New Computerised Transit System
Presentation Agenda

- Principles of the Union and Common Transit
- History
- Geographical scope
- Legal basis & Administration
- How NCTS works
- Future developments
- Information sources
PRINCIPLES
Principles of the Union and Common Transit

- Allow the movement of goods from one point to another
  - within the same customs territory (EU)
  - between the customs territories of different contracting parties (Common transit)
- Suspension of duties, charges and other commercial measures
Principles of the Union and Common Transit

Main features
- Electronic transit declaration
- Clear description and identification of goods
- Guarantee and Electronic guarantee management
- Transport within prescribed time limit
- Facilitations such as simplified procedures, modulation of guarantee, authorised consignor/consignee, etc.

Balance between the economic interest of operators and the interest of customs
Main transit regimes

- **Union transit**
  Applies in the customs territory of the EU (28 MS) + Andorra & San Marino (Customs Unions)

- **Convention on a common transit procedure / SAD Convention**
  Apply between the EU, Iceland, Norway, Switzerland, Liechtenstein, Turkey, the former Yugoslav Republic of Macedonia and Serbia

- **TIR Convention**
  More than 55 countries using the procedure
  (As of July 2015, the TIR Convention had 69 Contracting Parties including the European Union and its 28 Member States. However a TIR operation is possible only in the countries which have authorised guaranteeing associations (57 countries)
HISTORY
Paper-based transit procedure

Customs office of Departure
- Declaration
- Guarantee
- Customs control

Customs offices of Transit
- Transit advice note

Customs office of Destination
- Presentation (goods & documents)
- Customs control
- Result of control to Off. of Departure

Customs office of Departure
- Discharge
- Release of Guarantee
Problems with paper-based procedure

- **Operational Problems**
  - Handling of documents (20M SAD/Year)
  - Incorrect transit declarations
  - Slowness of manual procedure
  - Inefficient customs controls

- **Fraud**
  - Falsified guarantee certificates
  - Goods not presented at destination & falsified copies 5 (result of control) returned
  - Falsified stamps
  - Falsified declarations
New Computerised Transit System (NCTS)

- Processing of transit declarations electronically
- First fully operational EU system - mandatory for operators
- Extension to TIR within EU – NCTS-TIR mandatory for operators (1/1/2009)
- Optional inclusion of safety/security (1/7/2009)
GEOGRAPHICAL SCOPE
A Customs Union with a single customs territory but national fiscal territories required an internal facilitation: Community transit procedure.

EU goods (free circulation):

Non-EU goods:
Evolution of Transit movements

Extension of Community transit to neighbouring countries: common transit procedure (starting 1972)
Evolution of Transit movements

EU Internal Market (starting from 1993)

EU goods (free circulation) :  
Non-EU goods:
- 35 Countries (EU 28)
- 10+ million movements per year*
- 30+ thousand movements per business day

* Union + Common transit
Overview

Legal basis
- Union Customs Code
- Delegated Act
- Implementing Act
- Transitional Act
- Common transit convention
- Union and international legal basis

Business process models
- Level 2: high level overview
- Level 3: business requirements
- Level 4: functional requirements

Specifications
- Functional (FTSS)
- Technical (DDNTA)
- Created by COM/TAXUD & Member States
- Reviewed by NPMs
- Reviewed by ECCG
- Approved by ECCG

No legal references

FTSS: Functional Transit System Specifications
DDNTA: Design document for National Transit Application
ECCG: Electronic Customs Coordination Group
TCG: Trade Contact Group
NPM: National Project Manager
HOW NCTS WORKS
Financing of the NCTS

- Common domain is financed by the Customs 2020 program
- External domain / Member State applications: financed by MS
- Non-EU members of the Transit Convention: annual contribution
Main advantages of NCTS

For the Trader

- Direct electronic data exchange with customs
- Less administrative workload
- Early discharge at Office of departure (release of guarantee)
- Reduced costs
Main advantages of NCTS

For the customs administrations

- Direct data exchange between administrations
- Better planning of human resources
- Elimination of fraudulent document manipulation
- Selective controls based on risk analysis
- Reduction in number of enquiry procedures
FUTURE DEVELOPMENTS
Future developments

- Work continues to prepare interested countries to join (Georgia, Ukraine, Albania, Moldova, Montenegro, Bosnia & Herzegovina)
- Update of NCTS to align with the Union Customs Code
- On-going improvement of the system
INFORMATION SOURCES
Information sources

- Europa TAXUD website
  http://ec.europa.eu/taxation_customs/common/about/welcome/index_en.htm
- EU Customs strategy:
- Customs transit
- Transit Movements Electronic Map
  http://ec.europa.eu/taxation_customs/dds2/tra/transit_emap.jsp
- EC DG TAXUD youtube channel
  https://www.youtube.com/channel/UChFPQ0GYmGjI2d251IvRTsg
Thank you for your kind attention