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Working Party on Customs Questions
affecting Transport

**REPORT OF THE WORKING PARTY ON CUSTOMS QUESTIONS
AFFECTING TRANSPORT ON ITS NINETY-EIGHTH SESSION
(19-22 June 2001)**

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REPORT

ATTENDANCE

1. The Working Party held its ninety-eighth session from 19 to 22 June 2001.
2. The session was attended by representatives of the following countries: Austria; Belarus; Belgium; Bulgaria; Croatia; Czech Republic; Denmark; Estonia; Finland; France; Georgia; Germany; Greece; Hungary; Italy; Latvia; Lithuania; Netherlands; Norway; Poland; Portugal; Republic of Moldova; Romania; Russian Federation; Slovakia; Slovenia; Spain; Sweden; Switzerland; The former Yugoslav Republic of Macedonia; Turkey; Ukraine; United Kingdom; Yugoslavia. Representatives of the European Community (EC) were also present.
3. The United Nations Conference on Trade and Development (UNCTAD) was represented.
4. The following non-governmental organizations were represented: International Road Transport Union (IRU), International Touring Alliance (AIT) and International Automobile Federation (FIA).

ADOPTION OF THE AGENDA

Documentation: TRANS/WP.30/195.

5. The Working Party adopted the provisional agenda prepared by the secretariat (TRANS/WP.30/195) with the addition of the following items: End of the TIR procedure in The former Yugoslav Republic of Macedonia for transport operations to Kosovo; renewal of Certificates of Approval for vehicles used in Contracting Parties other than those where they are registered.

ACTIVITIES OF UNECE BODIES AND OTHER UNITED NATIONS ORGANIZATIONS OF INTEREST TO THE WORKING PARTY

Documentation: UNECE Document on international agreements and conventions in the field of transport; Informal document No. 18 (2001).

6. The Working Party was informed about the results of the fifty-sixth session of the Economic Commission for Europe (7 to 11 May 2001) and noted that the activities undertaken in the various subsidiary bodies of the Commission have been approved.

7. The Commission had expressed the view that particular attention should be accorded to the implementation and application of the international legal instruments that had been prepared and are administered under the auspices of the UNECE. 14 of such agreements and conventions are in the mandate of the Working Party (see Annex 1 to this report). The Working Party invited all UNECE member States to ensure that its representatives in the Working Party are mandated to express the views of their respective Governments with regard to all issues considered by the Working Party within its mandate and competence as reflected in the provisional agenda circulated by the UNECE secretariat well in advance before the sessions of the Working Party and adopted by it at the beginning of each session.

8. The Working Party noted that the Commission intended to provide a new impetus to inter-sectorial cooperation in the framework of the UNECE activities. Therefore, the Transport and Trade Divisions of the UNECE have proposed to develop, as a first step, a Compendium of Trade and Transport Facilitation Instruments and Recommendations with the aim to assist Governments with a simplified access to relevant information in this field.

9. The Working Party was also informed about the retroactive succession as of 27 April 1992 of the Government of the Federal Republic of Yugoslavia to a number of transport facilitation conventions administered by the UNECE. A list of these conventions is contained in Annex 2 to this report.

10. The secretariat presented the Working Party with information about the newly revised web site of the Border Crossing Facilitation Section of the UNECE Transport Division. The Working Party welcomed the new user-friendly layout and suggested the inclusion of additional information on Informal documents and Depositary Notifications. Information on the web site address (<http://www.unece.org/trans/new-tir/home.html>) and its specific features are contained in Informal document No. 18 (2001).

ACTIVITIES OF OTHER ORGANIZATIONS OF INTEREST TO THE WORKING PARTY

11. The Working Party was informed of recent activities of the European Commission's Directorate General Taxation and Customs Union (DG TAXUD). It took note that the reformed transit arrangements would come into force on 1 July 2001. The adopted legal provisions concerning NCTS, phase III in the framework of the Community have been published in the Official Journal for the European Communities, L 141 of 28 May 2001, Commission Regulation 993/2001. The adopted legal provisions with regards to NCTS, phase III in Common Transit are published in L 165 of 21 June 2001, Decision 1/2001.

12. As a result of the transit reform, the European Commission is undertaking work on new administrative arrangements addressing issues such as guarantee coverage, end of the transit procedure, inquiry procedure and debt recovery.

13. Concerning the New Computerized Transit System (NCTS), the Commission representative informed the Working Party that Phase II of the NCTS project had started in the Czech Republic, Germany, Italy, the Netherlands, Norway, Spain and Switzerland. Phase III will start on 1 December 2001 extending the system also to other countries participating in the Common Transit Regime as well as introducing other functions of NCTS.

INTERNATIONAL CONVENTION ON THE HARMONIZATION OF FRONTIER CONTROLS OF GOODS, 1982 ("Harmonization Convention")

Documentation: ECE/TRANS/55; (www.unece.org/trans/new_tir/conventions/list.htm); Informal document No. 19 (2001); TRANS/WP.30/194; TRANS/WP.30/AC.3/8; TRANS/WP.30/192; TRANS/WP.30/2000/16; TRANS/WP.30/2000/11.

14. The Working Party was informed by the secretariat about progress in developing a new Annex 8 to the Convention on efficient border crossing procedures. In particular, the Working Party noted that the SECI Regional Road Transport Committee (RRTC) had finalized on 12 June 2001 an International Vehicle Weight Certificate for lorries introducing uniform vehicle weighing procedures in order to avoid repetitive weighing procedures at border crossings (Informal document No. 19 (2001)). This International Vehicle Weight Certificate finalized by the RRTC will be tested in the SECI participating states and results should be available early next year.

15. The Working Party also noted that work on the development of an international vehicle inspection certificate in the framework of the new Annex 8 to the Convention was still continuing. The Working Party will be informed about progress in developing such an inspection certificate at its next session.

16. The Working Party took note that no further progress had been made with regard to the proposed provisions of Articles 2 and 5 of the new Annex 8 to the Convention concerning visa procedures for professional drivers. However, questions relating to visa facilitation are being discussed in a number of other international fora referring often to the preparation of a compendium on best practices on this issue. The secretariat was requested to consider the result of these consultations and to prepare, if appropriate, new proposals in this regard.

17. In view of the above, the Working Party felt that it might be appropriate to postpone the next session of the Administrative Committee of the Harmonization Convention, planned to be held in October 2001, due to the fact that it is unlikely that all elements of the proposed new Annex 8 will be finalized by that time. The secretariat was requested to approach the Contracting Parties to the Convention in this respect via diplomatic channels with a view to postponing the next session of the Administrative Committee to autumn 2002. The secretariat was requested to prepare an official document on the International Vehicle Weight Certificate, as contained in Informal document No. 19 (2001), as well as to consolidate the various proposals made for the new Annex 8 in a single document.

CUSTOMS CONVENTION ON THE INTERNATIONAL TRANSPORT OF GOODS UNDER COVER OF TIR CARNETS (TIR CONVENTION, 1975)

Documentation: ECE/TRANS/17 and Amendments 1-19; 1999 TIR Handbook; (www.unece.org/trans/new_tir/welctir.htm).

(a) Status of the Convention

Documentation: TRANS/WP.30/AC.2/61, Annex 1; (www.unece.org/trans/new_tir/welctir.htm), Depositary Notification C.N.36.2001.TREATIES-1; Depositary Notification C.N.37.2001.TREATIES-2.

18. The Working Party was informed that the number of Contracting Parties to the TIR Convention, 1975 is at present 64. According to information provided by IRU, TIR operations can be established in 50 of these Contracting States.

19. The IRU informed the Working Party that initiatives are under way to readmit an issuing and guaranteeing association in the Federal Republic of Yugoslavia. The TIR secretariat as well as the IRU will, in cooperation with the competent authorities in this country, conduct training courses for Customs officials and the national association respectively with a view to re-establishing TIR operations with the Federal Republic of Yugoslavia by 1 October 2001.

20. The Working Party was also informed that procedures are in progress to be able to establish TIR operations with Turkmenistan.

21. The Working Party recalled that the TIR Administrative Committee in October 2000, had adopted a large number of amendment proposals to the Convention, including those relating to Phase II of the TIR revision process (TRANS/WP.30/AC.2/59, annex 3 and annex 4 and Corr.1 and Corr.2).

22. Following verification of these amendment proposals by the secretariat, the Secretary-General of the United Nations has issued two Depositary Notifications relating to the amendments.

23. Depositary Notification C.N.36.2001.TREATIES-1 contains all amendment proposals contained in TRANS/WP.30/AC.2/59, annex 3 referring to Phase II of the TIR revision process. These amendments will come into force 3 months after the expiry of a period of 12 months following the date of issuance of the Depositary Notification during which no objection to the proposed amendments has been raised, i.e. on 12 May 2002. Comments to these proposed amendments, adopted by the UNECE Working Party, are contained in document TRANS/WP.30/AC.2/59, annex 5.

24. Depositary Notification C.N.37.2001.TREATIES-2 contains amendment proposals relating to amendments on vehicles with sliding sheets and to Article 3 of the Convention as contained in document TRANS/WP.30/AC.2/59, annex 4. Amendments with regard to vehicles with sliding sheets had come into force already on 12 June 2001 as contained in Depositary Notification C.N. 503.2001.TREATIES-4 issued by the Secretary-General of the United Nations on 23 May 2001. Amendments relating to Article 3 of the Convention will come into force 3 months after the expiry of a period of 12 months following the date of issuance of the Depositary Notification during which no objection to the proposed amendments has been raised, i.e. on 12 May 2002.

25. The Working Party was informed that corrections to the amendment proposals contained in document TRANS/WP.30/AC.2/59, Corr.1 and Corr.2 will be issued in due course by the Legal Office of the United Nations in New York and transmitted to all Contracting Parties in order that they can be in the form of a corrigendum to the above Depository Notifications.

26. With regard to the modifications contained in Corrigendum 1 to document TRANS/WP.30/AC.2/59, the Working Party requested the secretariat to provide for an explanatory note to the corrigendum to the relevant Depository Notification in order to clarify the national legal procedures for Contracting Parties that had based their national legislation on the text of the UNECE TIR Handbook instead of the official legal text of the TIR Convention.

27. The Working Party was informed that permanently updated information on the scope of the TIR Convention, a complete list of Contracting Parties to the Convention as well as a list of countries in which TIR operations can be undertaken is available on the TIR web site (www.unece.org/trans/new_tir/welctir.htm).

28. In this context, the Working Party was informed of the plans of the TIR secretariat to organize the following training courses on the application of the TIR Convention during the second half of 2001: National Seminar in Belgrade (Federal Republic of Yugoslavia) in July 2001; Regional Seminar for countries in the Trans-Caucasus and in Central Asia in Baku (Azerbaijan) in September 2001 and a Regional Seminar for members of the Arab League of Nations in Cairo (possibly in October 2001).

(b) Revision of the Convention

(i) Adoption of amendment proposals and examples of best practices under Phase II of the TIR revision process

Documentation: Informal document No. 17 (2001), Depository Notification C.N.36.2001.TREATIES-1; TRANS/WP.30/AC.2/59 and Corr.1; TRANS/WP.30/192; TRANS/WP.30/2000/18.

29. The Working Party recalled that, at its ninety-sixth session, it had finalized work on Phase II of the TIR revision process by agreeing on a complex package of amendment proposals to the Convention and by adopting examples of best practices. The TIR Administrative Committee, at its twenty-ninth session (19 and 20 October 2000) had adopted

the amendment proposals prepared by the Working Party together with comments thereto (TRANS/WP.30/AC.2/59, annexes 3 and 5 and Corr.1 and Corr.2). The Committee also endorsed the examples of best practices as had been prepared by the Working Party (TRANS/WP.30/AC.2/59, annex 7).

30. The Working Party recalled that the main objective of Phase II of the TIR revision process had been to facilitate the application of the Convention at the national level. For this purpose, the roles and responsibilities of the various parties involved in the TIR procedure have been clearly defined and specified. Furthermore, guidance has been provided on the required national administrative procedures providing for an efficient functioning of the TIR procedures and, if required, for a speedy recovery of Customs duties and taxes at risk from the person directly liable (for example, the holder of a TIR Carnet) or, if this turned out not to be possible, from national guaranteeing associations.

31. In the framework of developing best practices, the Working Party was informed that, in accordance with its mandate, the TIR Executive Board (TIRExB) has prepared an example authorization and agreement as contained in Informal document No. 17 (2001).

32. The Working Party expressed its interest to review the example authorization and agreement and requested the secretariat to submit the document as an official document to the next session of the Working Party.

33. The Working Party also requested the secretariat before the next session of the Working Party to study if any modifications are necessary in relation to resolution No. 49 of 3 March 1995 adopted by the Working Party, Recommendation of 20 October, 1995 adopted by the TIR Administrative and the TIR Handbook as a consequence of the amendment proposals adopted under Phase II of the TIR revision process.

(ii) **Preparation of Phase III of the TIR revision process**

Documentation: TRANS/WP.30/2001/5; TRANS/WP.30/2001/6; TRANS/WP.30/2001/8; TRANS/WP.30/2001/11; TRANS/WP.30/2001/12; Informal document No. 12 (2001); Informal document No. 13 (2001); Informal document No. 14 (2001); Informal document No. 15 (2001); TRANS/WP.30/194; TRANS/WP.30/AC.2/59 and Corr.1; TRANS/WP.30/192; Informal document No.1 (2000); Informal document No.7 (2000); Informal document No.8 (2000); TRANS/WP.30/1999/5; Informal document No.5 (1997).

34. The Working Party recalled that, at its ninety-sixth session, it had decided to start work on Phase III of the TIR revision process which would include a study of the following elements (TRANS/WP.30/192, para. 33):

- Revision of the TIR Carnet, including the insertion of additional data elements (ID number, HS code, value of goods, etc.) (TRANS/WP.30/188, para. 31);
- Increase in the number of places for loading and unloading under Customs seal (TRANS/WP.30/186, paras. 42 and 43);
- Possibilities for the reduction of the legally required delays for notification of non-discharge of TIR Carnets (TRANS/WP.30/188, para. 38);
- Use of new technologies in TIR operations also with a view to reducing the delay in notification of non-discharge (TRANS/WP.30/188, para. 31).
- At the request of the European Commission proposals on the definition and voting rights of regional economic integration organizations (TRANS/WP.30/194, para. 43).

Revision of the TIR Carnet

35. The Working Party considered document TRANS/WP.30/2001/6 prepared by the secretariat concerning additional data elements, in particular HS code and the value of goods, to be inserted into the TIR Carnet.

36. The Working Party was of the opinion that additional data elements could be useful in relation to the procedures for recovery of debt and facilitating subsequent Customs procedures. The Working Party requested the secretariat to prepare, for its next session, a document on the possibilities of establishing an inquiry procedure to provide data necessary in relation to the initiation of procedures for the recovery of Customs claims. The possibilities of supplying additional data elements on the basis of prior or subsequent Customs procedures such as export and import procedures should also be considered. In this context, consideration should also be given to initiatives taken by other intergovernmental organizations working on the same issue.

37. Some delegations presented arguments relating to the need and possibilities of including into the TIR Carnet the HS code and value of the goods carried for the purpose of speeding up border crossing procedures, combating fraud and facilitating the computerization of the TIR procedures.

38. Other delegations felt that it was not necessary to include HS codes and values in the TIR carnet for Customs transit operations, as such inclusions would lead to difficulties for transport operators, who often do not have access to such data.

39. The Working Party decided to continue its consideration of this issue at future sessions.

40. The Working Party also considered the question of a revision of the layout of the TIR Carnet on the basis of Informal document No. 5 (1997). The Working Party requested the secretariat for its next session to produce a document containing elements for a new layout of the TIR Carnet based on the present provisions of the Convention and the amendments adopted in connection with Phase II of the TIR revision process. In particular the new draft should meet the requirements of the UN Layout Key for Trade Documents and the use of various languages. This would not take into account elements such as successive transport operators and subcontractors as contained in Informal document No. 5 (1997).

Increase in the number of loading and unloading places

41. The Working Party considered documents TRANS/WP.30/2001/12 and Informal document No. 14 (2001) transmitted by the IRU containing a survey undertaken by the IRU. The survey had shown that around 10 per cent of TIR Carnets used include more than two Customs offices of departure and destination. A large number of TIR Carnet issuing associations had been informed by transport operators about the wish to increase the number of Customs offices of departure and destination to a total of 6-7 offices.

42. In view of the relatively small number of cases involving, during a TIR transport, more than 4 Customs offices of departure and destination, it was suggested by the IRU to allow, via Article 18 of the Convention, an increase in the maximum permissible number of Customs offices, possibly up to six, but to leave the number of corresponding boxes in the TIR Carnet indicating the Customs offices involved unchanged; i.e. at four. The IRU felt that in case more than four Customs offices were involved during a TIR transport, two TIR Carnets, sealed together by Customs authorities at the Customs office of departure, might be used.

43. The Working Party was of the view that the issue should be considered further as there seemed to be an economic interest in increasing the number of Customs offices of departure and destination. The secretariat was requested to prepare a document on possible alternative solutions in this regard taking also due account of Customs control requirements. The European Commission offered to make an input to this document.

Extension of the present EDI control system for TIR Carnets

44. The Working Party recalled that Customs authorities had so far not accepted any reduction in the legally prescribed time-limits for notification of non-discharge as provided in the Convention. Nevertheless the IRU invited the Working Party to consider once more a reduction of the legally prescribed delays for notification of non-discharge on the basis of a document containing new elements for consideration by the Working Party on this issue. The Working Party invited the secretariat and the IRU to explore how the existing EDI control system of TIR Carnets (SAFETIR) could be better utilized and possibly also be used in a possible pre-notification process.

Regional economic integration organizations

45. The Working Party considered the amendment proposals to the Convention transmitted by the European Community contained in document TRANS/WP.30/2001/8 concerning a change of the name of Customs or economic Unions referred to in the TIR Convention to regional economic integration organizations, the insertion of a definition of such organizations as well as an explanation of their voting rights.

46. The Working Party considered this issue in detail, but found that there were a number of questions that still needed to be considered in detail such as, for instance, accreditation, competence and mandate provisions, practical procedures and the status of other Customs and Economic Unions before the proposals could be considered further.

47. The European Commission was requested to provide precise information for the next session of the Working Party on how the proposed definition and voting rights have been implemented in other legal instruments and international organizations.

48. The Working Party requested the secretariat to assist in the assessment of the situation as it refers to other legal instruments, in particular legal instruments prepared under the auspices of the United Nations, and other international organizations. The secretariat was also requested to analyze, as far as possible, the practical repercussions of the proposed amendments, in particular as this relates to the work of the TIR Administrative Committee and the TIR Executive Board.

Use of new technologies

49. The secretariat informed the Working Party about the planned proceedings for the second session of the ad hoc expert group on the computerization of the TIR procedure (Geneva, 21 June 2001). The documents relating to the session are TRANS/WP.30/2001/11, Informal document No. 12 (2001) and Informal document No. 13 (2001). The proceedings of the session are contained in document number TRANS/WP.30/2001/13.

(c) **Application of the Convention**

Documentation: (www.unece.org/trans/new_tir/welctir.htm).

50. The Working Party took note that permanently updated information on the application of the Convention is available on the TIR web site administered jointly by the UNECE and the TIR secretariat (www.unece.org/trans/new_tir/welctir.htm).

(i) **Settlement of claims for payments**

Documentation: TRANS/WP.30/194; TRANS/WP.30/192; TRANS/WP.30/190; TRANS/WP.30/188; TRANS/WP.30/184; TRANS/WP.30/182.

51. The Working Party recalled that the former insurers had denounced its contract with the IRU at the end of 1994. The Working Party was informed by the IRU that the Court of Arbitration had provisionally ruled in favour of the "old" insurer concerning 1/3 of the approximately 3,000 cases pending before the Court, i.e. the Court of Arbitration had ruled that the cases were not yet valid for payment by the Insurer. IRU will intervene before the Court in order to obtain clear and final decisions. The next batch of cases will be brought before the Court in July 2001.

52. The Working Party was informed by the IRU that the present situation as it relates to notifications of non-discharge and payment notifications seemed to be stable. However, new cases of false declarations and use of false stamps had been experienced recently. The IRU informed the Working Party about its co-operation with national guaranteeing associations and customs bodies in enquiring into such cases of violation of the TIR Convention.

53. The IRU provided the Working Party with a statistical breakdown of the claims registered by the present insurance pool, which in total amounts to approximately US\$ 100 million. The geographical distribution of the number of claims in percent is the following: EU countries, 6 per cent; CIS countries, 88 per cent; Baltic/Visegrad countries, 3.5 per cent; Other countries, 2.5 per cent.

54. As for the European Union, 1/3 of the claims presented by Customs authorities are considered to be justified by the IRU, 1/3 of the claims are cancelled and 1/3 are considered questionable by the IRU.

55. The representative of the European Commission informed the Working Party that the European Court of Justice is evaluating the lack of payment of duties due to the European Community by Member States in connection with outstanding claims for TIR operations in these countries. If the European Court of Justice rules in favour of the European Community in this matter this could release a serious backlash against the TIR system. In this context, the representative of the European Commission expressed serious concern about the ruling of the Court of Arbitration in favour of the "old" insurers.

(ii) **Introduction of an identification number for the TIR Carnet Holder**

Documentation: Informal Document No. 9 (2001).

56. The Working Party recalled that on 20 October 2000, the TIR Administrative Committee adopted a Recommendation stipulating the insertion of the individual and unique identification (ID) number of the TIR Carnet holder into each TIR Carnet used (TRANS/WP.30/AC.2/59, annex 2). The purpose of this recommendation is to allow for a clear and unequivocal identification of all authorized TIR Carnet holders, which should contribute to further reducing possible misuse of the TIR procedure and facilitate possible inquiry procedures which may be necessary by Customs authorities following termination of a TIR operation (in accordance with Article 8, paragraph 7 of the TIR Convention).

57. The Recommendation had come into force on 1 April 2001. Implementation of the Recommendation was facilitated by the TIR secretariat, which had transmitted in early March an explanatory note to all concerned Customs Authorities, national associations and the IRU. The explanatory note is reproduced in TRANS/WP.30/2001/9.

58. The Working Party welcomed the fact that no problems had been reported concerning the introduction of the ID number. The Working Party will consider, at its future sessions, how the Recommendation has assisted in the operation of the TIR procedures.

59. The Working Party was informed by Mr. Olszewski, Chairman of the TIR Executive Board (TIRExB), of the decision by the TIRExB to provide access to the International TIR Databank (ITDB) for all TIR Customs Focal points for inquiry procedures only, i.e. to verify the coordinates of TIR transport operators (name, address, communication means, etc...) authorized to use TIR Carnets. Initially, access will be off-line, but through a step-by-step approach it is the intention to provide on-line access.

60. The Working Party was informed by the secretariat that the software to use in the national applications and national management of the ITDB would be tested with a small number of Customs authorities in the near future. The finalized software will be ready for dissemination to Customs authorities in August 2001.

(iii) Re-introduction of the guarantee for sensitive and other excluded goods

Documentation: TRANS/WP.30/194; TRANS/WP.30/192; TRANS/WP.30/190;
TRANS/WP.30/188; TRANS/WP.30/AC.2/2000/1; TRANS/WP.30/184;
TRANS/WP.30/178.

61. The Working Party recalled its position calling for the IRU and the international guaranteeing chain to re-establish full guarantee coverage for these sensitive goods as soon as possible (TRANS/WP.30/194, para. 53; TRANS/WP.30/192, paras. 46-48; TRANS/WP.30/188, paras. 48-51; TRANS/WP.30/184, paras. 48-50; TRANS/WP.30/178, paras. 80-81).

62. The Working Party recalled that it had had a preliminary discussion at its ninety-seventh session (TRANS/WP.30/194, paras. 51-52) concerning a proposal from the IRU about the possible re-introduction of the guarantee coverage for sensitive goods under cover of TIR Carnets within the European Community provided that a comprehensive package of control measures would be implemented. The IRU had proposed that some of these measures

should be extended to all Contracting Parties to the TIR Convention, including an extended list of sensitive goods. The Working Party had decided to refer the question for the consideration of the TIRExB and had asked the IRU to provide detailed information about its proposal.

63. The Working Party was informed by Mr. Olszewski, Chairman of the TIRExB about the discussions that had taken place concerning this issue. The TIRExB had been of the opinion that all goods should be treated in the same manner under the TIR Convention as the Convention does not provide for any differentiation of kinds of goods with the exception of tobacco and alcohol. Furthermore, the TIRExB had not found any evidence that the goods included in the proposal from the IRU are particularly sensitive in all 50 countries utilizing the TIR system. The TIRExB therefore did not accept the proposals of the IRU. The TIRExB furthermore stressed that it was not acceptable for any party to the TIR system to assume only part of its responsibility and impose conditions on others jeopardizing the delicate balance of facilities and responsibilities offered and imposed by the Convention.

64. The Working Party was of the view that better control over the use of TIR Carnets should be focused on optimization of the present EDI control system approved by the TIR Administrative Committee and introduced by the IRU under the name of SAFETIR. In order to contribute to such an optimization, the Working Party endorsed the decision of the TIRExB, that the TIR secretariat, in close co-operation with the IRU, should explore ways and means of optimizing the utilization of SAFETIR.

65. Welcoming these efforts, the Working Party called on the IRU and the international insurance pool to re-introduce the insurance coverage for the goods at present excluded from transport under cover of TIR Carnets on the territory of the European Union.

(iv) **Transport of illegal immigrants**

Documentation: TRANS/WP.30/2001/7; TRANS/WP.30/194; TRANS/WP.30/2001/4; TRANS/WP.30/192; TRANS/WP.30/2000/20.

66. The Working Party recalled that, at its ninety-sixth session, it had briefly considered a comment to Articles 21 and 36 of the Convention proposed by the IRU addressing the transport of illegal immigrants under cover of TIR Carnets (TRANS/WP.30/2000/20). The Working Party also recalled that, at its ninety-seventh meeting, it had considered the matter again, on the basis of a document prepared by the secretariat in co-operation with the IRU (TRANS/WP.30/2001/4), in which comments to Articles 5 and 46 of the Convention were

proposed. At that time, the representative of the European Community had pointed out that the draft comment to Article 5 only referred to offices en route. The problem of illegal immigrants, however, manifested itself, inter alia, at the internal EU borders, where offices en route no longer existed. With this observation in mind, the secretariat in co-operation with the IRU, had prepared a new document (TRANS/WP.30/2001/7) for consideration by the Working Party.

67. The Working Party adopted the text of the proposed comments, under the condition that Customs authorities should always have a means not to grant a request for on-the-spot examination of the vehicle from the transport operator, in case they deem such a request not justified. Regarding charges to be made by Customs for the inspection of vehicles on request from the transport operator, the Working Party decided that all involved charges would have to be covered by the transport operator and all indirect costs arising as a consequence of the examination by Customs authorities. The Working Party decided to transmit the adopted comments, contained in Annex 3 to this report, to the TIR Administrative Committee for endorsement.

(v) **Measures to reduce the number of lost, stolen and falsified TIR Carnets**

Documentation: TRANS/WP.30/194; Informal document No. 1 (2001); TRANS/WP.30/192.

68. The Working Party was informed by Mr. Olszewski, Chairman of the TIRExB, that the IRU was forced to change the supplier of the paper for TIR Carnets as of September 2001 and as a result was forced to change some of the security features in the TIR Carnet, as the new paper supplier could not provide these features.

69. For this reason the IRU had proposed to the TIRExB to change at the same time the design related features of the TIR Carnet as well as to add some other security features in order to make falsification more difficult.

70. The TIRExB decided to accept the changes proposed by the IRU since they do not modify the relevant provisions of the Convention. The introduction of the revised TIR Carnet is foreseen as from 30 September 2001. Detailed information on the changed lay-out of the TIR Carnet as well as on security features involved will be provided to Customs authorities by the TIR secretariat in early September 2001 at the latest. The IRU will also provide Customs authorities with a number of specimens in advance of the introduction of the new TIR Carnet.

71. The IRU also informed the Working Party that it had instructed all issuing associations to stop the issuance of old TIR Carnets as from 1 June 2001, which only contain numeric numbers, i.e. TIR Carnets with numbers below 25,000,000. All TIR Carnets issued today contains an alpha-numeric code, i.e. a code consisting of both letters and numbers.

72. The Working Party expressed the view that there seemed to be an increase in the misuse of lost and stolen TIR Carnets, in spite of the information about lost and stolen TIR Carnets distributed by the IRU. The IRU has indicated to be ready to explore, if information about lost and stolen TIR Carnets can be provided to Customs authorities via e-mail in order to speed up the information dissemination. In this context, the Working Party recalled its previous position, that all TIR Carnets presented to Customs authorities are considered to be valid.

(vi) **Application of Article 38 of the Convention**

Documentation: TRANS/WP.30/194; TRANS/WP.30/AC.2/2000/14 and Corr.1.

73. The Working Party recalled that, at the invitation of the TIR Administrative Committee, the Working Party, at its ninety-seventh session, had considered the underlying reasons for the exclusion of persons from the TIR procedure in accordance with Article 38, paragraph 1 of the Convention. The Working Party may wish to recall that the TIR Administrative Committee had noted that the reasons for exclusions were quite different in the Contracting Parties to the Convention. This was mainly due to different national interpretations of the conditions for such exclusion as stipulated in Article 38; i.e. "guilty of a serious offence" (TRANS/WP.30/194, para. 74).

74. The Working Party had at its previous session taken note of the proposals prepared by the TIR Secretary on the harmonized application of Article 38 and Annex 9, Part II of the Convention as contained in document TRANS/WP.30/AC.2/14 and Corr.1.

75. Following the recommendation of the TIRExB the Working Party agreed, as a first step, to facilitate the application of national legislation with regard to Article 38 and, for this purpose, decided to consider the deletion of the Explanatory Note 0.38.1 to Article 38, paragraph 1 of the Convention.

76. The Working Party also considered to add the following comment to Article 38, paragraph 2 of the Convention based on the proposal contained in TRANS/WP.30/AC.2/2001/14.

“Cooperation between competent authorities

With regard to authorization of a person to utilize TIR Carnets in line with Annex 9, Part II of the Convention the competent authorities of the Contracting Party where the person concerned is resident or established should take into due account any information notified by another Contracting Party in accordance with Article 38, paragraph 2 on serious or repeated offences against Customs legislation committed by that person. Thus, in order to allow for efficient consideration of the case by the Contracting Party where the person concerned is resident or established, such notification should contain as many details as possible.”

77. The Working Party also considered to add a new comment to Article 38, paragraph 1 based on a revised text of the proposal contained in TRANS/WP.30/AC.2/2001/14, that reads as follows:

“Exclusion of a domestic transport operator from the TIR procedure

In order to exclude from the TIR regime a national transport operator guilty of a serious offence against the Customs laws committed on the territory of the country where he is resident or established, the Customs authorities are recommended to use also the provisions of Article 6, paragraph 4 and Annex 9, Part II, paragraph 1 (d) and not only the provisions of Article 38, paragraph 1.“

78. The same comment should also be added to Annex 9, Part II, “Procedure”.

79. The Working Party considered that the new comments proposed in TRANS/WP.30/AC.2/2000/14 relating to Article 38, paragraph 1 concerning “A person guilty of a serious offence against the Customs laws or regulations ...” and “Seriousness of an offence against the Customs laws or regulations applicable to the international transport of goods...” should not be considered further for the time being.

(vii) **Road vehicles considered as heavy or bulky goods**

Documentation: TRANS/WP.30/2001/10; TRANS/WP.30/AC.2/61; TRANS/WP.30/AC.2/59 and Corr.1.

80. The TIR Administrative Committee, at its twenty-ninth session (19-20 October 2000), adopted a comment on the application of the newly adopted Article 3 of the Convention concerning road vehicles considered themselves as heavy or bulky goods (TRANS/WP.30/AC.2/59, paras. 61, 62 and annex 6).

81. Following the adoption of this comment, Estonia had submitted a proposal for modifications to be made to this comment. The TIR Administrative Committee, at its thirtieth session, had invited the Working Party to consider this proposal and to report back to the Committee at its next session (TRANS/WP.30/AC.2/61, para. 53).

82. The Working Party considered the proposal for modifications submitted by Estonia and the document prepared by the secretariat (TRANS/WP.30/2001/10) providing an interpretation of the reasons that had led to the adoption of the comment on the application of the newly adopted Article 3 of the Convention. The Working Party invited the delegate of Estonia to submit a written document for the next session of the Working Party containing detailed information about the proposed modifications.

(viii) TIR Handbook

Documentation: UNECE document; (www.unece.org/trans/new_tir/welctir.htm).

83. The Working Party was informed that the secretariat will take immediate steps to update the TIR Handbook in order to include modifications of the TIR Convention, the latest which have come into force on 12 June 2001.

84. Hardcover versions of the TIR Handbook are available in Arabic, Chinese, English, French, German, Italian, Russian and Spanish. The complete text of the TIR Handbook is also available on the TIR web site in Arabic, Chinese, Czech, English, French, German, Italian, Russian, Spanish and Turkish (www.unece.org/trans/new_tir/welctir.htm).

(ix) Other matters

85. The representative of the European Commission informed the Working Party about a practical difficulty in the application of Annex 3, paragraph 4 of the TIR Convention concerning the renewal of the Certificates of Approval for road vehicles. Transport operators increasingly use road vehicles in Contracting Parties others than those where they are registered. As a consequence, vehicles must be sent back to the country of registration for inspection and renewal of the Certificates of Approval, which often causes operational and economic difficulties.

86. The Working Party requested the representative of the European Commission to submit documentation concerning this problem for one of the forthcoming sessions of the Working Party.

87. The Working Party was informed by the IRU about an increasing number of discharge irregularities caused by transport operators when undertaking TIR operations with Kosovo as destination.

88. The representative of The former Yugoslav Republic of Macedonia informed the Working Party that transport operators going to Kosovo in transit through The former Yugoslav Republic of Macedonia under cover of a TIR Carnet are instructed by his Customs authorities to terminate the TIR operation in Skopje. Only thereafter should the transport operators proceed to Kosovo under KFOR escort.

89. Transport operators that have not followed the above prescribed procedure have in order to prove termination of the TIR operation, upon request, in some cases provided the Customs authorities of The former Yugoslav Republic of Macedonia with copies of Counterfoils No. 2 stamped by KFOR, which had not been accepted by the competent authorities of this country.

90. The Working Party considered that it is the obligation of the transport operator to ensure that the TIR Carnet is presented to the competent Customs authorities for termination of the TIR operation. The Working Party invited the IRU to inform its members about the required termination procedure in Skopje. Given the special circumstances under which TIR operations to Kosovo are carried out for the time being via the territory of The former Yugoslav Republic of Macedonia, the Working Party requested the secretariat to possibly contact the competent KFOR authorities on this issue.

PREVENTION OF THE AB USE OF CUSTOMS TRANSIT SYSTEMS BY SMUGGLERS

Documentation: Informal Document No. 16 (2001) ; TRANS/WP.30/127.

91. Having discussed at earlier sessions a number of drug seizures involving TIR vehicles, the Working Party felt that it should be informed of any special devices and facilities used by smugglers abusing the TIR transit system. The Working Party invited all Contracting Parties to the TIR Convention, 1975, and the World Customs Organization (WCO) to transmit all relevant information on such cases so that it could take the necessary steps, falling within its competence and mandate, to prevent such occurrences (TRANS/WP.30/127, paras. 55-57).

92. The Customs authorities of Slovakia had provided the secretariat with information about a recent smuggling case, which is contained in Informal document No. 16 (2001). The Working Party took note of the information provided and encouraged Customs authorities to share such information, by providing the secretariat with relevant documentation for distribution amongst the Contracting Parties.

OTHER BUSINESS

(a) Dates of the next sessions

93. The Working Party decided to convene its ninety-ninth session during the week of 22 to 26 October 2001 in conjunction with the thirty-first session of the TIR Administrative Committee. The deadline for submission of documentation to be included in the agenda as official documents is 1 August 2001.

94. The one-hundredth session of the Working Party is tentatively scheduled to be held in conjunction with the thirty-second session of the TIR Administrative Committee, during the week of 11 to 15 February 2002.

(b) Restriction on the distribution of documents

95. The Working Party decided that there should be no restrictions on the distribution of documents issued in connection with its current session, with the exception of the International Directory of TIR Focal Points and Informal document No.16 (2001) on new smuggling techniques submitted by Slovakia.

ADOPTION OF THE REPORT

96. The Working Party adopted the report of its ninety-eighth session.

Annex 1

**AGREEMENTS AND CONVENTIONS WITHIN THE MANDATE OF THE
WORKING PARTY (WP.30)**

Convention Concerning Customs Facilities for Touring, signed in New York (4 June 1954).

Customs Convention on the Temporary Importation of Private Road Vehicles, (4 June 1954).

Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention), (15 January 1959).

Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention), (14 November 1975).

Customs Convention on the Temporary Importation for Private Use of Aircraft and Pleasure Boats, (18 May 1956).

Customs Convention on the Temporary Importation of Commercial Road Vehicles, (18 May 1956).

International Convention to Facilitate the Crossing of Frontiers for Passengers and Baggage carried by Rail, (10 January 1952).

International Convention to Facilitate the Crossing of Frontiers for Goods Carried by Rail, (10 January 1952).

Customs Convention concerning Spare Parts Used for Repairing Europe Wagons, (15 January 1958).

Customs Convention on Containers, (18 May 1956).

Customs Conventions on Containers, (2 December 1972).

European Convention on Customs Treatment of Pallets Used in International Transport, (9 December 1960).

International Convention on the Harmonization of Frontier Controls of Goods, (21 October 1982).

Convention on Customs Treatment of Pool Containers Used in International Transport, (21 January 1994).

Annex 2**CONVENTIONS TO WHICH THE FEDERAL REPUBLIC OF YUGOSLAVIA HAS
SUCCEEDED RETROACTIVELY**

The Federal Republic of Yugoslavia has retroactively, as of 27 April 1992, succeeded to a number of international conventions for which the Secretary-General of the United Nations acts as Depositary. The Secretary-General of the United Nations has issued for each of these conventions a Depositary Notification communicating the succession. Below is a list of conventions (with reference to the related Depositary Notification), which fall within the mandate of the Working Party (WP.30).

Convention Concerning Customs Facilities for Touring, (4 June 1954).

Reference: C.N.301.2001.TREATIES-1 (Depositary Notification), 6 April 2001.

Additional Protocol to the Convention concerning Customs Facilities for Touring, relating to the Importation of Tourist Publicity Documents and Material, signed in New York on 4 June 1954.

Reference: C.N.308.2001.TREATIES-1 (Depositary Notification), 9 April 2001.

Customs Convention on the Temporary Importation of Private Road Vehicles, (4 June 1954).

Reference: C.N.302.2001.TREATIES-1 (Depositary Notification), 6 April 2001.

Customs Convention on the Temporary Importation for Private Use of Aircraft and Pleasure Boats, (18 May 1956).

Reference: C.N.303.2001.TREATIES-1 (Depositary Notification), 6 April 2001.

Customs Convention on the Temporary Importation of Commercial Road Vehicles, (18 May 1956).

Reference: C.N.304.2001.TREATIES-1 (Depositary Notification), 9 April 2001.

Customs Convention on Containers, (18 May 1956).

Reference: C.N.305.2001.TREATIES-1 (Depositary Notification), 9 April 2001.

Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention), (14 November 1975).

Reference: C.N.306.2001.TREATIES-3 (Depositary Notification), 9 April 2001.

European Convention on Customs Treatment of Pallets Used in International Transport, (9 December 1960).

Reference: C.N.307.2001.TREATIES-1 (Depositary Notification), 9 April 2001.

International Convention on the Harmonization of Frontier Controls of Goods, (21 October 1982).

Reference: C.N.320.2001.TREATIES-1 (Depositary Notification), 9 April 2001.

Annex 3

COMMENTS TO PROVISIONS TO THE TIR CONVENTION, 1975

Comment to Article 5, paragraph 2

Examinations at Customs offices en route or spot checks at the request of transport operators

The exceptional cases, mentioned in Article 5, paragraph 2, include those where Customs authorities carry out examinations either at Customs offices en route or in the course of the journey on particular request from transport operators, who have suspicion that any irregularity has occurred in the course of the TIR transport. In such a situation Customs authorities should not refuse to carry out the examination unless they deem the request not to be justified.

In cases where the Customs authorities carry out an examination on request by the transport operator, the charges involved will be borne by the latter, in accordance with the provisions of Article 46, paragraph 1 and its comment, together with all other costs that may arise as a consequence of the examination.

Comment to Article 46, paragraph 1

Charges for Customs checks on request from the transport operator.

Any charges related to Customs attendance on request from the transport operator, as laid down in the comment to Article 5 of the TIR Convention, shall be borne by him.
