

Sixth International Seminar of Trade Facilitation and Logistics

Convention on a Common Transit Procedure: an important step towards the simplification of customs procedures for Ukrainian trade.

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History of the Community transit system

1968 European Community presents its transit system

1972 Special transit agreement signed between the EU and Austria and Switzerland

1987 The Convention concerning the common transit procedure / Document EAD/ between the EU and EFTA countries (Austria, Finland, Iceland, Norway, Sweden and Switzerland) is adopted

1996 Convention applies to the Czech Republic, Hungary, Republic of Poland, the Slovak Republic

2004 Smooth extension of the scope of the Convention in connection with the further expansion of the EU membership, followed by the same in 2007 and 2013

2006 Accession of Romania

2012 Croatia (from July 1) and Turkey (December 1) are parties to the Convention

The former Yugoslav Republic of Macedonia becomes a party to the Convention (July 1)

2016 Serbia (1 February)

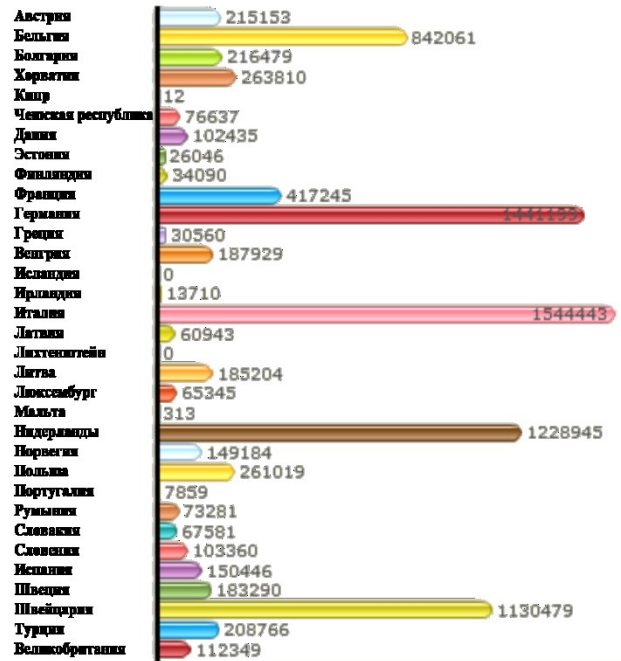


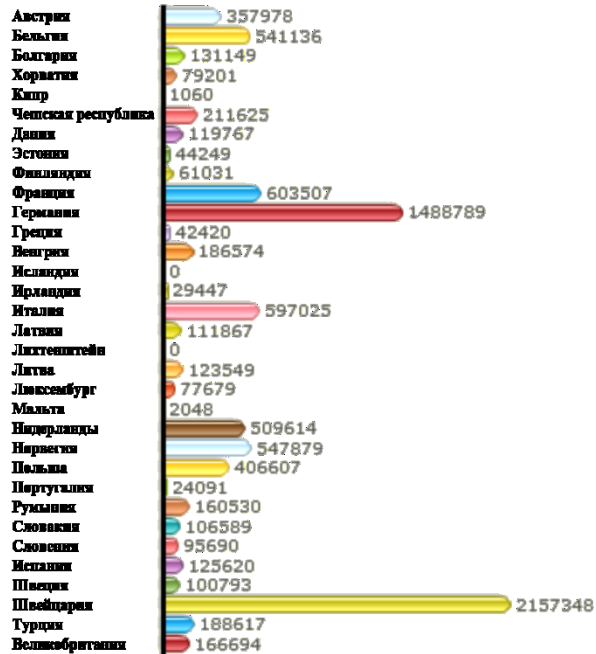
Today's geographical coverage

The Convention on a common transit procedure / Convention EAD operates today between EU countries, Iceland, Norway, Switzerland, Liechtenstein, Turkey, the former Yugoslav Republic of Macedonia, Serbia and is represented by 35 countries

EU customs transit system covers the customs territory of the EU countries (28 members), as well as Andorra and San Marino, which are part of the Customs Union with the EU

Note: in the EU Convention serves as a community customs transit system





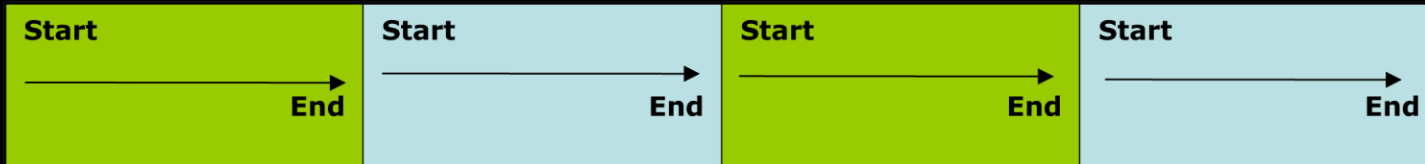
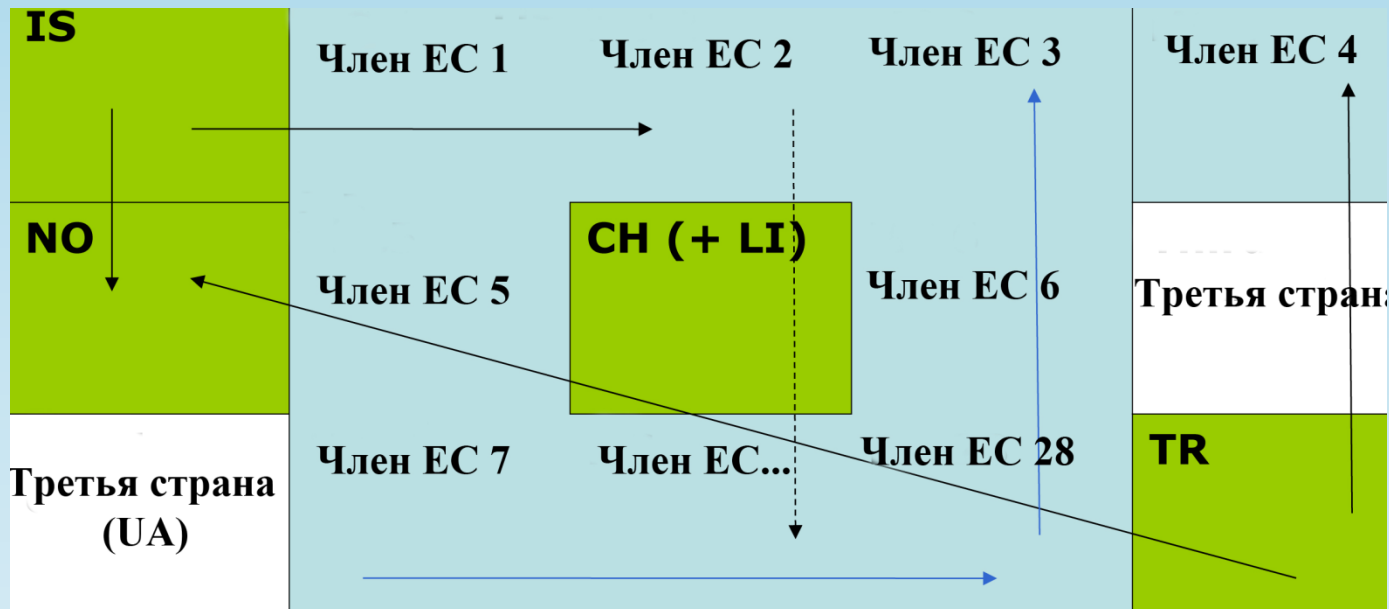




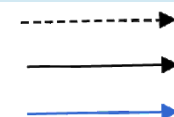
Схема движение товаров в ЕС и с помощью общей транзитной процедуры



Товары ЕС в свободном обращении (общая транзитная процедура T) ----->

Товары не ЕС (общая транзитная процедура T1) —————>

Товары не ЕС (внешний общий транзит) —————>





NCTS: the principles and benefits

For the customs authorities:

- exchange of information in the real time (transit declaration, the process of informing about the arrival, check guarantee, etc.)
- the connection between the customs authorities is carried out electronically
- more efficient performance of customs control (risk analysis, the guarantee of delivery, quick release of goods for free circulation)

For exporters and importers:

- acceleration of customs and administrative procedures
- prompt receipt and use of guarantees
- a large array of available information (eg, information on the status of movement of goods)
- quick release of goods for free circulation (fewer requests and transparency of information on the movement of goods)

Note: the NCTS is a control tool for common transit procedure



NCTS Structure





Types of guarantees used in the NCTS

Individual guarantee, which covers a transit operation

- cash deposit, a guarantor or co-signer vouchers (worth € 7000)
- covers the full amount of the possible customs debt

Comprehensive warranty (simplified), covers a multitude of transit operations

calculated as the sum of the potential customs debt in one week on the basis of the declared number of transit operations

covers 100% of the customs debt, has been reduced by 50% or 30% or cancellation of guarantees (subject to compliance with the established criteria for the guarantor)

Note: In the context of its use guarantee amount is shown and controlled by a special module in the NCTS system



Procedures for the exchange of information, requests and refund of customs duty in NCTS

- definition of taking guarantees, identification of the person responsible for customs duty, and the person responsible for its payment
- fast electronic data exchange procedure, based on the transmission of messages through the NCTS (between the customs office of departure and arrival or importer / exporter)
- request procedure in case of non-delivery of goods shall be initiated no later than one week from the specified date of arrival at destination
- procedure for reimbursement of customs debt should be started no later than seven months from the established date of arrival at destination (accelerated procedure, if the parties do not have information on a place of arrival or it is not complete)



Security measures in the EU transit system

- **prior electronic declaration of cargo for import and export from EU**
- **the data requirements set out in Annex 30A of the EC Regulation 2554/93**
- **time limits correspond to the requirements set forth by WTO Security Standard**
- **benefits for authorized economic operators**
- **automated risk management system**
- **declaration is compatible with the transit declaration in NCTS**



The preliminary electronic declaration corresponds to the transit declaration NCTS





Accession to the Convention

- the new country should be invited by the Joint Commission of the EU / EFTA
- entry procedure is described in Articles 15.5 and 15a of the Convention on a common transit procedure, and Articles 11.5 and 11a of the Convention on the simplification of trade (about EAD document)
- The Communication from Commission to the European Parliament and Council (document COM (2001) 289 of 31.5.2001), which regulates the basic requirements that apply to some neighboring countries aspiring to join the EU regarding the participation in the Convention
- The Communication from Commission to the Parliament and Council (document COM (2010) 668 From 18.11.2010) governing the preparation strategy of some countries to accede to the Convention



Convention expansion in the new countries

The Communication from Commission to the Parliament and Council (document COM (2010) 668 From 18.11.2010). Strategy to prepare certain neighbouring countries for accession to the Convention

- Confirms the necessary conditions for accession to the Convention**
- Covers the countries-candidates and potential candidates for EU membership, as well as Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Georgia, Moldova, Russia and Ukraine**
- Belarus, Bosnia and Herzegovina, Georgia, Moldova, Russia and Ukraine have Observer status in the Convention**

Council Decision concerning the strategy to prepare certain neighboring countries for accession to the Convention is governed by a document 6800/2/11 of 28.03.2011



General conditions for accession

- The ability to implement the general rights and obligations (acquis) of the EU
- The ability to fulfill the requirements of EU legislation on this matter
- local executive agencies on-site
- introduction of New Computer Transit System (NCTS)