AUTOMATIC CUSTOMS TRANSIT TRANSPORT SYSTEMS IN OPERATION

(NCTS, ACTS, TIM)
WHY AUTOMATIC CUSTOMS TRANSIT TRANSPORT SYSTEMS?

BECAUSE IT IS A LARGE PART OF GLOBAL SUPPLY CHAIN
| EU New Computerized Transit System - NCTS | 1 |
| Customs Transit System for the ASEAN member states - ACTS | 2 |
| International Transit of Goods in Central America - TIM | 3 |
| eTIR Transit System | 3 |
| Electronic freight transport information in EU (eFTI) | 4 |
EU NEW COMPUTERISED TRANSIT SYSTEM - NCTS

NCTS provides a **fully computerized customs regime** for goods which enter into the Common Transit.

Goals:

- **strengthening and modernizing the means of customs control** in the context of the European Single Market and the associated countries (EFTA),
- **reducing the possibilities for fraudulent operation** inherent in the former paper-based
PROBLEMS WITH OLD TRANSIT SYSTEM IN EU

- manual, paper-based procedure;
- the information on transit was sent through fax.

**Operational problems**
- Manual handling of documents (20M SAD/Year);
- Incorrect transit declarations;
- The slowness of manual procedure;
- Inefficient customs controls
PROBLEMS WITH OLD TRANSIT SYSTEM IN EU

• manual, paper-based procedure;
• the information on transit was sent through fax.

• Fraud problems
  • Falsified guarantee certificates;
  • Goods not presented at destination & falsified copies (the result of control) returned;
  • Falsified stamps;
  • Falsified declarations;
EU OLD TRANSIT SYSTEM

Customs office of departure
- Declaration
- Guarantee
- Customs control

Customs office of destination
- Presentation (goods and documents)
- Customs control
- Result of control to off. of departure

Customs offices of transit
- Transit advice note
REQUIRED INSTRUMENTS TO SUPPORT THE NCTS

• The **legal base**, valid in the EU and in the EFTA countries;
• The **telecommunication network** between all the Customs administrations involved;
• The **Central Databases** to distribute the common information to all National Administrations and to test the national systems;
• A **set of information technology applications** to assist the national applications to join NCTS;
• A **Central Help Desk (CHD) and a Technical Centre (TC)** to monitor and to support the operation of the NCTS.
• Direct electronic data exchange with Customs – fully paperless Electronic transit declaration;
• Less administrative workload;
• Early discharge at the Office of Departure (release of guarantee);
• Minimum costs for traders;
• Direct data exchange between Customs administrations;
• Facilitations such as simplified procedures, modulation of guarantee, authorized consignor/consignee, etc.
• Better allocation of human and technical resources;
EU NEW COMPUTERISED TRANSIT SYSTEM - NCTS

- Elimination of fraudulent document manipulation;
- Selective controls based on risk analysis;
- Reduction in number of inquiry procedures;
- Clear description and identification of goods;
- Guarantee and Electronic guarantee management;
- Transport within the prescribed time limit.
A Centrally Developed Transit Application (CDTA) suite has been developed to support NCTS with 6 applications:

- Minimal Common Core (MCC) – application supporting the core transit business;
- GMS – Guarantee Management System;
- Transit Test Application (TTA) – Member States test application;
- Standard Transit Test Application (STTA) – EU test application;
- CS/RD – a repository of centralized data and global NCTS parameters;
- Central Services/Management Information System (CS/MIS);
- Statistics Management Analysis Reporting Tool (SMART) – a statistical reporting tool application.
## EU NEW COMPUTERISED TRANSIT SYSTEM - NCTS

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<thead>
<tr>
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<tr>
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Transit Accompanying Document (TAD) issued by the Customs Office of Export (Departure)

Closing transit procedure, at the Customs office of destination:
• confirm that the goods as described in TAD have been safely received, and the guarantee is released to the Principal.
• In other cases, the Principal becomes responsible
ACTS HIGH-LEVEL ARCHITECTURE
ASEAN ACTS LIVE OPERATIONS CO

- North-South ASEAN transport corridor pilot in Myanmar, Singapore and Thailand was successfully completed in March 2017;
- East-West ASEAN transport corridor pilot in Cambodia, Lao, Vietnam, Thailand is planned for November - December 2019;
- Launch of Live operations are planned in February-March 2020 in 6 ASEAN Member States: Cambodia, Lao, Myanmar, Singapore, Vietnam and Thailand; and
- Myanmar will join ACTS’ live operations by the end of 2020
ACTS RISK MANAGEMENT

ASEAN Customs Administrations can use their risk management systems (used for import and export) and **develop a risk profile based on transit** operator, the type of goods that are transiting, country of origin/export, transit route, etc.
ACTS GUARANTEES

- **Single Transit Operation Guarantee** - Covers a single transit operation, covering the full amount of duties, taxes and other charges for which the goods are liable.

- **Multiple Transit Operation Guarantee** - Covers several transit operations up to a given TAD reference amount, set to equal 100% of the total amount of duties and other charges that may be incurred for goods under the Principal’s transit operations over a period of at least one week. (For the pilot phase of ACTS, the MS are accepting only the guarantees issued by commercial banks.)
## ASEAN ACTS BEFORE AND AFTER

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<td>technical appendixes</td>
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ASEAN ACTS BENEFITS

• Access to the ASEAN Customs Transit System to all authorized traders in accordance with mutually agreed and pre-defined criteria, without discrimination;

• Electronic communication between traders and Customs authorities, as well as among Customs authorities of Member States for each step in the application of ASEAN Customs Transit procedure;
ASEAN ACTS BENEFITS

• Single regional Customs transit declaration;

• One transit guarantee valid for all ASEAN countries, provided by approved guarantors from the financial sector;

• Simplifications and exemptions from standard requirements for authorized compliant traders based on risk profiling.
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LATIN AMERICA TRANSIT SYSTEMS

1. International Transit of Goods (TIM) – Central America.
   (Mexico, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama)

2. Community Customs Transit (TAC) – Andean Community of Nations, TIM Andean System.
   (Bolivia, Colombia, Ecuador, Peru and Venezuela)

3. Partial Agreement on International Land Transport (ATIT) - ALADI.
   (Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay)

4. International Customs Transit Computerized System (SINTIA) – MERCOSUR.
   (Brazil, Bolivia, Chile, Colombia, Cuba, Ecuador; Mexico (observer), Peru, and Venezuela (suspended))
The TIM program is based on the EU NCTS and is the main Central America trade and transit facilitation system.

The TIM system is supporting the Customs, migration, sanitary/phytosanitary aspects of Customs control and border security initiative in place in Central America and Mexico sub-region.
INTERNATIONAL TRANSIT OF GOODS IN CENTRAL AMERICA - TIM

• TIM is a **computerized system** that uses a Unique Declaration defined for all countries and control bodies.

• **Objectives** of the TIM is to facilitate the border crossing of goods based on the implementation of measures of commercial facilitation and border control that allow:
  • Implicit reduction of time and cost in transits;
  • Ensure effective and efficient control of people and goods circulating through the region;
  • Greater competitiveness through the harmonization, optimization, and simplification of customs procedures;
  • Increases the revenue collection and above all, improve security by applying the risk management.
TIM PROCEDURE

SINGLE ELECTRONIC DECLARATION

SINGLE PROCEDURE

COMPUTERIZED PROCEDURE
TIM – CUSTOMS TRANSIT OPERATIONS PROCESS

1. Trader/forwarding agent lodge the single transit declaration (STD) in TIM.
2. The information from the STD is hosted on a TIM regional platform.
3. TIM sends the information to all relevant authorities in the transit and to the country of destination.
4. The information is forwarded to the three relevant authorities of the country of origin: Customs, Immigration and OGAs.
5. Once the single transit declaration has been approved by the country of origin, the transporter receives a copy of the STD with a code bar.
6. Customs authorizes the transporter to start the transit procedure.
7. Transit country one (scan the SCD) and confirm the transit in the TIM system.
8. Transit country n (scan the SCD) and confirm the transit in the TIM system.
9. In the country of destination, transit procedure ends.
# TIM – BEFORE AND AFTER

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<td><strong>TIM System</strong></td>
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<td><strong>Framework Convention on Customs Union</strong></td>
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TIM BENEFITS

• Central America regional platform, used for the management of Single Transit Declaration (STD)

• Exchange of messages on the regional centralized information repository - TIM system

• Mandatory and additional documents required for transit are scanned and attached to the STD

• Streamlining of CTR procedures has reduced the time required to submit the documents and speed up the Customs control;
TIM BENEFITS

• Consignment delivery costs and general trade costs have fallen considerably

• Use of national CDPS for management of risks in transit;

• STD exchange of information with all OGAs in each country;

• Using common customs seals in line with the WCO RKC recommendations

• Transit process can be monitored by CAs, traders and transport companies (traffic, electronic notifications, and traceability);

• Automatic interaction with regulatory agencies for approval of transit.
COMMON BENEFITS OF NCTS, ACTS, AND TIM

• **Speed up the procedures** applied at all Customs offices involved in transit operations;

• Connected with the **control of single transit customs declaration**, the adequacy, and quality of guarantee, enclosed documents, and goods;

• **Eliminate barriers** between customs brokers and Customs authorities;

• **Reduce carriers’ expenses** resulting from delays, and repeated inspection of the cargo at each national frontier;
COMMON BENEFITS OF NCTS, ACTS, AND TIM

- **Imposition of national security requirements** (guarantee, bond, a deposit of duty, etc.);
- **Reduce the customs requirements** deriving from national transit procedures;
- Provide **simplification for customs authorities** - single transit document, which reduces the risk of presenting inaccurate information – or data discrepancies- to different Customs administrations.
KEY FEATURES/REQUIREMENTS OF NCTS, ACTS, AND TIM

• **Paperless** based system that ensure **higher data accuracy**.
• Use of **single standardized transit document**
• Use of **centralized data** and statistical reporting tool application
• **Pre-arrival information** and tracking possibility - online monitoring of the transport
• Direct information exchange between CA - CA, CA – OGAs, CA – EO and OGAs - EO
• Use of **low enforcement (risk management, intelligence)** to focus on high-risk consignments
• **Guarantee management**
• **Single Window** integration/interconnectivity
SUCCESS FACTORS AND BEST PRACTICES

**ACTS**
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- Djuhg#Dgp qmvul#Dvvlvdgfh#h#DVHDQ # Vv
- Vshhg#ks#kh#urdqvl#surfhgxuh
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- Hiilfhqw#fxwv##frqvard#dvhg#q#kn#l#dqdjh#hp hqw
EU New Computerized Transit System - NCTS

Customs Transit System for the ASEAN member states - ACTS

International Transit of Goods in Central America - TIM

eTIR Transit System

Electronic freight transport information in EU (eFTI)
5 MAIN PILLARS ON TIR TRANSIT SYSTEM

1. Approved means of transports - certificate, plate, customs seal
2. Internationally valid guarantees provided by TIR Carnet - recommended maximum of 50,000 USD for normal carnets and 200,000 USD for excise goods (tobacco, alcohol, etc.);
3. The goods are accompanied by the TIR carnet, which provides proof of the existence of the guarantee and serves as the customs transit declaration in the countries of departure, transit, and destination
4. The countries of transit and destination accept customs control measures taken in the country of departure - generally will not be part of examination at customs offices in transit.
5. Require minimum conditions and requirements and must be authorized by the competent authorities, in many cases CAs.
ELECTRONIC TIR (eTIR)

- In 2003, the contracting parties to the TIR convention launched electronic TIR (eTIR) Project

- **Goal of eTIR** is to ensure a secure system of exchange of data between CAs related to the international transit of goods, allowing them to manage the data on guarantees, the availability of advance cargo information for risk management purpose

- The systems connect all TIR actors electronically and at the same time, enhance the TIR security for CAs, traders, transport companies, and TIR national associations.
3 LAYERS OF TIR DIGITALIZATION

- TIR carnets can be submitted electronically to CAs in different countries
- Authorized TIR carnets holder and that the TIR carnets is valid
- Risk analysis on the pre-arrival basis

- Database of terminated TIR Carnets
- Risk management tool - early detection of possible fraud
- Information in real-time to TIR country associations - guarantee chain on termination of the TIR movement

- Used by TIR national associations to manage the TIR Carnets from ordering to the point when the unused are returned
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ELECTRONIC FREIGHT TRANSPORT INFORMATION IN EU (EFTI)

• >99% of freight transport operations within the EU still use paper documents

• >380 million hours in total spent processing paper-based transport information (total EU, 2018 estimate)
ELECTRONIC FREIGHT TRANSPORT INFORMATION IN EU (EFTI)

• In May 2018, the European Union (EU) adopted a proposal for a new regulation called *Freight Information proposal for the digitalization of electronic freight transport information*

• development of *electronic freight transport information platform* (eFTI) that will need to comprise a provision framework for a service including:
  • common data set,
  • procedures to process the information,
  • access rules,
  • requirements for the platforms and services
  • certification system
OBJECTIVES OF ELECTRONIC FREIGHT TRANSPORT INFORMATION IN EU (EFTI)

• Promote use of digital technologies for business-to-authority information exchange related to the transport of goods within the EU - higher efficiency of the transport sector

• Acceptance by public authorities of freight transport information made available electronically

• Interoperability of the IT systems and solutions used
WHY eTFI IS IMPORTANT?

DRIVERS

- Multiple and non-interoperable systems for electronic documents/information exchange
- Multiple legal requirements/fragmented legal framework (at international, EU and national levels)

PROBLEMS

- Level of acceptance of electronic documents/information
  - Enforcement authorities and courts
  - Banks and insurance companies
  - Carriers, shippers, forwarders

CONSEQUENCE

- Large majority of freight transport operations within EU involve the use of paper documents

MARKET IMPACT

- Costs and inefficiencies for the market players
- Barriers to Single Market
- Barriers to multimodality

Different administrative practices between MS authorities concerning the acceptance of electronic documents/information
EFTI CONCEPT ARCHITECTURE
EFTI INFORMATION FLOW BETWEEN DIFFERENT STAKEHOLDERS

1. Service Providers
2. Certified eFTI Platforms (Art. 8)
3. eFTI service provider
4. Economic operators with their own ICT system
5. Harmonised access procedures, rules, and technical specifications (Art. 7b)
6. Common Data (Art. 7a)
7. 
8. 

The diagram illustrates the flow of information between different stakeholders in the EFTI context, highlighting the importance of harmonised access procedures and the role of certified platforms and service providers in ensuring data integrity and security.
BENEFITS OF ELECTRONIC FREIGHT TRANSPORT INFORMATION IN EU (EFTI)

- EUR 20-27 billion in **administrative cost savings for operators** (total, over 2018-2040)
- EUR 75-102 million equivalent of **work hours saved on administration** (yearly)
- >1,300 tones **CO2 emissions savings** (total, over 2018-2040)
- 180 – 900 thousand **trees saved equivalent of paper sheets** saved (yearly)
- **Better law enforcement** (risk analysis-based checks) and policy making (better statistics)
COSTS OF ELECTRONIC FREIGHT TRANSPORT INFORMATION IN EU (EFTI)

• EUR 268 million for public authorities (total, over 2018-2040)

• EUR 4.4 billion for the economic operators (over 2018-2040)
Thank You For Your Attention