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COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 27 February 1975

Recommendation for a
DECISION OF THE COUNCIL

on the negotiations of a legal instrument
enabling the European Economic Community
to become a Contracting Party to the Customs
Convention on the International Transit of
goods (ITI Convention)

(submitted to the Council by the Commission)

EXPLANATORY NOTE

I. Introduction

The work begun in 1967 by the Customs Co-operation Council with a view to introducing a new Customs transit procedure designed specifically to facilitate the international transport of unitised loads of goods resulted in the draft Customs Convention on the International Transit of Goods (ITI Convention) done at Vienna. 7 June 1971.

II. General

in

The ITI Convention applies to the international transport of goods loaded into transport units (containers, road vehicles, railway wagons, barges...) approved for the transport of goods under Customs seal on the territory of two or more Contracting Parties. It is applicable equally to transport operations carried throughout by a single means of transport and to those in which loaded containers are carried during the operation by different modes of transport.

Thus the Convention introduces customs procedures adapted to the speed of containerised transport.

III. Member States' attitude to the Convention

The ITI Convention has not yet entered into force because it has not, as yet, received a sufficient number of signatures or accessions without reservation of ratification.

The nine Member States of the Community, although they took part as members of the C.C.C. in the work of drawing up the Convention, have adopted a cautious approach prompted by the fact that there appears to be no pressing need in international commercial quarters for this new international customs transit procedure and that the guaranteeing chain, an essential condition of the new procedure, has not yet been set up.

The Commission considers that it is becoming more and more difficult to stand aloof from this Convention.

Politically, Member States as well as the Commission (as observers) have fully co-operated in the drawing up of the Convention. Their joint action has meant, among other things, the adoption of provisions under which the Convention is applicable to Contracting Parties which form a Customs or Economic Union. Thus the third country members of the C.C.C. find it difficult to understand the Community reservation against this Convention which, bearing in mind the volume of containerised traffic crossing the Community, means in practice that the ITI procedure is not used.

Economically, it should be emphasised that this Convention could be of interest to the Community in its commercial relations with non-European countries.

Finally the technical argument deriving from the non-existence of the guarantee system loses weight because there are grounds for thinking that the International Chamber of Commerce will succeed in the organisation of guaranteeing chains.

However, there are favourable developments within the Community. All the delegations, at a meeting of the Economic Questions Group held on 13 December to consider a letter sent by the Secretary General of the Customs Co-operation Council to the President of the Council of the Community on the question of accession by the Community to the ITI Convention, favoured accession by them as well as the Community to the said Convention. But that raises a legal difficulty.

IV. Problem of accession to the ITI Convention by the Community

The ITI Convention provides for accession by State Members of the Customs Co-operation Council and State Members of the United Nations or its specialised agencies and after its entry into force any State not a Member of the Organisations referred to above who has been invited to do so by the Secretary General of the Council at the request of the Contracting Parties.

Without prejudging the question of whether the transfer of certain responsibilities by Member States has not already given the Community the right to accede on its own account, it is considered that the best method of allowing such accession would be the adoption of appropriate legal provisions. The Community could then inform the Secretary-General of the CCC of its intentions and requirements in this field and could negotiate a legal instrument which would enable it to become a Contracting Party to the Convention.

Conclusion

The Commission recommends the Council, under Article 113 of the EEC Treaty to negotiate a legal instrument enabling the European Economic Community to accede to the Customs Convention on the International Transit of Goods (ITI Convention) done at Vienna, 7th June 1971.

Recommendation for a
DECISION OF THE COUNCIL

on the negotiations of
a legal instrument enabling the European
Economic Community to become a Contracting Party
to the Customs Convention on the International Transit
of goods (ITI Convention)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community
and in particular Article 113 ;

Having regard to the Recommendation from the Commission ;

Whereas the work undertaken by the Customs Co-operation Council was concluded
in Vienna on 7th June 1971 by the Customs Convention on the International
Transit of Goods (ITI Convention) ;

Whereas this Convention has not yet entered into force ;

Whereas this Convention could improve international trade ;

Whereas since the said Convention affects common customs law it is appropriate
that the Community should be able, taking account of the needs of the Customs
Union, to become a Contracting Party to the aforesaid Convention ;

Whereas it is timely to insert in the text of the ITI Convention provisions
which expressly enable the European Economic Community to become a Contracting
Party; whereas to this end appropriate negotiations should be undertaken ;

HAS DECIDED :

Sole Article

The Commission is authorised to open negotiations with the Customs
Co-operation Council with a view to the insertion in the ITI Convention of
a legal instrument to enable the European Economic Community to accede there-
to.

The Commission shall conduct these negotiations in consultation with the
special committee, for which provision is made in Article 113 to assist
in this task.

Done at Brussels

For the Council
The President