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Report of the Working Party on Customs Questions affecting Transport on its 147th session

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I. Attendance

1. The Working Party (WP.30) held its 147th session from 10-13 October 2017 in Geneva. The session was attended by representatives of the following countries: Austria, Azerbaijan, Belarus, Belgium, Bulgaria, Croatia, Czech Republic, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iran (Islamic Republic of), Ireland, Italy, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Netherlands, Poland, Republic of Moldova, Romania, Russian Federation, Serbia, Spain, Sweden, Switzerland, Tajikistan, the former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, Ukraine and Uzbekistan. Representatives of the European Union were also present. The following intergovernmental organizations were represented: Eurasian Economic Commission (EEC), Organization for Cooperation between Railways (OSJD), Intergovernmental Organization for International Carriage by Rail (OTIF). The following non-governmental organizations were represented: Alliance Internationale de Tourisme / Federation 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 that was prepared by the secretariat (ECE/TRANS/WP.30/293). At the request of the delegation of Romania, the Working Party agreed to discuss under, agenda item 3 (c) (vi), the recent situation in Romania, further to the intention by IRU to initiate the process of exclusion and termination of its contractual relations with one of the two national associations. The secretariat was requested to provide, under the same agenda item, information about the TIR Handbook.

III. Opening statement

3. In his opening statement, the Secretary of the Working Party, Mr. A. Bouten, pointed out the special importance of the current session for the computerization of the TIR procedure. Not only would there be a statement on the issue of computerization by the President of IRU, Mr. C. Labrot, but the Working Party would also start discussions on the draft text for a new optional Annex 11 to the TIR Convention, introducing the eTIR legal framework. He stressed the importance for the Contracting Parties to engage in constructive discussions in order to reach a workable consensus to move towards adopting the draft and urged Contracting Parties that were, for now, not interested in adopting the optional Annex to not hamper the process of introducing Annex 11 into the TIR Convention.

4. In his statement, Mr. Labrot highlighted the relevance of a rapid computerization of the TIR procedure and, with reference to the recent pilot project between Iran (Islamic Republic of) and Turkey, announced that IRU was ready to further finance the development, implementation and maintenance of eTIR. To that end, IRU, on 6 October 2017, had signed a Memorandum of Understanding (MoU) with UNECE. The arrangement of the MoU was on the condition that the computerized TIR system: (a) would ensure the large investments made by the private sector; (b) would comply with the principles and needs of a modern TIR Convention; (c) was based on the framework of the successful pilot; (d) was equally beneficial for all stakeholders; and (e) would be cost efficient for all actors to implement. He called on all stakeholders to ensure the full computerization of TIR as soon as possible. The text of the full statement is attached as Annex I to the final report of the session.

5. In reply, various delegations supported the conclusion of the MoU as an important step towards the full computerization of the TIR procedure and called upon the speedy finalization of the draft legal provisions. In their view, the future of the TIR system could only be ensured through its computerization. In his intervention, the delegate of the European Union asked for clarification about what was new in the position of IRU towards eTIR in particular as regards its financing, considering that work on computerization had been going on for already more than a decade. He also wondered why other transit regimes seemed more efficient, flexible and cheaper as compared to the TIR system and whether TIR could be improved by building on that experience. Concerning the financing of eTIR, he wondered whether the contribution of IRU, which seemed marginal compared to its considerable financial assets, could be considered as justified. While on the matter of finances, he was seeking clarification about an essential point in line with financial transparency and in particular the first publication of the balance sheets of IRU. In concluding he said that it can be expected that the European Union continues to contribute and support eTIR.

6. In reply, the Secretary-General of IRU explained that the new aspect in eTIR was the fact that IRU was ready to finance it and wanted to be forward looking in achieving computerization without further delay. This would be the best response to the current reality where the three latest accessions to the TIR Convention (China, India and Pakistan) which represent 40 per cent of the world population, were expecting to be able to apply the TIR system in a computerized environment. Now that the technical and legal aspects of computerization were taking tangible shape, the focus should be on financing eTIR. The success of other transit systems was mainly due to the simple fact that they were, already for some time, fully computerized, thus allowing them to be more flexible, faster and, ultimately, cheaper than the paper TIR system. Nevertheless, should the TIR guarantee system be modernised/amended, it should not only lead to higher guarantees but also to lower guarantee coverage where justified. With regard to the assets of IRU, he explained that IRU needed vast reserves in order to cover its liabilities under the TIR guarantee chain. Finally, he explained that it had been one of his first decisions as incoming Secretary-General to make the financial statements of IRU accessible, first to TIRExB and, currently, to anybody interested and also as part of its annual report.

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)

7. The Working Party was informed about activities of the Inland Transport Committee (ITC), its Bureau, subsidiary bodies and other United Nations organizations on matters of interest to the Working Party.

8. Under this agenda item, the Working Party considered document ECE/TRANS/WP.30/2017/19 by the secretariat. The document made reference to an article by a former staff member of the UNECE TIR secretariat on the background and scope of the United Nations Sustainable Development Goals and their relevance for the TIR and Harmonization Conventions. The goals — which are officially known as the 2030 Agenda for Sustainable Development — were adopted by the United Nations General Assembly in 2015, in the framework of long-term international development for which various programmes have been developed since 1972. The most important predecessors were the Millennium Development Goals, established by the United Nations Millennium Summit in 2000. The 17 goals comprise 169 targets. Each goal defines an expected outcome on a

specific topic and a number of related targets. These are formulated around easily understandable and universally applicable themes.

9. Of the 17 goals, three can possibly be determined as being closely related to cross border transport facilitation: Goal 9 on Industry, Innovation and Infrastructure; Goal 12 on Responsible Consumption and Production; and Goal 17 on Partnerships for the Goals. The link between infrastructure and border facilities is rather obvious for Goal 9. This is also clear with target 9.1, which refers inter alia, to transborder infrastructure; and with target follow-up action 9.a which repeats the relevance of facilitating sustainable and resilient infrastructure development for developing countries. Consumption is assessed under goal 12 in waste minimization, production and generation, which, in target 12.3 includes the strengthening, inter alia, of the supply chain to reduce food waste. Most food products are considered perishable goods and transport time is key to preventing food loss. In international transport, significant amounts of time are spent, and wasted, at border crossing points. Finally, Goal 17 and, in particular, target 17.1 aims, inter alia, at improving domestic capacity for tax and revenue collection, whereas target 17.10 promotes a universal non-discriminatory and equitable trading system under the World Trade Organization (WTO). All of the mentioned targets are applicable under the TIR and Harmonization Conventions.

10. The Working Party also considered and adopted a proposal to amend its Terms of Reference to contribute to the advancement of the Sustainable Development Agenda and the related Sustainable Development Goals, and requested the secretariat to transmit the results of its findings to ITC for consideration at its February 2018 session.

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

11. The Working Party was informed that no changes in the status of the Convention or the number of Contracting Parties had taken place. The TIR Convention has seventy-one Contracting Parties. On 15 June 2017, the Government of India 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 India on 15 December 2017 (see C.N.317.2017.TREATIES-XIA.16 of 15 June 2017). With the accession of India, the TIR Convention will have seventy-one Contracting Parties. More detailed information on this issue as well as on depositary notifications is available on the TIR website.¹

B. Revision of the Convention

1. Amendment proposals to the Convention

12. The Working Party welcomed document ECE/TRANS/WP.30/2017/20 by IRU, which contains replies from 27 countries (19 European Union countries and 8 non-European Union countries). In particular, the Working Party noted that, whereas on the one hand the level of guarantee required for tobacco products was, in certain cases, 17 times higher than the one required for the transport of alcohol products, the majority of

¹ www.unece.org/tir/tir-depositary_notification.html

respondents still considered it relevant to keep both alcohol and tobacco under the same type of TIR Carnet. Alternatively, respondents could envisage that, for the future, alcohol products may be covered by the regular TIR Carnet. Transports of tobacco products should either remain under the current high guarantee TIR Carnet or, eventually, be prohibited from being transported under cover of a TIR Carnet. In the view of the delegation of the Russian Federation, the survey showed that the current differentiation in types of TIR Carnets is insufficient to cover the transport of all types of goods under cover of the TIR system. The Working Party invited delegations to study the outcome of the survey in preparation of further discussions on Explanatory Note 0.8.3 at a future session.

13. The Working Party continued discussing various proposals to amend Article 20 to accommodate the use of the TIR system in a customs union as contained in document ECE/TRANS/WP.30/2017/21. WP.30 noted the assessment by the secretariat that, on account of Article 48, the current wording of Article 20 would not appear to place any restrictions on the right of Contracting Parties, that are part of a customs union which is not a Contracting Party to the TIR Convention, to fix time limits and prescribe routes for transport operations commencing, terminating, or passing through their customs territories. Furthermore, the Working Party noted that replacing the word “country” by “Contracting Party” would not have a material impact on the implementation of the provision by customs unions either. In ensuing discussions, the delegation of European Union agreed that the scope of Article 48 is broad enough, but still maintained the view that the term “Contracting Party” would be more fitting. The delegation of the Russian Federation was of the view that, in the first instance, the exact scope and applicability of Article 48 in this case had not been sufficiently analysed by the competent authorities of the Russian Federation and that, therefore, more time was needed to consider this approach. Against this background, the Working Party agreed to revert to the issue once more at its next session.

14. The Working Party recalled its considerations of document ECE/TRANS/WP.30/2017/9 by the Government of the Russian Federation, which develops a proposal to replace the word “limit” in Explanatory Note 0.8.3 by “determine”, although, in the document, the term “establish” was used. The Working Party took note of Informal document WP.30 No. 16 (2017) by the Government of Ireland which states that the word “establish” is not as appropriate as the word “limit” in the text of Explanatory Note 0.8.3. In case, according to the assessment, the Russian Federation would continue to favour a change in wording, the Irish delegation would submit a more elaborate rephrasing of the Explanatory Note concerned. In reply, the delegation of the Russian Federation stated that, in its view, the use of the term “limit” in Explanatory Note 0.8.3 contradicts the provision of Article 8, paragraph 3, which speaks about the authority of Contracting Parties to “determine” the maximum sum per TIR Carnet. In reaction, the delegation of Azerbaijan stated that, in its view, the competence of Contracting Parties to “determine” the maximum amount per TIR Carnet was delineated by the text of Explanatory Note 0.8.3 which recommends Contracting Parties to limit the maximum amount per TIR Carnet which may be claimed from the guaranteeing association to a sum equal to \$50,000 / 60,000 euros per TIR Carnet. Unable to make progress, the Working Party decided to revert to this issue at its next session and requested the secretariat to submit a document to continue its discussions.

15. With specific reference, but not limited to the above issue, the delegation of the European Union called upon delegations, when submitting amendment proposals in the future, to have them accompanied by examples where the existing wording had led to problems in the past as well as justifications of the merits of newly proposed wording.

2. Preparation of Phase III of the TIR revision process

16. The secretariat informed the Working Party about the latest developments in the field of computerization of the TIR procedure. It took note that, further to the successful conduct of the eTIR pilot project between Iran (Islamic Republic of) and Turkey and taking into account the adoption of the Joint Statement on the Computerization of the TIR procedure (June 2015) by the TIR Administrative Committee (AC.2), the UNECE Executive Commission (EXCOM) had accepted a five year eTIR project with a total budget of \$1,511,275 (26 September 2017). On 6 October 2017, UNECE and IRU had signed an MoU on cooperation in computerizing the TIR procedure, and a Contribution Agreement (CA) which ensures the provision of the necessary funds to finance, inter alia, an additional Information and Communication Technology (ICT) expert to work on the project, and the hosting of the eTIR international system at the United Nations Office at Geneva (UNOG) data centre. The secretariat informed the Working Party that the text of the MoU was available on the UNECE website.²

17. The Working Party took note of the progress in the eTIR pilot project between Georgia and Turkey in establishing the Central Exchange Platform and, in particular, of the efforts made to solve technical issues related to notifications. The delegation of Turkey stressed the importance of a step-by-step approach and urged all parties involved in the project to do their utmost to solve all remaining technical issues and promptly launch this project in the production environment.

18. Azerbaijan informed the Working Party that the launch of a digital intermodal TIR corridor between Azerbaijan, Georgia, Kazakhstan and Ukraine was under consideration. It also took note of the request by Georgia to combine the various eTIR projects.

19. The Working Party endorsed the report of the twenty-sixth session of the Informal Ad hoc Expert Group on Conceptual and Technical Aspects of Computerization of the TIR Procedure (GE.1) (18 and 19 May 2017, Geneva) (see ECE/TRANS/WP.30/2017/22). It took note that the twenty-seventh session of GE.1 would take place on 4 and 5 December 2017 in Geneva. The Working Party requested the secretariat to seek extension from ITC for the mandate of GE.1 for 2018.

20. The Working Party considered and adopted document ECE/TRANS/WP.30/2017/23, containing proposals for a usage note and disclaimer clause for both the eTIR specifications and the XML schemas. The proposals followed the recommendation of the Expert Group that the eTIR functional and technical specifications as well as the XML schemas should be in the public domain. The Working Party requested the secretariat to apply the usage and disclaimer clause where appropriate.

21. The Working Party endorsed the report of the Group of Experts on the Legal Aspects of Computerization of the TIR Procedure (GE.2) at its fourth session (16 and 17 May 2017, Geneva) (see ECE/TRANS/WP.30/GE.2/8). It took note that the fifth and last session of GE.2 would take place on 30 and 31 October 2017 in Geneva.

3. Financial aspects of computerization of the TIR procedure

22. The Working Party recalled that, at its previous session, as proposed by GE.2, it had started discussing possible financing mechanisms for eTIR, and that, due to a lack of time, it had decided to revert to the issue of financing at its current session, and had requested that the secretariat deliver, at the current session, a presentation recapitulating the principles and functionalities of the eTIR international system in order to further facilitate discussions

² www.unece.org/oes/mou/mou_toc.html

(see ECE/TRANS/WP.30/292, paras. 24-25). The Working Party welcomed a presentation by the secretariat, which underlined that the eTIR international system will mainly provide a link between the existing ICT systems that have been developed over the years to manage the TIR system, and recalled the key findings of the Cost Benefit Analysis (CBA) and the GE.1 recommendations on the matter.

23. Recalling the opening statement by the president of IRU and the information provided under agenda item 3 (b) (ii) on the MoU and a CA between UNECE and IRU, the Working Party welcomed the readiness of IRU to finance the development, maintenance and implementation costs of the eTIR international system that would be hosted at UNOG. The Working Party also noted that Contracting Parties that are interested in joining future eTIR projects would have to make the required amendments to their customs ICT systems and, where necessary, finance those amendments.

24. In response to questions from various delegations, the secretariat clarified that the version of the eTIR international system developed for the UNECE-IRU pilot project is up and running and providing all functionalities required for that specific project. However, new functionalities would have to be included to satisfy the requirements of Contracting Parties willing to take part in future eTIR projects and to progressively move towards the eTIR international system as described in the eTIR specifications. The secretariat further clarified that the funds made available by means of the CA were mainly dedicated to that purpose and that the development of new functionalities would be carried out upon request by Contracting Parties, following an agile methodology. IRU confirmed its readiness to amend the CA if more funds would be required to ensure the rapid development and deployment of new functions that had been requested by Contracting Parties participating in eTIR projects.

25. In that context and underlining that, at present, all Iranian customs procedures are paperless except for those related to paper TIR Carnets, the delegation of Iran (Islamic Republic of) expressed its readiness to expand the eTIR pilot project with Turkey to all customs offices and all TIR transports.

4. Draft Annex 11 to the TIR Convention

26. The Working Party recalled that GE.2, at its fourth session, had provided detailed drafting guidelines for further improving the text of Annex 11 and had requested delegations participating in GE.2 to hold virtual consultations with the secretariat to finalize the draft Annex and other amendments to the TIR Convention, in order to transmit a complete draft for the consideration of WP.30 at its October 2017 session (see ECE/TRANS/WP.30/292, para. 23).

27. Against this background, the Working Party considered document ECE/TRANS/WP.30/2017/24 and thanked GE.2 for its excellent preparatory work on the eTIR legal framework. The Working Party noted that the draft Annex 11 would, as a starting point, require four amendments to existing articles in the main body of the TIR Convention and the addition of two new articles, namely 60 bis and 58 quater. These amendments would be needed to (a) create a definition of the eTIR procedure so as to allow for the derogation from the standard provisions which refer to the use of the paper Carnet; (b) introduce the possibility for Contracting Parties to “opt-out” by means of a reservation; (c) develop an amendment procedure that would be separate from the procedure followed for the other non-optional Annexes; (d) establish a new treaty body; and (e) introduce Explanatory Notes for Annex 11 which are separate to Annex 6.

28. The Working Party further considered the draft legal provisions for Annex 11, notably thirteen articles that address the elements which GE.2 had identified as being necessary for inclusion in the legal framework. One of the main concerns of GE.2 was to

ensure that the conceptual, functional and technical specifications of the eTIR international system would be maintained and amended separately, thus dispensing with the need of attachment to the TIR Convention. At the same time, GE.2 had elaborated a reference in the legal framework, by which conformity with these specifications would be mandatory for those Contracting Parties that will apply the optional Annex. WP.30 also noted that a number of provisions remained tentative, as views in the Group of Experts had varied, such as, for example, how to address the submission of additional data. Furthermore, WP.30 was informed that diverging views persisted with reference to the use of electronic signatures and to the mutual recognition of electronic authentications performed at the office of departure. However, in lack of any alternative proposal for inclusion in the text, the draft provisions remained in Annex 11 for further consideration by the Working Party. Other elements presented pertained to the fall-back procedure and the use of an accompanying document as a certified report, the template of which was currently under development by GE.1.

29. Various delegations raised detailed questions about the draft provisions: (a) whether draft Article 11, paragraph 3, could be modified to include the possibility to provide information also to the private sector; (b) whether all the actors involved in the exchange of information should be expressly mentioned in the definition of the eTIR international system; and (c) whether any details on or differences in the procedure for handling claims should be included in Annex 11. In a first response, the secretariat explained that the draft text was developed on the principle that the eTIR international system was designed for customs-to-customs information exchange and that national associations would have access to information via the records kept by the authorized international organization. At the same time, merit may result from reviewing the raised questions more closely; as such the Working Party noted that GE.2 will discuss the above-noted questions at its next session. The delegate of Italy and Chair of GE.2 drew attention to the fact that since the Annex is optional, until such time as all Contracting Parties to the TIR Convention fully implement Annex 11, the computerized and paper-based procedure will co-exist.

30. In general, WP.30 concluded that GE.2 had successfully fulfilled its mandate by developing a mature draft legal framework for eTIR, that further work would, more appropriately, continue within the framework of the Working Party and that, thus, no extension of the mandate of GE.2 was required. Against this background, delegations were invited to transmit their views, positions or proposals on the draft to the secretariat no later than 25 November 2017, for inclusion in a working document to be considered by WP.30 at its next session in February 2018. All delegations were also invited to take part in the final session of GE.2 on 30 and 31 October 2017 in Geneva.

C. Application of the Convention

1. New developments in the application of the Convention

31. No new developments were raised under this agenda item.

2. TIR-related electronic data interchange systems

32. The Working Party was informed by IRU about the latest statistical data on the performance of Contracting Parties in the SafeTIR control system for TIR Carnets (Informal document WP.30 (2017) No. 18).

3. Settlement of claims for payments

33. 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 (Informal document WP.30 (2017) No. 19).

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

34. No new developments were raised under this agenda item.

5. IRU external audit report and related matters

35. The Working Party considered document ECE/TRANS/WP.30/2017/25, containing an overview of the replies from national associations to the questions (a) if they had been granted access to the external audit report of IRU and (b) what their views were on the external audit report. It noted that 38 associations had replied to the survey. Of these, 26 had replied with a simple yes to both questions, a further 10 had replied with a more extensive yes. The International Association of Road Hauliers of Moldova (AITA) and the Asociația Română Pentru Transporturi Rutiere Internaționale (ARTRI) from Romania had complained that, on 28 June 2017, IRU had addressed a letter to all associations, informing them of the questions by WP.30 and providing information, alluding, in their view, on how associations were expected to reply.

36. In a first reaction, the delegation of the European Union welcomed the outcome of the survey. However, from information received it seemed to transpire that the absence of comments on the report from national associations was either due to a lack of interest or expertise from their side to consult the report in the first place. In reply the IRU stated that the summary of the external audit report seemed to have been fully satisfactorily for national associations. In reply to a comment from the delegation of the Russian Federation on the freedom of national associations as to how to reply to the survey, the representative of IRU informed the Working Party that the Secretary-General of IRU, in his letter addressed at associations, had only pointed out the importance for them to reply to the questions of the survey. In reply to a question from the delegation of the European Union on recent staff changes, IRU replied that it considered these matters as internal. IRU further informed the Working Party that the external audit report could now also be consulted at its offices in Brussels, Istanbul and Moscow under the same procedural instructions as contained in document ECE/TRANS/WP.30/2017/11. At the request of the delegation of the Russian Federation, the Working Party decided to leave this issue on its agenda, pending further developments.

6. Other matters

37. At the request of the delegation of Romania, the Working Party considered the issue of the initiation of the process of exclusion and termination by IRU of its contractual relationship with ARTRI. In particular, the Romanian customs authorities were interested in the legal grounds upon which IRU based this decision (the full statement is reproduced as Annex II to the report).

38. Related to this matter, the delegation of the Republic of Moldova informed the Working Party that, since 2016, there had hardly been any interaction between the national customs authorities, AITA and IRU on the ongoing differences between the latter two. Considering the fact that the management of AITA had recently changed, customs authorities would do their utmost to regulate the relationship without further ado. The secretariat informed the Working Party that the newly elected President of AITA had

requested TIRExB to disregard any previously submitted communications by its former management.

39. The delegation of the IRU informed the Working Party that IRU has a responsibility to ensure the smooth functioning of the TIR guarantee chain and, therefore, the IRU Presidential Executive had been obliged to take the decision to start the procedure of exclusion of ARTRI, to safeguard the TIR system as well as its relations with the TIR insurers. When ARTRI directed accusations against the IRU management, it, de facto, accused the entire organization. ARTRI also sent very aggressive letters to the TIR insurers, which left them confused. The certification of the copy of the insurance contract with certain figures hidden was conducted in front of and duly attested by the certifying notary. The figures were hidden to respect the contractual confidentiality with the insurers.

40. The delegation of the European Union warned about the consequences of the possible exclusion of ARTRI from IRU membership, as any exclusion would affect the guarantee coverage for the territory of the European Union and could lead to the termination of the use of TIR in all member States of the European Union.⁴¹ The delegate of ARTRI explained that its recent actions were not directed against IRU as such, but at specific persons managing certain IRU funds. At the same time, he consented that no party in the conflict could claim the truth, as long as the matter was still under investigation by the public prosecutor of Geneva.

42. The secretariat informed the Working Party that the matter was currently under consideration by TIRExB and that TIRExB had offered all parties its good offices to facilitate the settlement of the ongoing dispute(s). TIRExB also informed that it would bring the matter to the attention of AC.2, since it considered it beyond its mandate.

43. In conclusion, the Working Party urged IRU and the concerned national association(s) to undertake every effort to ensure the uninterrupted and effective management of the international guarantee system, while providing the national associations with full access to all internal appeal procedures, trusting that a satisfactory solution could be reached and prevent a possible breakdown in the international guarantee chain.

44. Under this agenda item, the secretariat informed the Working Party that, in consultation with the delegation of the European Commission, the comment “Customs procedures” to Article 15 of the TIR Convention would be deleted, considering that the referenced regulations therein are no longer in force.

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

A. Status of the Convention

45. The Working Party was informed that no changes in the status of the Convention or the number of Contracting Parties had taken place. The Harmonization Convention has fifty-eight Contracting Parties. More detailed information on this issue as well as on depositary notifications is available on the TIR website.³

³ www.unece.org/tir/tir-depositary_notification.html

B. Issues in the application of the Convention

46. No other matters were raised under this agenda item.

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

47. The Working Party considered document ECE/TRANS/WP.30/2017/26, containing the draft Convention as merged from previous drafts. It further took note of Informal document WP.30 (2017) No. 17, in which the secretariat provided a non-binding set of final clauses for consideration by the drafters and Informal document WP.30 (2017) No. 20 by OSJD in which it equally transmitted the merged text. The Working Party also took note that the secretariat had not received any comments or further contributions to the issue.

48. The Russian Federation recalled that, in accordance with guidance on the road map given by ITC at its seventy-ninth session, considerations of the new Convention should be completed in 2017, and a final text submitted to ITC for approval at its 2018 session. He expressed concern on the lack of progress by the Working Party in finalizing the draft Convention, in particular in view of its exceptional importance for mobility in the Eurasian region. He further explained the “umbrella” function of the new Convention, which provides maximal flexibility for implementation in the various different legal environments for rail passenger transport in the ECE region. He also stressed that the Convention followed the mainstream of the “2030 agenda” and, thus, contributed to achieving various Sustainable Development Goals.

49. The Working Party was of the opinion that the draft Convention would benefit from further elaboration, taking into account a number of legal issues raised by the secretariat on the legal significance of some of its provisions.

50. In conclusion, the Working Party requested the drafters of the Convention to transmit a fully-fledged text of the Convention to the secretariat before 25 November 2017, so that it could be included in the agenda of the 148th session. In addition, the Working Party requested the secretariat to issue Informal document WP.30 (2017) No 17 as an official document, so that it could be taken into due account by the Working Party at its next session. The Working Party asked the secretariat to report its findings to the Working Party on Rail Transport (SC.2) at its next session (Geneva, 27-29 November 2017).

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

A. Status of the Convention

51. The Working Party was informed that no changes had occurred in the status of the Customs Conventions on the Temporary Importation of Private (1954) and Commercial (1956) Road Vehicles and that the Conventions, currently had, 80 and 26 Contracting Parties, respectively.

B. Issues in the application of the 1954 Convention in Egypt and Jordan

52. The Working Party recalled that, at its previous session, it took note of Informal document WP.30 (2017) No. 10 in which AIT/FIA elaborated on ongoing problems in Egypt and Jordan with the application of the 1954 Convention, particularly, due to the fact that customs authorities do not seem to respect the deadlines and procedures laid down in the Convention. The Working Party requested the secretariat to issue the document as an official document for consideration at the current session and bring the raised issues to the attention of the Governments of Egypt and Jordan, together with its preliminary assessment, to seek clarification of the situation at hand, and to solicit their feedback (see ECE/TRANS/WP.30/292, paras. 52-54).

53. The secretariat had thus prepared document ECE/TRANS/WP.30/2017/27 for this session, had sent official letters on 27 July 2017 to the Governments of Egypt and Jordan through their permanent missions in Geneva and had sent reminder letters on 27 September 2017. The representative of AIT/FIA added that from its side, she could reaffirm the situation of defencelessness from which its associations are suffering. Only by respecting the terms and the provisions of the Conventions could the situation change for the better and move in the right direction towards solving the problems. She reiterated the willingness of AIT/FIA to assist as much as possible in facilitating discussions between the customs authorities and associations to address this matter. The secretariat offered, in consultation with AIT/FIA, to see if contact could be established with the related missions to facilitate any feedback from their respective customs authorities or, ultimately, invite them to participate in the next session of WP.30. In the absence of further information, the Working Party decided to revert to this issue at its next session.

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

A. European Union

54. The Working Party was informed that there were no recent developments in the European Union related to the activities of the Working Party which merited reporting.

B. Economic Cooperation Organization

55. The Working Party was informed about relevant activities and ongoing projects carried out by the Economic Cooperation Organization. The Terms of Reference (ToR) had been finalized and approved for the Islamabad-Tehran-Istanbul (ITI) and Kyrgyzstan-Tajikistan-Afghanistan-Iran (KTAI) corridors and nominations for national consultants from seven countries have been received. A qualified international consultant had also been selected to conduct the study. Comprehensive and well-structured questionnaires/tables had been designed and circulated to the national consultants for their inputs. In the meantime, the international consultant presented the inception report, which includes inputs from all national consultants and other available sources.

56. ECO reiterated the position of the ECO heads of customs administrations, expressed in Tehran in 2016, in which they welcomed and supported the eTIR pilot project as implemented successfully between Iran (Islamic Republic of) and Turkey and recognized this project as an effective and efficient transport and transit facilitation tool to promote trade and sustainable development. ECO welcomed the further computerization of TIR and its expansion to other Contracting Parties in the region, considering that the project has

already demonstrated the efficiency of eTIR for real transports carried out between the two countries. Pakistan had already expressed its interest to join eTIR and ECO was of the opinion that the eTIR model, as implemented in the pilot between Iran (Islamic Republic of) and Turkey, could further facilitate transport and transit in the region. ECO expressed its readiness to cooperate and work closely with UNECE and IRU to expand this project in the region.

57. ECO informed the Working Party that the heads of ECO railway authorities had been mandated to initiate a process of trilateral agreements towards commercializing the railway connecting between Kazakhstan, Turkmenistan and Iran (Islamic Republic of) (KTI), and that a Technical Cooperation Agreement (TCA) had been signed on 21 August 2017. The TCA serves as the legal framework for the activities and responsibilities of the involved institutions to commercialize the KTI railway connection.

C. Eurasian Economic Union

58. The Working Party was informed that there were no recent developments in the Eurasian Economic Union related to the activities of the Working Party, which would merit reporting.

D. World Customs Organization

59. Due to the absence of a delegation at the session, no information was provided.

X. Other business (agenda item 8)

A. List of decisions

60. The Working Party reviewed the list of decisions without further comments and requested the secretariat to continue this practice. The list of decisions is attached as Annex III to the report.

B. Dates of the next sessions

61. The Working Party decided to conduct its 148th session in the week of 5-9 February 2018 and the 149th session in the week of 11-14 June 2018 (subject to confirmation).

C. Restriction on the distribution of documents

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

XI. Adoption of the report (agenda item 9)

63. In accordance with established practice, the Working Party adopted the report on its 147th session on the basis of a draft prepared by the secretariat.

Annex I

[English only]



IRU Statement on TIR Development and Investment

WP.30, Tuesday 10.10.17
Christian Labrot, IRU President
Approximately 10 minutes; check on delivery

Ladies and gentlemen,

It is a great pleasure to address you today.

For almost seven decades, IRU has worked in partnership with UNECE, States and, from the late 1950s, parties to the TIR Convention.

IRU has proudly managed the TIR system throughout this time, delivering millions of transits and acting as global guarantor for duties on goods valued in the trillions of euros.

TIR has unquestionably facilitated trade over this time, boosting development and prosperity as the world's only universal customs transit standard and system.

The past decade however has seen major changes in the external trade environment that have affected TIR, from geopolitics to technology. Despite the current queue of major trading nations wanting to benefit from TIR, including China, India and Pakistan, use of TIR in existing countries has declined by 60% since 2013.

While alternative regional systems have developed, large transport operators in particular have turned away from TIR in favour of fully digital solutions, at the expense of the universal multilateral standard.

Over the same period, progress in fully digitising the core TIR system has stalled. Following the initial recognition by contracting parties of the imperative need to go digital, eTIR has been discussed within TIR governing bodies now for almost 15 years. The core TIR system, legally and technically based on paper carnets, now lags behind other systems.

While IRU focuses on global solutions based on TIR, it recognises that trade and transit facilitation solutions exist at regional and national levels, meeting different needs, as well as the ever growing demand for digital information exchange between the public and private sectors.

An open choice of complementary, and ideally interoperable, transit systems should encourage innovation to better meet the evolving needs of shippers, consumers and citizens in all corners of the world.

However there is still a strong need for one universal transit standard, underpinned by a well-established UN convention and a robust, comprehensive and tried-and-tested guarantee system.

This is TIR, managed by IRU. However for it to continue facilitating global trade into the future, TIR must innovate.

IRU member associations – such as the one I lead – and their members, individual transport operators, support full TIR digitalisation. For many years, IRU has already invested heavily in new digital services for all

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stakeholders to continue using TIR. IRU has also supported TIR contracting parties to connect to and use these services, with resulting efficiency and economic benefits.

The recent digital pilot project between Iran and Turkey, financed by IRU and using digital tools developed by IRU, was also strongly supported by the associations and operators, as well as by their authorities. Their commitment made this pilot project a success and demonstrated clearly that a fully digital TIR can work today.

The pilot also demonstrated that fully digitalising TIR can lower costs further, increase efficiency and boost security, with minimal investment needed on the part of customs authorities and transport operators. On this basis, other TIR countries have announced their willingness to pilot a fully digital intermodal TIR using the framework of the Iran/Turkey pilot.

Countries that have recently ratified and acceded to the TIR Convention, or publicly announced their intention to do so – including Argentina, China, India, Oman, Pakistan, and Saudi Arabia – are all expecting to implement a fully digital TIR system in the near future.

Moving to a fully digital TIR system is also likely to accelerate progress in many other countries to ratify and implement the TIR Convention.

IRU, with the digital TIR tools that it has already funded and made operational, and the private sector that it represents, is now fully prepared to take the next step.

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IRU is ready now to further finance eTIR system development, implementation and maintenance costs to make TIR fully digital, in the context of a balanced private-public partnership.

This was the basis for the MOU signed last Friday between UNECE Executive Secretary Olga Algayerova and IRU Secretary General Umberto de Pretto.

Building on the long success of the TIR system and the positive results of the recent Iran/Turkey pilot, IRU has committed to this agreement under the condition that the large investments made already by the private sector are secured in a fully de-materialised TIR system that will be:

- compliant with the principles and the needs of a modern TIR Convention;
- based on the framework of the successful pilot;
- equally beneficial to all stakeholders; and
- cost effective for all actors to implement.

The MOU signed last Friday is a hugely important milestone, but it will only bear fruit and deliver a fully digital TIR if we all work together.

IRU, with the support of our members, is fully committed to advance our private-public partnership – in making this investment and fully supporting UNECE to work on delivering fully digitalised TIR transits along further trade corridors.

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IRU is also open to other guarantee chains joining the system. In this case, these guarantee chains should also contribute to the investment, and IRU stands ready to coordinate that work with all stakeholders if needed.

If we believe in the importance of a robust, consistent and efficient global universal transit standard and system, that gives the manufacturers, traders, governments and transporters of our world the greatest offering to facilitate, secure and boost intermodal trade, then it is in all of our interests to fully digitalise TIR as soon as possible.

All of us here – States and contracting parties to the TIR Convention, and IRU and its national associations – need to work together to do this.

We owe it to global trade and prosperity, and to our shared 70 years in developing one of the UN's most successful public-private partnerships.

I and my IRU colleagues look forward to working with you over the coming months and years to make a fully digital TIR a reality across the globe.

Thank you.

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Annex II

[English only]

Statement by the Romanian customs authorities



ROMANIA - Ministry of Public Finance

National Agency of Fiscal Administration

General Customs Directorate

No. 26904/TZ/05.10.2017



Address: Al. Ivasiuc, 34-40 Str.
6 District, Bucharest
Tel: 021 315 58 58
Fax: 021 313 82 51
e-mail: vama@customs.ro

UNOFFICIAL TRANSLATION

The intervention of the representatives of the Romanian Customs Administration on the 147th Reunion of the Working Party on Customs Questions affecting Transport (WP.30) regarding the decision of IRU to initiate the exclusion procedure of ARTRI from its organisation

Mr. Chairman,
Distinguished colleagues,
Ladies and gentlemen,

The Romanian customs administration would like to bring to your attention a recent situation that occurred regarding the intention of IRU to exclude one of the TIR guaranteeing association, in order to support us in finding a solution to not affect the well functioning of TIR system and of TIR guarantee chain.

On 28 August 2017, IRU informed us in writing that „since 2016 has suffered unacceptable defamatory statements from ARTRI and has consequently lost trust in ARTRI therefore IRU Presidential Executive and IRU Secretariat have no other choice than to terminate the different agreements between ARTRI and IRU”.

Our General Customs Directorate, by the letter sent on 13.09.2017, informed IRU that:

- The procedure of renewing the written agreements between the General Customs Directorate and the two guaranteeing associations in Romania started in March 2016, taking into account the new provisions of Art. 163 of Commission Implementing Regulation (EU) 2015/2447 and also the proposed Model of agreement from DGTAXUD Transit Manual; this procedure was finalized in September this year, when the guaranteeing associations were invited to sign the agreements;
- As regards the information about ARTRI, taking into account the provisions of Annex 9 Part I of TIR Convention, the Romanian customs administration has not identified a legal ground to terminate the agreement with ARTRI.

At the same time, General Customs Directorate asked ARTRI to provide its point of view regarding the aspects pointed out by IRU Geneva.

Taking into account that the Romanian customs administration was never before confronted with a similar situation, when the initiative of termination of the collaboration with a national guaranteeing association belongs to the international organisation IRU, we asked DGTAXUD and TIRExB their point of view in order to identify the best solution to manage this case without affecting the interests of the Romanian carriers and the TIR guarantee chain.

On 29 September 2017, IRU transmitted via e-mail for the information of the director general of the General Customs Directorate, two letters addressed to ARTRI by which it notified ARTRI regarding:

- The termination effective on 31 January 2018, of the Deeds of Engagement of the issuing and guaranteeing association of ordinary TIR carnets signed on 2007 and 2008. IRU mentioned that its decision is "due to the behaviour of ARTRI towards IRU during the course of the last

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months and the damages caused to IRU and all members of the international chain of guarantee under cover of TIR carnets." and

- The initiation of an exclusion from membership procedure against ARTRI, which implies that all TIR affiliation contracts between the two parts will need to be terminated.

Taking into account the above mentioned situation and also the short period of time until 31 January 2018, the date that IRU communicated to be the last day of the availability of the engagements with ARTRI, the customs authority of Romania informs you about its point of view, as follows:

- First of all, we express our regret regarding the decision of IRU to initiate the exclusion membership procedure against ARTRI from the international organisation because this guaranteeing association operates as a guarantor since 1965, has never infringed the provisions of TIR Convention, has also fulfilled its obligations as a national guaranteeing association, in all this period of time it had a good collaboration with the Romanian customs authority, it has no court case with our fiscal administration and we consider that ARTRI is one of the supporting member of TIR system, considering the over 2.100.000 TIR carnets, issued over the last 15 years.

Moreover, the association has informed us that " there are no court cases between ARTRI and IRU or with other institutions "

ARTRI informed the General Customs Directorate about the steps taken to clarify the reported situation regarding the management of TIR funds. The Romanian Customs Authority took note of this information and hoped for an appropriate clarification and settlement of the reported issues by the IRU and the other competent body/bodies.

As, by this measure that IRU intends to take since 1 of February 2018, a guaranteeing association authorized for the access to the TIR procedure by the Romanian Customs Authority (Contracting Party since 1975), will be affected, we invite IRU:

1. To clarify the legal basis for the decision to terminate the Deeds of Engagements and to exclude ARTRI from among its members and to justify the phrase *"the decision is due to the behavior of ARTRI towards IRU during the course of the last months and the damages caused to IRU and all members of the international chain of guarantee under cover of TIR carnets"*.

2. To provide support for clarifying all reported issues regarding the mismanagement of TIR funds, respectively:

- in application of the TIR Convention provisions, Annex 9, Part III, para 2 a), to provide the TIRExB and Contracting Parties with certified copies of the global guarantee contract, including the annexes, if any;

- to make available to the interested Contracting Parties and TIRExB, the Audit report and any other documents for the definitive clarification of the situation,

- to inform about the existence of any ongoing investigations regarding this issue and about their stage, because, in our opinion, a final decision could be taken after finalizing all investigations.

We invite IRU to send in written its point of view, in a reasonable period, taken into account the very short period of time until 31 January 2018.

In conclusion, we hereby ask you to analyze the above aspects and provide us support for a proper management of this situation, so as not to create a precedent that harms the participants in the TIR system and the application of the TIR Convention.

The Romanian Customs Administration will provide the WP.30 Secretariat with a copy of this intervention for being consulted by the interested persons.

Sincerely yours,

NICOLAE PIETRAREANU

VICEPRESIDENT OF THE NATIONAL AGENCY FOR FISCAL ADMINISTRATION

ROMANIA

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Annex III

List of decisions taken at the 147th 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>
10	Amend ToR and transmit to ITC	secretariat	November 2017	
12	Invitation to study findings of survey on duties and taxes T/A products	delegations		
13	Revert to Art. 20 at its next session (agenda)	secretariat	11 November 2017	
14	Revert to issue at next session (agenda)	secretariat	11 November 2017	
	Prepare document	secretariat	25 November 2017	
20	Use usage and disclaimer clause on website	secretariat	asap	
30	Revert to issue of financing at next session (agenda)	secretariat	11 November 2017	
	Transmit comments, positions, proposals	delegations	25 November 2017	
36	Revert to issue at next session (agenda)	secretariat	11 November 2017	
48	Prepare full draft text	drafters	25 November 2017	
	Submit Informal document WP.30 (2017) No. 17 as official document	secretariat	25 November 2017	
	Report findings WP.30 to SC.2	secretariat	27-29 November 2017	
51	Liaise with FIA/AIT on possible follow-up activities	secretariat	ongoing	