

# Customs Transit in the European Union

Community Transit

Common Transit

TIR

National Transit

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# Benefits of Customs Transit

- 'Free' movement of goods within the area, with the minimum of Customs formalities
- Duties, taxes and other charges suspended
- Member States and Customs procedures are the bricks of the Community
- Transit is the cement/mortar which holds them together

# Community Transit

- Council Regulation [EEC] 2913/92
  - [Arts. 91 - 97]
- Commission Regulation [EEC] 2454/93
  - [Arts 340a - 450]
- National legislation
- Establishment of the Single Market '93
- Removal of internal borders
- Applies to all Member States

# Common Transit

- EC/EFTA Convention on Common Transit [1987]
- Applies CT to the EFTA countries
- 'EFTA' now includes Visegrad countries
- EU enlargement in 2004

# The System

- Principal - responsible person
- Guarantee
- Standard Customs document [T form]
  - Single Administrative Document [SAD]
  - Convention on the Simplification of formalities in Trade in Goods !!!
- Customs control
- Examination
- Sealing

# The Principal

- ‘Holder’ of the procedure
- Provision of a Guarantee
- Responsible for production at destination
- Compliance with the ‘procedure’

# Guarantees

- Cash deposits
- Individual
- Flat Rate
- Comprehensive
- Exemptions

# Community/Common Transit Declarations [T forms]

- Completed by the Principal
- Based on the Single Administrative document [SAD]
- Multi-part set used for all Customs declarations



# Infrastructure

- Approved Customs Offices of Departure
- Approved Customs Offices of Destination
- Approved Customs Offices of Transit
- Central Community Transit offices
- Office of Guarantee

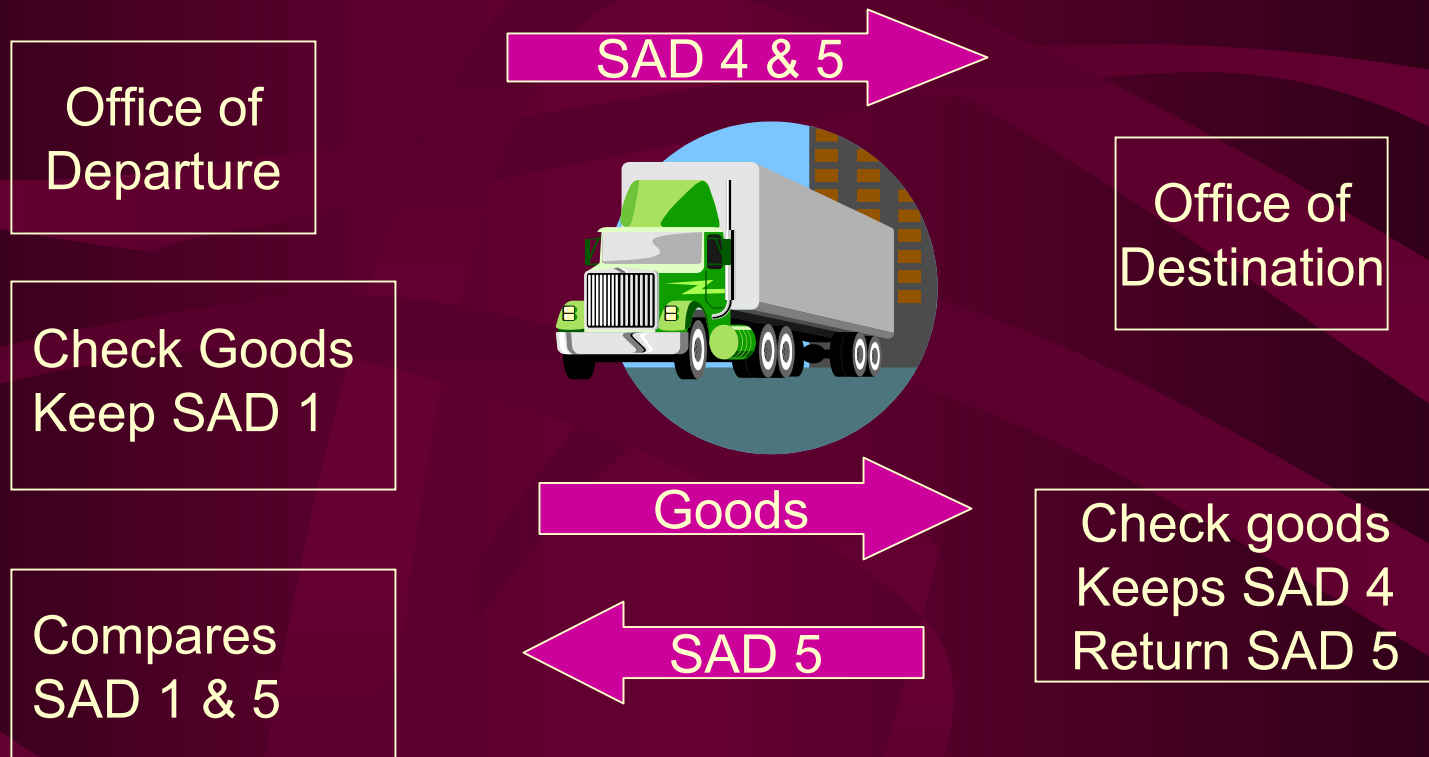
# Customs Controls [Departure]

- Production at Office of Departure
- Lodging of T form
- Examination
- Supporting Customs documents
- Sealing - optional
- Prescribed itinerary
- Application of Time limits

# Customs Controls [Destination]

- Production intact at approved Office of Destination with SAD
- Physical/documentary Examination
- Transfer to another Customs regime
- Extra Copy 5 endorsed
- SAD Copy 5 returned to Departure
- Procedure 'ends'

# Paper based System



# Limitations of the System

- Paper based system
- 20 million [approx.] transactions per year
- Documents lost
- Documents delayed
- Documents illegible
- Absence of internal borders
- Transports disappear
- False stamps
- Delay in discovery

# New Computerised Transit System - NCTS

- Replaces the paper based system
- Procedure remains basically the same
- EDI messages between Customs
- Involves traders submitting 'messages' ie Transit declarations by EDI to Customs

# NCTS Advantages

- More reliable information [internal/system checks]
- Real time information for control and detection purposes
- Benefits both Customs and trade
- Management of Guarantees

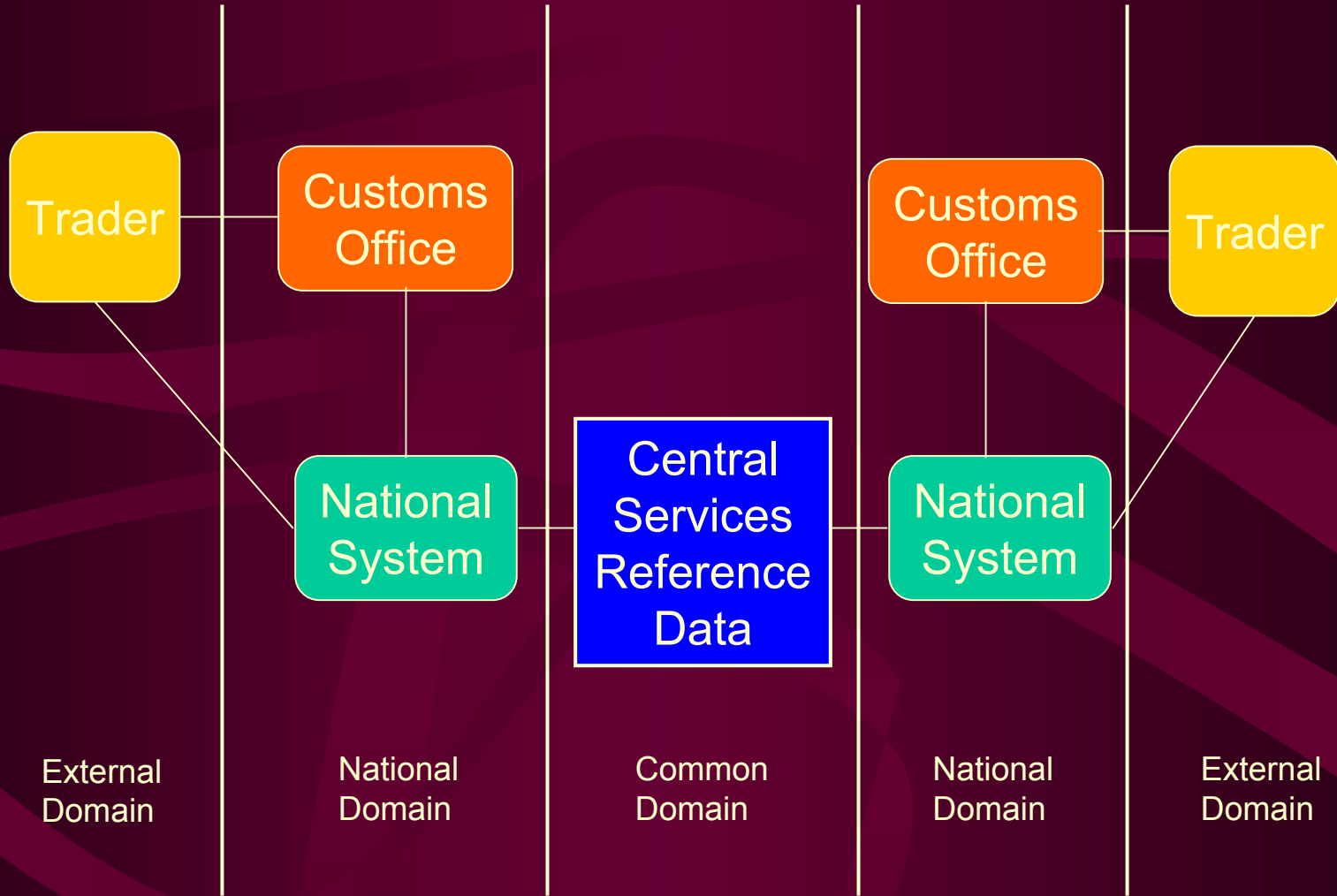




# NCTS Project

- EU/EFTA wide
- Distributed architecture
  - all players have specific domain
- Central project managed by DGTAXUD
  - Coordination of Administrations and Trade bodies
  - Establishment of Central Systems Reference data
  - Generation of Minimum Common Core [MCC]

# System Architecture



# Project Master Plan 1

- Phase 0
  - Feasibility Studies
  - Cost Benefit Analysis
- Phase 1
  - Functional Specifications
  - Technical specifications
- Phase 2
  - National environments
  - Test Applications
  - Minimum Common Core

# Project Master Plan 2

- Phase 3
  - Testing by volunteer countries September '99
  - Evaluation review
  - Progressive geographical roll-out
- Current situation
  - All countries connected from 1 July 2003
  - All offices to be connected by mid 2004

# Implications

- Paper-base transactions allowable until mid 2004
- Thereafter, entry to NCTS at external frontier unless
  - under an International Transit system
  - goods entered for consumption, duty payment etc.
  - goods entered to another Customs procedure with own movement arrangements