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**NOTE FOR THE ATTENTION OF DELEGATES TO THE
EU-COMMON TRANSIT COUNTRIES WORKING GROUP ON "COMMON TRANSIT" AND
ON THE "SIMPLIFICATION OF FORMALITIES IN TRADE IN GOODS"
AND TO THE TRADE CONTACT GROUP**

Subject: EU SURVEY results on future developments on the Business Continuity Procedure (BCP) for transit

Please find herewith the results of the EU SURVEY amongst customs administrations that was launched on 25-05-2021. It concerned the questions whether the Business Continuity Procedure (BCP) on paper for customs transit is still needed or not.

(e-signed)
Michele PEROLAT
Head of Unit

c.c.: Delegates and participants of EU-CTC WG
Delegates of the TCG
Customs Attachés of the Member States
TAXUD: HoU A2, B1, B3, TRA team.

1. INTRODUCTION

COM launched an EU SURVEY, in order to assess whether the Business continuity procedure (BCP) on paper for customs transit is still needed or not.

Delegates were invited to express their views on the need to maintain the BCP or if alternatively, customs administrations would be ready to rely on the very high availability of their electronic systems.

COM asked the delegates to provide for 2020 estimated numbers of BCPs started

- a) at the customs offices of departure and
- b) by authorised consignors.

We also invited delegates to express their views on the forms to be used for the BCP, if kept. Would the TAD be enough and, in this case, could the Single administrative document (SAD) be discontinued as BCP?

19 MS and 5 common transit countries participated in the survey. You may find the results of the survey by following this password-protected link:

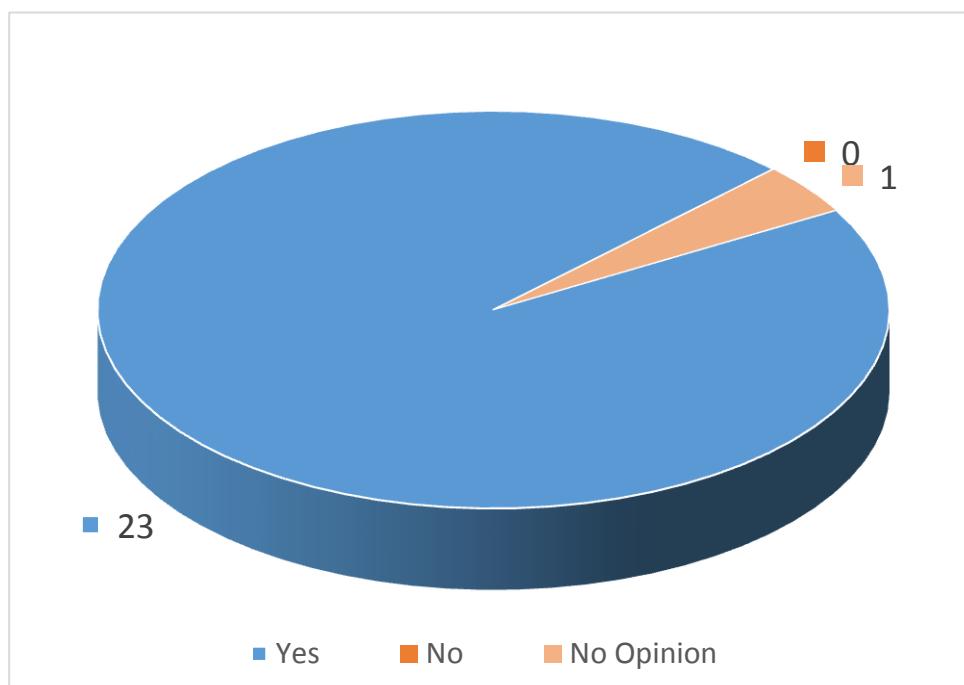
<https://ec.europa.eu/eusurvey/publication/TRAESurvey2021>

Password: BCP

2. BCP - EU SURVEY RESULTS

2.1. What is your administration's view on the business continuity procedure (BCP) for customs transit in NCTS? Currently, a paper procedure is foreseen as the BCP. It is either based on the use of the Single Administrative Document (SAD) or on the Transit Accompanying Document in accordance with Annex 72-04 UCC IA and Annex II, Appendix I CTC.

Is the BCP on paper useful?



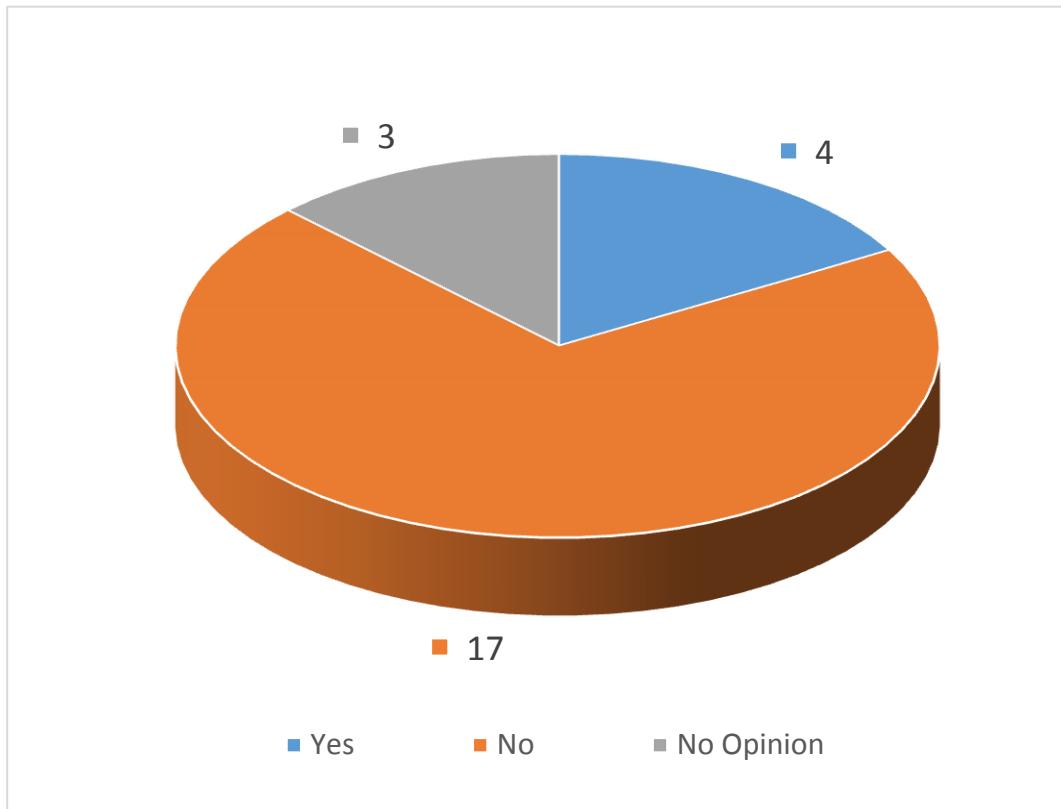
The necessity of BCP is confirmed almost unanimously as shown in the corresponding pie chart.

The remarks received to the first question of the survey outline the importance of the facilitation provided by BCP, namely allowing a timely release of goods at departure, avoiding delays and queues by means of a user-friendly procedure accepted by the Trade community and customs.

Only one CP does not use the BCP and only relies on the electronic system. If needed, in rare cases, traders and the CP wait until the electronic system functions again.

A CP went a step further and proposed the deletion of the easy procedure for travellers who have no access to electronic systems and are therefore allowed to use the (paper-based) BCP according to Article 26 1(a) of Annex I CTC. The data would subsequently have to be entered by customs in NCTS. According to the CP, it can be expected that travellers transmit electronic data to the customs authorities. If travellers themselves have access to the transit system, data entry by customs is not a justified option anymore.

2.2. Would your administration be ready to rely on the very high availability of the electronic procedure only and stop the use of the BCP on paper?



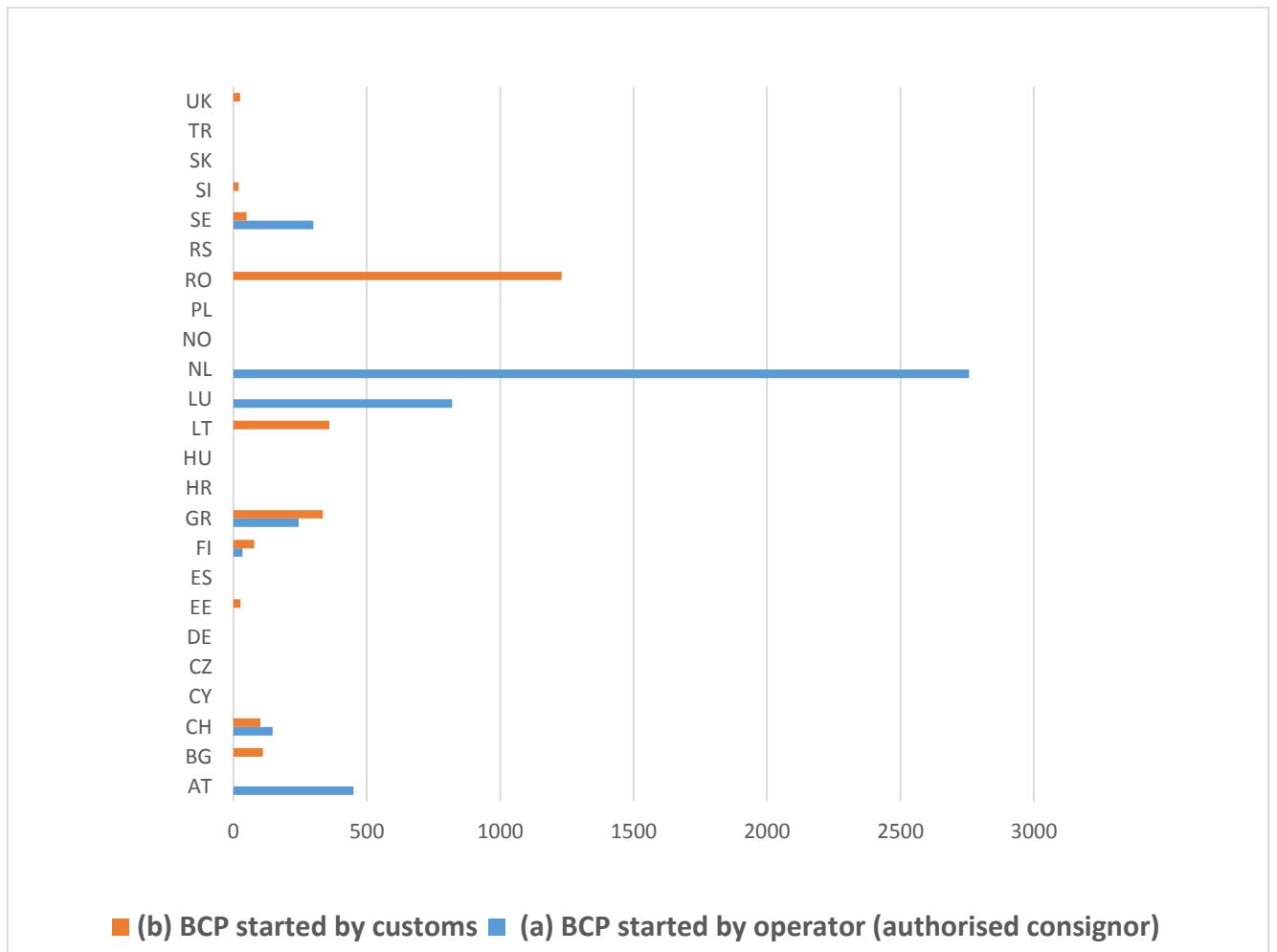
Again, the message of the delegates is clear and strongly pointing towards retaining the BCP on paper. For the rare cases that it is applied, it is very useful and there will be even cases where BCP is indispensable.

A CP explained that the majority of its traders would prefer to wait for the NCTS procedure to be again operational. Nevertheless, there are some cases where traders have time sensitive shipments and have to use the BCP procedure at an early stage in order to keep the goods moving. These traders cannot wait and need an alternative option. The same CP stated that even not time-sensitive consignments may have to move at some point as waiting increases costs and congestion.

Another CP mentioned a separate but related issue, namely the event where goods are already moving under transit under the NCTS and need to be able to continue moving.

According to the same CP, the use of the paper TAD is intended to cover this situation, but would welcome further clarity that this would work in practice if there were to be no BCP. In this case COM takes the view that: a movement that started in NCTS need to end in NCTS and a BCP on paper needs to end on paper. Where there is a temporary failure at an office of transit a business decision would have to be taken by that office. The Transit Advice Note (TC10) specified in Annex B8 of the CTC might play a role. Should the office decide to let the goods continue their journey and record the passage when their system is available again, it should not be done once already a subsequent office of transit has recorded a passage. This aspect might have to be clarified in the transit manual.

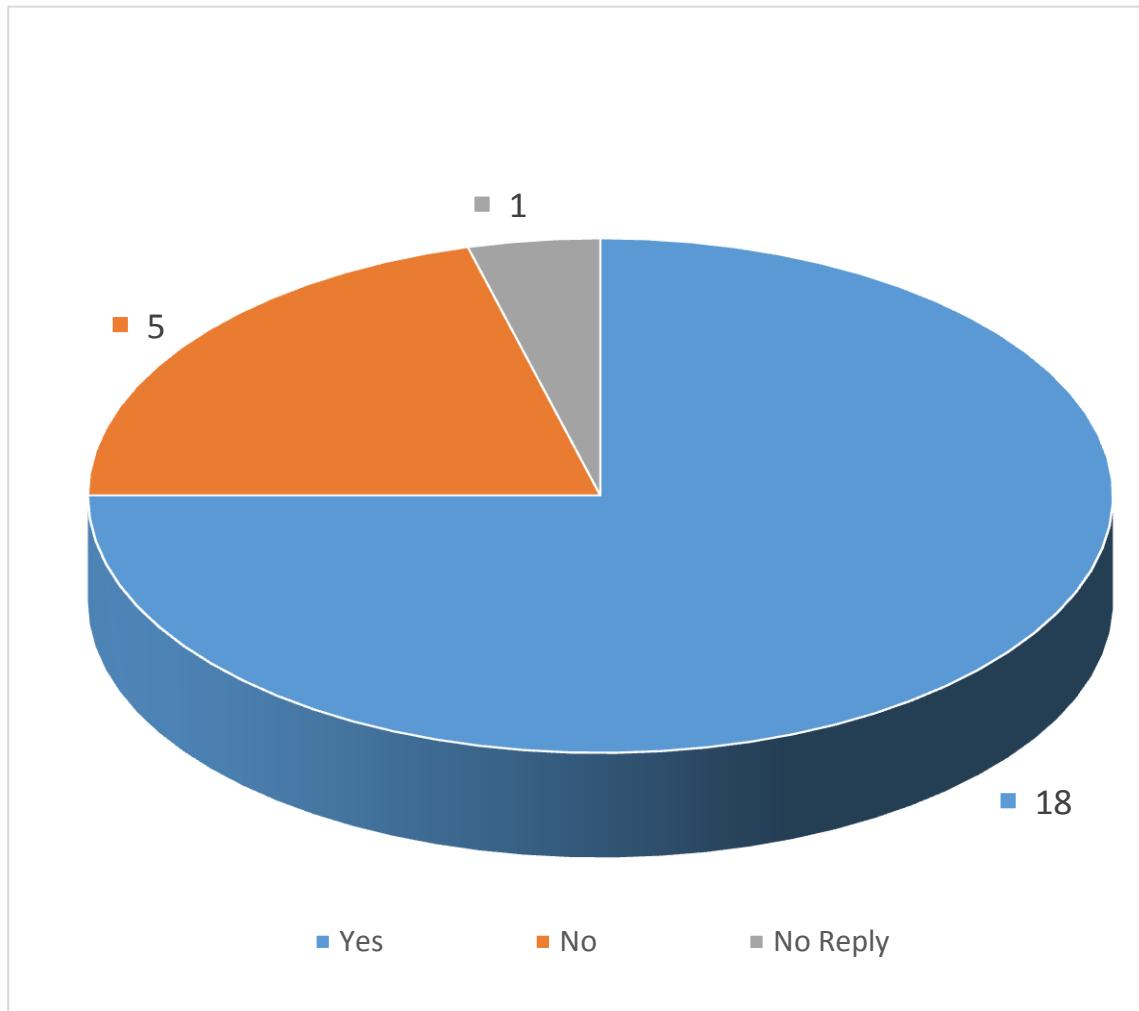
2.3. Can you provide annual figures (estimates) for the year 2020 on the use of paper BCP in your country:



Although the type of figures provided are not fully comparable due to various reasons (estimates, real figures, no distinction between a and b, no data available) they nevertheless illustrate that both MSs and CPs use BCP, even though in rare cases.

Out of approximately 10.000.000 movements, BCP is used in approximately 7.000 times, which equals 0.07%.

2.4. In the event, the BCP needs to be kept: Is the TAD sufficient to cover paper BCP and can the use of the SAD for the BCP be discontinued?



The majority (18 out of 24) national administrations considered the TAD sufficient to cover paper BCP.

Therefore, the use of the SAD for BCP can be discontinued.

For the majority of national administrations the TAD seems to contain sufficient information to cover BCP in transit. Some practical concerns were expressed from those in favour to use the TAD only.

COM would like to address the practical concerns and the arguments that were expressed from the minority of delegations who consider that the SAD should be kept.

- A CP stated that the SAD process is known and is working and in particular their stand quotes as following; "If there was another way for a trader to provide evidence to customs of their declaration details when a declaration has been made but still needs to be started by customs, and customs can approve, stamp/certify and start the movement retrospectively, then we think this could be the same need and potentially replace the SAD process. We think this would need cross CTC

discussion, and may end up operating in a very similar way to the SAD. It's not clear that changing the process is more beneficial than continuing with the SAD."

COM agrees that the TAD can operate in a similar way as the SAD. As the TAD's use in the BCP is already defined in Annex II of the CTC, COM wonders what further discussion the delegation would like to have.

- The same CP wonders if the SAD procedure as used for private travellers with goods in excess of allowances should be replaced. If so, what alternative is being suggested for use in these cases?

In COM's view, the TAD seems to suffice also for travellers. If administrations wish to limit the use of paper by travellers - as customs has to enter the data in NCTS - this could be discussed separately and those delegations should present figures on the use of that procedure.

- What is the option if NCTS is not working at all and the trader is not even able to print a paper TAD?

COM wonders whether in such a rare events blanc pre-printed TADS should be available, as the TAD could be filled in by hand if the computerised system of the economic operator is not available. All mandatory boxes for the transit declaration must be completed in accordance with Annex B6, Appendix III to the Convention/Appendix C1, Annex 9, TDA.

- The paper TAD process appears to require a specific reference number that is a different sequence to an NCTS MRN. In this case, many CTC domestic systems, such as the GVMS system in the UK would try to validate the "TAD MRN" in NCTS and it would fail validation as no NCTS record will be found until the movement has been started. If validation fails, it would not be allowed to board. Are CTC members able to deal with paper TADs without an NCTS record? We believe that this could be an issue for FR and IE as well as the UK, but may also impact other member countries.

COM takes the view that all offices must be able to apply the BCP. It is by default different from NCTS and as such identifiable. Where the TAD is used as the paper-based transit declaration, an MRN is not allocated to the transit operation. Instead, the national reference number for the business continuity procedure is used and inserted in the right upper corner of the TAD.

For such cases and how national systems should deal with them, specific national instructions should be issued.

- If the movement has not been started on NCTS, but the transit document looks like a TAD the haulier won't necessarily know they're under a BCP and this may causes issues en route. The paper TAD started in BCP needs to be distinguishable from a TAD with NCTS record.

COM: The use of the TAD is already part of the paper BCP options. A clear distinction is already foreseen as the corresponding stamps for the BCP are required.

- How is the movement recorded at Offices without the carbon copies? Do all the offices keep a copy of the TAD, enter on to NCTS, or email to other offices?

The BCP is already foreseen in the CTC for TAD. All Offices of Transit complete either TC10 transit advice notes or the equivalent document. A copy stays at the customs office and another follows the goods.

- If NCTS functionality returns and the movement could be switched to NCTS part-way through the journey (either by the OODep or OOTra), should we look to do this, using email notification to inform traders/customs?

All movements successfully released in the NCTS must also be ended in the NCTS, and all movements started under a business continuity procedure must be ended in accordance with the provisions governing the use of that procedure. Generally, at an office of transit it is not foreseen to end a transit movement.

In NCTS 5 the office of incidents en route is introduced, which can switch roles to customs of destination and departure if need be. However, a new transit movement in this event should only be initiated by the trader or holder of the procedure.

- How could it be tied to the trader without a trader signature?

The declarant's signature (and guarantee certificate) is needed. COM will crosscheck that in the new TAD lay out fit for BCP there is a space equivalent to old box 50 for the holder of the procedure or representative to sign (and stamp) the TAD.

3. CONCLUSIONS

The necessity of the paper BCP is confirmed almost unanimously. For the rare cases that it is applied, it is very useful and there will be even cases where BCP is indispensable, even though is used only in approximately 0.07% of all movements.

The majority (18 out of 24) national administrations considered the TAD sufficient to cover paper BCP.

Therefore, the use of the SAD for BCP can be discontinued.

4. NEXT STEPS

COM will draft a respective working document in form of a proposal for a legal amendment in view of a final discussion at the next EU-CTC meeting scheduled for 30 September.

Delegates of the Trade Contact Group and of the EU-CTC WG are kindly invited to express any comments on the remarks set out in section 2. Please send your contributions, if any, to the email evdoxia.genikomsaki@ec.europa.eu by 26 August 2021.