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Sixty-sixth session

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Report of the Administrative Committee for the TIR Convention 1975 on its sixty-sixth session

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I. Attendance

1. The Committee (AC.2) held its sixty-sixth session on 12 October 2017 in Geneva.
2. The session was attended by representatives of the following countries: Austria; Azerbaijan; Belarus; Belgium; Bulgaria; Croatia; Czech Republic; Estonia; Finland; France; Georgia, Germany; Greece; Hungary; Iran (Islamic Republic of); Ireland; Italy; Kazakhstan; Latvia; Lithuania; Netherlands, Poland; Republic of Moldova; Romania; Russian Federation; Serbia; Spain; Sweden; Switzerland; Turkey; Ukraine; Uzbekistan. Representatives of the European Union were also present.
3. The following non-governmental organization was represented as an observer: International Road Transport Union (IRU).
4. 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.

II. Adoption of the agenda (agenda item 1)

5. The Committee adopted the agenda of the session (ECE/TRANS/WP.30/AC.2/134) with an additional point under item 7 (other business) at the request of the delegation of Romania. The delegation of Ukraine also informed the Committee that the issues raised under agenda item 7 (other business) on border crossing points between Belarus and Ukraine, appeared to be resolved for the time being, and therefore, the item could be withdrawn from the agenda. The Committee also noted the availability of additional informal documents.

III. Status of the TIR Convention, 1975 (agenda item 2)

6. The Committee was informed that on 15 June 2017, the Government of the Republic of India has deposited its instruments of accession to the TIR Convention, 1975. In accordance with its Article 53, paragraph 2, the Convention would enter into force for India on 15 December 2017. With the accession of India, the TIR Convention will have seventy-one Contracting Parties. More detailed information on these issues and on Depository Notifications is available on the TIR website.¹
7. The Committee also took note of information by IRU on the status of implementation of the TIR Convention in China and India, notably that China had appointed the China Road Transport Association (CRTA) as national issuing and guaranteeing association, that preparatory work is ongoing, and that the competent authorities are working towards full operationalization, possibly in early 2018. In India, several preparatory meetings had already taken place between IRU, competent authorities and other stakeholders on identifying a national association.

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

IV. Activities and administration of the TIR Executive Board (agenda item 3)

A. Activities of the TIR Executive Board

1. Report by the Chair of TIR Executive Board

8. The Committee endorsed the reports of the TIR Executive Board (TIRExB) at its seventy (December 2016), seventy-first (February 2017) and seventy-second (May 2017) sessions contained in documents ECE/TRANS/WP30/AC.2/2017/9, ECE/TRANS/WP30/AC.2/2017/10 and ECE/TRANS /WP30/AC.2/2017/11, respectively. In addition, the Committee was orally briefed by the Chair of TIRExB about the major considerations and decisions taken at its seventy-second (May 2017), seventy-third (June 2017) and seventy-fourth (October 2017) sessions.

9. At the seventy-second session, TIRExB began consideration of (a) the draft programme of work for 2017-2018; (b) a joint letter by the Moldovan Association for International Road Transport (AITA) and the Romanian Association for International Road Transport (ARTRI) containing allegations against IRU; (c) a draft Explanatory Note to Article 18 of the TIR Convention to accompany the original proposal to increase the number of places of loading and unloading from four to eight; and (d) a case submitted by Germany on the consecutive use of two TIR Carnets for a single TIR transport. Moreover, the Board took note that the UNECE-IRU eTIR pilot project between Iran (Islamic Republic of) and Turkey had ended on 20 February 2017 and that the UNECE-IRU final report showed a high level of satisfaction and the willingness to move further with eTIR. The Board was informed that the new ITDB had been launched on 9 May 2017 and been well received by the users.

10. At its seventy-third session, the Board adopted its programme of work as contained in document ECE/TRANS/WP.30/AC.2/2017/12. The Board agreed to consider the issue of introducing more flexibility in the guarantee system after the Committee's deliberations on the matter. In addition, the Board continued its considerations on a draft Explanatory Note to Article 18.

11. Further, the secretariat informed the Board that work on the customs offices database progressed steadily. The Board also noted the progress in the eTIR pilot between Georgia and Turkey, in particular the imminent migration of the Central Exchange Platform from the test to the production environment.

12. The Board commenced consideration on mandatory usage of the ITDB for data submission to TIRExB, which would render the Model Authorization Form (MAF) in Annex 9, Part II redundant. The Board was of the general view that the moment had come to do so. Therefore, it requested the secretariat to prepare draft proposals on legal amendments to that end.

13. The Board also heard a presentation by a representative of ARTRI and AITA aiming to clarify the issues raised in their joint letter that had been considered at its previous session. After discussion, the Board requested the secretariat to prepare a draft response to the associations for consideration at a future session.

14. Pursuant to the Committee's request, the Board commenced consideration of the composition of TIR Carnet prices in view of the concern expressed by the Russian Federation that the exemption of import duties and taxes was based on the IRU distribution price rather than on the production price.

15. Moreover, the Board concluded that the case on the use of two TIR Carnets for a single TIR transport was not in line with the TIR Convention, noting that it was caused by mere human error.

16. At its seventy-fourth session, the Board reached agreement on a draft Explanatory Note to Article 18 (Informal document WP.30/AC.2 (2017) No. 10). The draft Explanatory Note aimed to clarify the application of Article 18 and to address the concerns of some Contracting Parties by allowing a smaller number of places of loading/unloading to be applied on their territory, while still preserving the principle of the original proposal to increase the number of places of loading/unloading from four to eight in Article 18.

17. In addition, and in line with standing practice, TIRExB endorsed the budget proposal and cost plan of TIRExB and the TIR secretariat for the year 2018, as well as the net amount to be transferred by IRU (ECE/TRANS/WP.30/AC.2/2017/22).

18. The Board noted that, as concerns the relations between IRU, ARTRI and AITA, the new President of AITA had requested the Board to disregard the previous submissions by the former management of AITA. Consequently, the Board had finalized a draft response only to ARTRI on the matters brought to its attention at its seventy-second and seventy-third sessions. The reply stated that, in response to the claim of ARTRI of not having received the full set of the global insurance contract, the Board had requested from IRU a certified copy of the full set of the global insurance contract. IRU had submitted to the Board a certified copy of the global insurance contract with certain redacted figures. Being not aware of the reasons for redaction and in response to concerns raised, the Board decided to request IRU to provide the full certified copy without any deletions or redactions, since the absence thereof might be considered by some as constituting a violation of the duty of IRU under Annex 9, Part III, paragraph 2 (a). In addition, the Board's response carefully outlined its competencies, among others that, in compliance with its mandate under Annex 8, Article 10, paragraph (a), and in full objectivity, it was supervising the operation of the guarantee system. That pertained to the functioning of the guarantee chain as a whole and focusing on customs questions related to the TIR Convention. Finally, the Board called upon the international organization and the national association to maintain good relations and to avoid any negative implications on the smooth operation of the guarantee system pursuant to their obligations under Annex 9, Parts I and III, respectively.

19. TIRExB regretted the deterioration in the relationship between ARTRI and IRU as indicated in the letters that the Board had received between July and October 2017, and thus, urged all relevant parties to sustain efforts for continuing the functioning of the guarantee system, and would like to bring the matter to the attention of the Committee. The Board noted that the Romanian customs authorities had requested its advice on the case, which merited a response. The Board also noted that the Convention explicitly addressed the duties of the national association, the international organization and the Contracting Parties. However, the Board would like to bring to the attention of AC.2 that the only reference to the relationship between the international organization and its national associations was in the Explanatory Note to Article 6, paragraph 2bis, which only states "the relationship should be defined in written agreements on the functioning of the international guarantee system".

20. The Board had extensive discussions on the issue. Different views diverged from, on the one hand, the relationship between IRU and its national associations being of a mere contractual nature, and that any intervention by TIRExB could only be focused on the functioning of the guarantee chain. On the other hand, concerns were raised about the fact that IRU could exclude a national association when the respective customs authorities were of the view that the national association met all its obligations. Having limited time, the Board decided to continue its assessment at its next session and to ask for clarification from IRU on the reasons for excluding its member association. At the same time, the Board was

of the view that the matter should also be brought to the attention of the Committee for further consideration, since the Contracting Parties authorized the national associations and the Contracting Parties, through AC.2, authorized the international organization.

21. The Committee recalled its decision to consider the relationship between IRU and ARTRI under the agenda item "other matters". The delegation of Romania expressed its appreciation to TIRExB for considering the matter and asked AC.2 for its support in the situation. In response to a question from the delegation of the European Union, IRU stated that the reason for redaction of the figures in the certified copy of the global insurance contract submitted to TIRExB was a matter of confidentiality between IRU, the associations and the insurer, and that the disclosure could negatively affect the whole guarantee system. In addition, IRU was of the view that only the insurance coverage was of interest to customs authorities, but not the exact figures. The delegation of the European Union observed that there might be an interest in the figures in view of the monopolistic position of the IRU and hoped that IRU viewed TIRExB as dealing with the matter in a confidential way.

2. Programme of work of the TIR Executive Board for 2017-2018

22. In line with the established practice, the Committee approved the programme of work of TIRExB for 2017-2018 and endorsed the planned activities contained in document ECE/TRANS/WP.30/AC.2/2017/12. The Committee took note, in particular, that (a) the overall aim of the role of TIRExB was to strengthen good governance by Contracting Parties; (b) all activities were of equal importance without any difference in the level of priority; (c) the increase of transparency between all stakeholders had been included; (d) consideration of an Explanatory Note to Article 18 of the TIR Convention on the nature of the maximum number of places of loading and unloading had also been included; and (e) consideration of proposals to make use of the new ITDB mandatory had been added to the programme of work.

3. Survey on customs claims

23. The Committee was informed that, pursuant to its mandate to supervise, inter alia, the operation of the guarantee system (Annex 8, Article 10, paragraph (a)), TIRExB had on 27 July 2017 launched the online survey on the customs claims and the guarantee level for the years 2013-2016. Taking note that sixteen replies had already been received and recalling the importance of the survey results to allow TIRExB to fulfil its mandate, the Committee urged all Contracting Parties to respond to the survey before the deadline of 30 November 2017.

24. The Committee also considered favourably the request transmitted by the Working Party, namely to share the country-by-country replies on the percentage of TIR operations in their territory, where the amount of customs duties and taxes exceeded the established guarantee level (see ECE/TRANS/WP.30/290, para. 26).

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

25. The Committee was informed about the progress in implementing the new ITDB and the new ITDB web service, and noted that since its launch on 9 May 2017, the new ITDB had tripled the number of users by comparison to the previous version, without any significant incident. The Committee noted that France had started the test phase to connect to the ITDB web service. The Committee also noted the progress made in developing the Customs Office repository module, which was expected to be released at the beginning of 2018.

5. National and regional TIR workshops and seminars

26. The Committee noted that since its previous session in February 2017, the TIR secretariat had participated in the following events: (a) Administrative Committee of the Customs Convention on Containers (Brussels, 27-28 February 2017); (b) High-Level Meeting for the Euro-Asia Region on Improving Cooperation on Transit, Trade Facilitation and the 2030 Agenda for Sustainable Development (Hanoi, 7-9 March 2017); (c) Seminar on the automation of transit procedures and electronic exchange of data in the context of trade facilitation (Istanbul, 19-20 April 2017); (d) Workshop on the regional computerized TIR corridor (Batumi, 11-12 May 2017); (e) International Transport Forum (Leipzig, 31 May-2 June 2017); (f) Meeting with the European Commission for the customs offices database (Brussels, 30 May 2017); (g) Meeting of the Customs Expert Group (CEG/TIR/01) (Brussels, 31 May 2017); (h) European Grails Conference (GR8Conf) (Copenhagen, 1-2 June 2017); (j) World Customs Organization IT Conference 2017 (Tbilisi, 7-9 June 2017); (k) Regional Awareness Raising Workshop on the main United Nations Road Transport Legal Instruments (Brussels, 4 July 2017); (l) WCO Global Conference on Transit (Brussels, 10-11 July 2017); (m) Meeting with OTIF on the intermodal aspects of the TIR Convention (Bern, 25 September 2017); and (n) fifth meeting of the Inter-Agency Coordination Group on the follow-up and implementation of the Vienna Programme of Action for the Landlocked Developing Countries (LLDCs) for the Decade 2014-2024 (New York, 3-5 October 2017).

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

1. Status report on the accounts for the year 2016

27. The Committee recalled that, in accordance with Annex 8, Article 11, paragraph 4 of the Convention, TIRExB shall submit its 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 have formally finalized the accounts for 2016 and that the status report on the accounts is contained in document ECE/TRANS/WP.30/AC.2/2017/20. The Committee approved the status report on the accounts for 2016 as contained in document ECE/TRANS/WP.30/AC.2/2017/20.

28. Under this agenda item, the Committee was also informed that, pursuant to the decision of AC.2 at its sixty-fourth session to request the United Nations Office of Internal Oversight Services (OIOS) to carry out an audit of the accounts of TIRExB and the TIR secretariat, the competent financial services of UNECE had commenced a preliminary review of these accounts. The Committee further noted that as soon as the new Director of the Sustainable Transport Division was appointed, discussions with OIOS on initiating the audit would commence. The secretariat would keep the Committee informed of the developments on this issue.

2. Interim financial statement for the year 2017

29. The Committee took note of the provisional interim financial statement for 2017 as contained in document ECE/TRANS/WP.30/AC.2/2017/21.

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

30. The Committee took note of document ECE/TRANS/WP.30/AC.2/2017/13 and recalled 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 293,554 (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 525,216. However, the 2015 deficit of SwF 231,662 is being recovered in the course of 2017 in line with the decision of the Committee at its sixty-fourth session (ECE/TRANS/WP.30/AC.2/131, paras. 26 and 29). Therefore, the total deficit as at 31 December 2016 will be partially covered by the amount invoiced in 2017 (SwF 0.88 per TIR Carnet).

31. Against this background, the Committee was informed that, in line with the provisions of the UNECE-IRU agreement currently in force, the recommendation by the IRU Presidential Executive (see Informal Document WP.30/AC.2 (2017) No.9), is to address the deficit of 2016 in line with Article 12 (b) of the UNECE-IRU Agreement, and to record it in the IRU accounts for subsequent adjustment and, therefore, to not take it into account in calculating the amount per TIR Carnet for the year 2018.

32. The Committee noted this information and, taking into account the operational forecast of IRU for the year 2018, endorsed the recommendation by IRU.

4. Budget proposal and cost plan for the year 2018

33. The Committee considered the budget proposal and cost plan for the operation of TIRExB and the TIR secretariat for the year 2018 (ECE/TRANS/WP.30/AC.2/2017/22). The proposed cost plan for 2018 (estimated at US\$ 1,673,643 inclusive of programme support costs), reflects an increase of US\$ 74,693 over the approved budget and cost plan for the TIRExB and the TIR secretariat for 2017 (US\$ 1,598,950 inclusive of programme support costs).

34. Having recalled 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), the Administrative Committee approved the budget and cost plan for the operation of TIRExB and the TIR secretariat for the year 2018 as well as the net amount to be transferred by IRU, as contained in document ECE/TRANS/WP.30/AC.2/2017/22.

35. The Committee noted that IRU expects to distribute 1,088,000 TIR Carnets in 2017 (Informal document WP.30/AC.2 (2017) No. 9). Based on this forecast, the Committee approved the amount of \$1.43 (rounded) per TIR Carnet. The amount per TIR Carnet, will be expressed in Swiss francs following the transfer of the above net amount to the UNECE named bank according to the prevailing United States dollar - Swiss franc exchange rate on the day of the transfer.

V. Revision of the Convention (agenda item 4)

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

36. The Committee recalled that TIRExB had reported that it could not recommend unequivocally any change to the current system other than raising the recommended maximum guarantee amount from 60,000 to 100,000 euros. Against this background, the Committee agreed, at its previous session, to amend Explanatory Note 0.8.3. to refer to 100,000 euros rather than 50,000 United States dollars. The Committee was also orally

informed about ongoing considerations at the Working Party on the guarantee for carriage of tobacco and alcohol products. The delegation of the Russian Federation reiterated its earlier position that the guarantee system should be reconsidered as a whole, considering that the current level of guarantee leads to complex inspections and calculations. As such, the delegation of the Russian Federation was of the view that the possibility of full guarantee coverage for TIR transports should be revisited in discussions. Noting this position, the Committee decided to revert to further discussions on the level of guarantee at the next session, possibly taking into account the findings of the Working Party.

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

37. The Committee continued its consideration of the proposals to amend Article 6, paragraph 1, Explanatory Note 0.6.2. and Annex 9, Part I, paragraph 1 and Article 18, transmitted by the Working Party.

(a) Amendment of Article 6, paragraph 1, Explanatory Note 0.6.2. and Annex 9, Part I, paragraph 1: The Committee resumed its discussions on this proposal on the basis of document ECE/TRANS/WP.30/AC.2/2017/14, recalling that, due to ongoing internal consultations, several delegations had not been in a position to discuss this proposal at the previous session. The Committee noted, as a starting point, that these amendments would seem warranted against the background of the accepted amendment to Article 1(q). The Committee further, recalled its previous assessment that the use of the term “Customs authorities or other competent authorities does not preclude the possibility of customs authorities being the sole competent authority in a given Contracting Party (see ECE/TRANS/WP.30/AC.2/133 para. 41(b)). On the basis of this common understanding, the Committee accepted these amendment proposals and agreed to only transmit them to the depositary at a later stage when a new package of amendments is formed.

(b) Amendment of Article 18, to increase the number of places of loading and unloading from four to eight: The Committee considered the consolidated comments by Contracting Parties to the proposal by the delegation of the Russian Federation as reflected in document ECE/TRANS/WP.30/AC.2/2017/18 and Informal document WP.30/AC.2 (2017) No. 8. The Committee noted that the received comments appear to indicate that the proposal as submitted would not solicit the support required for its adoption at the present time. Furthermore, the Committee recalled that TIRExB had completed its work on an Explanatory Note to Article 18, to accompany the original proposal as submitted by the delegation of Turkey (see Informal document WP.30/AC.2 (2017) No. 10), which was intended to be considered as a formal document at the next session of the Committee in February 2018. The delegation of the Russian Federation was of the view that further consideration of its proposal would be warranted, and that should consensus not be reached on the proposal, the Russian Federation would then, be prepared to consider the Explanatory Note prepared by TIRExB. Against this background the Committee decided to consider both proposals in conjunction at the next session.

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

38. The Committee considered document ECE/TRANS/WP.30/AC.2/2017/6, transmitted by TIRExB on a revised proposal for a new Explanatory Note to Article 49 of the Convention, so as to widen the scope of greater facilities that Contracting Parties may grant to transport operators, in particular, but not limited to, authorized consignor and consignee. The Committee noted that the Explanatory Note was designed to allow those

Contracting Parties that so wish, to provide certain facilities that would be subject to stringent and extensive additional conditions and requirements.

39. The delegation of the Russian Federation, supported by Belarus and Kazakhstan, stated that the proposal in its current form raised serious concerns, considering that it would infringe against some principles of the TIR Convention, such as the mutual recognition of customs control and the fact that, for the TIR system to work well, ensuing customs authorities must be able to rely on the checks and controls performed by the customs office of departure. The delegation of Azerbaijan drew attention to a number of legal considerations which should be taken into account when further discussing this issue. The delegations of Turkey, Ukraine and the European Union stated their full support for the proposal, considering that the facilities of authorized consignor and consignee have already been successfully introduced in their and other countries.

40. Unable to make any progress, the Committee decided to request WP.30 to assess the proposal and see if further improvements could be made. To support the assessment by the Working Party, the secretariat offered to reproduce a number of practical examples of use of the concepts of authorized consignor/consignee in various Contracting Parties, including the European Union examples as information for the Working Party. The delegation of Ukraine recalled a 2010 study by the secretariat on the implications of the World Customs Organization Framework of Standards to Secure and Facilitate Global Trade for the TIR Convention (ECE/TRANS/WP.30/2010/8) and proposed that the Working Party also consider the document when reviewing the proposal.

D. Proposals transmitted by the Government of the Russian Federation

41. The Committee continued consideration of the proposals submitted by the Government of the Russian Federation to amend various provisions of the body of the Convention and of Annex 9 as contained in ECE/TRANS/WP.30/AC.2/2014/14. The Committee recalled that comments of the Contracting Parties to these proposals 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 in ECE/TRANS/WP.30/AC.2/2015/17–ECE/TRANS/WP.30/2015/16. The Committee also recalled that it had concluded its consideration of all the amendment proposals referred to above except for one, over the course of several sessions and as reflected in the relevant reports.

42. The Committee considered document ECE/TRANS/WP.30/AC.2/2017/19, containing the outstanding amendment proposal by the delegation of the Russian Federation, to amend Article 11 with a new paragraph 4bis, together with an overview of previous discussions and comments thereto. The Committee noted that the secretariat had made some editorial interventions to the text of the proposal, and had included, in the document, the observation that the first sentence of Explanatory Note 0.11.4 could be viewed as very similar to the proposal by the Russian Federation to amend Article 11 with a new paragraph 4bis, warranting – then – deletion or review in case the new paragraph 4bis was inserted in Article 11. However, the second sentence of the said Explanatory Note referred to something different and would, therefore, remain untouched.

43. The delegation of the Russian Federation indicated its agreement with the editorial changes to the proposal and, once more, called on the Committee to support the amendment. The Russian Federation confirmed its previous position that the amendment would enable customs authorities in the Russian Federation to establish, in their agreement with the national guaranteeing association, timeframes based on the internationally binding text of the Convention, which enjoys a higher legal value compared to national civil legislation. The delegations of Switzerland and of European Union maintained their

previously stated positions on this amendment, namely that they would not be in a position to support the proposal, and that the matter could be addressed differently, considering that it refers to a complication encountered only in one Contracting Party. The delegation of Belarus was of the view that a compromise wording could be found and, therefore, discussions on the formulation of the text of the proposal should continue. The delegation of Azerbaijan was of the view that, in the interest of avoiding legal duplication, the first sentence of the Explanatory Note should be deleted if a new article 4-bis was added to Article 11. In conclusion, recognizing that there was little scope for progress on the proposal in its current form, the Committee decided to transmit the item to the Working Party for further consideration.

E. Accepted amendment proposals to the Convention pending formal adoption

44. The Committee reviewed and formally adopted the package of amendment proposals as contained in documents ECE/TRANS/WP.30/AC.2/2017/15 and Corr.1 and ECE/TRANS/WP.30/AC.2/2017/16. During the adoption, the Committee reconfirmed in the amendment of Article 1(q), that the use of the term “customs authorities or other competent authorities” does not preclude the possibility of customs authorities being the sole competent authority in a given Contracting Party. Furthermore, the Committee recalled its decision to transmit the amendment to Article 2, as contained in document ECE/TRANS/WP.30/AC.2/2017/16, to the depositary as separate from other grouped proposals (contained in ECE/TRANS/WP.30/AC.2/2017/15 and Corr.1), thus, providing the opportunity to any Contracting Party to exercise its right to object to this amendment under Article 59 without, at the same time, jeopardizing the entry into force of the other amendments that have met consensus.

45. Against this background, the Committee requested the secretariat to transmit the amendments to the Secretary-General of the United Nations for communication to the Contracting Parties for their acceptance. In accordance with the provisions of Article 60, paragraph 1, the Committee decided that the amendments to the Annexes of the TIR Convention, contained in Annex II of document ECE/TRANS/WP.30/AC.2/2017/15, shall enter into force on 1 July 2018, unless at least five objections are raised before 30 March 2018.

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

46. The Committee considered the proposals submitted by Iran (Islamic Republic of), as contained in document ECE/TRANS/WP.30/AC.2/2016/22, on increasing TIRExB from nine to fifteen members, and to apply a new criteria of geographical representation in the composition of the Board, which would combine the principles of equitable geographical distribution among various regions and the degree of participation of countries in the TIR Convention. The Committee considered the proposal in light of the budgetary implications associated with such an increase in the number of members of the Board, against, in particular, the background of the decreasing volumes of TIR Carnets and the increased amount per TIR Carnet required for the budget of TIRExB and the TIR secretariat. Another consideration was that the current size of the Board affords some measure of agility in responding to urgent situations and that increasing the size of the Board would not necessarily commensurately increase its efficiency.

47. Against this background, the delegation of Iran (Islamic Republic of), supported by the delegation of the Russian Federation, reiterated the importance of equitable

geographical representation in TIRExB and proposed to submit a revised and more comprehensive proposal for consideration at the next session. The Committee decided that the proposal would be reconsidered on the basis of a revised official submission by the delegation of Iran (Islamic Republic of) at a future session. In this context, the secretariat informed the Committee that for the next session of the Committee, all submissions should be received by the secretariat no later than 24 November 2017.

VI. Phase III of the TIR revision process - Computerization of the TIR procedure (agenda item 5)

48. Due to time constraints, the Committee agreed to refer to the information in the relevant paragraphs of the report of WP.30 at its 147th session, for information on developments in the computerization of the TIR procedure. However, the Committee welcomed the positive developments related to financing the gradual establishment and the maintenance of the eTIR international system.

VII. Best practices (agenda item 6)

A. Use of subcontractors

49. The secretariat briefly introduced document ECE/TRANS/WP.30/AC.2/2012/13, pointing out that the proposals to amend Article 1 (o) with a comment that would provide a procedure for customs to allow the use of a TIR Carnet by other persons than the TIR Carnet holder, had been on the table of the Committee for several years now without any substantial progress towards reaching a consensus opinion. As a matter of fact, currently, a number of countries already allow, under strict conditions, the use of subcontractors under the condition that, in case of an infringement, the TIR Carnet holder will be held liable. Various national associations supported this approach by means of special arrangements for TIR Carnet holders and their subcontractors. The procedure proposed by the secretariat was contained in Part III of the document, whereas alternative proposals, by the Government of Belarus, were contained in Part IV. Although a majority of Contracting Parties seemed to be in a position to adopt the text of the comment by the secretariat as being in line with current practice in their countries, the delegations of Belarus, Kazakhstan and the Russian Federation raised serious concerns, as, in their view, the acceptance of subcontractors, who could operate either nationally or even internationally, could negatively impact the stability of the TIR system since it is meant to be accessible to duly authorized TIR Carnet holders only. As it became evident in the course of the discussions that progress could not be achieved without further review and, possibly, considerable redrafting of the proposal, the Committee decided to request the Working Party to reconsider the matter and to resubmit a new proposal to the Committee only after tangible consensus would be achieved.

B. Implementation of the intermodal aspects of the TIR procedure

50. The Committee considered an example intermodal container transport between two inland customs offices with a sea leg, elaborated by TIRExB and contained in document ECE/TRANS/WP.30/AC.2/2017/17. The Committee recalled that the promotion of the intermodal use of the TIR procedure had already been on the list of activities of TIRExB for a long time, without making much progress. The Committee, further, took note that a survey had been conducted in 2012-2013 among stakeholders which underlined the interest for the intermodal use of the TIR procedure and for an example of best practice. To that

end, TIRExB had identified various scenarios and decided, as a first step to elaborate an example of an intermodal transport involving sea- and road legs. In considering the example, the Committee noted the information that (a) all applicable legal provisions of the Convention are quoted at the specific request of members of the Board and that (b) although the example is based on an existing intermodal TIR transport, this does not exclude that the example cannot be applied for intermodal transports between certain TIR Contracting Parties, due to restrictions in the provisions of national law. This proviso was added at the clear request of some members of TIRExB who were from countries where the example could not be applied.

51. In ensuing discussions, the delegations of Belarus and the Russian Federation expressed the view that they were unable to support the example as it raised significant legal and practical concerns, particularly as to its conformity with the provisions of the TIR Convention as well as their national legislation. On the other hand, other delegations fully supported the example as providing a practical guideline for the intermodal use of the TIR procedure, in particular, but not limited to, newly acceded countries to the TIR Convention, which had expressed a clear desire and intention to make full use of the opportunities provided by the TIR Convention for intermodal transports. As a consequence, the Committee, having noted the concerns raised, decided to endorse the example, and requested the secretariat to insert it in the forthcoming revision of the TIR Handbook.

VIII. Other business (agenda item 7)

A. IRU external audit report and related matters

52. Under this agenda item, the Committee noted that the full report of the “Review of governance and compliance areas and fact finding investigation” of IRU, conducted by Ernst&Young (EY) could be made available to interested Contracting Parties pursuant to a procedure outlined by IRU in document ECE/TRANS/WP.30/2017/11. The document had been considered by the Working Party at its 146th session (June 2017). The Committee was also informed about the discussions of the Working Party on the conditions for access of national associations to the report pursuant to the letter addressed by the secretariat to the management of all national associations asking them (a) if they had been granted access to the external audit report of IRU and (b) their views on the external audit report.

53. The Committee reiterated the importance of having the opportunity to thoroughly review the full audit report and decided to maintain the item on the agenda for future discussion, providing, thus, sufficient time to the competent authorities of Contracting Parties to conclude their internal consultations on the matter. Against this background, the delegation of European Union put forward a proposal, namely whether it would be conceivably possible to mandate TIRExB to engage, on the basis of its budget provisions, an expert or consultant to review the full report on its behalf. On this point, the delegation of IRU expressed support for TIRExB members reviewing the full audit report, but also drew attention to the fact that, based on the procedure agreed upon with its legal counsel, the report could only be made available to Contracting Parties, and – under the same conditions – to national associations.

54. The Committee was also informed that, pursuant to the request to the secretariat to address a letter to the competent Swiss authorities as to the status of the case submitted to the Federal Prosecutor of Geneva, the United Nations legal services had advised that there are no grounds for the secretariat to send a request for information to the Federal Prosecutor of Geneva, considering that UNECE is not a party in the case, it being a case between three individuals. Furthermore, even when such grounds would exist, a request for information

would be of no use, as it is standing practice for the competent authorities not to provide any information on the course of any ongoing enquiry.

B. Audit requirements for an authorized international organization

55. The Committee recalled 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. Application of the TIR Convention on Belarus-Ukraine border-crossing points

56. The item was withdrawn from the agenda at the request of the delegation of Ukraine.

D. Date of next session

57. The Committee noted that its sixty-seventh session will take place on 8 February 2018.

E. Restriction on the distribution of documents

58. The Committee decided that there would be no restriction on the distribution of documents issued in connection with its current session.

F. List of decisions

59. The Committee recalled that a list of decisions will be attached to its final report.

G. Issues raised by the delegation of Romania for consideration of the Committee

60. Under this agenda item, the Committee considered, at the request of the delegation of Romania, the issue of the initiation of the process of exclusion and termination, by IRU, of its contractual relationship with ARTRI, and recalled that the Chair of TIRExB had informed the Committee about the initial considerations of TIRExB in this regard. Referring also to the discussions of the Working Party (ECE/TRANS/WP.30/294, paras.37-43), the Committee requested IRU to provide clarification on the redacted portions in the certified copy of the global insurance contract submitted to TIRExB. The delegation of IRU informed the Committee that the reason for the redaction of the figures in the certified copy of the global insurance contract was a matter of confidentiality between IRU, the associations and the insurer, and that the disclosure could negatively affect the whole guarantee system. At the same time, the delegation of IRU indicated its readiness to revert to the question after consulting with its contractual partners, and requested that the inquiries be addressed to IRU in writing, in order to ensure a complete and timely response. The delegation of IRU also informed the Committee that the global insurance contract, including all figures, is attached to the report of Ernst&Young, which is available for consultation by Contracting Parties under the agreed procedure. The Committee, further,

noted that TIRExB will continue its expert assessment of the situation and will transmit its findings to the Committee at its next session.

61. The delegation of European Union warned about the consequences of the possible exclusion of ARTRI from IRU membership, as such exclusion would affect the guarantee coverage for the territory of the European Union and could lead to the termination of the use of the TIR system in all European Union member States. Against this background, it would be in the interest of all stakeholders to avoid such outcome and make best use of the appeal procedure where both parties could make an effort.

62. In conclusion, the Committee called on IRU, in due consideration of the mandate entrusted to it by the Contracting Parties and of the fact that IRU is responsible for the sole TIR guarantee chain, to take all necessary steps in cooperation with the Romanian customs authorities and ARTRI, to come to a mutually acceptable solution as to prevent a possible breakdown in the international guarantee chain.

IX. Adoption of the report (agenda item 8)

63. In accordance with Annex 8, Article 7 of the Convention, the Committee adopted the report of its sixty-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 and underscored the importance of ensuring that the report be made available in all three working languages in advance of the next session in February 2018.

Annex

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

<i>Reference in final report (para.)</i>	<i>Short description of decision</i>
8	Decision to endorse the reports of the TIR Executive Board at its seventy, seventy-first and seventy-second sessions.
22	Decision to approve the Programme of Work of TIRExB for 2017-2018.
24	Decision to mandate the secretariat to share the country-by-country replies on the percentage of TIR operations where the amount of customs duties and taxes exceeds the guarantee level.
27	Decision to approve the final accounts of TIRExB and the TIR secretariat for the year 2016.
32	Decision to endorse the recommendation of IRU on the deficit of the year 2016.
34	Decision to approve the budget and cost plan and the net amount to be transferred for TIRExB and the TIR secretariat for the year 2018.
35	Decision to approve the amount of USD 1,43 (rounded) per TIR Carnet, to be invoiced in 2018.
36	Decision to revert to the issue of the maximum level of guarantee at the next session, taking into account the findings of the Working Party.
37 (a)	Decision to accept the amendment of Article 6, para. 1, E.N. 0.6.2 and Annex 9, part I, para. 1 on the basis of a common understanding, and to keep amendments aside for future adoption as part of a new package.
37(b)	Decision to consider the amendment of Article 18 as proposed by the Russian Federation and the Explanatory Note prepared by TIRExB in conjunction at the next session.
40	Decision to transmit the Explanatory Note to Article 49 (authorized consignee/consignee) to the Working Party for further consideration.
43	Decision to request the Working Party to further consider the proposal by the delegation of the Russian Federation to amend Article 11 with a new paragraph 4 bis .
44	Decision to adopt the package of amendment proposals as contained in ECE/TRANS/WP.30/AC.2/2017/15 and Corr.1 and ECE/TRANS/WP.30/AC.2/2017/16.
45	Decision to request the secretariat to transmit the package (see above) to the depositary and to set the date of entry into force of amendments to the Annexes of the TIR Convention at 1 July 2018, unless five objections are raised before 30 March 2018.
47	Decision to maintain the item on expansion of TIRExB membership on the agenda, to be discussed at a future session when a revised official submission from the delegation of Iran (Islamic Republic of) is received.
49	Decision to request the Working Party to consider the comment to Article 1(o) on the use of subcontractors.
51	Decision to include the example of an intermodal TIR transport in the next edition of the

<i>Reference in final report (para.)</i>	<i>Short description of decision</i>
	TIR Handbook.
53	Decision to resume discussion on the issue of the IRU external audit report at the next session.
63	Decision to adopt the report.
