



**GEORGIA
REVENUE
SERVICE**

Tax and Customs Administration
SPS Border Control Agency

Accession of Georgia to the Conventions on Transit Area and Launching of the New Computerized Transit System (NCTS)

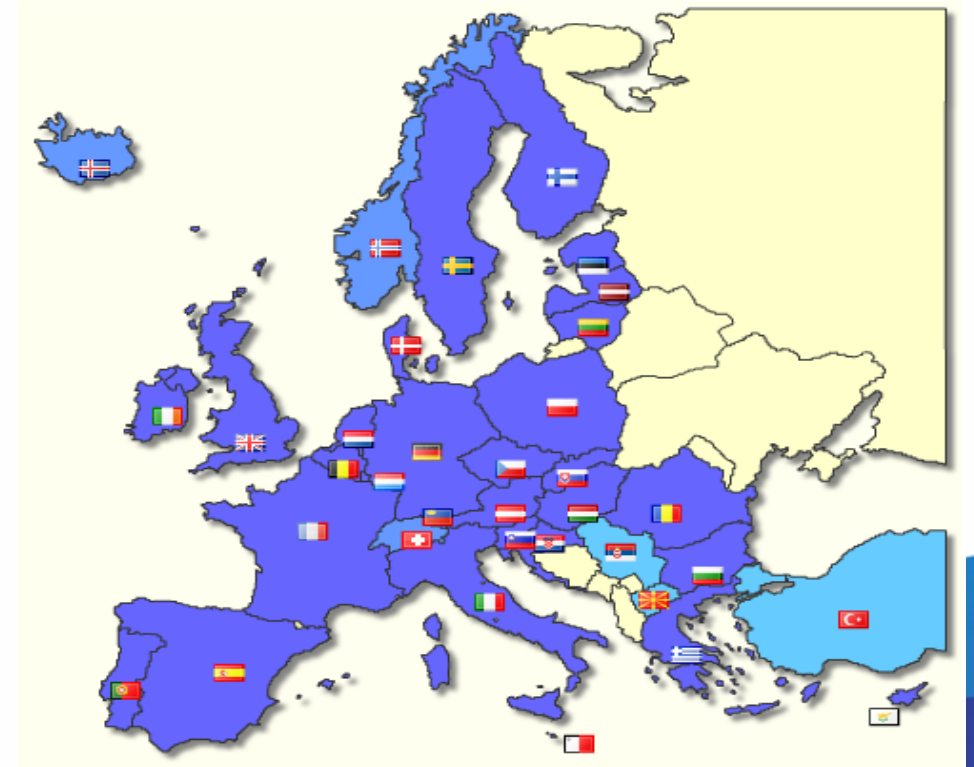
23 July
Batumi, Georgia 2019



Convention on a common transit procedure / SAD Convention:

- between the EU, EFTA countries (Iceland, Norway, Switzerland, Liechtenstein) and Non EU countries - former Yugoslav Republic of Macedonia, Serbia and Turkey (35 countries)

- *35 Countries (EU 28)*
- *10+ million movements per year**
- *30+ thousand movements per business day*





- 1968 The Community introduces 'Community transit'
- 1972 Separate transit agreements between the European Community and Austria and Switzerland
- 1987 Convention on a common transit procedure/SAD Convention between the European Community and all EFTA countries (Austria, Finland, Iceland, Norway, Sweden and Switzerland)
- 1996 Transit/SAD Conventions are extended to the Czech Republic, Hungary, Poland and the Slovak Republic
- 2004 Further "silent" extension took place when new Member States joined the EU such as in 2004 and 2007 and in 2013
- 2006 Romania joins
- 2012 Croatia (1 July) and Turkey (1 Dec.) join
- 2015 The former Yugoslav Republic of Macedonia acceded on 1 July
- 2016 Serbia (1 Feb)

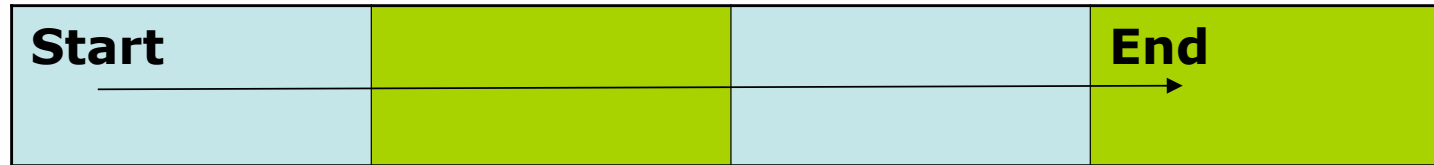


- For Customs
 - ✓ 'Real time' exchange of information (declaration, advance arrival information, guarantee check, etc.)
 - ✓ Customs authorities are linked electronically
 - ✓ More effective Customs control (risk analysis, guarantee, discharge)
 - ✓ Statistics
- For business
 - ✓ Fast administrative process
 - ✓ Faster release of guarantee
 - ✓ More information available (e.g. movement status info)
 - ✓ Faster discharge (less open movements and enquire

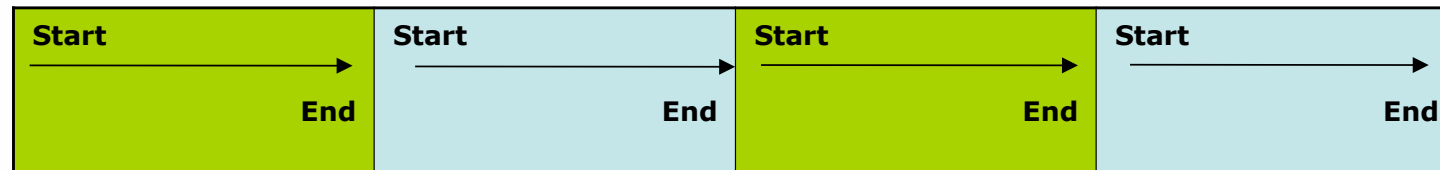
Note: NCTS is just a means to operate Common transit



One single procedure from start to finish



Compared to TIR movements which are a series of national transit procedures based on standardized rules of the TIR convention





- According to the decree №186 of DG of Georgia Revenue Service commission and working group were created for CTC.
- CTC and SAD translated into Georgian language (**updating**)
- Number of workshops, seminars and study visits.
- Under the Eastern Partnership – IBM Capacity Building project implemented by FRONTEX with assistance of IOM, three consecutive workshops on Common Transit Convention and New Computerised Transit System were held in Tbilisi (May 17 – 18, July 19 – 20 and September 27 – 28, 2017). On October 18 – 19, 2017 study visit was held in Belgrade (Serbia) to the Serbian Customs administration.
- Decision to integrate NCTS (Phase 5) into ASYCUDA **??????????????**



Twinning

- **Project title:** *Supporting the Accession of Georgia to the Conventions on Transit Area and Launching of the New Computerised Transit System (NCTS)*
- **MS partners:** The Consortium of Finland, Poland and Latvia
- **Beneficiary administration:** *Georgia Revenue Service, Ministry of Finance of Georgia*
- **Project duration:** *24 months*
- **Budget:** *1.5 M €*



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Components

❖ *Legal Framework;*

- GRS supported in development of relevant legal framework to be aligned with Common Transit Convention CTC and Single Administrative Document SAD as well as other interrelated EU legislation

❖ *Upgrade of Existing IT system;*

- Existing IT system of Georgia Revenue Service upgraded in order to meet New Computerized Transit System NCTS requirements

❖ *Strengthening of institutional and human capacity;*

- Institutional and human capacity of the GRS strengthened in relation to the application of the common transit procedure and the NCTS system and of the use of the procedure, including integrated system promoted to the target groups





Objectives and results

Overall Objective

- To facilitate Georgia's connectivity with existing EU customs systems in line with the provisions envisaged under AA/DCFTA

Specific objective

- To assist Customs Administration of Georgia in setting up the relevant legal, administrative and technical environment in support of Accession of Georgia to the Convention of 20 May 1987 on the Simplification of Formalities in Trade in Goods, the Convention of 20 May 1987 on a common transit procedure and preparing for the implementation of the New Computerised Transit System (NCTS)

Results:

- In total about 467 expert days completed out of approximately 725 expert days anticipated for the whole duration of the project
- Six month work plans
- Three Interim quarterly reports covering the period from 12.03.2018 – 31.03.2019



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- **Component 1**

- ✓ - General overview of current legislation including Draft of the New Customs Code of Georgia carried out, legal drawbacks analysed;
- ✓ - Legal Gap Analysis report prepared;
- ✓ - Issues concerning the establishment of guarantee system discussed;
- ✓ - Draft amendments to the DCCG have been drawn up. Drafting of the new provisions for the secondary legislation is ongoing and will be completed in the next Quarter;

- **Component 2**

- ✓ - Current state assessment completed;
- ✓ - Transit business processes identified;
- ✓ - Defining of the requirements of the future IT system has been commenced and should be finalized by the end of July 2019;

- **Component 3**

- ✓ - Analysis of administrative structure at all levels performed, recommendations developed; proposals for tasks and rules started;
- ✓ - List of stakeholders involved in the future Contact Group developed; Meeting with stakeholders organized;
- ✓ - ToR of the Contact Group prepared;
- ✓ - The Contact Group responsible for the prospective comprehensive functioning of the common transit procedure and NCTS has been created according to the order of the DG;



ASYCUDA and NCTS

- Asycuda as a product common for other countries is not as flexible as if it were owned by only our administration
- It is difficult to make some changes to the system because changes should be agreed with foreign partners
- The program itself is outdated from the functional point of view. It is a Windows application where software boxes/windows are static.
- The risk management system is split and requires work I to different systems: risks concerning physical persons and cars are processed in Oracle system (developed by GRS) and cargo risks – in Asycuda.
- Since writing of programs in Oracle forms is more convenient and our TAISS program is developing well, the custom program should be linked to the TAISS database easily.
- NCTS is not just one program, it is a complex system. Its proper functioning requires a lot of data verification and integrations with other programs.



ASYCUDA and NCTS

- NCTS Declaration should be completed by economic operators via website, so it is better to use web technologies when implementing the system, as some countries offer the possibility of filling of the transit declarations to the registered carrier in the country via web portal and to unregistered users on the site with a simple access without registration.
- For the functioning of NCTS, it is mandatory to have guarantee management system, which is not currently available. After its development the web-services with banks and insurance companies will be used and information will be received in TAISS as well.
- Experts recommendations
- Future plans on Customs management systems of GRS.



Thank you for your attention !