From NCTS 4 to NCTS 5

SGS MACO CUSTOMS SERVICE NETHERLANDS B.V.

SGS   maco Customs Service

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1. Introduction

The New Computerized Transit System (NCTS) is the customs application used for preparing documents for customs transit. This application will be replaced by the Customs Transport Application starting from October 29, 2024, also known as NCTS Phase 5.

The transition to NCTS 5 means that a new application will be used, which complies with European legislation under the Union Customs Code (UCC). This leads to changes for companies that use the customs transit process and suppliers of customs software.

The 'transport' process itself does not fundamentally change. Existing permits for Authorized Consignor (TA) and Authorized Consignee (TG) remain valid and unchanged.

2. Customs transport

Customs transport is a customs procedure that can be used to transport goods across borders or areas without paying the duties that are normally due when goods enter or leave the territory. Only one customs formality is required when leaving the area covered by the procedure.

There are three types of customs transport:
1. Internal customs transport (T2)
2. External customs transport (T1)
3. External customs transport (TIR)

The terms 'external' and 'internal' do not relate to the area within which the goods are transported but to the customs status of the goods. External customs transport involves the transport of non-Union goods, while internal customs transport involves the transport of Union goods.

When goods enter the European Union, import duties, VAT, and other charges generally need to be paid. This also applies when the goods are only being transported through the European Union on their way to another member state or a country outside the EU.

3. Changes

Although the basic process itself will not change, there will be some differences in customs transport declarations. The changes mainly concern the message structure and the requirement to include more information in declarations.

3.1 MESSAGE STRUCTURE

In NCTS 5, the structure of the declaration changes. Currently, a customs transport declaration consists of two layers:
1. Declaration level
2. Article level

In NCTS 5, the article level includes additional layers. The required information is thus more detailed and is broken down into four layers:
1. Envelope
2. Declaration level
3. House shipment
4. Article of the house shipment

These four layers together form the customs transport declaration.

3.1.1 ENVELOPE

The envelope is a collection of data from the other layers. The envelope does not need to be actively filled out in the declaration, as this data comes from the other layers of the declaration.

3.1.2 DECLARATION LEVEL

The declaration level, also known as the "master shipment," contains generic, general information about the transport agreement. This means that the information provided at the declaration level applies to all articles in the declaration. The declaration level includes information such as:

- Location of the goods
- Permit numbers
- Involved parties

3.1.3 HOUSE SHIPMENT

The house shipment is new in NCTS 5. This results from the new legislation requiring more information about involved parties and other actors in the supply chain. Examples of such parties include:
- A forwarder
- A common carrier who does not operate vessels or aircraft
- An agent
- A postal provider

In the current NCTS, only data from carriers is required if it is a safety document (TSAD). In NCTS 5, it is always mandatory to include all carriers in the declaration in the case of multimodal transport.

During the transition period, which ends on January 21, 2025, it is not allowed to submit declarations with more than one house shipment. After the transition period, this restriction will be lifted. It is important to contact your software provider to see if this feature is supported in your declaration software.

3.1.4 ARTICLE OF THE HOUSE SHIPMENT

In this layer of the declaration, the details of the goods are provided. This includes information such as:
- Description of the goods
- Packaging
- Weights
- Commodity codes

In the current version of NCTS, providing the commodity code was only mandatory in certain cases, such as for the transport of excise goods or medicines. Additionally, the commodity code had to be provided when the declaration for export or re-export was made simultaneously with the customs transport declaration, or when Union legislation required it. In NCTS 5, it will always be mandatory to provide a GS code (6-digit commodity code).

Providing the GS code is already mandatory in the entry declaration, meaning that the GS code can be carried over from the declaration for temporary storage (ATO). This means that the declarant of the customs transport declaration does not have to determine the commodity code when the transport is from the port to a storage location. However, this does not apply to goods sent from a customs warehouse.

3.2 TRANSPORT DATA

In NCTS 5, there are still mandatory and optional fields. Which fields are mandatory and optional differs in some cases from NCTS. This is especially noticeable when providing transport data.

3.2.1 CONTAINER TRANSPORT

In the case of transport of goods loaded in containers, it is no longer necessary in NCTS 5 to also provide the license plate number or the name and nationality of the transport vehicle in addition to the container number. This means that in multimodal container transport, it is no longer necessary to notify customs at the time of transshipment onto the new transport vehicle.

When the goods are not transported by container, this information is still required. When goods are not loaded in a container and are transshipped onto another transport vehicle, this still counts as an incident. In this case, permission must be requested from customs.

3.2.2 SEALING

In NCTS 5, the main rule remains that every transport vehicle must be sealed during customs transport. As in NCTS, exceptions can only be made when the description of the goods is sufficient to establish the identity of the goods. Providing a commodity code (even more than 6 digits) is not sufficient for this purpose.

3.3 CUSTOMS OFFICE OF INCIDENT (REGISTRATION)

When an incident occurs during transport, it must be reported to the customs office closest to the location of the incident. This customs office is referred to as the office of incident.

Examples of incidents include the transshipment of goods not loaded in a container onto a new transport vehicle or the breaking of a seal.

When an incident occurs, the shipment must be physically presented as soon as possible at the office of incident. The office of incident will record the incident in NCTS 5. The declarant will then receive a notification about this addition to the declaration. This procedure replaces the procedure in NCTS, where customs would stamp the transport document.

3.4 CUSTOMS OFFICE OF EXIT FOR CUSTOMS TRANSPORT

The customs office of exit for customs transport oversees the safety data in the declaration of goods leaving the safety zone. The safety zone consists of:

- The European Union
- Switzerland
- Norway

When goods leave the safety zone, data is exchanged between the customs transport application NCTS 5 and the export application AES. It is necessary to provide safety data in this case.

This can be done by including safety data in the transport document (combined declaration) or by submitting an exit summary declaration (EXS) when leaving the safety zone, with this data filled in.

3.5 OTHER CHANGES

In NCTS, there were two models of the accompanying document and the list of articles: a version with and a version without safety data. In NCTS 5, there will be only one new model.

In NCTS, it was also always mandatory for the shipment to be accompanied by a printed version of the accompanying document. In the new situation, this is no longer mandatory. However, it is required that the document number (MRN) or the barcode of the declaration can be shown at any time so that customs can retrieve the document's data.

Finally, the abbreviation MRN no longer stands for "Movement Reference Number" but for "Master Reference Number."

4. Questions?

If you have any questions or would like to follow a training session on this subject, our consultants are happy to assist you.

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When you need to be sure

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