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**Activities of other organizations and countries of interest
to the Working Party: World Customs Organization**

Report of the 14th meeting of the administrative committee for the Customs Convention on Containers, 1972

Transmitted by the World Customs Organization



Administrative Committee for
the Customs Convention on
Containers, 1972

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14th Meeting
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Brussels, 9 April 2013.

**REPORT OF THE 14TH MEETING OF THE ADMINISTRATIVE COMMITTEE FOR
THE CUSTOMS CONVENTION ON CONTAINERS, 1972**

(8 - 9 APRIL 2013)

1. The Administrative Committee for the Customs Convention on Containers, 1972, held its 14th Session in Brussels on the 8 and 9 April 2013 under the Chairmanship of Mr. Matthew Roseingrave (New Zealand).
2. The following Contracting Parties were represented: Australia, Bulgaria, China, Hungary, New Zealand, Saudi Arabia, Turkey and United States.
3. In addition, the following Members were represented by Observers: Burkina Faso, Belgium, Swaziland, European Union, Mauritania, Norway, France, Thailand and India.
4. The following international organizations were represented by Observers:
 - International Container Bureau (BIC)
 - United Nations Economic Commission for Europe (UNECE)
 - World Shipping Council (WSC).
5. The list of delegates is reproduced at Annex I to this Report.

I. OPENING OF THE MEETING

6. Mr. Zhu Gaozhang, Director, Compliance and Facilitation Directorate, opened the meeting and welcomed Delegates and Observers.
7. He recalled to the meeting that the Container Convention was a Convention of the UNECE (United Nations Economic Commission for Europe), administered by the WCO on their behalf. In this regard, he extended a special welcome to the Observer of the UNECE.

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8. He gave a brief history of the global use of containers, underlining that the Container Convention provided for temporary admission facilities for containers as well as for the technical conditions for containers for transport under a customs seal. This specific feature gave the Convention an important role in contributing to the security of the supply chain.
9. Mr. Zhu Gaozhang added that one of the main issues to be discussed during the meeting was the marking of containers. In this regard, the WCO partner organization, B.I.C. (International Container Bureau) had submitted a proposal for an amendment to the Container Convention as well as to the Istanbul Convention. The proposal had already been discussed and further amended in the Administrative Committee of the Istanbul Convention held on 25th and 26th March.
10. Other issues to be considered included the Recommendation regarding Container Security Devices. The Recommendation had been successfully endorsed in the last Permanent Technical Committee.
11. Ms. Susanne Aigner, the Deputy Director informed the delegates of the administrative arrangements for the meeting.
12. Mr. Toshihiko Osawa informed that the Rules of the Council shall be applicable in accordance with Article 8 of Annex 7 of the Container Convention and that a simple majority of the Contracting Parties shall constitute a quorum. He explained that the current number of Contracting Parties to the Container Convention is 38. Therefore a minimum of 20 Contracting Parties needed to be present.
13. Mr. Toshihiko Osawa stated that the Administrative Committee did not have a quorum because only 8 Contracting Parties were present. He informed that the Administrative Committee had not had a quorum in its past four meetings but had decided to continue the discussion. He suggested to take the same approach also for this meeting.

II. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON

14. Ms. Susanne Aigner, Deputy Director, informed the delegates that the Customs Convention on Containers, 1972 requires the Committee to elect a Chairperson and Vice Chairperson.
15. On the proposal of the delegate of China and seconded by the delegate of Australia, Mr. Matthew Roseingrave from New Zealand was unanimously elected Chairperson of the Committee. Based on a proposal by Norway, the Committee agreed to waive the requirement to elect a Vice Chairperson.

III. ADOPTION OF THE AGENDA

16. The Chairperson thanked the Committee for electing him and welcomed all Delegates and Observers to the meeting.
17. The draft agenda, as set out in Doc. PB0047, was then introduced, and adopted without any amendments.

IV. CONTAINER SECURITY DEVICES

18. The Chairperson introduced this topic highlighting that the Administrative Committee had been considering the Customs treatment of Container Security Devices (CSDs) within the context of the Container Convention. This issue had been taken to the 191st/192nd Sessions of the Permanent Technical Committee (PTC) held in March 2011, which had considered that it was important and useful to develop a Customs Co-operation Council (CCC) Recommendation on the Customs treatment of CSDs, including e-seals.
19. At its last meeting, the Administrative Committee agreed to create a virtual group tasked with defining the types of eligible devices and seals and with drafting a CCC Recommendation concerning the Customs treatment of CSDs and seals. After the work carried out by the virtual group, a technical meeting was held on 7 and 8 February 2013 at WCO Headquarters to finalize the draft CCC Recommendation. This meeting had an in-depth discussion and developed the final draft of the Recommendation.
20. The final draft of the Recommendation was submitted to the 199th/200th Sessions of the PTC, held 18 to 22 March which endorsed it. The draft CCC Recommendation will be submitted to the Policy Commission and the Council in June 2013 for approval.
21. The Administrative Committee took note of the progress and the way forward on the Customs Co-operation Council (CCC) Recommendation on the Customs treatment of CSDs.

V. MARKING OF CONTAINER - ANNEX I OF THE CUSTOMS CONVENTION ON CONTAINERS, 1972

Background

22. The Chairperson introduced this agenda item, explaining that it related to the amendment of the Istanbul Convention as well as of the Container Convention. A suggestion has been submitted to amend the Annex 1 of the Container Convention.
23. The Secretariat informed that the 12th Administrative Committee of the Istanbul Convention had already decided to amend the Istanbul Convention. The Secretariat introduced a non-paper which showed the recommended amendment of the Istanbul Convention.
24. The Observer of the B.I.C provided a brief background to their proposal and highlighted that the proposal had originally been made by Switzerland and had already been discussed in the Administrative Committee.

Discussion

25. The Observer of the EU sought clarification as regards Article 21 of the Container Convention to confirm whether a proposal from a Contracting Party of the Container Convention was necessary to amend the Convention (extract of Article 21 attached at Annex II). In his view, paragraph 1 clearly stipulated that amendments have to be proposed by a Contracting Party, and paragraph 2 would describe how the proposed amendment would be discussed, adopted and communicated to the United Nations, but would not allow for observers to submit proposals for amendments.

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26. The UNECE explained that as far as Conventions managed by the UNECE are concerned, there have been instances where international organizations that attend the relevant Administrative Committees as observers have made proposals for amendments to the Conventions, and which have subsequently lead to the Conventions being amended based on the IO's proposals, and not based on proposals by Contracting Parties. Several participants indicated that in their opinion, Article 21 paragraph 2, first sentence (“, or prepared during the meeting of the Committee,..”) allowed amending the Convention without a formal proposal being submitted by a Contracting Party.
27. The Observer of India felt that paragraph 1 and paragraph 2 of Article 21 had to be read jointly, ie that paragraph 2 referred to the situation after a Contracting Party had made a proposal for an amendment, and that the Committee would further amend the Contracting Party's proposal. The Observer EU shared this view.
28. The Chairperson summarized the discussions on this procedural issue and concluded that intersessionally, the UNECE as well as the WCO Secretariat would provide legal advice as regards the interpretation of Article 21, paragraphs 1 and 2. Contracting Parties could subsequently decide whether or not there was a need to seek a Contracting Party which would make a formal proposal for an amendment.
29. Referring to some comments made in the margins of the meeting, the Chairperson further explained that the Administrative Committee had already adopted the original proposal submitted by Switzerland in 2006. This initial proposal could therefore not be considered as covering the current suggestion. He continued explaining that in his view, discussions showed that the Committee had no problem discussing the text without however considering it as a formal proposal to amend the Convention. The proposed text (attached at Annex III) would already provide for sufficient detail as to how a future amendment might look like.

Conclusion

30. The Administrative Committee concluded that the WCO and the UNECE Secretariat will give an opinion regarding the procedural issue, ie the interpretation of Article 21, paragraphs 1 and 2.
31. The Administrative Committee did not raise any comments or questions concerning the draft text. The Committee therefore also concluded that the Contracting Parties would consider proposing an amendment of the Container Convention in line with the discussions based on the draft text.

VI. CONTAINERS WITH SLIDING SHEETS - ANNEX 4 OF THE CUSTOMS CONVENTION ON CONTAINERS, 1972

32. The Chairperson provided a brief background on doc PB0045. The Customs Convention on Containers, 1972 (Container Convention) and the Customs Convention on the International Transport of Goods Under Cover of TIR Carnets, 1975 (TIR Convention) share a common Annex (Regulations on technical conditions applicable to containers which may be accepted for international transport under Customs seal). This forms Annex 4 to the Container Convention and Annex 7 to the TIR Convention.

33. Amendments to Annex 7 to the TIR Convention are currently under consideration within the Working Party on Customs Questions affecting Transport (WP30) at the UNECE. It is important that the two Annexes remain aligned, as containers which are approved for transport under Customs seal in accordance with the Container Convention must be accepted for transport under the TIR procedure without further approval.
34. The Observer of the UNECE made a presentation explaining what is a container with a sliding sheet and the proposed amendment to Annex 7 of the TIR Convention. He also briefly provided a background of the TIR Convention i.e. started in 1949; was reviewed in 1975 to include Containers; it is the only universal Customs transit system in existence; it's an example of public-private partnership; has sixty eight contracting parties; there are 40,000 TIR operators and approximately three million trucks use the TIR Carnet every year. The TIR system has five Pillars – Secure and sealed vehicles and containers; International guarantee; TIR Carnet; Mutual recognition of Customs controls and Controlled access.
35. On the amendment to Annex 7 to the TIR Convention, a proposal has been submitted by The International Association of the Body and Trailer Building Industry (CLCCR) to add a new design in Annex 2 (vehicles) and Annex 7 (Containers). This proposal is currently being discussed by the WP30 and will be submitted to the TIR Administrative Committee for adoption.
36. In response to a question from the floor, the Observer of the UNECE indicated that it was likely that a formal decision will be taken only after the next TIR Administrative Committee in December 2013.
37. The Committee took note of the presentation and the proposed amendment.

VII. OTHER BUSINESS

38. The Contracting Parties confirmed that there was not any issue to be discussed under this agenda item.

VIII. ADOPTION OF THE AGENDA

39. The Contracting Parties adopted the Report of the 14th Meeting of the Administrative Committee for the Customs Convention on Containers, 1972.

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