



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)



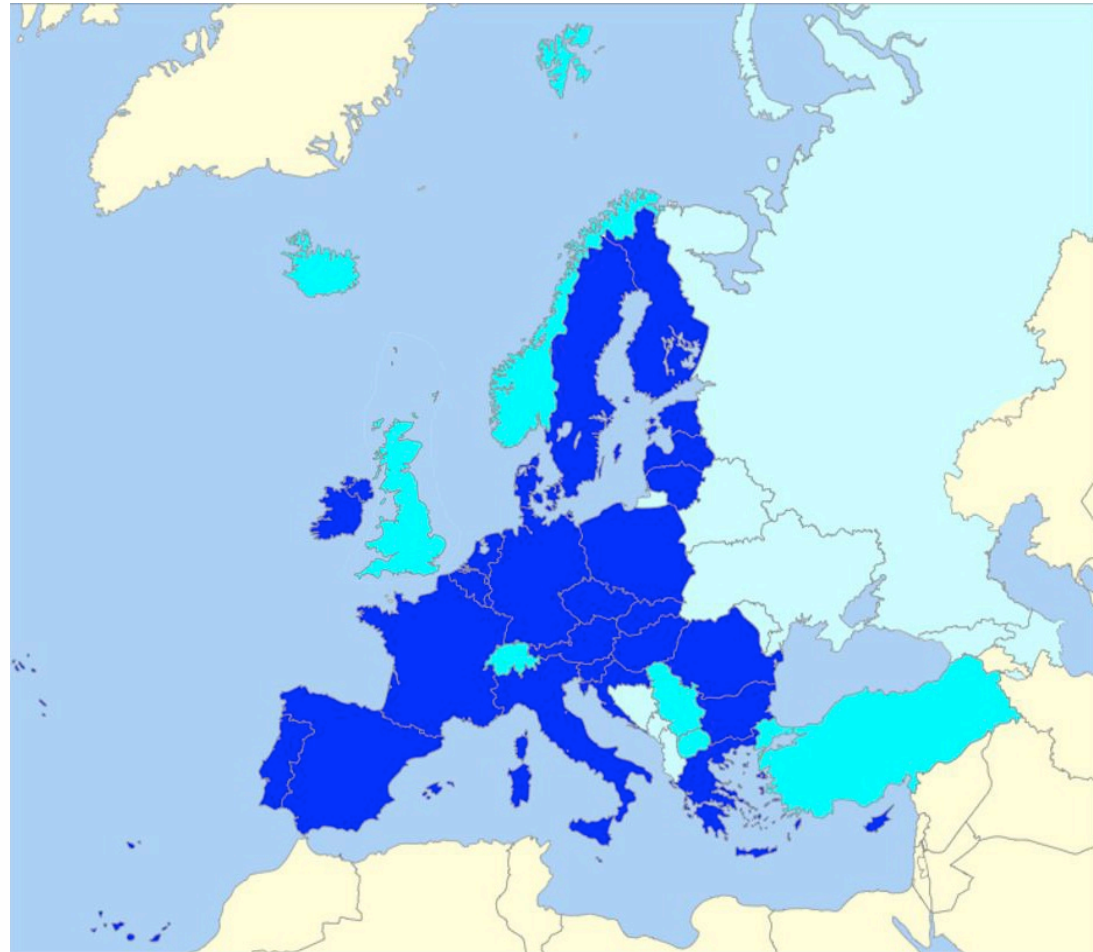
CTC/SAD Convention

- The EU – CTC Common transit procedure is used for movement of goods between 27 EU member states, the EFTA countries (Iceland, Norway, Liechtenstein and Switzerland), Turkiye, North Macedonia, Serbia, United Kingdom and Ukraine



CTC/SAD Convention

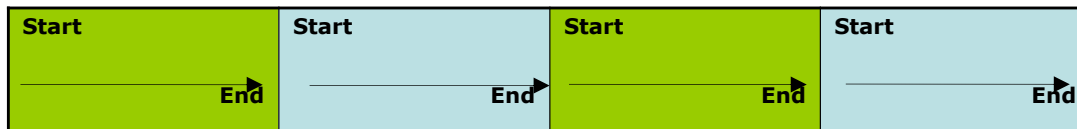
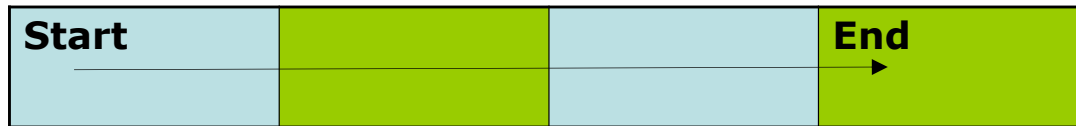
- *Convention of 20 May 1987 on the Simplification of Formalities in Trade in Goods and Convention of 20 May 1987 on a common transit procedure;*
- *New Computerized Transit System (NCTS);*
- *36 Countries (EU 27 + EFTA);*
- *Turkey; Macedonia; Serbia; United Kingdom, Ukraine.*
- *10+ million movements per year;*





NCTS benefits

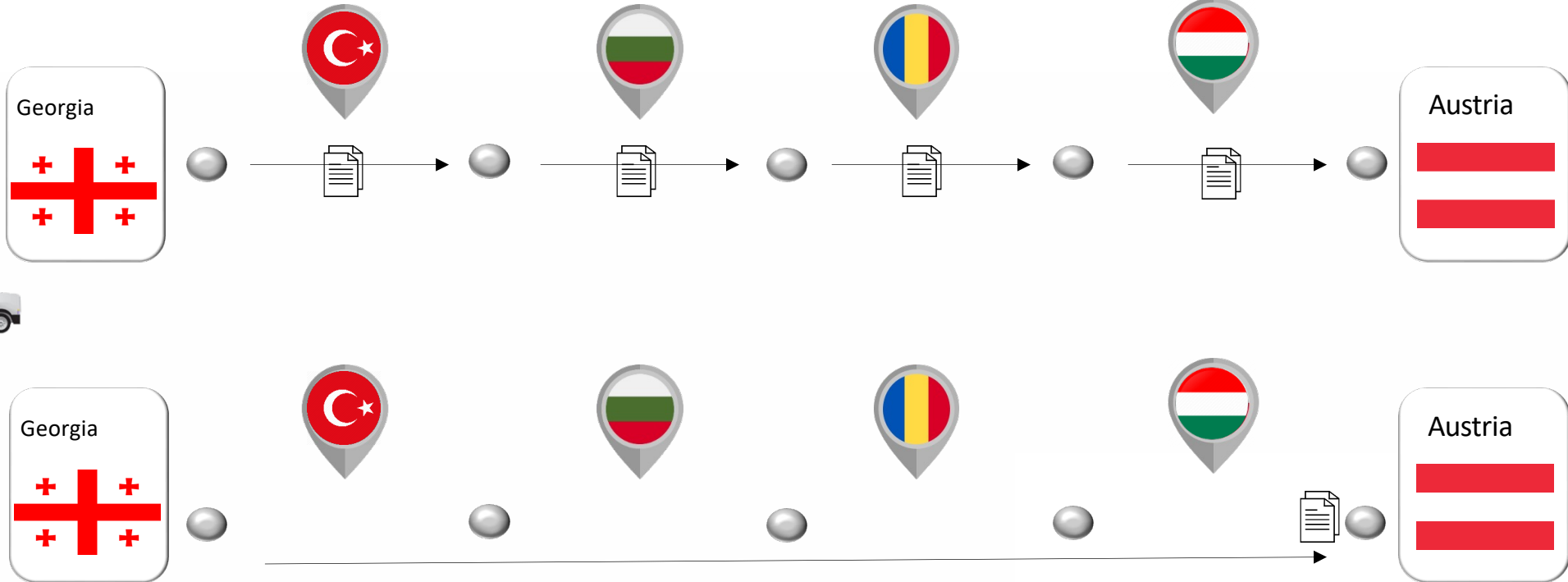
One single procedure from start to finish



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Common transit Procedure





Guarantees

- **Individual** guarantee:

- Covers a single operation
- By cash deposit, by guarantor or by voucher (€ 10.000)
- Covers the full amount of potential customs debt

- **Comprehensive** guarantee (simplification):

- Covers several operations
- Calculated as the potential debt of one week's operations (reference amount)
- Guarantee level 100% of potential debt or reduced to 50% or 30% or guarantee waiver (depending on meeting specific criteria)
- Guarantee furnished by guarantor (third party established in a Contracting Party)

- Remark: Practical experience has shown that the guarantor is extremely rarely asked to pay, as companies would like to keep their good rating with customs and banks.



NCTS Benefits

- *1 declaration and 1 guarantee;*
- *Declaration submitted electronically;*



- ***Simplifications:***

- *Comprehensive guarantee/waiver (100%; 50%; 30%)*
- *Authorisations (Authorised consignor/consignee)*
- *Seals of special type*





NCTS Benefits

- **For Customs**

- ✓ 'Real time' exchange of information
- ✓ Electronically linked customs authorities
- ✓ Effective Customs control
- ✓ Statistical information

- **For business**

- ✓ Fast administrative process
- ✓ Paperless environment
- ✓ Faster release of guarantee
- ✓ More information
- ✓ Faster discharge





Carried out activities

- Association agreement and preparatory period
- Working group and commission
- Conventions
- Experience sharing
- Twining Project
- Ongoing project (UNCTAD)





- **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 (2018 – 2020)*
- **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**

The development process of legal, regulatory framework in regards to the requirements of the conventions is completed. The recommendations for the legal amendments for primary and secondary legislation has been drafted and will be applied to legislation as soon as the operational environment will be in place. Project provided principles and techniques of approximation that will guide and orient GRS legal experts throughout the approximation process. GRS experts gained knowledge and capacity to perform all necessary approximation related tasks autonomously.

- **Component 2**

In order to establish technical capacities for data exchange with EU and current IT system of GRS and to adopt new business operations together with practices of data exchange, project provided the best practices and necessary know-how to BC representatives. Project deliver relevant capacity and knowledge that led working team to elaborate the document on national functional and non-functional requirements. This document represent the pillar for the follow up project related to procurement of the NCTS software financed by EU as well.

- **Component 3**

Strengthening of institutional and human capacities of GRS in relation of proper application of procedures, including promotion of the system to target groups, was performed. Creation of Contact Group is one of the important achievements of the project, The Contact group is responsible for the prospective comprehensive functioning of CTC/NCTS and is composed by members of different associations representing trade community of Georgia and other stakeholders.



Contact Group Members





Channels for external communication

EOs to Customs

- Hot line of GRS
- Hot line of Help desk (Customs)
- Phone numbers at CCZs
- Official e-mail of GRS
- E-Mail of Customs Department
- Official web-page of the GRS
- Official letters (paper based)
- Facebook



- **Follow up project – “Development and Implementation of New Computerized Transit System (NCTS) of Georgia Revenue Service” (2021 -2022) (extended with no costs).**

- The objective of the project is to develop independent national transit application based on NCTS Phase 5 requirements.

- The 24 month project with a budget of 1 million EUR



Important/Key!!!

- **Communication with DG TAXUD Transit team;**
- **NISRAP;**
- **Communication with private sector (including guarantors);**
- **CCN/CSI connectivity;**
- **Testing (Mode 1, Mode 2, Mode 3);**
- **Resources (human, Financial);**
- **Customs Programme 2027; (Finances)**
- **Further maintenance and assistance;**
- **Phase 6.**





Thank you for your
attention!