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Economic Commission for Europe**Inland Transport Committee****Working Party on Customs Questions affecting Transport****149th session**

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Item 3 (c) (ii) b. of the provisional agenda

**Customs Convention on the International Transport of Goods
under Cover of TIR Carnets (TIR Convention, 1975):****Application of the Convention:****Issues transmitted by the Administrative Committee:****The use of subcontractors in the Convention****Subcontracting within TIR - examples of practical
applications*****Submitted by the International Road Transport Union****I. Background**

1. Subcontracting is widely used in international transport operations and can be considered an integral part of modern logistics practices, especially in the case of long haul transport. Using subcontractors facilitates international transport and provides a solution for technically complex transport operations. Furthermore, the use of subcontracting in international transport reinforces the cooperation between private sector representatives around the world. Subcontracting is also used in the framework of TIR transports, although such a use is not defined in the TIR Convention.

2. It is important to emphasise the fact that there is no ambiguity regarding the liability for the duties and taxes at risk, which under the TIR procedure remains with the TIR Carnet holder who, by virtue of the art.1 (o) of the TIR Convention, is “the person to whom the TIR Carnet has been issued in accordance with the relevant provisions of the Convention and on whose behalf a Customs declaration has been made in the form of a TIR Carnet indicating a wish to place the goods carried under the TIR procedure at the Customs office of departure”. In the case of an irregularity, the competent customs authority will notify the

* The present document contains the text submitted to the secretariat reproduced without any changes.

national TIR guaranteeing association in its respective country, as well as the TIR Carnet holder at his address indicated in the TIR Carnet, in accordance with art.11.1 of the TIR Convention. Therefore, thanks to the secured TIR system and the controls performed by TIR associations, subcontracting under TIR provides security for both customs duties and taxes as well as for the commercial risks for the parties involved.

3. The International Road Transport Union (IRU) applies specific rules related to the use of subcontracting to ensure the security of the TIR system for both customs duties and taxes as well as for the commercial risks of the parties involved. Below is a brief overview of the IRU contractual rules related to the use of subcontracting.

4. This document contains a brief overview of the IRU contractual rules related to the use of subcontracting, as well as a description of examples of the use of subcontracting within TIR transport, to support the discussion of the United Nations TIR Bodies.

5. Three practical examples are included:

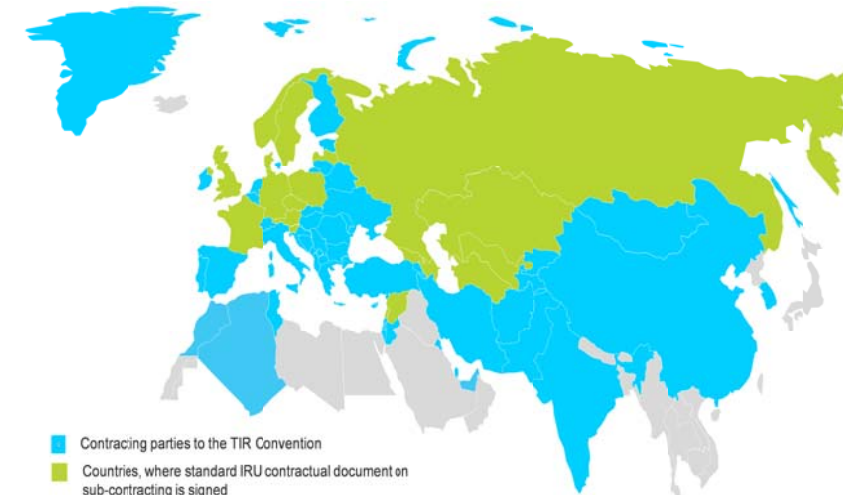
(a) The use of subcontracting in intermodal transport - to enhance the efficiency of the transport operation;

(b) Subcontracting as an only option to use the TIR system for new TIR contracting parties (example of India);

(c) Subcontracting for technically complex transport operations under TIR (example of the transport of live animals from Germany).

II. IRU contractual rules related to the use of subcontracting

6. First, in order to enable the use of subcontracting by TIR Carnet holders, the national association shall sign the standard contractual document and submit it to IRU. Up to May 2018, the following associations have signed this document: ABADA (Azerbaijan), AFTRI (France), AIRCUZ (Uzbekistan), AISO (Austria) AIST (Germany), ASMAP (Russian Federation), ASMAP Ukraine (Ukraine) BGL (Germany), CCIAB (Lebanon), CESMAD BOHEMIA (Czech Republic), DTL (Denmark), FTA (UK), GIRCA (Georgia), ICCIMA (Iran, Islamic Republic of), INTERTRANSPORT (Slovenia) KAZATO (Kazakhstan), LATVIJAS AUTO (Latvia), NLF (Norway), RHA (UK), SA (Sweden), SNC ICC (Syria), THADA (Turkmenistan), UNTRR (Romania) and ZMPD (Poland).



7. Following the completion of the necessary steps by the associations, a comprehensive authorisation process to enable TIR Carnet holders to use subcontractors is taking place. The process is briefly described below.
8. The holders wishing to use subcontractors shall submit to the national association:
 - (a) The “request of authorization to use subcontractors” and the respective addendum to the contractual document with the association;
 - (b) “The list of proposed subcontractors” duly completed and signed by the related holder;
 - (c) National associations may request additional information and documents.
9. Once all aforementioned documents are presented to the national association, it will analyse the following:
 - (a) If a subcontractor is established in the same country as the holder, confirm that the subcontractor has not been refused admission to, suspended or withdrawn from the TIR regime;
 - (b) If a subcontractor is not established in the same country as the holder, the national association will confirm with the foreign association that the subcontractor has not been refused admission to, suspended or withdrawn from the TIR regime by either the customs authorities or the competent issuing association(s) in its country;
 - (c) The use of the services of the proposed subcontractor (national and/or foreigner) will be refused by the national association if that subcontractor has been refused admission to, suspended or withdrawn from the TIR regime on the terms referred above;
 - (d) The national association may set additional grounds for refusal of subcontractors (i.e. the subcontractor cannot be registered in a country in which the TIR regime is not functional or has been suspended).
10. The national association has the right to refuse or withdraw the use of the services of any subcontractor proposed by the holder at any time and at its own discretion. Such a refusal does not need to be justified to the holder.
11. In Box No. 11 on the cover of the TIR Carnet the name and address of the subcontractor, the words “acting on behalf of” followed by the name of the Holder should be clearly written. At the national association’s own discretion, more than one subcontractor may be used to perform the same TIR transport provided the same requirement is fulfilled.
12. Box No. 12 of the cover page of the TIR Carnet should bear the signature of the Holder.
13. Furthermore, it is important to bear in mind that:
 - (a) The holder remains the only person responsible and liable on the grounds of the TIR Convention;
 - (b) The holder shall only use subcontractors who have already been approved by the national association;
 - (c) The subcontractor shall be in a direct contractual relationship with the holder and shall be transporting goods on the holder’s behalf;
 - (d) The holder shall fulfil all obligations stated in the above-mentioned addendum signed by him;

(e) The holder is the person responsible for the correct and timely return of TIR Carnets to the association. Upon return of TIR Carnets, the national association is advised to carry out the necessary control in order to ascertain that these have been used in accordance with the applicable regulations.

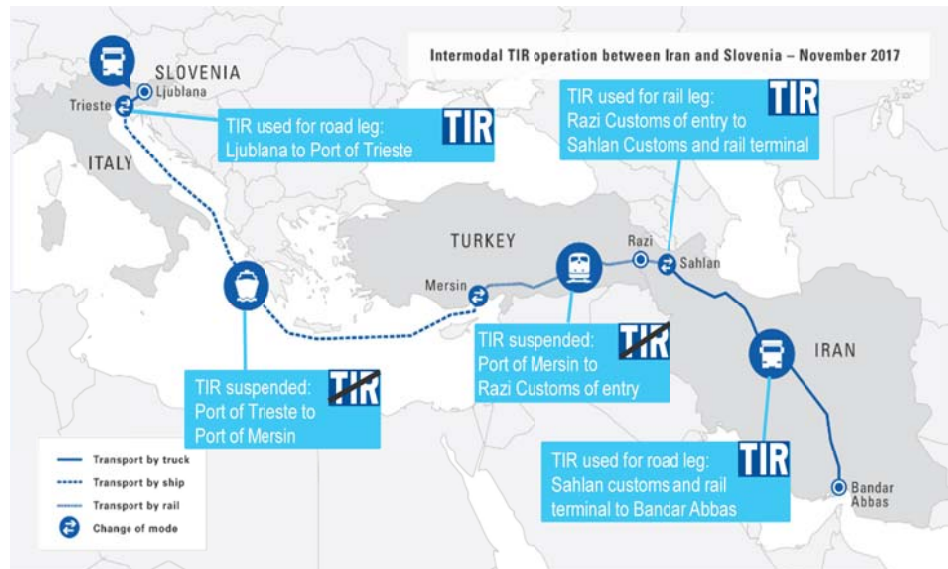
III. Practical examples

A. The use of subcontracting in intermodal transport – to enhance the efficiency of transport operations

14. Goods across TIR operational countries are very commonly transported in containers using various modes of transport, considerably saving transport time, improving scalability and the cost efficiency of transport operations, as well as helping to resolve the driver shortage issue in road transport, and ultimately reducing the carbon footprint. Such practices are becoming more and more relevant for those countries which have been using the TIR system as a trade facilitation tool for many years, and this is becoming more topical in view of TIR expansion towards China, Pakistan, United Arab Emirates, India and indeed other countries.

15. Below is a brief description of a Slovenia-Iran (Islamic Republic of) intermodal transport operation with the use of subcontracting within the TIR procedure, and it is one of the examples of container transport under TIR.

16. The TIR intermodal transport operation of the container involved 3 modes of transport – road, maritime and rail – and consisted of: a road leg from Ljubljana to the port of Trieste, a sea leg between the port of Trieste and the port of Mersin (Turkey), a rail leg between the port of Mersin and Sahlan (Iran, Islamic Republic of) and concluded by a road leg in Iran (Islamic Republic of) to the destination port of Bandar Abbas, as demonstrated on the map below.



17. The transport operation was organised as follows:

(a) A Slovenian TIR Carnet holder was given the task of transporting a container from Ljubljana (Slovenia) to the port of Bandar Abbas (Iran, Islamic Republic of);

(b) In consultation with the agents in the respective countries along the route, the Slovenian TIR Carnet holder decided on the itinerary as well as the modes of transport to be used in the transport operation;

(c) After the decision was taken on the exact itinerary and modes of transport to be used, the Slovenian TIR Carnet holder contacted their Iranian partner, who is also an authorised TIR operator and who agreed to perform the transport of the container on a road leg in Iran (Islamic Republic of) (from the Sahlan rail terminal to the customs office of destination Shahid Rajaei) and act as the subcontractor of the TIR Carnet holder;

(d) The completion of the TIR Carnet followed the same procedure as used for a standard road transport: the name of the Slovenian TIR Carnet holder was specified in Box No. 3 of the cover page and the identification number of the container in Box No. 10. The TIR Carnet holder ID of the Iranian subcontractor was entered in Box No. 11 on the front cover page of the TIR Carnet (as shown in the copy of the TIR Carnet included in Annex);

(e) Advance Cargo information was submitted via the TIR Electronic Pre-declaration (TIR-EPD) application by the Slovenian TIR Carnet holder to all countries along the route where TIR was in use and Advance Cargo information was required. The use of TIR-EPD allowed the Iranian customs authorities access to the information on the registration number of the vehicle and the driver that was collecting the container on the road leg in Iran (Islamic Republic of) (from Sahlan customs);

(f) The liability of the duties and taxes at risk under the TIR procedure remained with the Slovenian TIR Carnet holder. Therefore, in the case of an irregularity, the competent customs authority would notify the national TIR guaranteeing association in its respective country as well as the TIR Carnet holder at his address indicated in the TIR Carnet, in accordance with art.11.1 of the TIR Convention. The contractual relationship between the TIR Carnet holder and their selected subcontractor is an internal business cooperation matter and does not need to be disclosed to the TIR guarantee chain.

B. Subcontracting as an only option to use the TIR system for the new TIR contracting parties (example of India)

18. The specific geographical situation of some new TIR contracting parties - having no land border with any TIR operational countries – makes it inevitable to use intermodal transports under TIR for trade facilitation with other TIR operational countries (it would require a maritime leg). The containerised movement of goods is the most efficient and scalable option in this context (apart from RO-RO also available) hence the use of subcontracting is an essential component in the intermodal TIR transport of containers.

19. India, being at its final stage of TIR operationalisation is one of the brightest examples in this context. TIR Convention is seen in the country as a key trade facilitation tool along the International North-South Transport Corridor by both national authorities and representatives of the private sector.

20. While all the necessary formalities related to TIR implementation in India are being finalised, the private sector representatives from India and their trade partners (located in TIR operational countries) are showing vivid interest in intermodal TIR transport of containers.

21. Below is one of the currently discussed business cases of a container transport between India and Afghanistan that contains a road leg from Delhi to Mumbai – followed by a maritime crossing from the port of Mumbai to the port of Bandar Abbas, and then a road leg from the port of Bandar Abbas to an inland customs office of destination in Afghanistan.

22. The expected scenario:

(a) An Indian TIR Carnet holder will be given the task of transporting a container from Delhi (India) to an inland customs office of destination in Afghanistan;

(b) In consultation with the agents in the respective countries along the route, the Indian TIR Carnet holder will decide on the itinerary as well as the modes of transport to be used in the transport operation;

(c) After the decision has been taken on the exact itinerary and modes of transport to be used, the Indian TIR Carnet holder will contact their partner from Afghanistan – who is also an authorised TIR operator in Afghanistan, who has agreed to perform the transport of the container on a road leg from the port of Bandar Abbas to the point of destination in Afghanistan, and act as the subcontractor of the TIR Carnet holder;

(d) The completion of the TIR Carnet will follow the same procedure as used for a standard road transport: the name of the Indian TIR Carnet holder will be specified in Box No. 3 of the cover page and the identification number of the container in Box No. 10. The TIR Carnet holder ID of the Afghan subcontractor will be entered in Box No. 11 of the front cover page of the TIR Carnet;

(e) The advance cargo information will be submitted via the TIR-EPD application by the Indian TIR Carnet holder to all countries along the route where TIR is in use and Advance Cargo information is required. The use of TIR-EPD will enable the Indian TIR Carnet holder to inform the Iranian customs authorities of the registration number of the vehicle and the driver of Afghan subcontractor that will be collecting the container from the port of Bandar Abbas;


(f) The liability for the customs duties and taxes at risk under the TIR procedure will always remain with the Indian TIR Carnet holder.

C. Subcontracting for technically complex transport operations under TIR (the case in Germany)


23. Subcontracting also appears to be an efficient solution in the case of technically complex transport operations (such as the transport of live animals) which require the use of specialised vehicles and specially trained drivers. Neither specialised vehicles nor trained drivers are commonly in the possession of TIR Carnet holders, given that specially equipped transport is very expensive and such transport operations are usually seasonal.

24. In Germany, the subcontracting scheme is mainly used by road carriers of live animals when there are peaks in demand. Given the fact that the specialised vehicles cannot be rented or leased from commercial leasing companies and these transport require qualified drivers to handle the animals, subcontracting is vital for TIR transport operators. Typically, the subcontractors' vehicles travel together with the TIR Carnet holder's own vehicle, so there is a tight control over the subcontractor's handling of TIR. The liability for the customs duties and taxes at risk under the TIR procedure always remains with the German TIR Carnet holder.

Annex



International Road Transport Union



CARNET TIR *

6 volets

SX80672992


1. Valable pour prise en charge par le bureau de douane de départ jusqu'au 08-01-2018 inclus
Valid for the acceptance of goods by the Customs office of departure up to and including

2. Délivré par GIZ INTERTRANSPORT SI-1000 LJUBLJANA Trnaska 50
Issued by Tel: (386)-01-2-313-931; Fax: (386)-01-2-318-967; E-mail: giz@intertransport.si


SVN/043/

3. Titulaire [Signature]
Holder **87245973**

4. Signature du délégué de l'association émettrice et cachet de cette association :
Signature of authorized official of the issuing association and stamp of that association:



5. Signature du secrétaire de l'organisation internationale :
Signature of the secretary of the international organization:



(A remplir avant l'utilisation par le titulaire du carnet / To be completed before use by the holder of the carnet)

6. Pays de départ SLOVENIA
Country/Countries of departure⁽¹⁾

7. Pays de destination IRAN
Country/Countries of destination⁽¹⁾

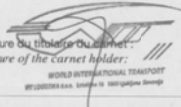
8. No(s) d'immatriculation du (des) véhicule(s) routier(s)⁽¹⁾
Registration No(s), of road vehicle(s)⁽¹⁾
LJ 616 FF / LJ 215 JS

9. Certificat(s) d'agrément du (des) véhicule(s) routier(s) (No and date)⁽¹⁾
Certificate(s) of approval of road vehicle(s) (No. and date)⁽¹⁾
K-23/2017 ctd 14.06.2019

10. No(s) d'identification du (des) conteneur(s)⁽¹⁾
Identification No(s), of container(s)⁽¹⁾
FSCU7069538

11. Observations diverses IRN / 057 / 4656
Remarks

12. Signature du titulaire du carnet :
Signature of the carnet holder:








(1) Biffer la mention inutile / Strike out whichever does not apply

* Voir annexe 1 de la Convention TIR, 1975, élaborée sous les auspices de la Commission économique des Nations Unies pour l'Europe.
 * See annex 1 of the TIR Convention, 1975, prepared under the auspices of the United Nations Economic Commission for Europe.

IRU - CH-GENÈVE - REPRODUCTION INTERDITE - REPRODUCTION PROHIBITED - IMPRIMÉ EN SUISSE - PRINTED IN SWITZERLAND

NE PAS DÉTACHER! A remplir et à conserver dans le carnet
 NOT TO BE DETACHED! This form is to be filled in and has to remain in the carnet

NEODĚLOVAT! Tento list musí být vyplněn a ponechán v kameletu
 PREGHIERA DI NON STACCARE! Questo foglio è da compilare e da conservare nel libretto
 NICHT ABTRENNEN! Dieses Blatt muss ausgefüllt werden und im Carnet verbleiben

VOUCHER N° 1 / N° 2		1. TIR CARNET SX80672992	
2. Customs office(s) of departure 1. LJUBLJANA 2. _____ 3. _____		3. Name of the International organization RJ International Road Transport Union	
For official use		4. Holder of the carnet (identification number, name, address and country)  SVN/043/ 87 245973	
7. Registration No(s), of road vehicle(s) LJ 616 FF / LJ 215 JS		5. Country/Countries of departure SLOVENIA	6. Country/Countries of destination IRAN
GOODS MANIFEST		8. Documents attached to the carnet CNR No: 4141	
9. a) Lead compartment(s) or container(s) b) Marks and Nos. of packages or articles FSCU7069538	10. Number and type of packages or articles; description of goods 228 carton-boxes INDUSTRIAL AIR CONDITIONING EQUIPMENT	11. Gross weight in kg	16. Seals or identification marks applied (number, identification) 1 x 103 (S1)
12. Total number of packages entered on the manifest Destination: IRAN	Number of packages: _____	13. I declare the information in items 1-12 above to be correct and complete	17. Customs office of departure, Customs officer's signature and Customs office date stamp XXXXXXXX 
1. Customs office BANDAR ABBAS	14. Place and date 15. Signature of holder or agent 	24. Certificate of termination of the TIR operation (Customs office of exit en route or of destination)	
2. Customs office	20. Time-limit for transit	25. Seals or identification marks found to be intact	
3. Customs office	21. Registered by the Customs office at _____ under No. _____	26. Number of packages for which the termination of the TIR operation is certified	
22. Miscellaneous (itinerary stipulated, Customs office at which the load must be produced, etc.)	27. Reservations	28. Customs officer's signature and Customs office date stamp XXXXXXXX 	
23. Customs officer's signature and Customs office date stamp XXXXXXXX 	COUNTERFOIL N° 1 / N° 2		
1. Arrival certified by the Customs office at _____	6. Customs officer's signature and Customs office date stamp		
2. <input type="checkbox"/> Seals or identification marks found to be intact			

Form not to be taken under Customs control by the Customs authorities

FEUILLET NON DOWNNIER
NOT FOR CUSTOMS USE
CONFORME A L'ORIGINAL
TRUE COPY

SOUCHE N° 1

SX80672992

PAGE 1

du CARNET TIR

1. Pris en charge par le bureau de douane de _____ Oddalek za carinjenje Ljubljana		
2. Sous le No _____	SI001913-	
3. Scelllements ou marques d'identification apposés _____	1x403(11)	
4. <input type="checkbox"/> Scelllements ou marques d'identification reconnus intacts		
5. Divers (itinéraire fixé, bureau où le transport doit être présenté, etc.) _____	IT - RENTO FRANCO	

SOUCHE N° 2

SX80672992

PAGE 3

du CARNET TIR

1. Arrivée constatée par le bureau de douane de _____ DOŠAN DUBESTE Customs Franco		
2. <input type="checkbox"/> Scelllements ou marques d'identification reconnus intacts	A/Sis n.	
3. Nombre de colis pour lesquels la fin de l'opération TIR a été certifiée (comme stipulé dans le manifeste) _____	7 OCT, 2017	
4. Nouveaux scelllements apposés _____	CONFORME	
5. Réserves _____		

SOUCHE N° 1

SX80672992

PAGE 3

du CARNET TIR

1. Pris en charge par le bureau de douane de _____		
2. Sous le No _____		
3. Scelllements ou marques d'identification apposés _____		
4. <input type="checkbox"/> Scelllements ou marques d'identification reconnus intacts		
5. Divers (itinéraire fixé, bureau où le transport doit être présenté, etc.) _____		

SOUCHE N° 2

SX80672992

PAGE 4

du CARNET TIR

1. Arrivée constatée par le bureau de douane de _____		
2. <input type="checkbox"/> Scelllements ou marques d'identification reconnus intacts		
3. Nombre de colis pour lesquels la fin de l'opération TIR a été certifiée (comme stipulé dans le manifeste) _____		
4. Nouveaux scelllements apposés _____		
5. Réserves _____		