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Working document

CUSTOMS CODE COMMITTEE – CUSTOMS STATUS AND TRANSIT SECTION

Information note on UCC, IA, DA and TDA changes concerning transit and status

Please find an information note on the above subject.
This information note will be made public via the TAXUD website.

Legal basis:

- Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (UCC);

- Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code (DA);

- Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementation certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code (IA);

- Commission Delegated Regulation (EU) 2016/341 of 17 December 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards transitional rules for certain provisions of the Union Customs Code where the relevant electronic systems are not yet operational and amending Delegated Regulation (EU) 2015/2446(TDA).

TRANSIT-main modifications

I) UNION TRANSIT PROCEDURE¹

Introductory remark: Until the NCTS update (foreseen for October 2019) the transitional provisions apply, which in many cases allow for the continuation of the well-known Community transit procedure. Therefore, most formalities for customs transit at the customs offices of departure, transit and destination and at the premises of an authorised consignor/consignee remain unchanged.

1. The basic processes **at the customs office of departure** remain unchanged. Below there are the most important issues and main modifications:
 - 1.1. The current **data requirements** for a transit declaration continue to apply (*Appendix C2, Annex 9, TDA*).
 - 1.2. The **Transit Accompanying Document/Transit Security Accompanying Document** (TAD/TSAD) remains mandatory according to Article 184(2) DA (as amended by the TDA) and needs to be printed either by the customs office of departure or by the declarant (including by the authorised consignor). It may be supplemented, where appropriate, by a List of Items/Transit/Security List of Items. The models remain unchanged (*Appendix F1, F2, G1 and G2, Annex 9, TDA*).
 - 1.3. The **list of sensitive goods** has been deleted. It is not obligatory to enter a commodity code as part of the transit data, except where the transit declaration is made by the same person at the same time or, following a

¹ The changes apply similarly to common transit operations in NCTS

customs declaration which includes a commodity code (*Annex 9, Appendix C1, TDA*).

- 1.4. **Customs seals** or alternative identification measures for the goods are mandatory. Customs seals have to fulfil certain essential and technical criteria, specified in Article 301 IA. Nevertheless the seals currently used may continue to be used until stocks run out or until 1 May 2019, whichever is the earlier (*Article 255 DA*).
- 1.5. A **binding itinerary** may be prescribed by the customs office of departure where that customs office or the holder of the procedure considers it necessary for all kinds of goods (*Article 298 IA*).
2. In a case of **incidents during the movement of goods**, the relevant entries have to be made by a carrier on the TAD/TSAD. The goods and the TAD/TSAD shall be presented at the nearest customs authority of the country in whose territory the means of transport is located (*Article 305 IA*).

The goods and the TAD do not need to be presented in the following cases:

- goods are transferred from a means of transport that is not sealed;
- one or more carriages or wagons are withdrawn from a set of coupled railway carriages or wagons due to technical problems;
- the tractor unit of a road vehicle is changed without its trailer or semi-trailer being changed

under the condition that the holder of the procedure or the carrier informs the nearest customs authority of country in whose territory the means of transport is located about such incident.

3. The processes at **the customs office of transit** remain unchanged.
4. The processes **at the customs office of destination** remain unchanged.
5. **Transit simplifications:**

5.1. Types of transit simplifications

5.1.1. The following simplifications apply as of 1 May 2016 (*Article 233(4)(a),(b) and (c) UCC*) and can be regarded as a continuation of existing practice:

- 5.1.1.1. authorised consignor;
- 5.1.1.2. authorised consignee;
- 5.1.1.3. the use of the seals of a special type.

5.1.2. The following **transit simplifications** will apply in accordance with *Article 233(4)(d) and (e) UCC* as follows:

- 5.1.2.1. the use of a transit declaration with reduced data requirements at the later stage (NCTS update needed);

- 5.1.2.2. the use of an electronic transport document as a transit declaration (applicable at the latest from 1 May 2018)
- 5.1.3. The following simplification continues to be used in the transitional period (*Article 24 TDA*):
 - 5.1.3.1. the paper-based Union transit procedure for goods carried by rail, air and sea as a continuation of the simplified procedure for goods carried by rail and the simplified procedure for goods carried by air and sea - level 1 (until the NCTS update *foreseen for October 2019*);
 - 5.1.3.2. the Union transit procedure based on an electronic manifest for goods carried by air and sea as a continuation of the simplified procedure for goods carried by air and sea - level 2 (until 1 May 2018).
- 5.1.4. The following transit simplifications have been deleted:
 - 5.1.4.1. exemption from the requirement to use a prescribed itinerary;
 - 5.1.4.2. national transit simplifications (with the exception for the use of other paper-based Union transit procedures for goods carried by rail according to Article 45 TDA).
- 5.2. **Authorised consignor** - the processes remain unchanged.
- 5.3. **Authorised consignee** - the core processes remain unchanged. The new requirement is that the premises where the authorised consignee wishes to receive goods has to have the status as a temporary storage facility (for which a separate authorisation is needed) or has to be a place approved by the customs authorities for temporary storage (for the storage of goods for a period of less than 24 hours). In addition, a guarantee for temporary storage has to be lodged (*Articles 144, 147 and 148 UCC, Article 115 DA*).
- 5.4. The use of the **seals of a special type**: the seals have to fulfil certain essential and technical criteria, specified in Articles 301 and 317 IA. These criteria include international standards, i.e. the ISO standard 17712. The special seals used currently may continue to be used until stocks run out or until 1 May 2019, whichever is the earlier (*Article 255 DA*).
- 5.5. The conditions for granting the authorisations have been aligned to the AEO requirements.
- 5.6. The data of applications and authorisations are contained in Annex A-DA.
- 5.7. The authorisations referred to in point 5.1.1, granted on the basis of Regulation (EEC) No 2454/93 which are valid on 1 May 2016 shall

remain valid as follows in accordance with Article 251(1) DA and Article 345(1) IA):

- 5.7.1. for authorisations having a limited period of validity, until the end of that period or until 1 May 2019, whichever is the earlier;
- 5.7.2. for all other authorisations, until the authorisations are reassessed (at the latest by 30 April 2019);
- 5.7.3. for authorisations referred to in point 5.1.3.1, reassessment of criteria according to TDA shall take place at the latest in 2019.

6. **Guarantees**

- 6.1. For the **individual guarantee** in form of a guarantor's undertaking the process remains unchanged. The only modification is the new model of the guarantor's undertaking set out in Annex 32-01 IA.
- 6.2. The individual guarantee in the form of a voucher: – the basic process remains unchanged, whereby the following modifications have been made:
 - 6.2.1. the new model of the guarantor's undertaking is set out in Annex 32-02 IA;
 - 6.2.2. the new model of voucher is set out in Annex 32-06 IA;
 - 6.2.3. the amount of individual guarantee voucher has been increased to 10,000 EUR (*Article 160 IA*).
- 6.3. For the **comprehensive guarantee** the process remains unchanged subject to the following modifications:
 - 6.3.1. Minor changes in the way of the calculation of the reference amount (*Article 155 IA*):
 - 6.3.1.1. the reference amount shall correspond to the amount of the import duties and the other charges which may become payable in connection with each transit declaration in the period between the placing of the goods under a transit procedure and the moment when that procedure is discharged, but the period of the preceding 12 months is retained;
 - 6.3.1.2. the fixed, estimated amount has been increased and been fixed at 10,000 EUR.
 - 6.3.2. The reduction of the reference amount of the guarantee of 100% (guarantee waiver) may cover all goods.
 - 6.3.3. The new model of the guarantor's undertaking is set out in Annex 32-03 IA.

- 6.3.4. The new models of the comprehensive guarantee certificate (TC31) and guarantee waiver certificate (TC33) are set out in Annex 72-04 IA.
- 6.3.5. The conditions for granting the authorisation have been aligned with AEO requirements.
- 6.3.6. The data of applications and authorisations are contained in Annex A-DA.
- 6.3.7. The authorisations granted on the basis of Regulation (EEC) No 2454/93 which are valid on 1 May 2016 shall remain valid as follows (*Article 251(1) DA and Article 345(1) IA*):
 - 6.3.7.1. for authorisations having the limited period of validity, until the end of that period or until 1 May 2019, whichever is the earlier;
 - 6.3.7.2. for all other authorisations, until the authorisations are reassessed (at the latest 1 May 2019).
- 6.4. As regards authorisations referred to in point 5.1.3.1 the guarantee is not required provided the authorisations were granted before 1 May 2016, contained a reference to the guarantee waiver and remain valid after that date.
- 6.5. As regards authorisation referred to in point 5.1.3.2, the guarantee is not required because this authorisation is equivalent to the procedure laid down in Article 233(4)(e).

II) TIR - main modifications

1. The MRN of the TIR operation may be submitted to the customs authorities (e.g. customs office of destination or exit, customs authority where an incident, an accident or a deviation from binding itinerary took place) by different means specified in Article 184 DA.
2. The MRN of the TIR operation shall be recorded by the customs office of departure or entry in the TIR carnet. The Transit Accompanying Document/Transit Security Accompanying Document shall be provided to the TIR carnet holder by the customs office of departure or entry at the request of the TIR carnet holder. It is no longer obligatory to affix the TAD/TSAD to the TIR carnet.
3. The list of sensitive goods has been deleted. A binding itinerary may be prescribed by the customs office of departure or entry, for all kinds of goods moved under a TIR operation (*Article 275 IA*).
4. Customs seals have to fulfil certain essential and technical criteria, specified in Article 301 IA. Nevertheless the seals currently used may continue to be used until stocks run out or until 1 May 2019, whichever is the earlier (*Article 255 DA*).
5. Authorised consignee for TIR operations
 - 5.1. The conditions for granting the status have been aligned to the AEO requirements.
 - 5.2. Data requirements for applications and authorisations are contained in Annex A-DA.
 - 5.3. The authorisations granted on the basis of Regulation (EEC) No 2454/93 which are valid on 1 May 2016 shall remain valid as follows (*Article 251(1) DA and Article 345(1) IA*):
 - 5.3.1 for authorisations having the limited period of validity, until the end of that period or until 1 May 2019, whichever is the earlier;
 - 5.3.2 for all other authorisations, until the authorisations are reassessed (at the latest 1 May 2019)

III CUSTOMS STATUS – main modifications

1. Transitional period:

Until the UCC Proof of Union Status (PoUs) system is ready (scheduled for October 2019) the use of the following means of proof remains possible:

- 1.1. a paper T2L (*Article 124a DA as amended by TDA*);
- 1.2. the shipping company's manifest (*Article 199 (2) IA*);
- 1.3. an invoice or transport document for goods with a value above EUR 15,000 (*Article 199 (3) IA*).

A new means of proof under the UCC will be the **customs goods manifest** (*Article 199(1)(c) and 206 IA*). However, under the UCC traders that comply with the conditions of Article 39(a) and (b) of the UCC may be authorised to issue the customs goods manifest without having to request an endorsement or registration by customs. The current authorisations received on the basis of Article 324a CCIP are valid in this respect as well for issuing the customs good manifest and the operational details should be agreed with the competent authorities.

Article 2 DA is amended by Article 55 TDA and in accordance with paragraph 4 of the modified Article 2 DA the common data requirements set out in Annex B of the DA do not apply until the date of deployment of the PoUs system or the national system for the authorised issuer (see Annex 1-E2 TDA). The Member States have to ensure that the respective data requirements are such as to warrant that the provisions governing the proof of customs status can be applied (see Article 2(4) last subparagraph).

The **Regular Shipping Service (RSS)** information and communications system will continue to be used to store all relevant information as regards applications and authorisations until the introduction of the UCC Customs Decisions system (*Articles 120 to 122 DA*).

2. T2M replaced by fishing logbook

Under the current legal provisions the certification by third countries that Union fish or fish products remained under customs supervision in their country and have undergone no handling other than necessary for their preservation, is done by the completion and endorsement of box 13 of the T2M form (*Articles 325 to 336 and Annexes 43 and 44 CCIP*).

As of the 1st of May 2016 the Union Customs Code provisions become applicable and the certification referred to above will as of that date have to be made on the print-out of the fishing logbook instead of a T2M form (*Articles 129 to 133 DA and Articles 213 to 215 IA*)

3. Proof of customs status for railway wagons

On the basis of Article 321 CCIP the Union status of goods wagons belonging to a railway company of a Member State was considered to be proven by way of the code number and ownership mark (distinguishing letters) displayed on the wagons.

Under the UCC no similar provision is foreseen because it was found for different reasons that one could not rely on the ownership marks as proof of the Union status of the wagons.

As of 1 May 2016 the general rules therefore apply in cases where the Union status of railway wagons needs to be proven. It is recommended that customs administrations perform regular audits to establish the status of the rolling stock of the railway companies in their respective country.

4. Following the introduction of the UCC PoUs system:

- 4.1. T2Ls, T2LFs and customs goods manifests will have to be submitted using the electronic system;
- 4.2. invoice declarations can only be used for goods of which the value does not exceed EUR 15 000.