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### Inland Transport Committee

### Working Party on Customs Questions affecting Transport

144th session

Geneva, 11–14 October 2016

## Report of the Working Party on Customs Questions affecting Transport on its 144th session

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## **I. Attendance**

1. The Working Party on Customs Questions affecting Transport (WP.30) held its 144th session from 11–14 October 2016 in Geneva. The session was attended by representatives of the following countries: Austria, Azerbaijan, Belarus, Belgium, Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iran (Islamic Republic of), Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Netherlands, Poland, Republic of Moldova, Romania, Russian Federation, Serbia, Slovenia, Spain, Sweden, Switzerland, the former Yugoslav Republic of Macedonia, Turkey and Ukraine. Representatives of the European Union (EU) were also present. The following intergovernmental organization was represented: Economic Cooperation Organization (ECO), Eurasian Economic Commission (EEC), Organization for Cooperation between Railways (OSJD). The following non-governmental organizations were represented: Alliance International de Tourisme / Fédération Internationale de l'Automobile (AIT/FIA), the International Road Transport Union (IRU).

## **II. Adoption of the agenda (agenda item 1)**

2. WP.30 adopted the provisional agenda, prepared by the secretariat (ECE/TRANS/WP.30/287).

## **III. Opening statement**

3. The secretariat read the opening statement on behalf of Ms. Eva Molnar, Director, United Nations Economic Commission for Europe (UNECE) Sustainable Transport Division, in which she welcomed the accession of China to the TIR Convention on 5 July 2016, which marks an important step towards increasing the relevance of this major United Nations legal instrument in the field of transit transport. She recalled the various amendment proposals that are still outstanding, urging the Working Party to finalize its discussions with clear-cut decisions, thus paving the way for them to be transferred to the TIR Administrative Committee (AC.2) for final considerations and adoption. She also urged parties to have an open mind when discussing proposals such as, but not limited to, increasing the places of loading and unloading from four to eight, which is a clear request from the transport and the logistics industry. She requested further support and input for the activities of the Group of Experts on Legal Aspects of Computerization of the TIR Procedure (GE.2) and invited the Working Party to advise the Inland Transport Committee to continue the mandate for the Ad hoc Informal Group of Experts for the Technical and Conceptual Aspects of Computerization of the TIR Procedure (GE.1) in 2017. She encouraged the Working Party to take strategic and forward-looking decisions on proposals for a new Annex 10 of the Harmonization and on the draft new international convention to facilitate the crossing of frontiers for passengers and baggage carried by rail. She welcomed Ms. Asli Gurates from Turkey, who has recently joined the ranks of the TIR secretariat in her capacity as customs expert. Finally, she trusted that the announced intervention by IRU during the current session would contribute to fully reinstating trust in the functioning of the international guarantee system, to the satisfaction of all parties concerned.

#### **IV. Activities of United Nations Economic Commission for Europe (UNECE) bodies and other United Nations organizations of interest to the Working Party (agenda item 2)**

4. The Working Party was informed about the activities of the Inland Transport Committee (ITC), its Bureau, subsidiary bodies and other United Nations organizations on matters of interest to the Working Party. In particular, the Working Party took note of the progress in preparing the 2017 celebratory session of ITC, scheduled for 21-24 February 2017. Additional events include a Ministerial meeting on the 'Past and Future of the UNECE Inland Transport Committee' (21 February 2017) which will conclude with the adoption of a Ministerial resolution intended to highlight the seventy years of substantive contribution of ITC and its subsidiary bodies in the field of transport, as well as to encourage further outputs from the contemporary global transport environment, including but not limited to, the Sustainable Development Goals. The draft resolution is currently under consultation with the Bureau of the ITC and further information on this issue will be provided in due course. The Working Party also noted that, pursuant to the decision of ITC at its previous session (ECE/TRANS/254, para. 13), the UNECE secretariat, in consultation with the Bureau of ITC, was developing a strategic note on future directions for the work of ITC which, upon finalization, would be tabled for ITC endorsement at one of its future sessions. Furthermore, the Working Party was informed that a Global Road Safety Film Festival would take place at the Palais des Nations on 20 February 2017. Finally, a number of exhibitions and demonstrations were being organized. The Working Party encouraged all Contracting Parties and other interested parties to participate in the session of ITC and to ensure, to the extent possible, that Ministers of Transport would, at least, attend the Ministerial segment.

5. The Working Party was also informed that the first Global Conference on Sustainable Transport, convened by the United Nations Secretary-General and hosted by the Government of Turkmenistan would take place in Ashgabat on 27 and 28 November 2016. The conference would address all modes of transport including road, rail, aviation, marine, ferry, and urban public transport providers, along with Governments and investors, with the aim of developing concrete recommendations for more sustainable transport systems that can address rising congestion and pollution worldwide, particularly in urban areas, and are actionable at global, national, local and sector levels. The Secretary-General has appointed the United Nations Department of Economic and Social Affairs (DESA) as the secretariat for the conference. The Working Party also noted that invitations to this conference had been sent to the Ministers of Transport and Heads of State by the host Government, while the heads of United Nations and other intergovernmental organizations have been invited by DESA. UNECE would be represented at this conference and intends to organize two side events, one on road safety and one on border crossing facilitation.

6. Under this agenda item, the Working Party took note of a joint UNECE-UNESCAP-IRU publication 'eTIR: towards Paperless Cross-Border Trade', as well of contributions to the September 2016 issue of 'The Asian Journal for Transport and Infrastructure' by Ms. Ariadne Abel, 'The TIR Convention and Benefits of Seamless movement of Vehicles in the Bangladesh, Bhutan, India and Nepal (BBIN) Subregion' and 'Cross-Border Facilitation in the context of the United Nations General Assembly Resolution 70/197: Prospects for the TIR and Harmonization Conventions' by Mr. Tarcisio Hardman-Reis.

## **V. Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975) (agenda item 3)**

### **A. Status of the Convention**

7. The Working Party was informed that, on 15 July 2016, the Secretary-General of the United Nations, acting in his capacity as depositary, had issued depositary notification C.N.503.2016.TREATIES-XI.A.16, informing that on 5 July 2016 the Government of the People's Republic of China has deposited its instruments of accession to the TIR Convention, 1975. In accordance with its Article 53, paragraph 2, the Convention will enter into force for China on 5 January 2017. With the accession of China, the TIR Convention has seventy Contracting Parties. Furthermore, the Working Party was informed that, on 7 October 2016, the Secretary-General of the United Nations had issued depositary notification C.N.742.2016.TREATIES-XI.A.16, informing that none of the Contracting Parties had raised an objection to the proposals to amend Annexes 2, 6 and 7, as outlined in depositary notification C.N.124.2016.TREATIES-XI.A.16 of 4 April 2016, which would, therefore, enter into force on 1 January 2017 for all Contracting Parties. More detailed information on this issue and on various depositary notifications is available on the TIR website.<sup>1</sup>

8. Under this agenda item, the Working Party also took note that, further to the accession of Pakistan to the TIR Convention, the Pakistan National Committee of the International Chamber of Commerce (PNC-ICC) had been recognized as the national issuing and guaranteeing association and that the guarantee agreement between Pakistan customs and PNC-ICC was nearly finalized and ready for signature. In reply to a question from EU, IRU informed the Working Party that the selection process to authorize a national guaranteeing association for China had not yet been finalized, but that this was expected to happen in the near future.

### **B. Revision of the Convention**

#### **1. Amendment proposals to the Convention**

9. The Working Party recalled that, at its previous session, it had decided, to limit its discussions to the text of Explanatory Note 0.8.3. and had requested the secretariat to prepare a new document elaborating (a) proposals to amend the text of the Explanatory Note with the amounts of 100,000 euros for the regular TIR Carnet and 400,000 for the Tobacco/Alcohol TIR Carnet, and (b) proposals to delete the second part of the Explanatory Note, while adjusting the reference amounts mentioned therein (see ECE/TRANS/WP.30/286, paras. 21–22).

10. The Working Party considered document ECE/TRANS/WP.30/2016/13. After extensive discussions, the Working Party decided to transmit the proposal to amend Explanatory Note 0.8.3. to refer to 100,000 euros rather than 50,000 United States dollars to AC.2 for further consideration. The rest the text of the Explanatory Note remains unchanged. Unable to reach consensus over a proposal to proportionally increase the recommended guarantee amount for Tobacco/Alcohol TIR Carnets from \$US 200,000 to 400,000 euros or the timeframe for such amendment, the Working Party requested that this be transmitted to AC.2 as a separate proposal. The Working Party accepted a request by IRU to hold a survey among Contracting Parties on the national levels of customs duties

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<sup>1</sup> [www.unece.org/tir/tir-depositary\\_notification.html](http://www.unece.org/tir/tir-depositary_notification.html)

and taxes of tobacco and alcohol products; and invited IRU to submit, at its earliest convenience, such a draft to the secretariat for circulation and encouraged Contracting Parties to contribute to the survey. The results of the survey should be available for consideration by the Working Party at its next session. The Working Party recommended Contracting Parties to already start preparing amendment of their national agreements between customs and national associations to reflect the recommended maximum amount of 100,000 euros.

11. The Working Party considered Informal document WP.30 (2016) No. 12, in which IRU presented its proposals to reintroduce guarantee coverage for certain alcohol products on a pilot basis. The pilot would be conducted in 2017, with a fixed number of 100 transports of specific alcohol products with the HS codes 22.07.10 and 22.08, with carefully selected transporters, as well as drivers and under separate Memoranda of Understanding between competent authorities, national associations and IRU, in addition to the existing agreements. The insurance chain had agreed to provide backing for the pilot up to SwF 2,500,000.

12. The Working Party took note of document ECE/TRANS/WP.30/2016/14, in which the secretariat provided its considerations on the decision of IRU in 1994 to stop the printing and distribution of Tobacco/Alcohol TIR Carnets as well as if the current wording of Article 8, paragraph 3 already accords Contracting Parties the possibility not to set a maximum for the recommended guarantee amount (see ECE/TRANS/WP.30/286, para. 23). In reaction, the delegation of the Russian Federation noted that (a) the TIR Administrative Committee (AC.2) had not been involved in the decision of IRU to no longer issue Tobacco/Alcohol TIR Carnets, (b) the Convention does not distinguish between goods that can be transported under cover of a TIR Carnet, and (c) Article 8, paragraph 3 allows competent authorities to set any amount for the guarantee, as long as a maximum amount is set.

13. The Working Party considered document ECE/TRANS/WP.30/2016/15 on a proposal to amend Article 20. After discussions, the Working Party agreed that the alternative proposal for Article 20 seemed to best fit its implementation in Customs Unions, but needed further consideration on its drafting, to avoid ambiguous interpretation. In addition, the Working Party agreed that by inserting, in Annex 9, Part I, subtitle and paragraph 1, the word 'minimum' before 'conditions and requirements' consistency could be achieved without major amendments to the text of the TIR Convention. In conclusion, the Working Party requested the secretariat to prepare a revised proposal on Article 20, based on the comments provided during the session, and to transfer the proposal on Annex 9, part I to AC.2 for final consideration. The text of the agreed proposal is in Annex I of the final report.

## **2. Preparation of Phase III of the TIR revision process**

14. The Working Party took note of the oral report of the twenty-fifth session of the Informal Ad hoc Expert Group on Conceptual and Technical Aspects of Computerization of the TIR Procedure (GE.1) on 19–20 September 2016 in Geneva. It noted that GE.1 had reviewed and welcomed the results from both eTIR pilot projects, acknowledging their contributions toward a fully-fledged eTIR system. GE.1 had also assessed the first findings of GE.2 and acknowledged the need of close collaboration between both groups, in particular when dealing with issues such as electronic signatures. Furthermore, GE.1 had considered a number of pending amendments to the eTIR Reference Model v.4.1a. The Working Party noted that the final report of the twenty-fifth session would be submitted as a formal document for its February 2017 session and approved the continuation of GE.1 in 2017, in particular to make the necessary amendments to the eTIR Reference Model v.4.1a and to deal with the technical issues related to proposals prepared by GE.2. In the context of extending the mandate of GE.1, the Working Party requested the secretariat to also raise

the issue of financing the development and maintenance of the eTIR international system at the level of ITC.

15. The Working Party took note of the information provided about the UNECE–IRU eTIR pilot project between Iran (Islamic Republic of) and Turkey. It welcomed the successful results of the first step of the project, in which 31 eTIR transports had been successfully conducted, and requested to be informed about the second step. The second step had started on 20 August 2016 and broadened the scope of the project by including additional customs offices, transport companies and offering the possibility of multiple places of loading and unloading, including amendment of the declaration. The Working Party noted that the pilot project allowed, inter alia, a first important step toward a fully-fledged eTIR international system and, specifically, the development and deployment at UNECE of a first lightweight version of the eTIR international system.

16. The Working Party also welcomed the information provided about the eTIR pilot project between Georgia and Turkey. It recalled that, at this stage, the project does not involve the private sector and focuses on testing the customs-to-customs part of the eTIR Reference Model. At the same time, the Working Party noted that the project allows for the exchange of data on all TIR transports between both countries. The Working Party noted that preliminary tests had been carried out but the actual exchange of data had not yet started. Nevertheless, the Working Party recalled the signature by both countries of a protocol related to this project, demonstrating the political willingness to complete this project.

17. The Working Party also took note that the Customs administrations of Turkey and Ukraine had signed an agreement on customs issues, in which they, inter alia, agreed on an eTIR pilot project between both countries. Furthermore, the Working Party noted the interest of the delegations of Kazakhstan and the Republic of Moldova in taking part in similar pilot projects.

18. The United Nations Development Accounts project ‘Strengthening the Capacities of Developing Countries and Countries with Economies in Transition to Facilitate Legitimate Border Crossing, Regional Cooperation and Integration’ ended on 30 June 2016, and the Working Party took note of the successful conduct of the Seminar for the Promotion of Electronic Exchange of Customs Information and the Adoption of Standard Electronic Messages in Geneva, 20–21 June 2016. Finally, the Working Party took note that the final report of the project had been sent to the United Nation Department of Economic and Social Affairs and that the external evaluation of the project had been finalized and will be made available on the UNECE web site.

19. The Working Party endorsed the report of the second session of the Group of Experts on Legal Aspects of Computerization of the TIR Procedure (GE.2) (ECE/TRANS/WP.30/GE.2/4), which took place on 4–5 April 2016 in Geneva and was orally briefed about its main outcomes. The session had been well attended (11 countries, EU and IRU), and the Group of Experts had identified ways forward on several issues. More specifically, GE.2 had decided to conduct a survey on electronic methods of authentication, including electronic signatures, which was launched in September 2016, with a deadline for replies set for 1 November 2016. The preliminary results of the survey will be considered by GE.2 at its third session, on 12–13 December 2016. In this context, the Working Party urged all Contracting Parties to reply to the survey. The Group of Experts had also concluded that it would be necessary to identify the potential financing mechanisms as a matter of priority and, to this end, decided to develop a substantiated document that would eventually be transmitted for further consideration to the competent TIR intergovernmental bodies. The Working Party agreed that financing the initial and development costs of the eTIR international system would be of the utmost priority, bearing also in mind the joint statement on the computerization of the TIR procedure, adopted by

the TIR Administrative Committee in June 2015. As such, the Working Party requested that this issue be brought, also, to the attention of ITC at its next session on 21–24 February 2017. Furthermore, GE.2 concluded that the eTIR Reference Model should be kept as a separate document with a relevant technical body to update, amend and maintain it with an established simplified procedure. Finally, GE.2 reviewed the possible formats of the eTIR legal framework (i.e. Protocol or optional Annex) and weighed the advantages and disadvantages of each option. In order to make progress, the main outcome of the session was that GE.2 requested to start reviewing draft legal text, to be prepared by the secretariat in both formats, in order to start concretely developing the legal framework at the next session. Against this background, the Working Party noted that GE.2 would submit its considerations and seek guidance on the issue of format at the next session.

## **C. Application of the Convention**

### **1. New developments in the application of the Convention**

20. Under this agenda item, the Chair, referring to official information she had received, requested clarification from the delegation of Belarus on incidents in which the customs authorities of Belarus refuse to open a TIR procedure for transit operations where the customs duties and taxes at risk exceed 60,000 euros. In reply, the delegation of Belarus informed the Working Party that nothing has changed and that it was common practice in Belarus, as in other countries, to assess the customs duties and taxes at risk of goods transported under cover of a TIR Carnet. In case the customs duties and taxes at risk exceeds 60,000 euros, the transport cannot continue with a TIR Carnet, but another transit procedure would need to be applied. The Working Party invited TIRExB to further assess this situation.

### **2. TIR-related electronic data interchange systems**

21. The Working Party took note of Informal document WP.30 (2016) No. 13 by IRU containing the latest statistical data on the performance of Contracting Parties in the control system for TIR Carnets — SafeTIR system.

### **3. Settlement of claims for payments**

22. The Working Party was informed by IRU about the current situation on the settlement of claims for payments made by customs authorities against national guaranteeing associations, contained in Informal document WP.30 (2016) No. 14. In particular, the Working Party took note of updated information in the claims statistics from Iran (Islamic Republic of). IRU further informed the Working Party that, in 2016, 94 per cent of the claims for payments had been settled within the three month deadline stipulated by the TIR Convention.

### **4. Relation between the World Trade Organization Trade Facilitation Agreement, the TIR Convention and other legal instruments**

23. Under this agenda item, the secretariat briefed the Working Party that it continues to promote the TIR Convention and TIR Conventions, in general, as precursors or facilitators to accede to and implement the World Trade Organization Trade Facilitation Agreement.

### **5. Other matters**

24. The Working Party was informed by Mr. Christian Labrot, President and Mr. Umberto de Pretto, Secretary-General of IRU as well as by Mr. Paul Wang of Ernst&Young Ltd., on behalf of the contracted independent external auditor, on the recent



allegations against IRU and its management. The introductory statements by Mr. Labrot and Mr. Wang are annexed to the final report of the session (Annexes II and III).

25. In reply to questions from the delegation of the Russian Federation, Mr. Wang informed the Working Party that, further to a judicial injunction, preventing Mr. Marek Retelski, former Deputy Secretary-General of IRU, from contacting IRU, its members, staff and other related third parties, there had been no direct contact between Ernst&Young and Mr. Retelski either and that Ernst&Young had been instructed by IRU not to contact Mr. Retelski. Mr. de Pretto clarified that the allegations by Mr. Retelski had been made against himself and Mr. Boris Blanche, Chief Operating Officer, personally. Thus, the external audit was scoped on their personal involvement in the allegations and did not include a financial audit of IRU as an organization. Mr. Labrot informed the Working Party that the final results of the external audit are expected to be presented to the IRU General Assembly in November 2016. After that, the main conclusions would be published. At the same time, he offered to make sure that a more detailed report, without issues judged to be confidential according to consulted lawyers or Ernst&Young, be made available, as restricted document, to UNECE and the TIR governing bodies. In reply to a question from the delegate of the European Commission, Mr. de Pretto clarified that from the statement there were no wrongdoings by himself, Mr. Blanche or IRU since he had assumed responsibility in 2013, it could not be concluded that any prior wrongdoings had been identified. Mr. Wang stated that the audit report would contain recommendations for further improving good governance and compliance with generally accepted ethical standards and practices by IRU as well as identifying possible improvements in the functioning of the international insurance scheme developed in the 1990s. He further stated that, as external auditor, he was not mandated to provide any judgement on the legal nature of any of the findings (illegal acts, potential neglects, wrongdoings). Finally, Mr. de Pretto informed the Working Party that, so far, neither Mr. Blanche nor he had been contacted by the state prosecutor of Geneva, with whom Mr. Retelski had filed his complaints.

26. In reply to a question from the delegation of the Russian Federation, the secretariat informed the Working Party that it would need to consult with the Office of Legal Affairs (OLA) on whether recordings of public meetings could be shared with member States or other interested parties and that it would revert to this issue at the first opportunity.

27. Under this agenda item, the Working Party took note that, as requested, the secretariat had included a list of decisions as Annex to the final reports of previous sessions. The Working Party requested the secretariat to continue this practice, thus keeping track of the status of previously taken decisions (see Annexes IV, V and VI of the final report). The Working Party requested the secretariat to include the issue of the list of decisions as a separate agenda item for its next session, in order to review the results of this exercise.

28. The Working Party was informed that the Secretary-General of the United Nations, in his capacity as depositary, had issued depositary notification C.N.748.2016.TREATIES-XI.A.15 informing of the accession of the Republic of Moldova to the Customs Convention on Containers, 1972. The Convention will enter into force for the Republic of Moldova on 11 April 2017, in accordance with its Article 19, paragraph 2, making the Republic of Moldova the fortieth Contracting Party to the Container Convention.

## **VI. International Convention on the Harmonization of Frontier Controls of Goods, 1982 (“Harmonization Convention”) (agenda item 4)**

### **A. Status of the Convention**

29. The Working Party was informed that there were no changes in the status of the Convention or the number of Contracting Parties. More detailed information on these issues as well as on various Depositary Notifications are available on the UNECE website.

### **B. Proposal on a new Annex 10 on sea ports**

30. The Working Party recalled that, at its previous session, in order to streamline its activities under this agenda item, it had requested the secretariat to review the draft proposals on a new Annex 10 on sea ports, taking account of comments or proposals by Azerbaijan, Ukraine, the Eurasian Economic Commission (EEC), the European Union (EU), the Federation of National Associations of Ship Brokers and Agents (FONASBA) and the International Maritime Organization (IMO) and use this information as a basis to prepare a new draft in the three official languages, for consideration of the Working Party at its current session. (see ECE/TRANS/WP.30/286, paras. 44–49).

31. The Working Party considered document ECE/TRANS/WP.30/2016/16. The delegation of Ukraine underlined, once more, the relevance of this new draft for the customs and border controls of transports at seaports and referred back to the report of experts on hinterland connections from 2008 (see also ECE/TRANS/210), which had led ITC to request the Working Party to develop a specific Annex for inclusion in the Harmonization Convention. The Chair of the Administrative Committee for the Harmonization Convention (AC.3) supported this position. The delegations of the Russian Federation and of EU, on the other hand, challenged the legal and practical merits of the draft, in its current state as well as in general, with particular reference to the IMO-FAL 65 Convention which already covers some of the issues of controls at seaports. Recapitulating the discussion and recalling the great efforts that had been made to establishing consensus on the necessity and the text of draft Annex 10, the Chair of the Working Party stated that there seemed to be, as yet, insufficient support to continue this activity. The delegations of Azerbaijan and Ukraine expressed that they could not agree with this assessment and requested that the issue be further discussed at the next session. In conclusion, the Working Party decided to revisit document ECE/TRANS/WP.30/2016/16 at its next session. In order to have sufficient input for discussions, all delegations, that had not yet done so, were invited to submit written comments or considerations to the secretariat not later than by 15 November 2016. In the absence thereof, further discussions seemed not be of any use. At the request of the delegation of Azerbaijan, the secretariat was requested to review the relevance of the IMO-FAL 65 Convention in the context of the current discussions. Finally, at the request of the delegation of Ukraine, the secretariat was requested to revisit the letter by Ms. Molnar of 2010, addressed at stakeholders, to seek their support for the initiative to start considering a new Annex 10 on seaports and their replies as well as to reproduce excerpts from a speech by Ms. Molnar at the 2016 International Transport Forum on the issue.

## **VII. International Convention to Facilitate the Crossing of Frontiers for Passengers and Baggage carried by Rail, of 10 January 1952 (agenda item 5)**

32. The Working Party was informed that the informal group of experts, which had prepared the original draft of a new convention on the facilitation of border crossing procedure for passengers, luggage and load-luggage carried in international traffic by rail, had conducted another session on 26–27 July 2016, where it had reviewed all raised comments and, in parallel, prepared the outlines of a revised draft. The report of the session, together with the excerpts of the draft are in document ECE/TRANS/WP.30/2016/17 (English and Russian only). At the request of the Working Party, this document will be made available as an official document in the three official UNECE languages, for consideration at the next session.

33. The Working Party took note of the amendments to the text as constituting a substantial effort towards creating a fully fledged international legal instrument to cover the addressed issues. The delegations of Belarus, Russian Federation and Ukraine reconfirmed their support for the proposed draft, reiterating the relevance of its speedy finalization for the sake of the international transport of passengers and luggage.

34. In order to make progress, OSJD provided the secretariat with a consolidated draft in Russian so that it could now be made available as official document in the three official UNECE languages, for consideration of the Working Party at its next session. In addition, the Working Party requested the secretariat to submit the informal draft (in English and Russian only) to the Working Party on Rail Transport (SC.2), for consideration at its November 2016 session. Finally, the Working Party acknowledged that the finalized draft will require reviewing by OLA in order to establish whether or not the Secretary-General of the United Nations could act as its depositary.

35. The Working Party recalled that, at its seventy-eighth session, ITC, inter alia, had invited WP.30 and SC.2 to organize an ad hoc meeting in 2016 in cooperation with all interested ITC participants and relevant stakeholders to finalize the draft of the Convention and, eventually consider the development of a compendium of good practices for future adoption by ITC and opening for signature by interested countries and to report to the ITC session of 2017 on the progress achieved (see also ECE/TRANS/254, para. 95). However, the Working Party, at its 143rd session, considered that its internal discussions were not yet developed to an extent that warranted the organization of such joint ad hoc session with SC.2. The Working Party delegated the Chair or the secretariat to report progress on this issue to SC.2 at its 2016 annual session and to ITC at its 2017 session. At the same time, the Working Party agreed that it would revert to the organization of an ad hoc meeting at a future session depending on the progress made in drafting the new Convention (ECE/TRANS/WP.30/286, para. 54).

36. Against this background, the Working Party took note of a letter from the Ministry of Transport of the Russian Federation to the Director of the Sustainable Transport Division of UNECE, asking for dates, agenda and names of delegates attending the joint ad hoc session, and the reply by the secretariat informing that, due to the above described situation, such information could not yet be provided. The Working Party confirmed the decision taken at the 143rd session and mandated the secretariat to report this to the annual session of SC.2 in November 2016 and, eventually to ITC.

37. The delegation of the Russian Federation reminded the secretariat of the urgent need to convene an ad hoc session of WP.30 and SC.2 in order to revise the draft convention, in line with the aforementioned invitation of ITC at its seventy-eighth session (February 2016). The delegations of Azerbaijan, Belarus and Ukraine supported this proposal.

## **VIII. Customs Conventions on the Temporary Importation of Private Road Vehicles (1954) and Commercial Road Vehicles (1956) (agenda item 6)**

38. The Working Party was informed about the status of the Customs Conventions on the Temporary Importation of Private (1954) and Commercial (1956) Road Vehicles. In addition, the Working Party took note of document ECE/TRANS/WP.30/2016/18, in which AIT/FIA reported on several issues in implementing these Conventions, in particular a project for a Carnet de Passage en Douane (CPD) database system, new security features of the CDP and key aspects of a tracking and tracing system in the e-CPD system, allowing for real time authentication by customs officials at border posts.

39. The Working Party requested the secretariat, in consultation with AIT/FIA to prepare a document providing an overview of the functions of the CPD system, for consideration at its next session.

## **IX. Activities of other organizations and countries of interest to the Working Party (agenda item 7)**

40. The Working Party took note of activities by various regional economic or Customs Unions as well as by other organizations, both intergovernmental and non-governmental, and countries as far as they relate to matters of interest to the Working Party.

### **A. European Union**

41. The EU reminded the Working Party that the Union Customs Code (UCC) and its implementing, delegating and transitional delegation acts had entered into force on 1 May 2016 and that detailed information could be found on the following web page: [http://ec.europa.eu/taxation\\_customs/customs/customs\\_code/union\\_customs\\_code/ucc/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/customs_code/union_customs_code/ucc/index_en.htm). That page also contains an extensive UCC EU eLearning programme and guidance documents for both customs officers and economic operators, and new modules were regularly added.

### **B. Economic Cooperation Organization**

42. The delegate from ECO informed the Working Party about its recent activities and ongoing projects: (a) the completion of a “Feasibility Study on the customs provisions of the ECO Transit Transport Framework Agreement (TTFA) and the modernization of border crossing points in the ECO region”, in collaboration with the Islamic Development Bank. The findings of the study are expected to be presented to the upcoming meeting of Customs Transit Committee of ECO, to be held in November 2016; (b) a field study on the “Islamabad-Tehran-Istanbul (ITI)” and “Kyrgyzstan-Tajikistan-Afghanistan-Iran (Islamic Republic of) (KTAI) road corridors is due to start soon; (c) ongoing efforts of the Government of Pakistan to finalize all needed formalities to speed up the start of TIR operations. In view of the above, the fourth High Level Working Group on the ITI Road Corridor (Islamabad, August 2016) decided that upon activation of TIR in Pakistan a Truck Caravan will be organized; (d) as the first eTIR pilot projects between Iran (Islamic Republic of) and Turkey have demonstrated the effectiveness of eTIR for real transports carried out between the two countries, ECO supports further expansion to other Contracting Parties. Pakistan has already shown its interest to join the project. ECO is ready to cooperate and work closely with IRU and UNECE to expand this project in the region; (e)

various events organized by ECO and IRU during 2016 to bring Pakistan under the umbrella of TIR.

### **C. Eurasian Economic Union**

43. The Working Party was informed about further progress in relevant activities and projects carried out by EEU. In particular, the Working Party took note that (a) the time-plan for the finalization of the EEU Customs Code remained, as announced, fixed at 28 October 2016; (b) a Memorandum of Understanding between WCO and EEU had been concluded, and (c) EEU had started an assessment of the current conditions for the submission of electronic declarations in its member States, as well as the functioning of check points at customs borders of EEU.

### **D. World Customs Organization**

44. Due to the absence of a delegation from WCO at the session, no information was provided under this agenda item.

### **E. Bureau International des Containers et du Transport Intermodal**

45. The Working Party was informed of a presentation<sup>2</sup> by the Bureau International des Containers et du Transport Intermodal (BIC) on recent developments, such as the International Maritime Organization (IMO) SOLAS mandatory container weight verification requirements, which entered into force on 1 July 2016, and the launch of a BIC Technical Characteristics Database (TCD), which, once populated, will offer shippers, forwarders and other intermediaries a platform to easily exchange container fleet technical details, such as, in particular, the verified gross mass (VGM) of a container in order to be loaded on a ship.

## **X. Other business (agenda item 8)**

### **A. Dates of the next sessions**

46. The Working Party decided to hold its 145th session from 14 to 17 February 2017. However, the Working Party decided to dedicate only the morning session of 15 February 2017 to WP.30 matters, granting, exceptionally, AC.2 the possibility to start its session on 15 February 2017, as of 3.00 p.m., due to the large amount of amendment proposals and urgent procedural issues currently on the agenda of AC.2. For the future, the Working Party wished to resume its regular working schedule of two full meeting days.

### **B. Restriction on the distribution of documents**

47. The Working Party decided that there would not be any restrictions on the distribution of documents issued in connection with its current session.

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<sup>2</sup> See: [http://www.unece.org/trans/bcf/wp30/wp30-presentations\\_2016.html](http://www.unece.org/trans/bcf/wp30/wp30-presentations_2016.html)

## **XI. Adoption of the report (agenda item 9)**

48. In accordance with established practice, the Working Party adopted the report on its 144th session on the basis of a draft prepared by the secretariat. When reading the report, the Working Party requested the secretariat to make the final report of its session available as a pre-session document well in advance of its next session (14–17 February 2017), so that French and Russian speaking delegations could also take the findings of the report into due consideration when preparing for the 145th session. In this context, the Working Party noted that, despite its clear request at its previous session (and as followed up by UNECE), this had not been the case for the current session, considering that the French and Russian versions of the report of the 143th session had only been made available by the competent UNOG services one day prior to the current session. The Working Party requested UNECE to complain about this ongoing situation, which it considered detrimental to the due conduct of its business.

## Annex I

### Amendments transmitted by the Working Party to the TIR Administrative Committee<sup>3</sup>

*Amend Annex 9, Part I, subtitle to read:*

**Minimum** conditions and requirements

*Amend Annex 9, Part 1, paragraph 1, first line to read:*

1. The **minimum** conditions and requirements to be complied with by associations in [...]

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<sup>3</sup> See ECE/TRANS/WP.30/288, para. 13

## Annex II

### **Statement by Mr. Christian Labrot, President of IRU, delivered 12 October 2016**

Madame Chair, ladies and gentlemen,

Thank you for giving IRU the opportunity to update you on the ongoing audit regarding the allegations made by a former IRU employee.

The United Nations, and especially this forum, is one of the most important partners of IRU in serving the transport sector worldwide, which is why we want to share this information with you today.

I can reiterate that the leading bodies of IRU take these allegations very seriously which is why the Presidential Executive, on the recommendation of our General Assembly in April 2016, decided to run an independent audit on the allegations as well as IRU's governance. Ernst and Young was chosen as the auditing company and the internal auditor of IRU and I, as IRU President, was mandated to supervise this audit independently from the secretariat.

Work started in May 2016 and the audit is still running. The final results will be presented to our members during the General Assembly in the first week of November 2016.

Even if the audit is not yet completed and the findings will not be published until they are presented to our members, we nonetheless felt compelled to, at least, present verbally the relevant draft preliminary findings to this important body today!

This will be done by Ernst and Young.

We, of course, will remain at your disposal after the presentation to answer questions.

May I now hand over the floor Madame Chair to Mr. Paul Wang, an Ernst and Young partner, who is heading the independent audit team.

Thank you.



## Annex III

### **Statement by Mr. Paul Wang, Partner at Ernst&Young, 12 October 2016**

#### **Governance at IRU**

No major governance issues identified. Significant improvements were and are currently being implemented since June 2013.

#### **Compliance with general ethical standards and leading practices**

No major issues identified.

#### **Allegations**

##### **The insurance scheme**

Allegations against the Chief Operating Officer and the Secretary General.

Allegations relate to the insurance scheme implemented by IRU in 1995.

Mr. Boris Blanche and Mr. Umberto de Pretto were appointed to their positions in 2013. Not responsible for the creation of the insurance scheme. Mr. Marek Retelski was responsible of the service managing the insurance system.

##### **The allegations made – Dissimulation / diversion / embezzlement of approximately CHF530 Mios from IRU Members**

###### *Allegation 1: Embezzlement of more than CHF 93 Mios occult TIR commissions from IRU Members*

Existence of a commission scheme related to member associations Clause 31/32 contracts confirmed. Commission scheme in existence since 1995. Around 40% of the premiums was returned by insurers to Westyard Developments Limited. Westyard incorporated in the Isle of Man on 27 November 1998, was acquired in 1998 by Viatrans. Geneva Foundation is a separate legal entity from IRU but was founded by IRU. Per commission scheme, approx. 80% of commissions received by Westyard were transferred to IRU. Amounts paid to the IRU from 1995 to 2015 amounted approximately CHF 93 Mios. (IRU confirmed CHF 88 Mios and USD 5 Mios). Mr. Umberto de Pretto and Mr. Boris Blanche were appointed to their respective positions in 2013. Not responsible for the set-up of the contractual structure in relation to these commissions.

No evidence that members of IRU were informed of the commission scheme or the legal structure.

###### *Allegation 2: Dissimulation of CHF 56.7 Mios of profit commissions from the global insurance premium paid by IRU members to Zurich and AXA*

Premiums to the Zurich (AXA) insurance agreements financed through the issuance of TIR carnets. First Global Insurance policy with Zurich dated 22 December 1994. Profit-sharing scheme was agreed with IRU. The profit sharing scheme was part of the Global Insurance policy contracts in 1994 and 1998. Subsequently included in Addendums to insurance policies. The existence of the profit sharing scheme was referred to in the minutes of the Extraordinary Meeting of the IRU Council of Direction dated 30 May 1995 and the

Meeting of the IRU Presidential Executive dated 30 May 1995. Inconsistent with the Claimant's statement. Profit commissions withheld by the global insurer as collateral for the credit risk resulting from the reinsurance arrangements with the Captives. Profit sharing commissions in favour of IRU, from 1995 to 2015, amounted to CHF 56.7 Mios (CHF 47.4 Mios from Zurich and CHF 9.3 Mios are expected to be received from AXA). In 2010 and 2011 IRU received a total of CHF 27.8 Mios from Zurich. Recorded in the "risk and charges provisions" account in IRU's Financial Statements of the respective years. The remaining CHF 28.9 Mios less a provision of CHF 2.3 Mios (i.e. CHF 26.6 Mio), were recorded as extraordinary income in IRU's 2015 Financial Statements.

*Allegation 3: Dissimulation of a study demonstrating that IRU reserves have an excess of CHF 409 Mios*

Claimant refers to a draft report issued by Deloitte dated July 2014. The July 2014 draft report states significant limitations: "This apparent surplus is mainly due to the following model specificities: The model is calibrated according to the claims experience. As no catastrophic claims have been observed, the model underestimates the frequency risk. The model does not take into account the amount of the issued financial guarantees (the real exposure of the IRU) but only the claims experience. The model calibration is dependent on the historical country mix [...] a future change in this mix may affect the risk profile significantly".

Choice of model applied to calculate IRU's minimum financial standing required in the context of the TIR carnet issuance activities. The July 2014 draft report pertained to an alternative model to calculate IRU reserve needs.

No evidence of an obligation to communicate such a draft report to the corporate bodies or to Members.

## Annex IV

### List of decisions and follow-up actions taken at the 142nd session of the Working Party<sup>4</sup>

<i>Reference in final report (para.)</i>	<i>Short description of decision</i>	<i>Actor</i>	<i>Deadline</i>	<i>Action</i>
13	Prepare consolidated document with adopted proposals	secretariat	22/3/2016	ECE/TRANS/WP.30/2016/7
15	Prepared document on para. 14, point (a)	secretariat	22/3/2016	ECE/TRANS/WP.30/2016/9
	Prepare consolidated document on para. 14, points (b)–(f)	secretariat	22/3/2016	ECE/TRANS/WP.30/2016/9
16	Decision not to pursue other editorial proposals	WP.30	10/2/2016	No action required
17	Decision to revert to Art. 18 at next session	WP.30	8/3/2016	ECE/TRANS/WP.30/285
20	Comments to doc ECE/TRANS/WP.30/GE.2/2	delegations	10/3/2016	ECE/TRANS/WP.30/2016/10
21	Organize next session of GE.1	secretariat	Autumn	19–20 September 2016
22	Transmit proposals to AC.2	secretariat	4/8/2016	<del>pending</del> ECE/TRANS/WP.30/AC.2/2016/18
	Include them in Annex I of the report	secretariat	done	ECE/TRANS/WP.30/284, Annex I
30	Promote linkages between transport, customs and trade facilitation (WTO-TFA)	WP.30	Ongoing	Various events
32	Prepare track-list of decisions	secretariat	done	ECE/TRANS/WP.30/284, Annex II
36	Continue work on Annex 10	WP.30		ECE/TRANS/WP.30/285
	Submit comments	delegations	10/3/2016	Informal documents WP.30 No 5 and 10 (2016)
38	Not pursue border performance measurement	WP.30	10/2/2016	No action required
42	Comments to document ECE/TRANS/WP.30/2016/5	delegations	15/5/2016	Informal documents WP.30 No. 10 and 11 (2016)

<sup>4</sup> Deletions are in ~~strikethrough~~, amendments are underlined

## Annex V

## List of decisions taken at the 143rd session of the Working Party

<i>Reference in final report (para.)</i>	<i>Short description of decision</i>	<i>Actor</i>	<i>Deadline</i>	<i>Action</i>
11	Distribute results IRU external audit to WP.30 and AC.2	secretariat	When available	<u>pending</u>
14	Transmit statement to ITC for consideration at its 2017 session	secretariat	Pending	<u>pending</u>
18	Transmit amendment proposals to AC.2, including reservation from Kazakhstan	secretariat	4/8/2016	ECE/TRANS/WP.30/AC.2/2016/4/Rev.1
20	Decision not to revert to issue after outcome TIRExB assessment	WP.30	Pending	<u>Pending</u>
22	Request for new document on E.N. 0.8.3	secretariat	16/8/2016	<u>ECE/TRANS/WP.30/2016/13</u>
23	Request for more information on T/A TIR Carnet	IRU	11/10/2016	<u>Informal document WP.30 (2016) No. 12</u>
23	Request for a new document on various guarantee issues	secretariat	16/8/2016	<u>ECE/TRANS/WP.30/2016/14</u>
24	Transmit amendment proposals to AC.2, including reservation from Kazakhstan	secretariat	4/8/2016	<u>ECE/TRANS/WP.30/AC.2/2016/18</u>
25	Request for revision of ECE/TRANS/WP.30/2016/9	secretariat	16/8/2016	<u>ECE/TRANS/WP.30/2016/15</u>
28	Transmit proposals to AC.2, including reservation from the Russian Federation	secretariat	4/8/2016	<u>ECE/TRANS/WP.30/AC.2/2016/18</u>
28	Provide more info to AC.2 on proposal to amend Art. 18	IRU	11/10/2016	<u>Informal document WP/.30/AC.2 (2016) No. 10</u>
37	Review claims statistics for Iran (Islamic Republic of)	IRU	11/10/2016	<u>Informal document WP.30 (2016) No. 14</u>
39	Transmit document ECE/TRANS/WP.30/2016/12 to AC.2	secretariat	4/8/2016	ECE/TRANS/WP.30/AC.2/2016/4/Rev.1
40	Submit arguments to AC.2	Delegation of Kazakhstan	18/8/2016	<u>Orally, at 64th session of AC.2</u>
41	Update and prepare list of decisions	secretariat	done	<u>ECE/TRANS/286, Annexes</u>
48–49	Incorporate proposal from Azerbaijan and issue new draft	secretariat	16/8/2016	<u>ECE/TRANS/WP.30/2016/16</u>
49	Prepare well-balanced position on draft Annex 10	WP.30	11/10/2016	<u>ECE/TRANS/WP.30/2016/17</u>

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*Reference  
in final  
report  
(para.)*

	<i>Short description of decision</i>	<i>Actor</i>	<i>Deadline</i>	<i>Action</i>
52	Issue new draft	secretariat	Before 11/7/2016	<u>pending</u>
54	Report on findings WP.30 to SC.2 and ITC	Secretariat / Chair	November 2016 and February 2017	<u>pending</u>

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## Annex VI

## List of decisions taken at the 144th session of the Working Party

<i>Reference in final report (para.)</i>	<i>Short description of decision</i>	<i>Actor</i>	<i>Deadline</i>	<i>Action</i>
4	Participation in ITC and, in particular, Ministerial Segment	WP.30	21–24 February 2017	None
10	Transfer proposal to amend E.N. 0.8.3 to AC.2	secretariat	8 December 2016	
10	Organize survey on duties and taxes T/A products	IRU, with secretariat	asap	
13	Prepare new document on Article 20 + Transfer proposal on Annex 9, Part I to AC.2	secretariat	6 December 2016 8 December 2016	
14	Request ITC to prolong mandate GE.1	secretariat	ITC agenda	
14	Raise the financing of the eTIR international system with ITC	secretariat	ITC agenda	
20	Invite TIRExB to assess situation in Belarus and other countries	secretariat	TIRExB agenda	
26	Submit comments to ECE/TRANS/WP.30/2016/16	delegations	By 15 November 2016	
26	Review relevance of IMO-FAL 65 Convention	secretariat	6 December 2016	
26	Revisit letter by Mrs. Molnar of 2010 as well as excerpts from her 2016 ITC speech	secretariat	6 December 2016	
29	Discuss possibility to publish meeting recordings	secretariat	pending	
30	Continue issuing lists of decisions	secretariat	ongoing	
30	Add new agenda item on list of decisions to WP.30 agenda	secretariat	22 November 2016	
34	Submit informal draft new Convention to SC.2	secretariat	done	
35	Submit text of draft new Convention for translation	secretariat	6 December 2016	
36	Report findings WP.30 to SC.2 and ITC	secretariat	pending	
38	Prepare overview of functions CPD system	secretariat, with AIT/FAI	6 December 2016	
48	Complain about ongoing problems with availability of reports as pre-session documents	secretariat	ongoing	