

Annex G

Part 1

Conditions of authorisation of guaranteeing associations; the authorisation process and the criteria for authorisation

HMRC may authorise associations to issue TIR Carnets, either directly or through corresponding associations, and to act as guarantors, as long as the minimum conditions and requirements, as laid down in Annex 9, Part I of the TIR Convention¹, are complied with. The authorisation shall be revoked if the minimum conditions and requirements contained in Annex 9, Part I are no longer fulfilled.

An association shall not be approved in the UK unless its guarantee also covers the liabilities incurred in the UK in connection with operations under cover of TIR Carnets issued by foreign associations affiliated to the same international organisation as that to which it is itself affiliated.

Annex 1 of the Convention contains the Model of the TIR carnet and Rules regarding the use of the TIR carnet.

Conditions and requirements, as laid down by Annex 9, Part I of the TIR Convention

1. The conditions and requirements to be complied with by associations in the UK in order to be authorised by HMRC to issue TIR Carnets and act as guarantor, are:
 - a. Proven existence for at least one year as an association established in the UK;
 - b. Proof of sound financial standing and organisational capabilities enabling the association to fulfil its obligations under the Convention;
 - c. Absence of serious or repeated offences against customs or tax legislation; and
 - d. Establishment of a written agreement or any other legal instrument between the association and the competent authorities of the UK, including the acceptance by the association of its duties as set out in Paragraph 3 below.
2. A certified copy of the written agreement or any other legal instrument referred to under paragraph 1(d), shall be deposited with the TIR Executive Board. Any changes shall be immediately brought to the attention of the TIR Executive Board.
3. The duties of the association are to:
 - (i) comply with the obligations laid down in Article 8 of the Convention;
 - (ii) accept the maximum sum per TIR Carnet as determined by HMRC which may be claimed from the association in accordance with Article 8, Paragraph 3 of the Convention. In the United Kingdom, the recommended maximum sum has been determined as £90,000;
 - (iii) verify continuously and, in particular, before requesting authorisation for access of persons to the TIR procedure, the fulfilment of the minimum conditions and requirements by such persons as laid down in Part II of Annex 9 of the Convention;

¹ The Convention on International Transport of Goods Under Cover of TIR Carnets, 1975

(iv) provide its guarantees for all liabilities incurred in the UK in connection with operations under cover of TIR Carnets issued by itself and by foreign associations affiliated to the same international organisation as that to which it is itself affiliated;

(v) cover its liabilities to the satisfaction of the competent authorities of the UK with an insurance company, pool of insurers or financial institution. The insurance or financial guarantee contract(s) shall cover the totality of its liabilities in connection with operations under cover of TIR Carnets issued by itself and by foreign associations affiliated to the same international organisation as that to which it is itself affiliated.

The time to give notice for the termination of the insurance or financial guarantee contract(s) shall be not less than the time to give notice for the termination of the written agreement or any other legal instrument as referred to in Paragraph 1(d). A certified copy of the insurance or financial guarantee contract(s) as well as all subsequent modifications thereto shall be deposited with the TIR Executive Board;

(vi) provide the TIR Executive Board, annually, as per 1 March, with the price of each type of TIR Carnets it issues;

(vii) allow HMRC to verify all records and accounts kept relating to the administration of the TIR procedure;

(viii) accept a procedure for settling efficiently disputes arising from the improper or fraudulent use of TIR Carnets, whenever possible without recourse to courts;

(ix) comply strictly with the decisions of the competent authorities of the UK concerning the revocation or withdrawal of the authorisation in line with Article 6 of the Convention and Part II of Annex 9 of the Convention, or the exclusion of persons in line with Article 38 of the Convention; and

(x) agree to implement faithfully all decisions adopted by the Administrative Committee and the TIR Executive Board in as much as the competent authorities of the Contracting Party in which the association is established have accepted them.

4. When a guaranteeing association is asked, in accordance with the procedure set out in Article 11 of the Convention, to pay the sums referred to in Article 8 of the Convention, Paragraphs 1 and 2, it shall, in accordance with the written agreement referred to in the Explanatory Note to Article 6, Paragraph 2, inform the international organisation of the reception of the claim.
5. HMRC shall revoke the authorisation to issue TIR Carnets and to act as guarantor in case of noncompliance with these conditions and requirements. Should HMRC decide to revoke the authorisation, the decision shall become effective at the earliest three (3) months after the date of revocation.
6. The authorisation of an association under the terms set out above shall be without prejudice to that association's responsibilities and liabilities under the Convention.

Example Agreement, as provided by 6.2 of the TIR Handbook²

In accordance with Annex 9, Part I, paragraph 1 (d) of the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975) done at Geneva on 14 November 1975, as later amended (hereafter referred to as TIR Convention) the (Name of competent authorities)... of (Name of country/Customs or Economic Union) and the (Name of association) hereby agree as follows:

A. UNDERTAKING

1. By accepting this agreement in the appropriate form, in accordance with national legislation and administrative practice, the.... (Name of association) undertakes, in accordance with Annex 9, Part I of the TIR Convention, to:

(a) Comply with the obligations laid down in Article 8 of the TIR Convention, particularly those contained in Section B below;

(b) Accept the maximum sum per TIR Carnet determined by.... (Name of country/Customs or Economic Union) which may be claimed from.... (name of association) in accordance with Article 8, paragraph 3 of the TIR Convention, as indicated in detail in Section C below;

(c) Verify continuously and, in particular, before requesting authorization for access of persons to the TIR procedure, the fulfilment of the minimum conditions and requirements by such persons as laid down in Part II of Annex 9 of the TIR Convention;

(d) Provide its guarantee for all liabilities incurred in (Name of country/Customs or Economic Union) In which it is established in connection with operations under cover of TIR Carnets issued by itself and by foreign associations affiliated to the same international organization as that to which it is itself affiliated;

(e) Cover its liabilities to the satisfaction of the competent authorities of (Name of country/Customs or Economic Union) In which it is established with an insurance company, pool of insurers or financial institution. The insurance or financial guarantee contract(s) shall cover the totality of its liabilities in connection with operations under cover of TIR Carnets issued by itself and by foreign associations affiliated to the same international organization as that to which it is itself affiliated;

(f) Allow the competent authorities to verify all records and accounts kept relating to the administration of the TIR procedure;

(g) Accept a procedure for settling efficiently disputes arising from the improper or fraudulent use of TIR Carnets;

(h) agree that any serious or repeated non-compliance with the present minimum conditions and requirements shall lead to the authorization to issue TIR Carnets being revoked (as stipulated in paragraph 3 of the example authorization);

(i) comply strictly with the decisions of the competent authorities of (name of country/Customs or Economic Union) in which it is established concerning the exclusion of persons in line with Article 38 and Annex 9, Part II of the TIR Convention;

² Eleventh Revised Edition, published August 2018

(j) agree to implement faithfully all decisions adopted by the TIR Administrative Committee and the TIR Executive Board (TIRExB) in as much as the competent authorities of (name of country/Customs or Economic Union) in which the association is established have accepted them.

B. LIABILITY

2. The.... (Name of association) undertakes to pay import /or export duties and taxes, together with any default interest, due under the Customs laws and regulations of.... (Name of country/Customs or Economic Union) ... if an irregularity has been noted in connection with a TIR operation. It shall be liable, jointly and severally with the persons from whom the sums mentioned above are due, for payment of such sums.

3. The liability of the association follows from the provisions of the TIR Convention. In particular, the liability of the association shall commence at the times specified in Article 8, paragraph 4 of the TIR Convention.

C. MAXIMUM GUARANTEE PER TIR CARNET

4. The maximum amount that may be claimed by the competent authorities of.... (Name of country/Customs or Economic Union)..... From.... (Name of association) shall be limited to a sum equal to 90,000 - (hundred-thousand) pounds per TIR Carnet.

5. In the case of transport of alcohol and tobacco, details of which are given in Annex 6, Explanatory Note 0.8.3 of the TIR Convention and which exceeds the threshold levels mentioned therein, the maximum amount that may be claimed by the competent authorities of.... (Name of country/Customs or Economic Union)..... From.... (Name of association) shall be limited to a sum equal to \$US 200,000. - (two hundred-thousand) per "Alcohol/Tobacco" TIR Carnet.

6. The value of the above amounts in national currency shall be determined.... (daily/monthly/annually) on the basis of.... (Conversion rate).....

D. ENTRY INTO FORCE

7. This agreement shall enter into force on.... (Date).... (Month).... (Year).... on condition that documentary evidence for coverage of all liabilities incurred in (Name of country/Customs or Economic Union)..... By.... (Name of association) as referred to in Part A.1 (e) above is produced. In case documentary evidence is not provided by this date, the agreement shall enter into force on the date at which such documentary evidence is provided.

E. TERMINATION

8. The termination of this agreement shall be without prejudice to the responsibilities and liabilities of the.... (Name of association)..... Under the TIR Convention. This means that termination of the agreement shall not affect the liabilities incurred by the.... (Name of association) in.... (Name of country/Customs or Economic Union) in connection with operations under cover of TIR Carnets accepted by the.... (Name of competent authorities) before the date of termination of this agreement and issued by itself and by foreign associations affiliated to the same international organization as that to which it is itself affiliated.

9. Date and signature of competent authorities and association.

