



Cabinet

# Cabinet approves India's accession to the Customs Convention on International Transport of Goods under cover of TIR Carnets (TIR Convention)

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given its approval for India's accession to the Customs Convention on International Transport of Goods under cover of TIR Carnets (TIR Convention) and for completion of necessary procedures for ratification, for its entry into force.

The Convention will help Indian traders to have access to fast, easy, reliable and hassle free international system for movement of goods by road or multi- modal means across the territories of other contracting parties.

By joining the convention, the need for inspection of goods at intermediate borders as well as physical escorts en route shall be obviated due to reciprocal recognition of Customs controls. Customs clearance can take place at internal Customs locations thereby avoiding clearances at Border Crossing Points and ports that may often be congested. Movement under the TIR can be allowed by checking only the seals and the external conditions of the load compartment or the container thereby reducing border delays, transport and transaction costs thereby leading to increased competitiveness and growth for the trade and transport sectors.

Compliance with the Convention shall ensure enhanced security in the supply chain as only approved transporters and vehicles are allowed to operate in terms of the Convention. As the TIR Carnet represents a guarantee for Customs duties and taxes and traffic in transit, there is no need for payment of such taxes and duties en route. The TIR carnet also serves as a Customs declaration, and hence it precludes the need to file multiple declarations satisfying national laws of the different transiting countries. The TIR Convention can be an instrument for movement of goods along the International "North-South" Transport (INSTC) Corridor and would be helpful in boosting trade with the Central Asian Republics and other Commonwealth of Independent States (CIS), particularly using ports in Iran like the Chabahar port.

The proposal does not result in any direct financial implication for the Government of India as it pertains to India's accession to an international convention.

## **Background:**

The Customs Convention on International Transport of Goods under cover of TIR Carnets, 1975 (TIR Convention), is an international transit system under the auspices of the United Nations Economic Commission for Europe (UNECE) to facilitate the seamless movement of goods within and amongst the Parties to the Convention. At present there are 70 parties to the Convention, including the European Union.

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