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**ECONOMIC COMMISSION FOR EUROPE**

Administrative Committee for the TIR Convention, 1975  
(Fortieth session, 2 February 2006,  
agenda item 7 (c))

REVISION OF THE CONVENTION

PREPARATION OF PHASE III OF THE TIR REVISION PROCESS

Transmitted by the Government of Turkey

**Turkey's position on the draft recommendation concerning the introduction  
of the HS code of goods in the TIR Carnet**

**A. INTRODUCTION AND BACKGROUND**

1. At its one-hundred-and-eleventh session, the Working Party on Customs Questions affecting Transport decided, by majority, to transmit a draft Recommendation on the use of the HS code to the TIR Administrative Committee for consideration. Before taking this decision, the Working Party held an in-depth discussion of the pros and cons concerning the use of the HS code in the context of the TIR procedure and the Turkish delegation considers that this issue has more cons than pros.
2. Turkey reserved its position with regard to the draft Recommendation for several reasons, which are presented below.
3. This application can have different implications for the industry (carriers) and for the administration (Customs).

**B. IMPLICATIONS OF THE HS CODE'S INDICATION FROM THE INDUSTRY'S POINT OF VIEW**

- (a) Although a TIR transport operation is often preceded by an export declaration, it is not the transport operator who is obliged to provide information concerning the HS code. Thus, providing this information by the transport operator would cause to create a new type of relationship between the exporter/customs broker and the transporter, which is completely outside the scope of the TIR Convention;
- (b) The need to verify this new information in the TIR Carnets at the borders can cause extra delays and, thus, additional costs;
- (c) The TIR Carnet holder will be liable for information (in this case: the HS code) which is not in his possession or which he cannot verify;
- (d) The indication of the HS code even on the Voucher not-for-Customs-use (Yellow page), may, in accordance with national law, lead to extra liabilities for the TIR Carnet holder, because this would be considered as information related to the goods and which, therefore, should be checked.

**C. IMPLICATIONS OF THE HS CODE'S INDICATION FROM CUSTOMS' POINT OF VIEW**

- (a) Whereas trade facilitation and simplification of border control processes are of high importance in international trade and are one of the priorities of the governments, application of new controls (HS codes on TIR Carnets) leading to extra delays and costs would be against trade facilitation and simplification purposes;
- (b) The control of the HS code in the TIR Carnet means additional administrative costs for the Customs authorities, due to extra staff and extra time needed for new controls;
- (c) A contradiction appears between, on the one hand, the compulsory nature of the indication of the HS code and, on the other hand, the non-committal nature of the Recommendation. In case the indication of the HS code is not compulsory (which seems to be the purpose of the Recommendation), but nevertheless creates new liabilities for the TIR Carnet holders, they will be reluctant to insert this information, leading to the non-application of the Recommendation. In case the absence or incorrectness of the HS code does not qualify to refuse TIR Carnets nor is it considered as constituting an infringement of the Convention, the reliability of the information is doubtful;

- (d) (linked to the above paragraph) In case this information is indicated, it will lead to new liabilities for the TIR Carnet holder. This will contradict the non-committal nature of the Recommendation;
- (e) Even if at this stage the absence or incorrectness of HS codes is not considered to be an infringement of the Convention, national legislation will consider it as such. When the Recommendation will be applied, as it was mentioned during several discussions on the subject, determining the person liable for the HS code will become an important matter for every Contracting Party of the TIR Convention. The indication of the HS code in the TIR Carnet would also lead to more complexity when determining the responsibilities of the different players: who will be responsible for the HS code in TIR Carnets in case of false declarations? (Exporter? Customs broker? TIR Carnet holder?);
- (f) Another important difficulty for the application of this Recommendation is the case of countries, which are Contracting Party to the TIR Convention but which do not apply the HS Convention (such as: Afghanistan, Bosnia and Herzegovina).

#### **D. CONCLUSION**

4. In view of the abovementioned reasons, Turkey considers that this draft Recommendation is contradictory to the trade facilitation and simplification purposes and will create difficulties for the “liability determination”. Therefore, Turkey makes a reservation as to its adoption.

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