the real price of the TIR Carnet form.”
