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Economic Commission for Europe**Inland Transport Committee****Working Party on Customs Questions affecting Transport****139th session**

Geneva, 3–6 February 2015

Item 4 (b) (iv) of the provisional agenda

**Customs Convention on the International Transport
of Goods under Cover of TIR Carnets (TIR Convention, 1975) –
Revision of the Convention:****Amendment proposals to the Convention:****Audit requirements for an authorized international organization****Audit requirements for an authorized international
organization****Note by the secretariat****I. Mandate**

1. At its 138th session, the Working Party on Customs Questions affecting Transport (WP.30) requested the secretariat to reproduce Informal document WP.30 (2014) No. 13 as an official document in the three working languages (see ECE/TRANS/WP.30/276, para. 22). This document contains the results of consultations between UNECE and IRU secretariats on the wording of the possible new provisions (o), (p) and (q)¹ to Annex 9, Part III of the Convention. The note also lists the documents which were submitted by IRU to fulfil its obligations under Annex 9.

¹ For easy reference, the text of the proposals as contained in ECE/TRANS/WP.30/2010/4/Rev.2 is as follows:

(o) maintain separate records and accounts containing information and documentation which pertain to the organization and functioning of an international guarantee system and the printing and distribution of TIR Carnets;

(p) allow access to the above records and accounts to the United Nations Office of Internal Oversight Services (OIOS), the United Nations Board of Auditors (BOA) or other persons duly authorized by the United Nations and at all times facilitate inspections and audits performed by them;

(q) engage an independent external auditor to conduct annual audits of the above records and accounts. Guidelines and terms of reference for the external audit shall be adopted by the Administrative Committee. The external audit shall be performed in accordance with International Standards on Auditing (ISA) and shall result in an annual audit report and a management letter, issued by the independent external auditor to the Administrative Committee, with copies sent directly to the Executive Secretary of the United Nations Economic Commission for Europe and the international organization concerned.



2. The present document has been prepared by the secretariat in line with the request of the Working Party. The secretariat also incorporated some new information in the document.

II. Background

3. On 10 October 2013, a new Part III to Annex 9 of the TIR Convention entered into force. It requires the international organization, as referred to in Article 6 of the Convention, to submit various types of information to either the TIR Administrative Committee (AC.2) or the TIR Executive Board (TIRExB), for the sake of providing transparency in the management and organization of the international guarantee system.

4. At its 137 session, WP.30 resumed its considerations of the audit requirements for an authorized international organization (the so-called provisions (o), (p) and (q)). The International Road Transport Union (IRU) stated that it was not opposing to the idea of including more transparency requirements in the Convention and that it was fully prepared to comply with the requirements of the Convention. In the course of the discussion, it transpired that there were reasonable grounds to believe that a compromise could be found by agreeing on a more appropriate wording for the provisions of (o), (p) and (q). WP.30 invited the secretariat to prepare a working document for consideration at its next session, which would elaborate new amendment proposal to Annex 9, Part III of the Convention on additional requirements for the authorized international organization, aimed at providing more transparency in the effective organization and functioning of the international guarantee system (see ECE/TRANS/WP.30/274, paras. 23–25).

III. Consultations between IRU and UNECE secretariats

5. IRU submitted various types of documents to the UNECE secretariat in application of Annex 9, Part III of the TIR Convention. On 2 October 2014, the Executive Secretary of the United Nations Economic Commission for Europe (UNECE), Mr. Christian Friis Bach, met with the Secretary-General of IRU, Mr. Umberto de Pretto who officially handed over, as the last outstanding document, a copy of the 2013 accounts of IRU, approved by its General Assembly and duly audited by its external auditor. With this, IRU considered that it fulfilled all requirements under the new provisions of Annex 9, Part III of the TIR Convention, subject to the approval by AC.2

The secretariat drafted the following checklist with the documents that IRU has submitted:

	<i>Date of submission</i>	<i>Available for Contracting Parties</i>	<i>Next submission</i>
Annex 9, Part III, Article 1 (a), : proof of sound professional competence and financial standing for ... by means of annual submissions of consolidated financial statements duly audited by internationally organized independent auditors			
2013 accounts of IRU, approved by its General Assembly and duly audited by its external auditor	10/2014	As hard copy at the secretariat	2015
Annex 9, Part III, Article 1 (b): Absence of serious or repeated offences against customs of tax legislation			
Letter dated 6/10/2014 of Swiss Customs stating the absence of offences	11/2014	As hard copy	On request

	<i>Date of submission</i>	<i>Available for Contracting Parties</i>	<i>Next submission</i>
against the customs legislation		at the secretariat	of TIRExB or AC.2
Letter dated 15/01/2010 from the Swiss “Administration fiscale cantonale”, granting IRU tax exemption until 2020 (indirect proof, such a status can only be obtained if there are no repeated offences against tax legislation).	8/2014	As hard copy at the secretariat	2020
Certificate dated 23/03/2010 from the Swiss customs granting IRU the status of authorized consignor until 22/3/2015 (indirect proof, such a status can only be obtained if there are no repeated offences against customs legislation).	8/2014	As hard copy at the secretariat	2015
Annex 9, Part III, Article 2 (a) : provide the Contracting Parties of the TIR Convention via the national associations affiliated to the international organization with certified copies of the global guarantee contract and proof of guarantee coverage			
At the secretariat are available (submitted by the Contracting Parties):	1/2014	As hard copy at the secretariat	2015
<ul style="list-style-type: none"> • Copies of the written agreements or any other legal document between the competent authorities (Customs) and the national guaranteeing association as well as any modifications thereto (conform Annex 9, Part I, para. 1 (d)); • Copies of the insurance or financial guarantee contracts as well as any modifications thereto (conform Annex 9, Part I, para. 3 (v)); • Copies (renewed annually) of the insurance certificate (Annex 9, Part I, para. 3 (v)). 			
Annex 9, Part III, Article 2 (b): provide the competent bodies of the TIR Convention with information on the rules and procedures set out for the issue of TIR Carnets by national associations			
Associations TIR Manual	8/2014	As hard copy at the secretariat	When modified
TIR Carnet holder’s Manual	8/2014	As hard copy at the secretariat	When modified
Deed of engagement of the issuing and guaranteeing association of ordinary TIR Carnets	8/2014	As hard copy at the secretariat	When modified
Deed of engagement of the IRU towards issuing and guaranteeing associations	8/2014	As hard copy at the secretariat	When modified

	<i>Date of submission</i>	<i>Available for Contracting Parties</i>	<i>Next submission</i>
Declaration of Engagement by the transport company for admission to the TIR customs system and authorization to use TIR Carnets	8/2014	As hard copy at the secretariat	When modified
Chamber of Commerce Commercial Register extract (http://ge.ch/hrcintapp/externalCompanyReport.action?companyOfsUid=CH E-107.740.736&lang=FR)	Not applicable	internet	Not applicable
IRU constitution, dated 6 November 2009	8/2014	As hard copy at the secretariat	When modified

Annex 9, Part III, Article 2 (c) provide the competent bodies of the TIR Convention, on a yearly basis, with data on claims lodged, pending, paid or settled without payment

Situation of irregularities (See Informal document WP.30 (2014), No. 10)	6/2014	As WP.30 document	2015
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Annex 9, Part III, Article 2 (d): the competent bodies of the TIR Convention with full and complete information on the functioning of the TIR system, in particular, but not limited to, timely and well founded information on trends in the number of non-terminated TIR operations, claims lodged, pending, paid or settled without payment that might give rise to concerns with regard to the proper functioning of the TIR system or that could lead to difficulties for the continued operation of its international guarantee system

Safe TIR statistics (See Informal document WP.30 (2014), No. 5)	6/2014	UNECE website	Each WP.30
Situation of irregularities (See Informal document WP.30 (2014), No. 10)	6/2014	UNECE website	Each WP.30
Power presentation on the organization and functioning of the TIR guarantee chain. (http://www.unece.org/fileadmin/DAM/trans/bcf/wp30/documents/iru-presentation-e.pdf)	10/2004	UNECE website	Next WP.30
Insurance contract IRU AXA, dated 18 November 2010 (See restricted TIREXB Informal document No. 2 (2011))	12/2010	Hard copy at the TIR secretariat	When modified
Statement from AXA on insurance structure and the reinsurance contracts, dated 14 Augustus 2014	8/2014	Hard copy at the TIR secretariat	When modified

Annex 9, Part III, Article 2 (e) : provide the competent bodies of the TIR Convention with statistical data on the number of TIR Carnets distributed to each Contracting Party, broken down by type

	<i>Date of submission</i>	<i>Available for Contracting Parties</i>	<i>Next submission</i>
Statistical data on the number of TIR Carnets distributed to each Contracting Party, broken down by type (See restricted TIREXB Informal document No. 5 (2014))	1/2014	Hard copy at the TIR secretariat	1/2015

6. IRU and UNECE secretariats met twice in the summer of 2014 to discuss the requirements to be fulfilled by IRU as well the wording of the possible new provisions (o), (p) and (q). With regard to the latter, IRU and UNECE secretariats agreed that the wording of (o) could remain unchanged, but that in (p) the words “or other persons duly authorized by the United Nations” should be deleted.

7. With regard to (o) and (q), IRU stated that its submitted consolidated financial statements for 2013, audited by PricewaterhouseCoopers SA, already mention separately the benefits and costs from TIR operations, therefore it could be considered that IRU fulfils already the requirements (o) and (q) which are under discussion.

IV. Consultations between United Nations Office of Internal Oversight Services (OIOS) and UNECE secretariat

8. The secretariat met with OIOS in November 2014 to discuss the requirements to be fulfilled by IRU as well the wording of the possible new provisions (o), (p) and (q). OIOS has not expressed an opinion yet. OIOS mentioned however that it select its audits on the basis of a risk analysis. OIOS will not perform any audit on request but will include any information it receives in its risk analysis. Further consultations between OIOS and the secretariat are planned.

V. Considerations by the TIR Executive Board

9. At its sixtieth session (23–24 September 2014), TIRExB took note of this checklist and agreed with its contents, subject to approval by the TIR Administrative Committee (AC.2). The Board agreed that the documents would be kept by the secretariat, where they should be available, upon appointment, for Contracting Parties only. Finally, the Board requested the secretariat to seek the advice of the Office of Internal Oversight Services (OIOS) or other UN competent bodies, experienced with accountancy and audit in order to establish whether the checklist appropriately reflects the requirements under Annex 9, Part III as well as with regard to the proposed rewording of paras. (o), (p) and (q).

VI. Considerations by the Working Party

10. The Working Party is invited to take note of the outcome of the consultations between the secretariat and IRU, the secretariat and OIOS, the considerations by the TIRExB as well as the submission of documents by IRU to UNECE.