New Computerised Transit System (NCTS5)

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New Computerised Transit System (NCTS5)

Currently NCTS4 is the system in use

All member countries of the Common Transit Convention are required to transfer to New Computerised Transit System Phase 5 (NCTS5) by <u>30 November 2023</u>

Direct cutover approach where NCTS5 is introduced straight after closing down NCTS4

HMRC are switching over Great Britain (England, Wales and Scotland) and Northern Ireland at the same time for simplicity

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New Computerised Transit System (NCTS5)

Users will need to start submitting transit declarations on NCTS5 from 16 November 2023

This will allow transit movements started on NCTS4 before this date to progress through and finish without needing to be resubmitted before the change over date of 30 November 2023

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New Computerised Transit System (NCTS5)

Migration Timetable

New movements must be submitted in Phase 5 from 16 November 2023 and any movements submitted into NCTS4 from this date will be rejected

HMRC will use IeCA (the translation service between Phase 4 and 5) until 30 November 2023 to enable open Phase 4 movements, submitted prior to 16 November 2023, to complete

If any of those movements have not reached their destination by 30 November 2023, HMRC will perform a manual action to ensure the movement is closed correctly and the guarantee is released

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New Computerised Transit System (NCTS5)

Migration Timetable

It is expected that four EU Member States will not be ready to migrate by 30 November 2023

A paper from EU Commission is expected to outline how this will be accommodated and HMRC will work with them to mitigate disruption to UK transit users

HMRC have advised they will not request delay as they feel it is critical that the UK moves to NCTS 5 ahead of the schedule, set out in the Border Target Operating Model (BTOM) to move to NCTS 6

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New Computerised Transit System (NCTS5)

Support for Migration

Around 1.8 million declarations are submitted annually through NCTS 4 by a user base of 665 traders

97% submitted through the API (software)

3% submitted through the web User Interface (HMRC portal)

HMRC will open a bespoke Trader Test Environment in May (in Private BETA) running through to November migration

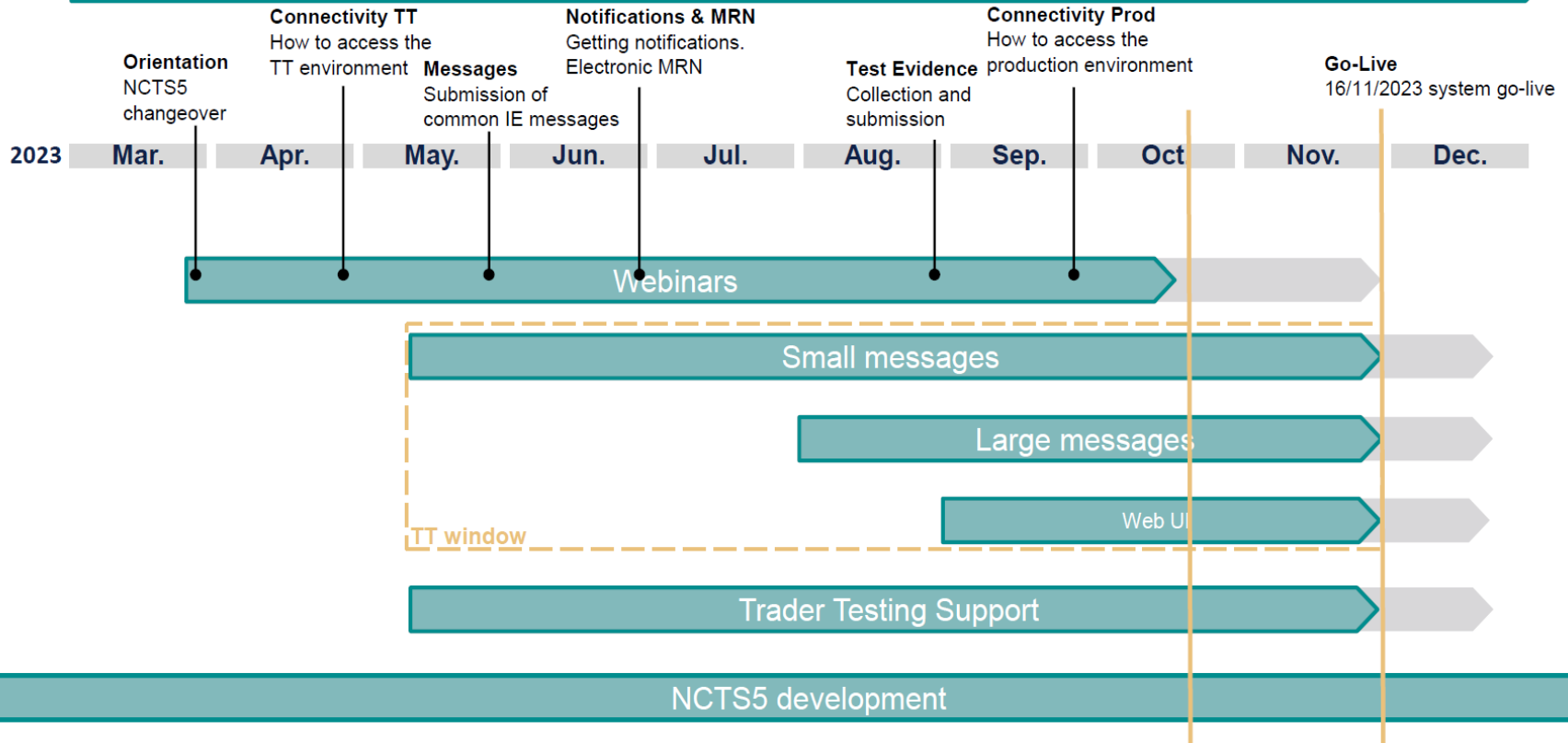# New Computerised Transit System (NCTS5)

Support for Migration

HMRC will:

- open weekly Technical Clinics with advice from experts in May for small messages and developers ready to start testing their software

- Remaining developers accepted by late May

- July will open for the testing of large messages, again staged across developer community

- Finally the Digital Web Portal test environment in August

- Alongside Test Environment and dedicated contact points there will also be a series of webinars which anyone can join (and recorded versions will be made available)
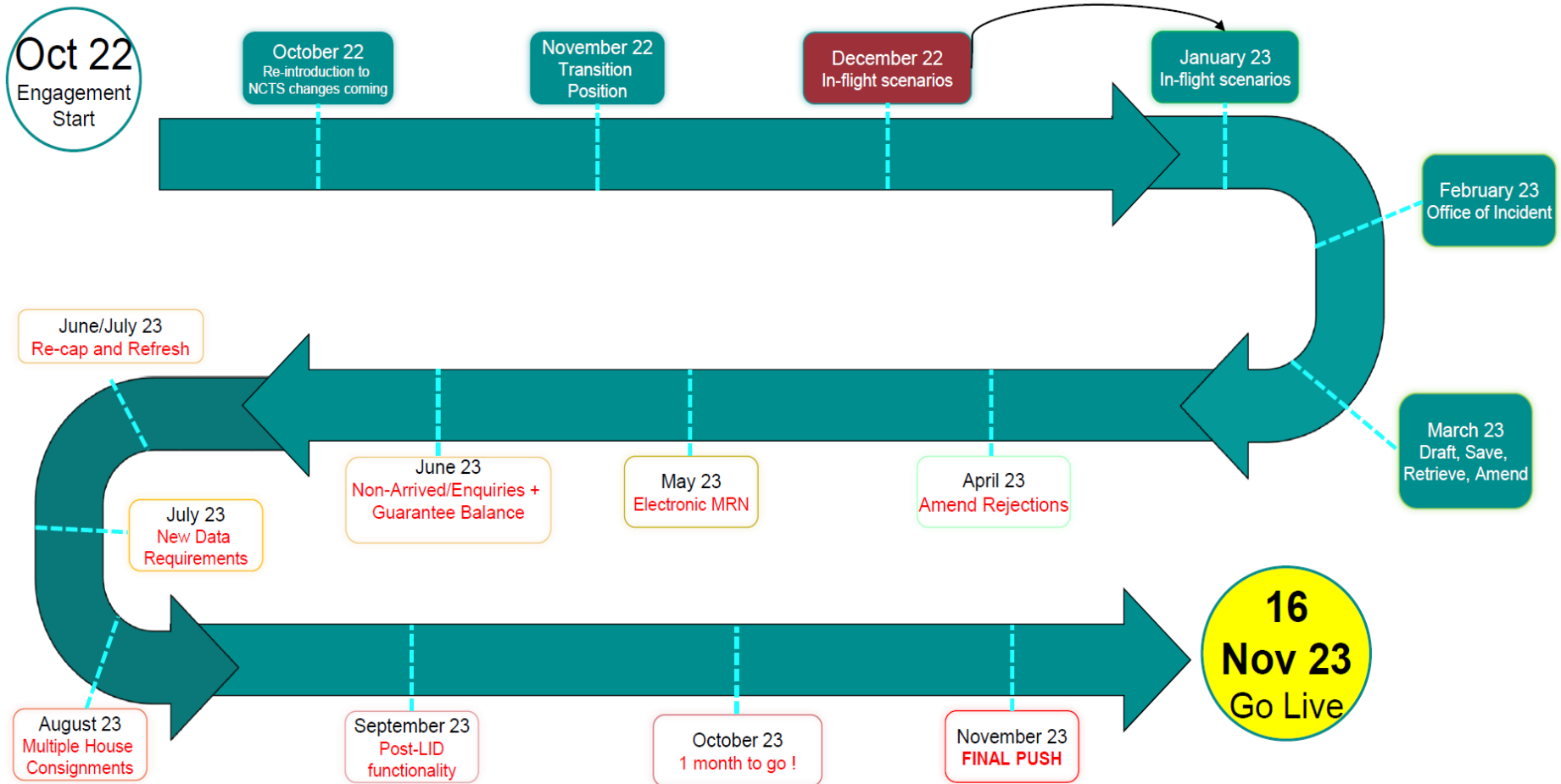
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New Computerised Transit System (NCTS5)

NCTS5 Trader Testing calendar

Orientation
NCTS5 changeover

Connectivity TT
How to access the TT environment

Messages
Submission of common IE messages

Notifications & MRN
Getting notifications. Electronic MRN

Test Evidence
Collection and submission

Connectivity Prod
How to access the production environment

Go-Live
16/11/2023 system go-live

2023 | Mar. | Apr. | May. | Jun. | Jul. | Aug. | Sep. | Oct | Nov. | Dec.

Webinars

Small messages

Large messages

Web UI

TT window

Trader Testing Support

NCTS5 development

Evidence submission deadline
13/10/2023 final deadline for submission of test evidence

New Computerised Transit System (NCTS5)

Oct 22 Engagement Start

October 22 Re-introduction to NCTS changes coming

November 22 Transition Position

December 22 In-flight scenarios

January 23 In-flight scenarios

February 23 Office of Incident

March 23 Draft, Save, Retrieve, Amend

April 23 Amend Rejections

May 23 Electronic MRN

June 23 Non-Arrived/Enquiries + Guarantee Balance

June/July 23 Re-cap and Refresh

July 23 New Data Requirements

August 23 Multiple House Consignments

September 23 Post-LID functionality

October 23 1 month to go !

November 23 FINAL PUSH

16 Nov 23 Go Live

New Computerised Transit System (NCTS5)

Communicating the Changes

• Monthly Communications focussing on different elements of the migration and the changes users will see in NCTS 5

• Find them all on gov.uk Transit Newsletters

• JCCC Task & Finish group for NCTS 5 –jointly chaired by HMRC Delivery, Policy and Trade to make sure HMRC can bring a holistic view of NCTS 5 migration and critically listening to what else they can do to support transit users

New Computerised Transit System (NCTS5)

Communicating the Changes

•For developers there is a range of guidance published already including:

•CTC Traders API phase 5 service guide: contains overview of the API, the status hereof, enrollment, getting started, and user journeys
https://developer.service.hmrc.gov.uk/guides/ctc-traders-phase5-service-guide/

•NCTS Phase 5 Technical Interface Specification: contains processes involved in the exchange of messages between traders and the NCTS at departure and arrival of transit movements, and provides definitions, formats and validations of those messages
https://developer.service.hmrc.gov.uk/guides/ctc-traders-phase5-tis

•CTC Guarantee Balance API phase 5 service guide: contains overview of the API, API status, user journeys, and process flow.
https://developer.service.hmrc.gov.uk/guides/ctc-guarantee-balance-phase5-service-guide

New Computerised Transit System (NCTS5)

If you use the free-to-use web portal via the Government Gateway to submit transit movements, users will need to enrol to the new web portal for NCTS5

HMRC will advise nearer the time, how and when users can do this

If you use commercial software to upload your movement information the software house be able to tell you, nearer the time, how and when you can get the new software

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New Computerised Transit System (NCTS5)

If you normally pre-lodge your NCTS4 declarations in advance you will need to make sure that any movements have been released prior to the cutover on 16 November 2023

If you do not release the movement before the switch to NCTS5 you will need to raise a new declaration in NCTS5

You may want to consider, where practical, reducing the number of declarations you pre-lodge in the lead up to the cutover on 16 November 2023

This will help to mitigate any risk of movements being delayed where they do not clear before the move to NCTS5

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New Computerised Transit System (NCTS5)

So Called In-flight movements

In-flight movements are those which start their journey in NCTS4 before 16 November 2023 but have not yet arrived at their destination after 16 November 2023 when the switch over to NCTS5 will take place

NCTS allows pre-lodgement of UK departure declarations to be submitted up to 30 days in advance of the movement's departure.

Movements started before 16 November 2023 in NCTS4 will continue their journey as they do currently

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New Computerised Transit System (NCTS5)

So Called In-flight movements

If any of those movements have not reached their destination by 30 November 2023, HMRC will perform a manual action to ensure the movement is closed correctly and the guarantee is released

Movements that start on or after 16 November 2023 need to be submitted into the new NCTS5 system, either using software or the free-to-use web portal

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New Computerised Transit System (NCTS5)

Benefits

The Common Transit Convention allows you to pre-lodge a declaration up to 30 days in advance of the movement

However, you cannot currently amend a pre-lodged declaration

NCTS5 will allow declarants to amend pre-lodged declarations after they've been submitted

This means if you need to make an amendment, you can go back into the declaration and make changes without starting a new declaration

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New Computerised Transit System (NCTS5)

Benefits

This new function will be available to anyone using third-party software from 16 November 2023

For those who use the NCTS web portal, this will be available by Q3, 2024

To support web portal users until then HMRC will be introducing a new draft declarations feature

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The Chartered
Institute of Logistics
and Transport

New Computerised Transit System (NCTS5)

Benefits:

- **You will be able to present the MRN electronically**

- **Currently a paper Transit Accompanying Document (TAD) must be carried and presented with the goods at each customs Office of Transit en-route to Destination**

- **NCTS5 introduces of a digital Transit Accompanying Document (TAD) so the paper document does not need to be carried with the goods**

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New Computerised Transit System (NCTS5)

Benefits:

From 16 November 2023, the NCTS5 web portal will allow you to save and amend your departure declarations for up to 31 days before submitting them

That means if you're waiting for information, such as an EORI number, you can draft your declaration, save it, then amend and submit it at a later date

This feature will give you the flexibility to draft and amend multiple declarations at once

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New Computerised Transit System (NCTS5)

Benefits:

You will have 31 days after starting a declaration, to submit it

You will be able to view how many days you have left to submit each draft

When you're ready to amend or submit a declaration, you can search for it using its local reference number (LRN)

New Computerised Transit System (NCTS5)

Guarantee Checking Service
New GOV.UK digital service is currently available

It gives traders the ability to check their available guarantee balance

To access the service, you will need to arrange for Government Gateway access, a relevant economic operator registration identification (EORI) number, your guarantee reference number and Access Code, to check your guarantee balance on GOV.UK

However, under NCTS5 the ability for a trader to check their guarantee balance will be added

New Computerised Transit System (NCTS5)

Benefits:

The ability to enter Multiple House Consignments in one declaration

Ability to report incidents as they happen via a new customs 'Office of Incident' role

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New Computerised Transit System (NCTS5)

NCTS5 will introduce an Office of Incident role to record details of any incidents that occur during the transit journey, for example a change of vehicle or damage to security seals

Office of Incident will notify Office of Departure and decide if the journey can continue

From 30 November 2023, any incident that occurs during the journey must be reported to the nearest Office of Incident so it can be recorded into NCTS

In the UK, all offices of departure, destination and transit locations will carry out office of incident functions

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New Computerised Transit System (NCTS5)

Where the transit movement cannot continue the Office of Incident will act as the Office of Destination and carry out all arrival formalities there

When the transit movement can continue the journey can resume ending at the Office of Destination as originally intended

When an incident is registered a notification will be issued electronically to the person who made the departure transit Declaration

This will be either via NCTS5 compatible software or via the NCTS web portal if used

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New Computerised Transit System (NCTS5)

The notification will include all details of the incident, such as the location and any additional relevant details including transport changes, transhipment and seal details

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New Computerised Transit System (NCTS5)

From 30th November 2023 if an incident occurs during a transit movement
You will need to report the details immediately to the nearest customs office

See list on this link

https://data.europa.eu/data/datasets/customs-office-list?locale=en

The person responsible for moving the goods such as the haulier must present them together with the MRN for the declaration to the nearest customs office (who will act as the Office of Incident) in the territory in which the means of transport is located at the time of incident

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New Computerised Transit System (NCTS5)

Currently, customs offices have specific transit roles which can be any combination of the following:

- Office of Departure — handles formalities and release of a movement at the start of the transit procedure

- Office of Transit — records the entry of a movement into that office's customs territory, at its border

- Office of Destination — handles formalities upon a movement's arrival and the goods release

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New Computerised Transit System (BTOM)

Removing Safety and Security requirements for low-risk export movements

By the end of 2023 HMRC will introduce additional waivers for a number of specific low-risk movements to start reducing trader burdens as soon as possible

In the following circumstances, Safety and Security declarations will no longer be required:

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New Computerised Transit System (BTOM)

- **Outbound transit movements**

- **In cases where goods are moved through GB under transit, and a Safety and Security entry declaration (ENS) declaration has been made within 14 days, HMRC will waive the requirement for an Export Summary Declaration (EXS) to be submitted**

HMRC believe these movements can be safely managed using the data on the Entry Declaration (ENS)

HMRC therefore see the (EXS) as duplicative which is why they are removing it

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New Computerised Transit System (NCTS6)

The New Computerised Transit System (NCTS) Phase 6 (currently scheduled for implementation across all Common Transit Convention countries by 1 June 2025) will allow functionality to enable use of Transit Security Accompanying Documents (TSAD) in place of separate Safety and Security and Transit declarations

This will mean that when moving goods through other countries which have opted into adopting Transit Security Accompanying Documents, traders using transit will only need to submit one Transit Security Accompanying Document for a transit movement – unlike currently, where Safety and Security declarations need to be submitted for every customs territory crossing

Questions?

Act Now!