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#### Working Party on Customs Questions affecting Transport

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Item 7 (b) (i) of the provisional agenda

**Customs Convention on the International Transport of  
Goods under Cover of TIR Carnets (TIR Convention, 1975):  
Revision of the Convention –  
Preparation of Phase III of the TIR revision process**

### **Report of the Informal Ad hoc Expert Group on Conceptual and Technical Aspects of Computerization of the TIR Procedure on its twenty-second session**

#### Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Attendance.....	1–2	2
II. Adoption of the agenda (agenda item 1) .....	3	2
III. Election of officers (agenda item 2) .....	4	2
IV. New information and communication technology developments in the TIR system (agenda item 3) .....	5–8	2
V. Reference Model of the TIR procedure (agenda item 4).....	9–14	3
A. Contributions by the network of eTIR focal points .....	9–10	3
B. International declaration mechanisms.....	11–12	3
C. eTIR Reference Model, version 4.0.....	13–14	4
VI. Financial implications of the introduction of the eTIR international system (agenda item 5).....	15–18	4
VII. Other business (agenda item 6) .....	19–23	6
A. World Customs Organization activities .....	19	6
B. Other activities of interest.....	20–22	6
C. Date and place of next session.....	23	7

## **I. Attendance**

1. The Informal Ad hoc Expert Group on Conceptual and Technical Aspects of Computerization of the TIR Procedure (further referred to as “the Expert Group”) held its twenty-second session on 30 and 31 May 2013 in Geneva.
2. The session was attended by experts from Belgium, Czech Republic, Finland, Latvia, Netherlands, Poland, Romania, Serbia and Turkey. Experts representing the European Commission (EC) and the International Road Transport Union (IRU) also attended the session.

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

*Documentation:* Informal document GE.1 No. 1 (2013)

3. The Expert Group adopted its provisional agenda as contained in Informal document GE.1 No. 1 (2013) without further amendments.

## **III. Election of officers (agenda item 2)**

4. The Expert Group re-elected Mr. P. Arsic from Serbia as Chair of the Expert Group for the year 2013 and Mrs. N. Özyazıcı Sunay from Turkey as Vice-Chair.

## **IV. New information and communication technology developments in the TIR system (agenda item 3)**

5. IRU presented their continuous efforts to further computerize the private aspects of the TIR procedure. More specifically, IRU presented the latest developments of their CUTE-Wise, TIRCUTEweb and AskTIRweb, Real Time SafeTIR (RTS) and TIR-EPD applications. To date, 26 countries accept pre-declarations made through TIR-EPD and 13 countries transmit termination data using RTS.

6. The Expert Group took note of the progress of the eTIR pilot project between Italy and Turkey. On 17 April 2013, the third meeting of the pilot project was held in Rome. In the context of the current economic uncertainty, Italy informed the Expert Group that it might have difficulties carrying out the implementation phase of the project during the next two years. Nevertheless, it felt that the analytical work should continue. The project team revised the implementation scenarios and requested the secretariat to assist in preparing a technical description for those scenarios supplementing the existing Terms of Reference. The description should help both Parties to undertake thorough data mapping.

7. The Expert Group welcomed a presentation on the web services developed by the TIR secretariat to access the International TIR Data Bank (ITDB), which contains the official registry of all TIR transport operators authorized by customs authorities to use the TIR system. It took note that the TIR Executive Board (TIRExB) had mandated the secretariat to develop those web services to allow the automatic verification of the authorization of transport operators in the framework of the eTIR pilot project between Italy and Turkey. The Expert Group took note that the web services are based on open standards and that they are secured and allow proper authentication thanks to the use of digital certificates. The secretariat stressed that it also established a public key infrastructure (PKI) to avoid that end-users would have to pay to obtain digital certificates from private companies.

8. The Expert Group confirmed that its meetings remain an important platform for experts to share information and best practices on developments and experiences in information and communication technology (ICT) usage in the framework of the TIR procedure and encouraged participants and interested Parties to inform the Expert Group about new developments at its future sessions.

## **V. Reference Model of the TIR procedure (agenda item 4)**

### **A. Contributions by the network of eTIR focal points**

*Documentation:* Informal document GE.1 No. 3 (2013)

9. The Expert Group took note of Informal document GE.1 No. 3 (2013), in particular that 31 countries have at least nominated one eTIR Focal Point.<sup>1</sup> It decided to consider the various contribution under agenda items 4.b and 5.

10. The Expert Group, while acknowledging the usefulness of the network of eTIR focal points for the dissemination of eTIR related information, in particular for those countries that are not in a position to attend the Expert Group meetings, invited focal points to become more proactive and contribute to the project at their own initiative. It also stressed the importance for those Contracting Parties to the TIR Convention that have not yet nominated an eTIR focal point, to do so at their earliest convenience. Furthermore, the Expert Group stressed that the network of eTIR focal points might continue their very important role in future stages of the eTIR project, in particular after the Expert Group has finalized its work. The Expert Group also requested the secretariat to prepare a short document highlighting the roles and responsibilities of eTIR focal points for its next meeting.

### **B. International declaration mechanisms**

*Documentation:* Informal document GE.1 No. 10 (2012)/Rev.1, Informal document GE.1 No. 5 (2013)

11. The Expert Group welcomed the revised proposal to introduce international declaration mechanisms in the eTIR project, as presented in Informal document GE.1 No. 10 (2012)/Rev.1. Recalling that eTIR focal points had no objections to this revised version, the Expert Group confirmed the introduction of the proposed amendments in version 4 of the eTIR Reference Model.

12. Furthermore, the Expert Group took note of Informal document GE.1 No. 5 (2013), containing a comparison between the data contained in message E9 and national data requirements for the TIR procedure. It regretted that only a few eTIR focal points had replied to the request by the Expert Group. It requested the secretariat to check if the additional requirements from Hungary could not be accommodated into the existing E9 message and, recalling the comparison of the NCTS EI15 and the eTIR E9 in Informal document GE.1 No. 1 (2010), requested the secretariat to contact once more eTIR focal points to ask if they have any specific additional requirements that cannot be included in the E9 message. The IRU also agreed to share the experiences it has gained through the implementation of TIR-EPD in various countries.

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<sup>1</sup> The list of eTIR focal points is available from: [www.unece.org/trans/bcf/eTIR/focals.html](http://www.unece.org/trans/bcf/eTIR/focals.html).

### C. eTIR Reference Model, version 4.0

13. The Expert Group took note that version 4.0 of the eTIR Reference Model could not be issued for the session due to technical problems and resource constraints. It nevertheless took note that, thanks to the kind assistance of the Netherlands, the new eTIR messages are now in line with version 3.3 of the WCO data model, including all Customs to Customs (C2C) messages. The Expert Group expressed its greatest appreciation for the extensive contribution of Mr. Hans Greven (Netherlands) in the preparation of the descriptions of the new eTIR messages.

14. The Expert Group requested the secretariat to circulate version 4.0 of the eTIR Reference Model among eTIR Focal Points as soon as it would be finalized.

## VI. Financial implications of the introduction of the eTIR international system (agenda item 5)

*Documentation:* Informal document GE.1 No. 12 (2012)/Rev.1, Informal document GE.1 No. 2 (2013)

15. The Expert Group took note of the final version of the Cost Benefit Analysis of the eTIR Project (CBA) carried out by an independent contractor, as contained in Informal document No. 12 (2012)/Rev.1. It also welcomed Informal document GE.1 No. 2 (2013), containing a summary of the consultants' CBA, in combination with an assessment by the secretariat of the limitations of the analysis as well as recommendations. It discussed and slightly revised the wording of the recommendations.

16. The IRU expressed the following reservations with regard to the final CBA, the corresponding assessment made by the TIR secretariat and the recommendations by the Expert Group:

(a) The consultant's estimation of the benefits, both for customs administrations as well as for the trader community is entirely based on the assumption that current TIR processes are not computerized at all. The consultant calculated the benefits on the assumed processing time savings thanks to the availability of data in electronic format.

The consultant's assumption does not take the current situation into consideration in which all important TIR countries, including all EU and Customs Union countries, either already require or enable the electronic submission of Advance Cargo Information. Indeed, in the current context, TIR data is already captured electronically and available to Customs in advance of the transport. Consequently, the consultant's estimation of the benefits, are not correct.

While it is undisputed that full computerization of the TIR process will bring benefits to all parties, the benefits as calculated and presented by the consultants are overly optimistic and cannot be taken alone as basis for a sound business decision.

(b) The consultant's estimation of the project costs and of the recurrent operating costs are, on the other hand, based on optimistic scenarios. Even if a 20 per cent risk factor was factored into the calculation, the IRU is of the opinion that both the project and subsequent operation of the eTIR international system run the risk of costing much more than anticipated. Moreover, important cost elements were excluded from the consultant's scope of analysis such as managerial costs, administrative staff costs, legal and business experts costs, 24/7 user helpdesk, technical staff costs (except in the on-premises scenario) and capacity-building costs. Also, the consultant did not anticipate any costs for the guarantee chain and national association to adapt their systems to issue, manage and control electronic guarantees.

(c) In light of the above, the IRU experts participating in the Expert Group cannot support the recommendations presented in chapter IV of Informal document GE.1 No. 2 (2013).

(d) The IRU experts feel that it should not be the mandate of the Expert Group to provide recommendations on possible ways of financing the implementation of the eTIR international system as proposed in the document and discussed in the group which is purely a technical body.

17. The Expert Group responded to the IRU's reservations as follows:

(a) Though it is true that some Customs administrations currently receive the data contained in the TIR Carnet in electronic form, the time gained by customs to avoid keying in the information is lost by the TIR Carnet holder who not only needs to fill in the TIR Carnet but also key-in the data in a pre-declaration system. Furthermore, it remains essential for Customs to thoroughly compare the data in the TIR Carnet with the data submitted electronically. Considering these facts, the Expert Group was of the view that the benefits of removing the paper TIR Carnet remain a good estimation of the potential direct benefits and the 20 per cent risk ratio applied by the consultant should cover the uncertainty linked to this kind of estimation. Furthermore, the Expert Group recalled that the consultant did not take into account any indirect benefits. The increased facilitation of a fully computerized system could bring considerable benefits to the trader community and the additional security would benefit both customs administrations and the guarantee chain. All these aspects are not accounted for in the CBA thus suggesting that benefits are rather underestimated and making the eTIR project even more profitable for all parties.

(b) The Expert Group confirmed that the assessment of the CBA in Informal document GE.1 No. 2 (2013) already takes into account most of the remarks made by the IRU at earlier sessions and, thus, acknowledged that some cost elements might be slightly underestimated, in particular labour costs, depending on where the eTIR international system would be hosted. Nevertheless, the consultant has calculated the costs based on the requirement contained in the eTIR Reference Model where, for example, an international 24/7 helpdesk is not envisaged. Furthermore, it is not correct to say that managerial and technical costs are not considered, as in most of the options a significant share of those costs are included in the hosting costs. With regard to the cost to the IRU and the associations, the Expert Group recalled that the consultant has taken into account that the largest part of the issuance of TIR Carnets has already been computerized by the IRU and its associations, thus limiting the costs for the guarantee chain to connect to the eTIR international system. The Expert Group was of the view that, since only maximum estimated costs were used and the fact that costs have been increased by 20 per cent to factor in the risk of a possible underestimation, the estimation should be sufficiently accurate to for the sake of the CBA. Furthermore, the Expert Group requested the secretariat to look into the possibility to use off-the-shelf solutions (including open source solutions) for the development of the eTIR kernel, thus, possibly, reducing the costs of development of the eTIR international system.

(c) In view of the above, the Expert Group decided to maintain its recommendations to WP.30.

(d) The Expert Group was of the view that, considering that it also has a mandate to consider the financial aspects related to the implementation of the eTIR systems, it is its responsibility to draw preliminary conclusions from the outcome of the CBA. The suggestion to finance the eTIR international system by means of a contributory system is a direct consequence of the CBA results. Since the trader community will be the major beneficiary of a fully computerized environment, it seems justifiable that a minimal share of those benefits would be used to develop and maintain the system that will allow those

benefits. This would follow the same principle as having the development and maintenance of systems such as TIR-EPD and RTS financed by the issuance of TIR Carnets.

18. The Expert Group offered the IRU the possibility to present an alternative CBA for the sake of comparison but the offer was declined. Consequently, the Expert Group requested the secretariat to include a revised version of Informal document GE.1 No. 2 (2013) as an annex to the eTIR Reference Model and submit it to the Working Party on Customs Questions affecting Transport (WP.30) for consideration.

## **VII. Other business (agenda item 6)**

### **A. World Customs Organization activities**

19. The Expert Group took note of the main outcomes of the February 2013 meeting of the Data Model Project Team (DMPT), in particular, the introduction of the concept of “information packages” and the inclusion of the InterGov superclass (for C2C messages) in the newly released version 3.3. It also took note that the next meetings of the DMPT will take place on 10 – 12 June and 30 September – 4 October 2013.

### **B. Other activities of interest**

20. The Expert Group took note of the progress made with regard to the United Nations Development Account (UNDA) project: “Strengthening the capacities of developing countries and countries with economies in transition to facilitate legitimate border crossing, regional cooperation and integration”. In the ECE region, Georgia had agreed to take part in the project and a call for tender would soon be issued for a gap analysis aimed at identifying the technical and legal obstacles in undertaking C2C electronic exchange of transit data. The results of the gap analyses — mandated in each regional commission — would be presented and considered at a first interregional expert group meeting. There, a decision would be made for each pilot country, if that country should begin or accelerate the exchange of transit data or, if it would focus on establishing an action plan aimed at filling in the identified gaps.

21. The Expert Group also welcomed the first considerations by TIRExB on possibly developing databases for customs offices approved for TIR and for certificates of approval.

22. Finally, the Expert Group took note of document ECE/TRANS/WP.30/2013/8 containing an analysis of various legal options to introduce eTIR. It stressed that a number of the issues at stake might require both legal and IT expertise, for example the issue of authentication. Consequently, the Expert Group would be available to provide its technical expertise if required.

### **C. Date and place of next session**

23. The Expert Group, not being in a position to agree on a specific date for its next session, requested the secretariat to propose tentative dates for its next session, possibly in November 2013, and transmit them to the participants at the first opportunity.