

# Challenges of IT customs reform

“Strengthening Competitiveness of the Internal Market by developing the EU Customs Union and its Governance”

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# Current challenges of customs operations: IT customs reform

- Current NCTS release is **not rail friendly** as it was developed for road transport
- In particular:
  - NCTS has **different codes** than the regular codes applied by the railway sector
  - NCTS declaration contains many more boxes to be filled-in for which the data is **not available** in the systems of RUs

# Current challenges of customs operations: IT customs reform

- **Results of NCTS not being rail-friendly:**
  - high investments for high-tech solutions;
  - many manual data entries;
  - time loss;
  - expensive workflows;
  - missing timetable slots;
  - logistic disturbances;
  - expensive interfaces between different systems (e.g. NCTS and order management systems of RUs)
- Hence, **further negotiations with the European Commission are necessary** to make NCTS Release 5 fit better with rail transport:
  - dedicated and limited data entry;
  - proper fit with railway logistics;

# Challenges caused by postponement of the delivery date of the NCTS Release 5

- It was foreseen that the update of NCTS would be in place **before 01/05/2019**  

- The procedure set out in Art. 25 TDA would not be applicable  

- There was no need to regulate the question of the guarantee (waiver)  

- The law contains **no provisions concerning the monitoring of the guarantee**

# Challenges caused by postponement of the delivery date of the NCTS Release 5

- Article 278 UCC: transitional measures apply until the shift to the electronic environment is completed
- The **paper-based rail transit procedure is maintained** until the new system (= NCTS Release 5) is ready
- Postponement of the delivery date for NCTS Release 5 conflicts with Article 278 UCC
- Article 251 DA: authorisations for the paper-based rail transit procedure must be reassessed by 30 April 2019

# Challenges caused by postponement of the delivery date of the NCTS Release 5

- When a new license will have to be issued, **a guarantee will also need to be provided**
- Contradiction between legal provisions: it is **unclear how the guarantee reference amount can be monitored**, as the paper-based procedure is not part of the NCTS, and cannot be applied for the guarantee monitoring
- In accordance with the Article 156 IA, it has to be monitored that the outstanding “consumed” guarantee does not exceed the reference amount

# Challenges caused by postponement of the delivery date of the NCTS Release 5

- How can this monitoring be performed when there is **no relevant system for it within the NCTS** and there are **no provisions** in regard to the guarantee and the guarantee management?



- There is a **need to develop a new temporary system** for guarantee monitoring, which is not clearly defined and might prove to be problematic and costly for some of the RUs

# For further information:

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