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**ECONOMIC COMMISSION FOR EUROPE**

**INLAND TRANSPORT COMMITTEE**

Working Party on Customs Questions affecting Transport

(One-hundred-and-twelfth session, 31 January – 3 February 2006,  
agenda item 4)

**ACTIVITIES OF OTHER ORGANIZATIONS OF INTEREST TO THE WORKING  
PARTY**

Transmitted by the World Customs Organization (WCO)

The Customs Convention on Containers, 1972 and the TIR Convention share a common annex (Regulation on conditions applicable to containers which may be accepted for international transport under customs seal). In order to keep the annexes in alignment, the Container Convention Administrative Committee examines amendments to the TIR Convention.

At the 8<sup>th</sup> meeting the Committee examined an earlier amendment which had been made to the TIR Convention, annex 7, which had been communicated to the WCO. The TIR amendment concerned new provisions for containers with sliding sheets. There was no opposition in principle to accepting this amendment in the context of the Container Convention and it was agreed that Switzerland would in the interim formally propose the amendment for adoption at the next meeting of the Administrative Committee.

The Committee also examined a proposal from the Bureau International des Containers concerning the marking of containers, which recognizes that ISO Standard 6346 is now almost universally used for the identification of Container owners. Again, this proposal was accepted in principle and will be formally proposed by Switzerland at the next Administrative Committee.

The Secretariat had also produced a discussion paper looking at the role of the Container Convention in respect of the WCO Framework of Standards (Framework). Both the Container Convention and the TIR Convention are mentioned in the framework as a minimum requirement for cargo and container integrity. (Standard 4 – Technology: Authorized Economic Operators should conform, at a minimum, to the current requirements as set forth in various international instruments, including, but not limited to the 1972 Customs Container Convention and the TIR Convention, 1975).

The Committee agreed that it was important to promote the Container Convention and discussed a number of ways of doing this. The Secretariat has consequently been tasked to arrange for the Secretary General to write to all non Contracting Parties to encourage their accession and to form a virtual group to update the Container Convention Handbook, possibly to include a new section on security.

A representative from ISO also updated the Committee on relevant developments there concerning seals and container door end security.

## 2. FRAMEWORK OF STANDARDS

The Framework document is made up of the Framework itself – 17 Standards - two Annexes, an Appendix and a Declaration of Intent and is the only instrument available to date enabling Customs Administrations wishing to do so to undertake to implement a series of rules for the security and facilitation of world trade. It rests on twin pillars; a "Customs-Customs" pillar and a "Customs-Business" pillar.

- The **Customs to customs pillar** seeks to encourage co-operation among customs administrations on the basis of common and accepted standards for data exchange and risk profiles to maximize the security and facilitation of the international supply chain. Central to this pillar is the use by customs of advance electronic information which, for example, can identify containers, etc that pose a potential risk of terrorism. Requirements on the use of high security mechanical seals as part of a seal integrity programme for containers form an important element of this pillar and have been allocated a separate Appendix.
- The **Customs to Business pillar** which specifies the need for customs to establish partnerships with the private sector, particularly through the creation of an international system of 'approved economic operators (AEO)' whereby businesses that offer a high degree of security guarantees in respect of their role in the international supply chain can by meeting certain criteria in the Framework, receive tangible facilitation benefits, such as the quicker movement of low risk cargo through Customs.

An integral part of the Framework too is an Appendix containing a seal integrity programme for secure container shipments based on the application of a high security mechanical seal at the point of stuffing of the container with integrity checks of the seal at custody changes throughout the supply chain.

Since adoption of the Framework of Standards by the WCO Council in June 2005 125 of the WCO's 169 members have indicated their intention to start implementing the Framework. The WCO will shortly launch a major capacity building programme for those members that are seeking assistance.

A High Level Strategic Group, consisting of Directors General for all WCO regions continues the development of the Framework, in particular in respect of the conditions and benefits for Authorized Economic Operators and mutual recognition of control results and AEO authorizations.

In order to ensure a continued trade input to the development of the Framework, a Private Sector Consultative Group is being formed.

### **3. REVISED KYOTO CONVENTION**

Having achieved the required 40 Contracting Parties, the Revised Kyoto Convention on the Simplification and Harmonization of customs procedures will come into force on 3 February 2006.

The Revised Kyoto Convention is a blueprint for a modern and efficient 21st century Customs administration and incorporates some important concepts. These include the application of new technology, the implementation of new philosophies on Customs control, and the willingness of private sector partners to engage with Customs in mutually beneficial alliances.

Chief among the new governing principles of the Kyoto Convention is the commitment by Customs administrations to provide transparency and predictability for all those involved in aspects of international trade.

In addition Customs commit to adopt the use of risk management techniques, to co-operate with other relevant authorities and trade communities, and to implement appropriate international standards.

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